

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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	
	31.12.2017	31.12.2016	RM'000	%	31.12.2017	31.12.2016	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Revenue	70,113	82,688	(12,575)	(15.2%)	70,113	82,688	(12,575)	(15.2%)
Results from operating activities	8,716	14,250	(5,534)	(38.8%)	8,716	14,250	(5,534)	(38.8%)
Finance costs	(257)	(577)	320	55.5%	(257)	(577)	320	55.5%
Finance income	41	42	(1)	(2.4%)	41	42	(1)	(2.4%)
Net finance costs	(216)	(535)	319	59.6%	(216)	(535)	319	59.6%
Share of gain of equity-accounted joint venture, net of tax	201	115	86	74.8%	201	115	86	74.8%
Profit before tax	8,701	13,830	(5,129)	(37.1%)	8,701	13,830	(5,129)	(37.1%)
Tax expense	(1,619)	(3,378)	1,759	52.1%	(1,619)	(3,378)	1,759	52.1%
Profit for the period	7,082	10,452	(3,370)	(32.2%)	7,082	10,452	(3,370)	(32.2%)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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	
	31.12.2017	31.12.2016	RM'000	%	31.12.2017	31.12.2016	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Other comprehensive income, net of tax								
Foreign currency translation differences for foreign operations	(236)	183	(419)	(229.0%)	(236)	183	(419)	(229.0%)
Total other comprehensive (expense) / income for the period	(236)	183	(419)	(229.0%)	(236)	183	(419)	(229.0%)
Total comprehensive income for the period	<u>6,846</u>	<u>10,635</u>	<u>(3,789)</u>	<u>(35.6%)</u>	<u>6,846</u>	<u>10,635</u>	<u>(3,789)</u>	<u>(35.6%)</u>
Profit attributable to:								
Owners of the Company	7,070	10,425	(3,355)	(32.1%)	7,070	10,425	(3,355)	(32.1%)
Non-controlling interests	12	27	(15)	(55.6%)	12	27	(15)	(55.6%)
	<u>7,082</u>	<u>10,452</u>	<u>(3,370)</u>	<u>(32.2%)</u>	<u>7,082</u>	<u>10,452</u>	<u>(3,370)</u>	<u>(32.2%)</u>

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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	
	31.12.2017	31.12.2016	RM'000	%	31.12.2017	31.12.2016	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Total comprehensive income								
attributable to:								
Owners of the Company	6,857	10,590	(3,733)	(35.3%)	6,857	10,590	(3,733)	(35.3%)
Non-controlling interests	(11)	45	(56)	(124.4%)	(11)	45	(56)	(124.4%)
	<u>6,846</u>	<u>10,635</u>	<u>(3,789)</u>	<u>(35.6%)</u>	<u>6,846</u>	<u>10,635</u>	<u>(3,789)</u>	<u>(35.6%)</u>
Earnings per share:								
- Basic (sen)	<u>5.44</u>	<u>8.02</u>			<u>5.44</u>	<u>8.02</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(The figures have not been audited)

	(Unaudited) 31.12.2017 RM'000	(Audited) 30.09.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,446	23,702
Intangible assets	2,515	2,677
Investment properties	3,759	3,718
Investment in joint venture	903	702
Other investments	10	10
Deferred tax assets	4,308	3,801
Total non-current assets	34,941	34,610
Current assets		
Inventories	39,358	43,936
Current tax assets	1,405	1,956
Trade and other receivables	111,312	103,224
Deposits and prepayments	3,949	2,624
Derivative financial assets	-	3
Cash and cash equivalents	51,841	45,087
Total current assets	207,865	196,830
TOTAL ASSETS	242,806	231,440
EQUITY AND LIABILITIES		
Equity		
Share capital	69,302	69,302
Reserves	94,547	87,690
Total equity attributable to owners of the Company	163,849	156,992
Non-controlling interests	1,308	1,332
TOTAL EQUITY	165,157	158,324

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(The figures have not been audited)

	Note	(Unaudited) 31.12.2017 RM'000	(Audited) 30.09.2017 RM'000
EQUITY AND LIABILITIES			
(continued)			
Non-current liabilities			
Loans and borrowings	B7	6,966	7,287
Deferred tax liabilities		242	338
Total non-current liabilities		7,208	7,625
Current liabilities			
Loans and borrowings	B7	8,928	9,993
Deferred income		1,334	7,326
Provision for warranties		973	1,006
Current tax payable		863	759
Trade and other payables		57,389	46,114
Derivative financial liabilities		954	293
Total current liabilities		70,441	65,491
TOTAL LIABILITIES		77,649	73,116
TOTAL EQUITY AND LIABILITIES		242,806	231,440
Net assets per share attributable to equity holders of the Company (RM)		1.26	1.21

(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

Interim Financial Report on Consolidated Results for the Financial Quarter Ended 31 December 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>3 Months Period Ended</u> <u>31 December 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	Interests RM'000	Equity RM'000	
At 1 October 2017	69,302	-	(5)	1,154	86,541	156,992	1,332	158,324	
Total comprehensive income for the year	-	-	-	(213)	7,070	6,857	(11)	6,846	
Dividends to non-controlling interest	-	-	-	-	-	-	(13)	(13)	
At 31 December 2017	69,302	-	(5)	941	93,611	163,849	1,308	165,157	
<u>3 Months Period Ended</u>									
<u>31 December 2016</u>									
At 1 October 2016	65,000	4,302	(5)	961	71,820	142,078	1,460	143,538	
Total comprehensive income for the year	-	-	-	165	10,425	10,590	45	10,635	
At 31 December 2016	65,000	4,302	(5)	1,126	82,245	152,668	1,505	154,173	

(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	3 Months Period Ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,701	13,830
Adjustments for:		
Amortisation of investment properties	7	7
Amortisation of development costs	42	92
Reversal of liquidated and ascertained damages	(64)	-
(Reversal of) / Allowance of foreseeable losses	(51)	215
Allowance of / (Reversal of) provision for warranties	8	(12)
Warranty claimed	(39)	-
Depreciation of property, plant and equipment	462	496
Fair value loss / (gain) on forward exchange contracts	664	(2,464)
Finance costs	257	577
Finance income	(41)	(42)
Share of gain of equity-accounted joint venture, net of tax	(201)	(115)
Unrealised foreign exchange gain	(159)	(76)
	<hr/>	<hr/>
Operating profit before changes in working capital	9,586	12,508
Changes in working capital:		
Inventories	4,544	4,961
Trade and other receivables, deposits and prepayments	(9,366)	(16,220)
Trade and other payables and deferred income	5,531	(4,203)
	<hr/>	<hr/>
Cash generated from / (used in) operations	10,295	(2,954)
Income taxes paid	(1,567)	(2,747)
Interest paid	(61)	(282)
Interest received	41	42
	<hr/>	<hr/>
Net cash generated from / (used in) operating activities	8,708	(5,941)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(119)	(381)
	<hr/>	<hr/>
Net cash used in investing activity	(119)	(381)
	<hr/>	<hr/>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(The figures have not been audited)

	3 Months Period Ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest	(13)	-
Repayment of loans and borrowings	(1,244)	(389)
Repayment of finance lease liabilities	(95)	(92)
Interest paid	(196)	(295)
Net cash used in financing activities	(1,548)	(776)
Net increase / (decrease) in cash and cash equivalents	7,041	(7,098)
Foreign exchange differences on cash held	(243)	241
Cash and cash equivalents at beginning of the financial year	44,043	33,792
Cash and cash equivalents at end of the financial year	50,841	26,935
Cash and cash equivalents included in the statements of cash flows comprise:-		
Deposit	4,500	2,000
Cash and bank balances	34,824	22,393
Liquid investments	12,517	4,113
Bank overdrafts	(1,000)	(1,571)
	50,841	26,935

(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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

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

A1. Basis of Preparation

The unaudited interim financial statements for the year ended 31 December 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 2017. 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 2017.

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 2017.

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 2017 / 31 December 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 December 2017.

	Revenue RM’000	Profit before Tax RM’000
Marketing and Distribution	22,018	2,170
Manufacturing	36,588	2,992
Services	11,507	3,539
Reportable segment	70,113	8,701

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:

	RM'000
Balance purchase consideration on acquisition of property, plant and equipment	<u>650</u>

A12. Changes in Contingent Liabilities

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

	RM'000
At 1 October 2017	184,350
Increase in borrowing facilities	<u>14,600</u>
At 31 December 2017	<u><u>198,950</u></u>

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

	RM'000
At 1 October 2017	11,812
Addition	<u>385</u>
At 31 December 2017	<u><u>12,197</u></u>

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

A13. Significant Related Party Transactions

The Group has the following significant transactions with the related parties during the financial quarter under review:

Company	Relationship
Boilermech Sdn Bhd (“Boilermech”)	A company in which a director and substantial shareholder is also the 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.
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.
UMW Synergistic Generation Sdn Bhd (“UMW”)	Our Independent Non-Executive Chairman who is also a Director of UMW Holdings Berhad, the holding company of UMW.

	Cumulative Financial Quarter Ended	
	31.12.2017 RM’000	31.12.2016 RM’000
<u>Boilermech Sdn Bhd (“Boilermech”)</u>		
- Sales of electrical equipment	51	102
<u>CTL Automation Sdn Bhd (“CTL”)</u>		
- Repairs and purchase of elevators parts	(253)	(95)
- Sales of electrical equipment	20	-
<u>QL Endau Marine Products Sdn Bhd (“QLEMP”)</u>		
- Sales of electrical equipment	5	4
<u>Sigriner Automation (MFG) Sdn Bhd (“Sigriner”)</u>		
- Sales of elevator controllers and components, provision of management services and rental	43	38
- Purchase of elevator controllers	(2,057)	(1,271)
<u>UMW Synergistic Generation Sdn Bhd (“UMW”)</u>		
- Sales of power equipments	285	-

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

B1. Review of Performance for the Current Financial Quarter and Financial Year To-Date

	Individual Financial Quarter Ended			Cumulative Financial Quarter Ended		
	31.12.2017 RM'000	31.12.2016 RM'000	% change	31.12.2017 RM'000	31.12.2016 RM'000	% change
Revenue						
Marketing and Distribution	22,018	21,632	1.8%	22,018	21,632	1.8%
Manufacturing	36,588	49,254	(25.7%)	36,588	49,254	(25.7%)
Services	11,507	11,802	(2.5%)	11,507	11,802	(2.5%)
Total	70,113	82,688	(15.2 %)	70,113	82,688	(15.2 %)
Profit before Tax (“PBT”)						
Marketing and Distribution	2,170	2,396	(9.4%)	2,170	2,396	(9.4%)
Manufacturing	2,992	9,453	(68.3%)	2,992	9,453	(68.3%)
Services	3,539	1,981	78.6%	3,539	1,981	78.6%
Total	8,701	13,830	(37.1%)	8,701	13,830	(37.1%)

The total revenue of the Group for the current quarter decreased by RM12.6 million or 15.2% as compared to the preceding year corresponding quarter due to lower revenue from Manufacturing segment.

The total PBT of the Group for the current quarter decreased by RM5.1 million or 37.1%. The main reason was the Group recorded an unrealised foreign exchange loss amounting to RM0.7 million on fair value valuation of the forward exchange contracts compared to the preceding year with an unrealised foreign exchange gain amounting to RM2.5 million on fair value valuation of the forward exchange contracts in addition to the lower revenue from Manufacturing segment.

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM0.4 million or 1.8% mainly due to higher demand for electrical and electronics (“E&E”) components.

Current quarter PBT decreased by RM0.2 million or 9.4% despite higher revenue generated mainly due to lower sales for better margin products from different product mix.

**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 RM12.7 million or 25.7% mainly due to lower execution of elevator projects and lower revenue from Busduct.

Current quarter PBT decreased by RM6.5 million or 68.3% mainly due to lower revenue and unrealised foreign exchange loss on fair value valuation of the forward exchange contracts. However, this was partially offset with foreign exchange gain and reversal of provision of stock loss.

(iii) Service Segment

Current quarter revenue decreased by RM0.3 million or 2.5% mainly due to lower execution of Transmission Sub-Station projects.

Current quarter PBT increased by RM1.6 million or 78.6% mainly contributed from elevator maintenance contract and repair sales.

B2. Review of Current Financial Quarter Performance against Preceding Quarter

	Individual Financial Quarter Ended		% change
	31.12.2017 RM'000	30.09.2017 RM'000	
Revenue			
Marketing and Distribution	22,018	21,624	1.8%
Manufacturing	36,588	31,515	16.1%
Services	11,507	7,021	63.9%
Total	70,113	60,160	16.5%
Profit before Tax ("PBT")			
Marketing and Distribution	2,170	2,331	(6.9%)
Manufacturing	2,992	(2,509)	219.3%
Services	3,539	2,991	18.3%
Total	8,701	2,813	209.3%

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 increased by RM10.0 million or 16.5% against preceding quarter due to higher revenue from all business segments.

The total PBT of the Group for the current quarter increased by RM5.9 million or 209.3% in tandem with the higher revenue. However, this was partially offset with unrealised foreign exchange loss on fair value valuation of the forward exchange contracts compared to the preceding quarter with an unrealised foreign exchange gain on fair value valuation of the forward exchange contracts.

(i) Marketing and Distribution Segment

Current quarter revenue increased by RM0.4 million or 1.8% due to higher demand for E&E components.

Current quarter PBT decreased by RM0.1 million or 6.9% due to lower sales of better margin products from different product mix.

(ii) Manufacturing Segment

Current quarter revenue increased by RM5.1 million or 16.1% mainly due to higher execution of elevator projects.

Current quarter PBT increased by RM5.5 million or 219.3% mainly due to execution of elevator projects with higher profit margins.

(iii) Services Segment

Current quarter revenue increased by RM4.5 million or 63.9% mainly contributed by elevator repair sales as well as higher execution of Transmission Sub-Station projects.

Current quarter PBT increased by RM0.5 million or 18.3% mainly contributed by elevator maintenance contract and repair sales that have recorded higher gross profit margin.

B3. Commentary on Prospects

The general business environment 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 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 31.12.2017 RM'000	Cumulative Financial Quarter Ended 31.12.2017 RM'000
Current tax expense		
- current period	2,271	2,271
- prior period	(49)	(49)
	2,222	2,222
Deferred tax expense		
Origination and reversal of temporary differences		
- current period	(540)	(540)
- prior period	(63)	(63)
	(603)	(603)
Total current tax recognised in profit or loss	1,619	1,619
Share of tax of equity-accounted joint venture	49	49
Total tax expense	1,668	1,668

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 31 December 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	(4,969)	-	3,882*	Within 72 months
(ii) Expansion in R&D	3,750	(3,454)	-	296*	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	(13,302)	-	4,178	

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 31.12.2017		
	Long Term RM	Short Term RM	Total Borrowings RM
Secured			
Finance lease liabilities	591	317	908
Term Loan	6,375	989	7,364
Unsecured			
Banker's acceptance	-	6,622	6,622
Bank overdrafts	-	1,000	1,000
	6,966	8,928	15,894

	As at 31.12.2016		
	Long Term RM	Short Term RM	Total Borrowings RM
Secured			
Finance lease liabilities	918	370	1,288
Term Loan	7,364	951	8,315
Unsecured			
Bill payables	-	25,996	25,996
Revolving credits	-	4,000	4,000
Bank overdrafts	-	1,571	1,571
	8,282	32,888	41,170

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

The Board of Directors had proposed a final single tier dividend of 3.0 sen per ordinary share, totaling RM3.9 million, for the financial year ended 30 September 2017 (2016: 2.0 sen). The proposed dividend has been approved by the shareholders at the Twenty-Second Annual General Meeting of the Company held on 23 February 2018.

B10. Earnings per Ordinary Share

(a) Basic earnings per ordinary share (“EPS”)

The calculation of EPS was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the financial period calculated as follows:

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit for the period attributable to owners (RM'000)	7,070	10,425	7,070	10,425
Weighted average number of ordinary shares in issue ('000)*	129,996	129,996	129,996	129,996
Basic EPS (sen)	<u>5.44</u>	<u>8.02</u>	<u>5.44</u>	<u>8.02</u>

Note:

* The weighted average number of ordinary shares outstanding during 31 December 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 31 December 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>46,988</u>	<u>(954)</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 31.12.2017 RM'000	As at 30.09.2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	96,204	89,377
- unrealised	2,306	2,323
	<u>98,510</u>	<u>91,700</u>
Total share of retained profits / (accumulated losses) of joint venture:		
- realised	407	195
- unrealised	(3)	7
	<u>98,914</u>	<u>91,902</u>
Less: Consolidation adjustments	<u>(5,303)</u>	<u>(5,361)</u>
The retained earnings as per condensed consolidated financial statements	<u><u>93,611</u></u>	<u><u>86,541</u></u>

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

	Individual Financial Quarter Ended		Year-to-date Ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Profit for the period is arrived after charging / (crediting):				
(Reversal of) / Allowance for diminution in value of other investment	(6)	1	(6)	1
Depreciation and amortisation	511	595	511	595
(Reversal of) / Provision for allowance for doubtful debts	(259)	593	(259)	593
Inventories written down to net realisable value	440	559	440	559
Foreign exchange loss, net	76	571	76	571
(Reversal of) / Allowance for foreseeable loss	(51)	215	(51)	215
Fair value loss / (gain) on forward exchange contracts	664	(2,464)	664	(2,464)
Provision for / (Reversal of) warranties	8	(12)	8	(12)



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 23 February 2018.