



**EITA®**

**EITA RESOURCES BERHAD**

[199601026396 (398748-T)]



## EMBRACING CHANGE AS AN **OPPORTUNITY**

ANNUAL REPORT 2021

**EITA-Schneider**  
Malaysia Innovation German Technology



WILLIAM ALBERTO LARSEN  
ANDERAS ROBERT KJELL  
ANDERAS ROBERT KJELL  
ANDERAS ROBERT KJELL

# EMBRACING CHANGE AS AN OPPORTUNITY



“

The global COVID-19 crisis has brought challenges and changes, not just to the business landscape but also to our lives. We will embrace these as opportunities – to learn, adapt and transform in order for EITA to excel.

”

**Mr. Fu Wing Hoong**



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<p><b>Dato' Siow Kim Lun</b> <i>Independent Non-Executive Chairman</i></p>		
<p><b>Fu Wing Hoong</b> <i>Group Managing Director</i></p>	<p><b>Lim Joo Swee</b> <i>Deputy Group Managing Director</i></p>	<p><b>Lee Peng Sian</b> <i>Executive Director</i></p>
<p><b>Chong Yoke Peng</b> <i>(Alternate Director to Lee Peng Sian)</i></p>	<p><b>Chia Mak Hooi</b> <i>Non-Independent Non-Executive Director</i></p>	<p><b>Chia Seong Pow</b> <i>(Alternate Director to Chia Mak Hooi)</i></p>
<p><b>Chong Lee Chang</b> <i>Senior Independent Non-Executive Director</i></p>	<p><b>Ho Lee Chen</b> <i>Independent Non-Executive Director</i></p>	<p><b>Ir. Haji Omar Bin Mat Piah</b> <i>Independent Non-Executive Director</i></p>

### AUDIT COMMITTEE

Ho Lee Chen (*Chairperson*)  
Chong Lee Chang  
Chia Mak Hooi  
Ir. Haji Omar Bin Mat Piah

### NOMINATION AND REMUNERATION COMMITTEE

Chong Lee Chang (*Chairman*)  
Chia Mak Hooi  
Ho Lee Chen  
Ir. Haji Omar Bin Mat Piah

### COMPANY SECRETARY

Tea Sor Hua (*MACS 01324*)  
(*CCM PC No. 201908001272*)

### REGISTERED OFFICE

Third Floor, No. 77, 79 & 81  
Jalan SS21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7725 1777  
Fax : 03-7722 3668

### PRINCIPAL OFFICE

Lot 4, Block A, Jalan SS13/7  
Subang Jaya Industrial Estate  
47500 Subang Jaya  
Selangor Darul Ehsan  
Tel : 03-5637 8099  
Fax : 03-5637 8128  
Website : [www.eita.com.my](http://www.eita.com.my)

### SHARE REGISTRAR

Tricor Investor & Issuing House Services  
Sdn. Bhd.  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel : 03-2783 9299  
Fax : 03-2783 9222

### AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7721 3388  
Fax : 03-7721 3399

### PRINCIPAL BANKERS

CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
RHB Bank Berhad  
United Overseas Bank (Malaysia) Bhd.

### STOCK EXCHANGE LISTING

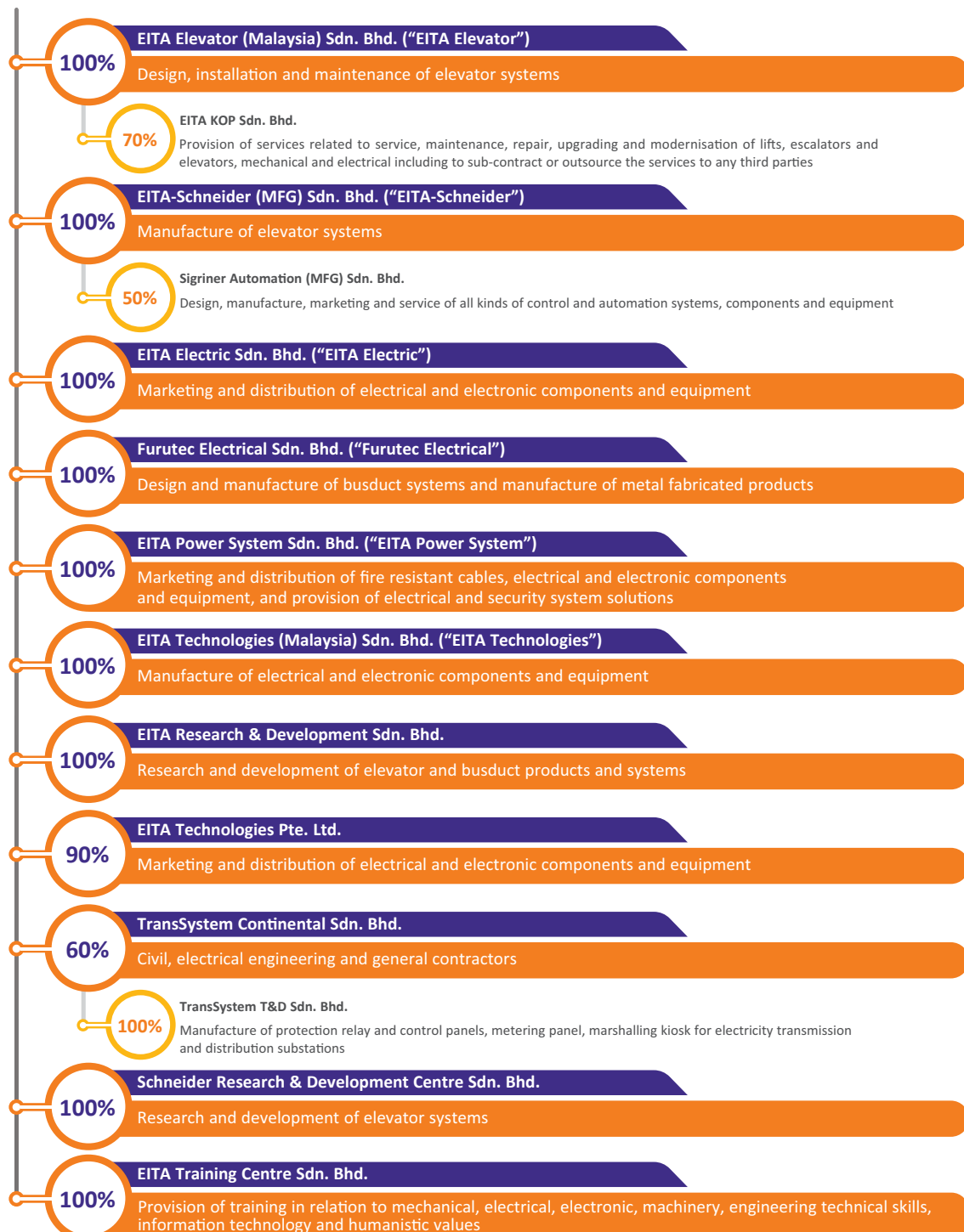
Main Market of  
Bursa Malaysia Securities Berhad  
Stock Name : EITA  
Stock Code : 5208



# CORPORATE STRUCTURE



**EITA RESOURCES BERHAD**  
[199601026396 (398748-T)]  
(Incorporated in Malaysia)



## DIRECTORS' PROFILE



**DATO' SIOW KIM LUN**

*Independent Non-Executive Chairman*

*Age : 72 years old*

*Gender : Male*

*Nationality : Malaysian*

**Dato' Siow Kim Lun** is the Independent Non-Executive Chairman of the Company. He was appointed to the Board on 1 April 2011.

He obtained his Bachelor of Economics Degree (Honours) from Universiti Kebangsaan Malaysia in 1978 and holds a Master in Business Administration from the Catholic University of Leuven, Belgium in 1981. He also attended the Advanced Management Program at Harvard Business School in 1997.

He started his career in investment banking with Malaysian International Merchant Bankers Berhad in 1981 and later joined Permata Chartered Merchant Bank Bhd (now known as Affin Hwang Investment Bank Berhad) in 1985. Between 1993 and 2006, he was with the Securities Commission Malaysia where he served as the Director for its Issues and Investment Division and Market Supervision Division.

He is currently a Director of RHB Investment Bank Berhad, Eco World International Berhad, Sunway Construction Group Berhad, Radiant Globaltech Berhad, Malaysian Trustee Bhd. and RHB Trustees Berhad.

He attended all four (4) Board Meetings held during the financial year ended 30 September 2021.



**FU WING HOONG**

*Group Managing Director  
and Key Senior Management*

*Age : 63 years old*

*Gender : Male*

*Nationality : Malaysian*

**Fu Wing Hoong** is the Group Managing Director of the Company and was appointed to the Board on 7 September 1996. As the Group Managing Director, he is actively involved in charting EITA Group's overall business strategy, direction and development.

He graduated with a Diploma in Technology (Electronic Engineering) from Tunku Abdul Rahman College, Kuala Lumpur in 1983 and completed the Engineering Council (United Kingdom) examinations in 1987. He obtained a Master in Business Administration from the University of Bath, United Kingdom, in 1991. He has been a member of the Institute of Engineers Malaysia since 1988 and a member of the Malaysian Institute of Management since 1989.

Upon graduation in 1983, he started his career as a Sales Engineer with Lim Kim Hai Electric Sdn. Bhd. (a subsidiary of Lim Kim Hai Holdings (M) Berhad ("LKH Holdings")) which was then listed on the Second Board of Bursa Malaysia Securities Berhad on 25 May 1989) where he was responsible for the sales and marketing of power distribution and control equipment. He held several positions within the LKH Holdings group of companies before he left as its Group General Manager in August 1996 to co-found EITA Group. As the key founder, he has been instrumental in the development, growth and success of EITA Group.

He has served various positions in The Council of the Electrical and Electronics Association of Malaysia (TEEAM) since 1999 and was the President of TEEAM (from 2009 to 2013). He was the treasurer of the ASEAN Federation of Electrical Engineering Contractors (from 2011 to 2014). He was a Director of the Human Resources Development Fund (from 2009 to 2011) and a General Council Member of the Malaysia Institute of Management (from 2006 to 2008). Besides, he has been serving as a Member of the Industry Expert Advisory Panel for the Faculty of Electrical and Electronic Engineering at Tunku Abdul Rahman University College since 2013.

He does not hold directorship in other public companies and listed issuers but holds directorships in several private limited companies. He attended all four (4) Board Meetings held during the financial year ended 30 September 2021.

## DIRECTORS' PROFILE

cont'd



**LIM JOO SWEE**

*Deputy Group Managing Director  
and Key Senior Management  
Age : 62 years old  
Gender : Male  
Nationality : Malaysian*

**Lim Joo Swee** is the Deputy Managing Director of the Company. He was appointed to the Board on 17 December 1996 and is one of the co-founders of EITA Group. He was promoted to his current position as the Deputy Group Managing Director of EITA Group since December 2020. His main responsibilities include driving the business growth of EITA Group businesses and assisting the Group Managing Director to strengthen EITA Corporate Governance, Culture and Values to achieve business sustainability.

He attended a course in Diploma in Technology (Electronic Engineering) at Tunku Abdul Rahman College in 1980 and passed Part One (1) of the Engineering Council (United Kingdom) examinations in 1982. He obtained a Master in Business Administration from the Southern California University in 2003. In 1983, he started his career as a Sales and Project Engineer at Fujitec (M) Sdn. Bhd. He left to join Ryoden (Malaysia) Sdn. Bhd. as an Assistant Manager in 1991 and was promoted to Deputy Manager in 1992. He joined Lim Kim Hai Sales & Services Sdn. Bhd. in 1993 as a Product Manager and was subsequently promoted to Subsidiary Manager in the same year. He left Lim Kim Hai Sales & Services Sdn. Bhd. in 1996 and co-founded EITA Group.

He is registered as a Competent Person under the Factories and Machinery (Electric Passenger and Goods Lift) Regulations 1970 with the Department of Occupational Safety and Health, Ministry of Human Resources, Malaysia. He is also a committee of The Malaysia Lift and Escalator Association since 2014.

He does not hold directorship in other public companies and listed issuers but holds directorships in several private limited companies. He attended all four (4) Board Meetings held during the financial year ended 30 September 2021.



**LEE PENG SIAN**

*Executive Director and  
Key Senior Management  
Age : 52 years old  
Gender : Male  
Nationality : Malaysian*

**Lee Peng Sian** is an Executive Director of the Company. He was appointed to the Board on 14 December 2009. He was promoted to his current position as the Chief Operating Officer for EITA electrical and electronics group since January 2018.

He graduated from the University of Technology Malaysia in year 1992 in Electrical Power Engineering and obtained a Master in Business Administration in year 2000 from the University of Bath, United Kingdom. He started developing EITA Power System Sdn. Bhd. business in 1994. Currently, he is responsible for the group's operations in manufacturing, electrical equipment trading and services and also engineering, procurement, construction and commissioning of high voltage business up to 500KV.

He was appointed into The Electrical and Electronic Association Malaysia (TEEAM) as a council member in year 2017 and subsequently appointed as the Honorary Secretary in 2019 till current.

He does not hold directorship in other public companies and listed issuers but holds directorships in several private limited companies. He attended all four (4) Board Meetings held during the financial year ended 30 September 2021.

## DIRECTORS' PROFILE

cont'd



### **CHONG YOKE PENG**

*Alternate Director to Lee Peng Sian  
and Key Senior Management*

*Age : 63 years old*

*Gender : Male*

*Nationality : Malaysian*

**Chong Yoke Peng** is an Alternate Director to Mr. Lee Peng Sian. He was first appointed to the Board as an Executive Director on 8 January 2001 and resigned on 1 November 2018. Subsequently, he was re-appointed as an Alternate Director to Mr. Lee Peng Sian on the same date.

He graduated in 1982 with a Certificate in Materials Engineering from Tunku Abdul Rahman College. In 2001, he obtained a Bachelor of Arts Degree in Business Administration from the Royal Melbourne Institute of Technology, Australia.

He started his career in 1982 as a Quality Control Supervisor in Lion Metal Industries Sdn. Bhd. Subsequently, he joined See Sun Engineering Sdn. Bhd. as a Sales Executive in 1983 and he left to join BBC Brown Boveri Sdn. Bhd. as a Sales Representative in 1987. He was a Sales Executive with Lim Kim Hai Electric Sdn. Bhd. in 1988 and was promoted to the position of Sales Manager in 1990. He joined EITA Electric Sdn. Bhd. as the General Manager/Executive Director in 1996 and was promoted to Managing Director in 2009.

He has gained vast working experience over the last thirty (30) years in managing sales and marketing of Electrical and Electronic components business in Malaysia.

He does not hold directorship in other public companies and listed issuers but holds directorships in several private limited companies. He attended all four (4) Board Meetings held during the financial year ended 30 September 2021.



### **CHIA MAK HOOI**

*Non-Independent  
Non-Executive Director*

*Age : 57 years old*

*Gender : Male*

*Nationality : Malaysian*

**Chia Mak Hooi** is a Non-Independent Non-Executive Director of the Company. He was appointed to the Board on 20 August 1997 and is also a member of the Audit Committee and Nomination and Remuneration Committee.

He graduated in 1988 with a Bachelor of Science Degree in Accounting and Finance from the Arizona State University, United States of America.

He started his career in 1989 as an Assistant Accountant with Concept Enterprises Inc. In 1991, he joined QL Feedingstuffs Sdn. Bhd. as a Finance Manager where he was mainly responsible for accounts, tax and audit planning, and cash management. In 1996, he was appointed Finance Director of the company and was involved in the listing of QL Resources Berhad on the Second Board of Bursa Malaysia Securities Berhad. He was later appointed Executive Director of QL Resources Berhad in 2000 where he is actively involved in the group corporate activities, strategic business planning and also the group integrated livestock expansion programs both locally and overseas.

He is also a director and/or shareholder of several private limited companies. He attended all four (4) Board Meetings held during the financial year ended 30 September 2021.



## DIRECTORS' PROFILE

*cont'd*



### CHIA SEONG POW

*Alternate Director to  
Chia Mak Hooi  
Age : 67 years old  
Gender : Male  
Nationality : Malaysian*

**Chia Seong Pow** is an Alternate Director to Mr. Chia Mak Hooi. He was first appointed to the Board as a Non-Independent Non-Executive Director on 1 March 2017 and resigned on 1 November 2018. Subsequently, he was re-appointed as an Alternate Director to Mr. Chia Mak Hooi on the same date.

He graduated from Tunku Abdul Rahman College with a diploma in Building Technology.

He is one of the founder members of QL Resources Berhad Group. He joined CBG Holdings Sdn. Bhd. as Marketing Director in 1984. He has more than twenty-five (25) years of experience in the livestock and food industry covering layer farming, manufacturing, trading and shipping.

Currently, he is mainly in charge of layer farming, regional merchanting trade in food grains as well as new business developments. Majority of QL Resources Berhad's new expansion programmes were initiated by him.

He is a Director of QL Resources Berhad and also a director and/or shareholder of several private limited companies. He attended all four (4) Board Meetings held during the financial year ended 30 September 2021.



### CHONG LEE CHANG

*Senior Independent  
Non-Executive Director  
Age : 63 years old  
Gender : Male  
Nationality : Malaysian*

**Chong Lee Chang** was appointed to the Board on 15 January 2010 as an Independent Non-Executive Director. Subsequently, he was appointed as the Senior Independent Director of the Company on 23 April 2013. Mr. Chong is the Chairman of the Nomination and Remuneration Committee and is a member of the Audit Committee.

He graduated in 1982 with a Bachelor of Arts Honours Degree majoring in Law from the Manchester Metropolitan University, United Kingdom. He graduated with Honours from the Inns of Court School of Law, London in 1983. Subsequently in the same year, he was admitted to the Honourable Society of Lincoln's Inn, London, as a Barrister-at-Law. In 1984, he was admitted as an Advocates and Solicitors of the High Court of Malaya.

He brings with him more than thirty (30) years of experience in legal practice in Malaysia. He was a senior partner of a Kuala Lumpur based law firm, Messrs. LC Chong & Co. His legal experience includes advising and providing legal services for clients not only in Malaysia, but also in the Asia Pacific region and the United Kingdom. He has international corporate management experience in the past fifteen (15) years. He has served as an Executive Director of Antah Holdings Berhad, a company that was then listed on the Main Board of Bursa Malaysia Securities Berhad from June 2000 to October 2001 and also held directorships in various international joint venture companies in Malaysia including the Malaysian franchise holders of Pepsi-Cola, Permanis Sdn. Bhd., Seven Eleven Convenient Stores and Antah Melco Sdn. Bhd., a joint venture company between Antah Holdings Berhad and Mitsubishi Electric Company, Japan. From 2001 to 2005, he was a Director of JWC Ltd, a United Kingdom based furniture chain retail store. In May 2005, he joined the Board of Midwest Corporation Limited, a company listed on the Australian Stock Exchange with its principal activities in mining, exploring and exporting iron ore. He resigned from Midwest Corporation in February 2009 after the company was delisted from the Australian Stock Exchange. He is also currently the Managing Director of Guangxi Xin Wei Hotel Management Co Ltd., owners of the Nanning Marriott Hotel in Nanning, Guangxi, China.

He attended all four (4) Board Meetings held during the financial year ended 30 September 2021.

## DIRECTORS' PROFILE

cont'd



**HO LEE CHEN**

*Independent  
Non-Executive Director  
Age : 60 years old  
Gender : Female  
Nationality : Malaysian*

**Ho Lee Chen** is an Independent Non-Executive Director of the Company. She was appointed to the Board on 1 November 2018. She is the Chairperson of the Audit Committee and a member of Nomination and Remuneration Committee.

She is a member of the Malaysian Institute of Accountant (MIA) and is a fellow member of the CPA Australia. She is a finance professional with close to 30 years of finance and marketing experience in public listed companies across different industries, in particular Malaysia Airlines Berhad, Genting Group and Southern Bank Bhd. She had roles in internal audit, group treasury and accounting, property development, e-Commerce and Enterprise Resource Planning (ERP) systems.

She does not hold directorship in other public companies and listed issuers. She attended all four (4) Board Meetings held during the financial year ended 30 September 2021.



**IR. HAJI OMAR BIN MAT PIAH**

*Independent  
Non-Executive Director  
Age : 62 years old  
Gender : Male  
Nationality : Malaysian*

**Ir. Haji Omar Bin Mat Piah** is an Independent Non-Executive Director of the Company. He was appointed to the Board on 20 November 2020. He is a member of the Audit Committee and Nomination and Remuneration Committee.

He obtained his Bachelor of Engineering (Mechanical) from the University of Malaya in 1985 and holds a Master of Industrial Safety Management from Universiti Kebangsaan Malaysia in 2006.

He was the Director General of the Department of Occupational Safety and Health (DOSH), responsible for ensuring the safety, health and welfare of people at work as well as protecting other people from the safety and health hazards arising from work activities. He was responsible for the administration and enforcement of legislations related to occupational safety and health in Malaysia, executing the Occupational Safety and Health Master Plan 2020 with the aim to reduce rate of accidents and to inculcate a preventive culture that contributes towards enhancing the quality of working life.

Prior to this, he was the Deputy Director General (Occupational Safety) DOSH from 16 February 2015 to 8 April 2018, Director of DOSH Johor from 2008 to 2015, Director of DOSH W.P. Kuala Lumpur from 2005 to 2008, Director of Coordination and Planning Division DOSH HQ from 2001 to 2004 and Director of Major Hazard Division DOSH HQ from 1997 to 2001.

He does not hold directorship in other public companies and listed issuers. He attended three (3) Board Meetings held during the financial year ended 30 September 2021 since his appointment to the Board on 20 November 2020.

### Notes:-

- 1) None of the Directors have family relationship with other Directors or major shareholders except for the following:-
  - a) Mr. Fu Wing Hoong is the spouse of Madam Lee Pek See, a major shareholder of the Company.
  - b) Mr. Lim Joo Swee is the spouse of Madam Goh Kin Bee, a major shareholder of the Company.
  - c) Mr. Chia Seong Pow is the younger brother of Mr. Chia Seong Fatt, a major shareholder of the Company.
- 2) None of the Directors have any conflict of interests with the Company except as disclosed in Note 34 of the Financial Statements on page 149 of this Annual Report.
- 3) None of the Directors have been convicted of any offences within the past five (5) years, or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 September 2021.

## KEY SENIOR MANAGEMENT'S PROFILE

### LU KHENG CHUN

Lu Kheng Chun, a Malaysian, aged 53, female, is the Group Human Resource Manager of the Company since 1 August 2019. She graduated in 1989 with a Diploma in Secretaryship from Rima Secretarial Finishing College and obtained a Master in Business Administration in year 2007 from the University of Sunshine Coast, Australia.

Before she joined the Company, she was the Senior Human Resource Manager of a public listed company engaged in manufacturing and trading of automotive replacement parts. She started her career in 1993 as a Secretary at Sunway City Berhad and in 2000, she moved to UMW Industries (1985) Sdn. Bhd. as an Executive Secretary to General Manager. In 2007, she joined Hup Soon Industrial Equipment Sdn. Bhd. as a Human Resource & Administration Manager. Subsequently, in 2010 she joined New Hoong Fatt Holdings Berhad as a Country Manager responsible for new overseas trading operations start up in Indonesia and in 2014, she was promoted to Senior Human Resource Manager.

### SIA CHING HWEI

Sia Ching Hwei, a Malaysian, aged 37, male, is the Chief Financial Officer of the Company since 19 July 2021. He is a Chartered Accountant and a fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA).

He has more than 13 years of experience in the areas of audit and corporate finance. He was with KPMG Malaysia, AmlInvestment Bank Berhad, Alliance Investment Bank Berhad and RHB Investment Bank Berhad ("RHBIB"). His last position held prior to joining our Company was Deputy Director of RHBIB's corporate finance department.

His experience includes advisory, management and execution of corporate proposals such as initial public offerings, equity fund raising, mergers and acquisitions and sponsorship for companies listed on the ACE Market of Bursa Malaysia Securities Berhad.



*Elevator panel assembly*

### NG KHEOK WAH

Ng Kheok Wah, a Malaysian, aged 47, male, Malaysian, is the Assistant General Manager of Furutec Electrical. He graduated in 1996 from Minghsin Institute of Science and Technology, Taiwan, with a Diploma in Electrical Engineering.

He started his career in 1996 as an Assistant Production Engineer at Furutec Electrical and was promoted to Assistant Production Manager, Production Manager and Factory Manager in 2001, 2007 and 2009 respectively. Subsequently, he was promoted to his current position of Assistant General Manager in 2017, where his main responsibilities include manpower planning and monitoring, manufacturing process and quality assurance.



*Furutec at Penang*

### SHAK SUN FATT

Shak Sun Fatt, a Malaysian, aged 60, male, is the General Manager, Manufacturing of EITA Technologies. He graduated from State University of New York Buffalo BSC in 1988.

He started his career in year 1992 as an Electrical Engineer at Safer Manufacturing Company. Subsequently, he joined Safer Asia Sdn. Bhd. (now known as EITA Technologies) as an Electrical Engineer in 1996 and was promoted to General Manager in 2003 where his main responsibilities include overseeing of Production, Sales and Quality Assurance activities.



*Centralised Dimming System*

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd

### WEE FOOK SANG

Wee Fook Sang, a Malaysian, aged 59, male, is the General Manager of EITA Elevator Group. He graduated from Universiti Kebangsaan Malaysia in 1988 with a Bachelor of Arts Honours Degree in Political Science.

He started his career in 1988 as an Assistant Supervisor at Malaysia Sheet Glass Berhad. He was later appointed as the Superintendent in 1991 and became Senior Executive in 1993. In 1995, he was promoted to Section Manager of the Company. He left and joined EITA in 2000 as Warehouse Manager at EITA Elevator. In 2007, he was promoted to Senior Manager and in 2008, he was promoted to the position of General Manager of Production and Service of EITA Elevator. He was subsequently transferred to EITA-Schneider in 2009 where his main responsibilities include overseeing the manufacturing process, manpower planning and monitoring, safety, quality and cost improvement strategies. In 2021, he was promoted to General Manager of EITA Elevator Group and his main responsibilities include driving the business growth of Elevator Group businesses, strengthening organizational capabilities and building a team of competent future leader to support the business growth.



MRT

### WONG CHIN TIM

Wong Chin Tim, a Malaysian, aged 54, male, Malaysian, the General Manager cum Director of EITA Electric. He graduated in 1989 with a Certificate in Control and Instrumentation from Politeknik Ungku Omar, Ipoh.

He started his career in 1989 when he joined Lim Kim Hai Electric Sdn. Bhd. as a Technical Assistant where he was mainly involved in service and maintenance. In 1992, he was appointed as Sales Executive at LKH Advanced System Sdn. Bhd. before he was promoted to Product Manager in 1995. In 1996, he joined EITA and in the same year, he was promoted to Senior Manager of EITA Contrologic Sdn. Bhd. In 2001, he was transferred to EITA Electric as Senior Manager. Subsequently, he was promoted to Assistant General Manager in 2006 and General Manager in 2009. He was promoted to his current position as a Director of EITA Electric in December 2019 where his main responsibilities include overseeing sales and marketing activities of the company.



Fuji Inverter FRENIC HVAC

#### Notes:-

Other than the Key Senior Management disclosed in the Directors' profile, none of the Key Senior Management has:-

1. any directorship in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest with the Company; and
4. been convicted of any offences within the past five (5) years, or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 30 September 2021.



# CHAIRMAN'S STATEMENT



## *Dear Shareholders,*

It is my pleasure to present to you the 2021 Annual Report for the financial year ended 30 September 2021 ("FY2021").

We are into our 25th year in business. On behalf of the Board, I would like to take this opportunity to offer a congratulatory message, "Congratulations to EITA. Reaching our 25th year in business is indeed a major milestone. Looking ahead, I have every confidence that the EITA Group will continue to grow and achieve even greater success."

**DATO' SIEW KIM LUN**

*Independent Non-Executive Chairman*

## BUSINESS RESULTS

The COVID-19 pandemic, spanning over two years now, has indeed been an unprecedented global health crisis. However, mass vaccination programmes carried out by various countries including Malaysia, together with the implementation of strict safety Standard Operating Procedures ("SOPs"), have helped mitigating the spread of the virus. With the gradual phasing of employees back to work and eventually to full business operation mode, the Malaysian economy is anticipated to be on its recovery journey, as with the rest of the world.

From the very first lockdown in March 2020, followed by subsequent lockdowns and Movement Control Orders ("MCOs") imposed, many industries have been impacted, especially the construction and non-essential manufacturing sectors. This pandemic has stretched across the full financial year of 2021 for the EITA Group. It has affected the Group's performance for FY2021. Otherwise, we would have achieved better results.

For FY2021, the Group recorded a consolidated revenue of RM302.4 million, as compared to RM284.1 million for financial year ended 30 September 2020 ("FY2020"). Segmentally, the Manufacturing business remained the major contributor with RM113.2 million (37.4%) of the Group's revenue, while High Voltage System accounted for RM79.1 million (26.2%), Marketing & Distribution recorded RM73.8 million (24.4%) and Services contributed RM36.3 million (12.0%) of the Group's revenue.

The Group achieved a Profit After Tax of RM20.0 million for FY2021 as compared to RM18.3 million for FY2020, an increase of 9.3%.

As of 30 September 2021, the Group Shareholders' Fund stood at RM198.1 million.

# CHAIRMAN'S STATEMENT

cont'd

## ACHIEVEMENTS

For FY2021, the Group continued to focus on its Manufacturing business. In particular, building up its own brands such as EITA-Schneider® for Elevator Systems, Furutec® for Busduct Systems and REFAS® for Lighting Systems for both the local and international markets.

During the initial pandemic period, the strict enforcement of safety SOPs coupled with a shortage of workers caused a slowdown in the construction sector. However, with the Government relaxing restrictions as more people were being fully vaccinated, the construction and manufacturing sectors were progressively improving. In FY2021, we secured a few significant projects to supply a range of EITA's products for commercial complexes, data centres, residential properties and a major glove-making factory.



EITA-Schneider – escalator



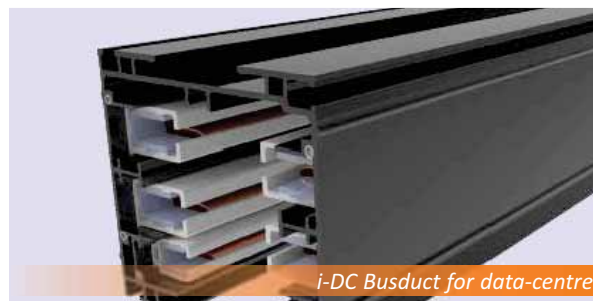
Tallest Elevator Test Tower in Malaysia

As for the existing major projects, we were in the final project stage of installing our elevator and escalator systems for MRT2. Meanwhile, the LRT3 project is still ongoing and we are at various stages of our delivery and installation works. It is targeted for completion in 2024.

In October 2020, EITA Elevator (Malaysia) Sdn. Bhd. ("EITA Elevator") group moved to their new centralised elevator headquarters in Bukit Raja, Klang. This marks another important milestone for the Group in fulfilling its mission to be a reputable elevator manufacturer. The crowning glory is the Elevator Test

Tower, which has been certified by the **Malaysia Book of Records to be the "Tallest Elevator Test Tower in Malaysia" with a height of 87.2 metres**. Several green initiatives such as skylights at the factory for natural lighting, LED lightings at office areas, rainwater harvesting system and soon-to-be-installed solar panels will lead to cost-savings and reduction of our carbon footprint. With the resources of EITA Elevator being housed in the new premises, it would benefit EITA Elevator in improving productivity and efficiency in its overall business operations.

Furutec Electrical Sdn. Bhd. ("Furutec Electrical") was adversely affected by the pandemic, both locally as well as internationally. It however remains resolute to expand its busduct business, especially in the overseas markets. In responding to market demands, Furutec Electrical has developed a new busduct model, called i-DC which specifically caters for the data-centred market. In order to enhance its competitive advantage, Furutec Electrical continues to innovate, improve and acquire international certifications for its range of busduct products.



i-DC Busduct for data-centre

Our overseas performance was also impacted by a sales slowdown due to the pandemic. Although recovery will be uncertain, we are steadfast in our commitment to grow our international business. With our very own brands of EITA-Schneider®, Furutec® and Pyrotec®, EITA will continue to push hard to regain and expand our markets in ASEAN and the Middle-East regions.

# CHAIRMAN'S STATEMENT

cont'd



Car parking system

Our Marketing and Distribution segment remains a consistent revenue contributor for the Group. Regardless of the difficult pandemic situation, the marketing and support teams have worked hard to achieve their commendable performance by capitalising on their established network of loyal customers. We continue to offer a portfolio of internationally renowned brands of Electrical and Electronic ("E&E") products such as Fuji Electric, Kyoritsu and others. We appreciate the long-standing support from these key overseas principals.

The Services segment provides ongoing maintenance and repair services for customers as we complete and install more elevators and escalator systems. Our clientele base will continue to increase and this is an important source of recurring revenue for the Group. We continuously train and upskill our service team to improve our service delivery to ensure greater customer satisfaction and retention.

For our High Voltage System segment, as Malaysia pushes towards greater industrialisation coupled with population growth, the demand for energy will only continue to rise. We are well-positioned to capitalise on this opportunity. Our High Voltage System business is managed under TransSystem Continental Sdn. Bhd. ("TSC"), a 60%-owned subsidiary that specialises in Engineering, Procurement, Construction, and Commissioning of cabling works and high-voltage substations up to 500kV. The current Order Book will keep TSC busy over the next 2 years and it will continue to bid for new projects.



Substation installation in progress



Pyrotec - Fire Retardant Mineral Insulated cables

## OUTLOOK

With the COVID-19 pandemic not subsiding any time soon and new variants expected to emerge, the global outlook is far from being certain. Although many countries have already implemented mass vaccination programmes and booster jabs for their citizens to control the spread, the COVID-19 pandemic still poses a serious challenge to global recovery. Even though this pandemic is predicted to move into the endemic stage, we will still have to learn to cope with this virus in the near to medium term. There are also other global issues such as the ongoing tensions between the United States and China and the serious effects of climate change which will add to the threat to economic recovery.

On the local front, the Malaysian Government has to make difficult decisions in balancing between saving lives and livelihood when opening up the economy. As more and more Malaysians and non-Malaysians are fully vaccinated and the speeding up of booster shots, the Government has progressively reopened the economy with phased approach. However, we must still stay vigilant and adhere to the safety SOPs.

## CHAIRMAN'S STATEMENT

*cont'd*

Malaysia's economy is expected to grow between 5.5% and 6.5% in 2022 from a range of 3% and 4% in 2021. The normalisation in economic activities arising from a high nationwide vaccination rate, resumption of projects with high multiplier effects, strong external demand and targeted travel activities, particularly business, health and education purposes are expected to drive economic growth. Downside risks to economic recovery include a prolonged COVID-19 pandemic with the emergence of new variants, volatility in global financial markets, slower labour market recovery, supply chain shocks and geopolitical uncertainties.<sup>1</sup>

### DIVIDEND

For FY2021, the Group has declared and paid two interim dividends. The First Interim Dividend of 1.5 sen per ordinary share equivalent to RM3.9 million was paid to our shareholders on 9 July 2021 and the Second Interim Dividend of 1.5 sen per ordinary share which is equivalent to RM3.9 million was paid to our shareholders on 12 January 2022. The total dividend payment of 3.0 sen per ordinary share equivalent to RM7.8 million represented a payout ratio of 38.9% of the Group's net profits for FY2021.

### APPRECIATION

On behalf of the Board, I wish to take this opportunity to express our sincere appreciation to all our customers, suppliers, business associates, government authorities and bankers for their continued support. And to our shareholders, our thanks for your unwavering support and continued confidence in EITA.

To my fellow Board members and the EITA team of Management and staff, this pandemic has been challenging. I would like to extend my gratitude for your perseverance, ability to adapt, resolute dedication and valuable contributions to the commendable success of our Group. My heartfelt thanks to all.

Lastly, do follow the safety SOPs. "When we take care of ourselves, we also take care of others."

### DATO' SIOW KIM LUN

*Independent Non-Executive Chairman*



*Fuji Electric - Contactor*

<sup>1</sup> The Star. Economic Outlook 2022 – 30 Oct 2021 (pg 3)



# MANAGEMENT DISCUSSION AND ANALYSIS



**FU WING HOONG**

*Group Managing Director and  
Key Senior Management*

## GROUP BUSINESS OBJECTIVES AND STRATEGIES

EITA remains focused on its core businesses - Manufacturing, Marketing & Distribution, Services, and High Voltage System. The Group continues to expand and offer value-added products and solutions for the Construction and Manufacturing sectors.

The Group's central goal is to ensure it achieves growth and long-term business sustainability.

- Manufacturing mission.** EITA is steadfast in its mission to establish itself as a reputable manufacturer of quality products. Our home-grown brands, EITA-Schneider® for Elevator Systems, Furutec® for Busduct Systems and REFAS® for Lighting Control System have gained greater market awareness and acceptance both locally and internationally.
- Overseas thrust.** Expanding our overseas business is part of our growth strategy. Our overall mission is for wider and deeper market penetration in the ASEAN and Middle-East markets.
- High-value projects.** Over the years, EITA has built a credible portfolio of projects such as MRT1, MRT2, LRT3, high-end commercial and residential projects. We have completed projects above 60 floors and have the technical capabilities to run our elevators at 6 meters per second. This has strengthened EITA's reputation and bolstered the market's confidence and assuredness of EITA's ability to take on high-value and complex jobs.



*EITA at Subang*

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- Greater demand for energy.** Our subsidiary, TransSystem Continental Sdn, Bhd. ("TSC"), is a specialist in Engineering, Procurement, Construction and Commissioning of cabling works and high-voltage substations up to 500kV. It has more than 20 years of hands-on experience in the field of electricity transmission and distribution. In addition, TSC is also involved in the local manufacturing of Control Protection relay panels, Marshalling Kiosk, Metering Panels and related equipment to complement its primary substation implementation business.



TSC is well-positioned to meet the increasing demand for electricity transmission and distribution as Malaysia's population grows and as it progresses towards an industrialised nation. It is now executing contracted projects for Tenaga Nasional Berhad and Sarawak Energy Berhad.

- Recurring maintenance service revenue.** As an increasing number of elevator projects are being handed over and later transition into the contract maintenance phase, this represents a consistent and recurring revenue stream for EITA.

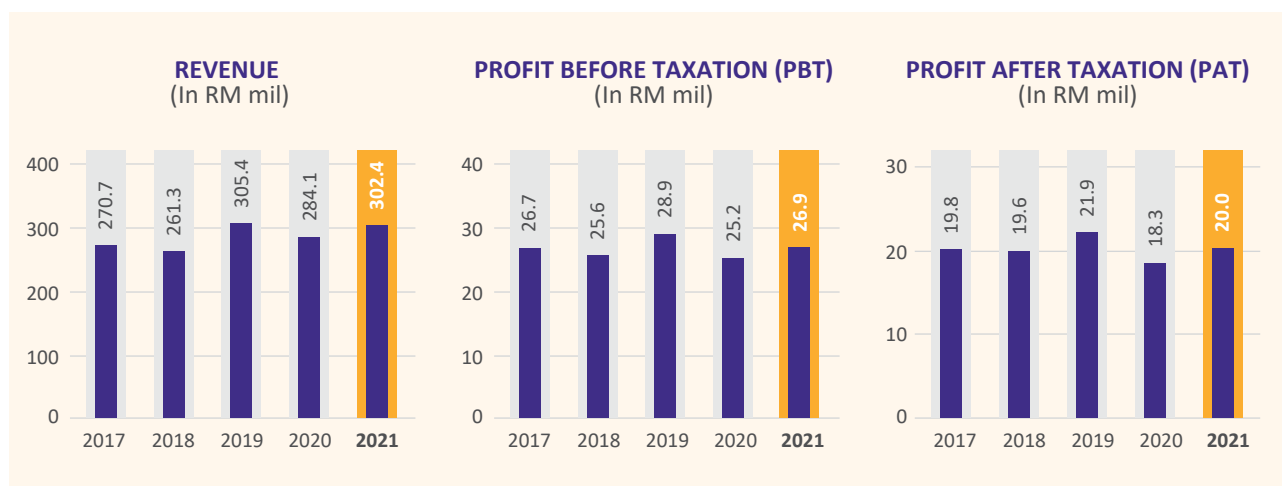
### FINANCIAL PERFORMANCE REVIEW

The Group achieved total revenue of RM302.4 million for the financial year ended 30 September 2021 ("FY2021") as compared to RM284.1 million for the financial year ended 30 September 2020 ("FY2020"). The increase was due to higher revenue from all business segments.

The Group's Profit Before Tax for FY2021 increased by RM1.7 million or 6.7% to RM26.9 million as compared to RM25.2 million for FY2020. This is in tandem with the higher revenue, lower provision for stock loss and higher gains on foreign exchange.

For FY2021, our domestic market recorded revenue of RM264.0 million as compared to RM242.2 million in FY2020. The increase was mainly due to higher domestic sales of busducts and higher execution of Transmission substation projects, but was mitigated by the lower domestic sales for cables.

As for our overseas market, in FY2021 we registered revenue of RM38.4 million as compared to RM41.9 million achieved in FY2020. The decrease in revenue was mainly due to lower overseas sales of busducts and elevators, but was mitigated by higher overseas sales of cables.



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

		Audited				
		FYE 30 Sept 2017	FYE 30 Sept 2018	FYE 30 Sept 2019	FYE 30 Sept 2020	FYE 30 Sept 2021
Revenue	RM'000	270,680	261,295	305,386	284,128	302,451
Profit Before Taxation (PBT)	RM'000	26,691	25,646	28,921	25,229	26,906
PBT Margin	%	9.86	9.81	9.47	8.88	8.90
Profit After Taxation (PAT)	RM'000	19,770	19,645	21,881	18,321	20,025
PAT Margin	%	7.30	7.52	7.17	6.45	6.62
Basic EPS	sen	7.66**	7.40**	8.01**	6.65**	7.65**
Gearing Ratio	times	0.11	0.09	0.17	0.19	0.21

**Note:-**

\*\* Based on the weighted average number of ordinary shares outstanding during the financial year excluding treasury shares held by the Company. For comparative purposes, the basic EPS for FYE 30 September 2017 to FYE 30 September 2020 has been adjusted to reflect the bonus issue of one (1) new ordinary shares for every one (1) existing ordinary held which was completed on 2 February 2021.

**OPERATIONS REVIEW**

- Manufacturing**

For FY2021, the Manufacturing segment had achieved RM113.2 million or 37.4% of the Group's revenue, in comparison to FY2020 of RM102.8 million or 36.2% of the Group's revenue. The increase was mainly due to the higher revenue from busduct. However, this was mitigated by the lower revenue from elevator projects due to the lower execution of projects.

The Manufacturing segment remains the major revenue contributor to the Group. It has always been our mission to build our reputation as a manufacturer through our home-grown brands namely, EITA-Schneider® for Elevator Systems, Furutec® for Busduct Systems and REFAS® for Lighting Control System.

In line with the various lockdowns and Movement Control Orders ("MCOs") imposed, EITA had to readjust its project work accordingly. EITA Elevator (Malaysia) Sdn. Bhd. ("EITA Elevator") is now at the tail-end installation for MRT 2 project (Sungai Buloh – Serdang – Putrajaya). As for LRT 3 (Bandar Utama – Johan Setia), the numerous stations are in different stages of project deployment. LRT 3 is targeted for completion in 2024. EITA Elevator has also secured several high-value residential and commercial projects which are scheduled for hand-over within the next 2 to 3 years.

Furutec Electrical Sdn. Bhd. ("Furutec Electrical") encountered a difficult FY2021. As its busduct products are more export-oriented, the COVID-19 pandemic continued to affect its overseas sales in both ASEAN and Middle-East markets. Nevertheless, Furutec Electrical still managed to secure several major multi-million overseas projects such as a Resort and Casino in the Philippines, data-centre in Indonesia and hospital in Kuwait.



Automated busduct housing assembly

## MANAGEMENT DISCUSSION

## AND ANALYSIS

cont'd

In FY2021, Furutec Electrical introduced a specialised data-centre busduct, the i-DC busduct model to capitalise on the growth opportunities in the data centre sector. Now, it offers four (4) busduct models, namely, HP-ES, AH, CR and i-DC to cater to a wider range of different customers' requirements.

### • Marketing & Distribution

The Marketing & Distribution segment maintains its performance as a consistent revenue contributor. For FY2021, it recorded RM73.8 million or 24.4% of the Group's revenue, as compared to FY2020, RM72.2 million or 25.4% of the Group's revenue. The increase in absolute value was due to the higher demand for electrical and electronic ("E&E") components but was mitigated by the overall lower sales of cables.

EITA continues to market and distribute a broad range of internationally renowned brands of E&E equipment and components from Fuji Electric, Kyoritsu, Novaris, Panasonic, MMC, Axitronic and others. This suite of E&E products is complementary to our in-house brands and often used in our projects.



Fuji Electric – our E&E partner



Warehouse

It is the hardworking team efforts of our Sales and Marketing technical consultants that have helped build mutual trust and long-term business relationships with our business partners throughout Malaysia.

### • Services

The Services segment primarily consists of the provision of maintenance and repair services for our EITA Elevator customers. Other services are from Extra Low Voltage ("ELV") projects.

For FY2021, the Services segment achieved RM36.3 million or 12.0% of the Group's revenue, as compared to FY2020 of RM36.7 million or 12.9% of the Group's revenue. The decrease was mainly due to lower revenue from ELV projects. However, this was mitigated by higher revenue from elevator maintenance and repair services.

EITA continues to expand, train and develop our service teams to deliver excellent service in order to meet the ever-demanding customers' expectations in ensuring maximum uptime and more importantly, safety. This is also directly in line with EITA Elevator's tagline "We Transport People Safely".



Service Technician at work

EITA Elevator is one of several training providers approved by relevant authorities to conduct Lift Competence Persons training and certification courses. Subsequently, EITA Training Centre Sdn. Bhd. ("ETC") was formed in April 2021 to primarily provide technical industrial-based training for the elevator industry. ETC also conducts courses related soft skills, management and others. ETC is now a registered training provider under Human Resource Development Corporation.



# MANAGEMENT DISCUSSION AND ANALYSIS

*cont'd*

- **High Voltage System**

For FY2021, the High Voltage System segment recorded at RM79.1 million or 26.2% of the Group's revenue, as compared to FY2020 of RM72.3 million or 25.5% of the Group's revenue. The increase was due to higher execution of transmission substation projects.



Despite work disruptions and supply chain issues caused by the pandemic, TSC is committed to fulfilling its projects obligations for its key clients, Tenaga Nasional Berhad and Sarawak Energy Berhad. Meanwhile, it will continue to bid for more power projects.

## RISKS AND CHALLENGES

This COVID-19 pandemic is still ongoing and the Social-Economic consequences have been significant. Although many countries have implemented mass vaccination programmes, there are added risks of new virus variants emerging. As this pandemic is expected to be endemic, everyone needs to adapt to new norms and face further challenges ahead.

- **Safety**

Safety is a paramount priority for EITA. This includes safety for everyone; staff, business associates, customers and the public.

In light of the COVID-19 pandemic, EITA has formed a Safety & Health (S&H) Taskforce to ensure compliance with Government's safety SOPs. Also, this team was instrumental for putting in place a host of internal initiatives ranging from holding regular safety demonstrations and briefings to organising daily sanitization rounds; from installing thermal scanners to implementing staggered work arrangements; from getting staff fully vaccinated to providing RTK self-test kits for staff, and many other safety measures.

- **Foreign Exchange**

EITA conducts business internationally both with suppliers and customers. The management is ever vigilant for currency fluctuations. In order to mitigate foreign exchange risk exposure, our Hedging Policy is periodically fine-tuned in accordance with the ever-changing business environment.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### Human Capital

As of the end FY2021, EITA has a head-count of over 600. Managing human capital is a constant challenge, whether it is for optimising operational productivity or planning for business expansion. EITA places significant importance on hiring the right people, upskilling its staff and identifying leaders in our succession planning to ensure adequate and appropriate manpower for business sustainability.



Industrial-based training

### OUTLOOK AND PROSPECTS

The **global economy** is projected to expand by 4.9% in 2022, following the expected gradual improvement in both advanced economies as well as Emerging Market & Developing Economies ("EMDEs"). In 2022, Gross Domestic Product ("GDP") in the advanced economies is forecast to moderate to 4.5% but will remain robust, led by the normalisation of economic activities<sup>1</sup>.

**Global inflation** is projected to return to pre-pandemic rates to record 3.8%. The inflation rate in advanced economies is expected to moderate to 2.3% and EMDEs 4.9%, following commodity prices which are expected to rise amid the anticipated domestic, regional as well as global economic recovery. Similarly, non-oil commodity prices are also expected to surge, led by a strong increase in the price of metals and food<sup>2</sup>.

Going into 2022, the **Malaysian Government** will continue to play its role in mitigating the impact of the COVID-19 pandemic on the rakyat, businesses and economy. Its immediate priority is to provide adequate support for the implementation of the National Recovery Programme, accelerate economic growth and lead the country out of the economic and health crisis<sup>3</sup>.

Under **Budget 2022**, a total sum of RM332.1 billion or 20.3% of GDP will be allocated for government expenditure. Of the total, RM75.6 billion will be for development expenditure, and RM23 billion will be channelled to the COVID-19 fund<sup>3</sup>.



132/33kV 90MVA  
power transformer

In 2022, the **Malaysian economy** is expected to strengthen between 5.5% and 6.5%, supported by significant improvement in global trade, stabilised commodity prices, containment of the pandemic, and gradual improvement in consumer and business sentiments. The 2022 Budget will advance measures to further drive economic recovery, enhance the nation's resilience, catalyse nationwide reforms and improve public service delivery. The programmes and projects in the 2022 Budget are aligned to the priorities of the 12<sup>th</sup> Malaysia Plan and Shared Prosperity Vision 2030 and support the nation's aspiration of becoming a prosperous, inclusive and sustainable nation<sup>4</sup>.



Pyrotec – FRMI cables

The **Manufacturing** sector is expected to expand by 4.7% in 2022, attributed to the steady performance of both export and domestic-oriented industries. As one of the key players in the world semiconductor trade, the stronger global demand for E&E products will continue to provide the impetus for Malaysia's manufacturing sector. Stricter global healthcare regulations and increasing hygiene awareness will help in boosting production in the rubber and chemical-related segments. Concurrently, the anticipation of more vibrant industrial and construction activities as well as higher demand for household-related products are expected to give an additional boost to the sector<sup>5</sup>.

## MANAGEMENT DISCUSSION AND ANALYSIS

*cont'd*

The **Construction** sector is projected to turn around by 11.5% in 2022 on account of better performance in all its subsectors. The civil engineering subsector is anticipated to regain its positive growth, following the continuation and acceleration of major infrastructure projects, such as LRT 3, MRT 3, Johor-Singapore Rapid Transit System ("RTS") as well as the Pan Borneo highways in Sabah and Sarawak. Utility projects, including Baleh Hydroelectric, Sarawak Water Supply Grid Programme and Large-Scale Solar 3 plant, are also projected to spur growth. Similarly, the residential buildings subsector is expected to expand further in line with the Government's measures to address the shortage of affordable houses. The measures, among others, are the continuation of the Rent-to-Own scheme and full stamp duty exemptions for first-time homebuyers as well as Rumah Mesra Rakyat and People's Housing programmes. In addition, the non-residential buildings subsector is anticipated to improve, backed by ongoing commercial projects, namely Kwasa Damansara, Tun Razak Exchange and KLIA Aeropolis<sup>6</sup>.

As highlighted in Budget 2022, the recovery measures proposed coupled with the overall positive outlook, especially in the Construction and Manufacturing sectors, all these encouraging indicators augur well for EITA.

- **Focus on high value projects**

As for major transportation projects, namely, East-Coast Rail Link and LRT 3, which are currently in progress, there are more in the pipeline such as MRT 3, Johor-Singapore RTS and Bayan Lepas LRT. These infrastructure-type projects are expected to generate a positive multiplier effect on the country's economy.

The ripple effect from these construction projects would not only benefit the main project consortiums but also spur the whole supply chain such as subcontractors, suppliers and logistics sectors. In addition, it would boost the property market with potential developments of residential and business complexes along these transportation lines.



These increased activities in the construction sector bode well for EITA. Our suite of offerings from elevator to busduct systems, and from E&E equipment to cabling are well suited to address the needs of these high-value projects.

- **Overseas market expansion**



With regards to business sustainability, overseas growth is important for EITA, especially for the ASEAN and the Middle-East regions. We are committed to building greater brand awareness for our in-house brands, EITA-Schneider® Elevator Systems, Furutec® Busduct Systems and PYROTEC® Cables.

The pandemic has caused a global slowdown causing many projects to be delayed, and this affected our overseas performance. However, as international borders are starting to open up now and with projects being reactivated, inquiries and requests for proposals are starting to pick up.

EITA continues to work closely with its overseas partners in order to achieve deeper market penetration. Currently, our products are present in all the ASEAN countries and in Saudi Arabia, Qatar, United Arab Emirates, Kuwait and Oman in the Middle East. Just to name a few, we have also made inroads into Taiwan, Bangladesh, Papua New Guinea, Kenya and Maldives.



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- **Showcasing EITA at Bukit Raja**

The EITA Elevator's new centralised Headquarters at Bukit Raja, Klang, highlights a notable milestone for the Group. It is the fulfillment of an overall mission to establish EITA as a reputable elevator manufacturer with its own home-grown brands. This site is now fully operational and it will allow EITA to create greater market visibility whilst enhancing our image both locally and internationally.

Located at Bukit Raja, it houses the main office block, elevator test tower, manufacturing facility cum warehouse and training centre. The landmark structure is the Elevator Test Tower which measures over 87 meters in height. In April 2021, it was certified by the **Malaysia Book of Records as the tallest elevator test tower in the country**.

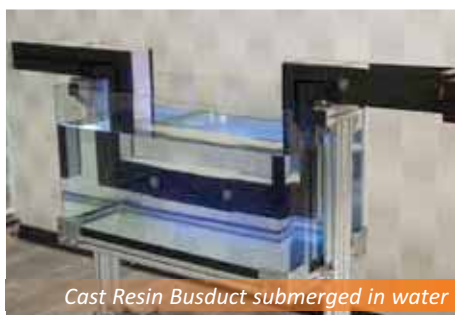
Currently, a showcase area is being planned for customers to view the Group's suite of product and solution offerings.



Malaysia Book of Records

- **Research & Development ("R&D") for sustainable innovative edge**

EITA strives to create a sustainable innovative edge that focuses on market needs that will give us a competitive advantage. With our very own in-house R&D facilities such as the Elevator Test Tower, it signifies our commitment towards innovating and developing quality products and solutions to meet our customers' expectations.



Cast Resin Busduct submerged in water

With our own Elevator Test Tower, glass lift, cargo lift and escalator all self-contained at Bukit Raja, the in-house R&D team is now more productive and effective in carrying out various R&D tasks internally. Presently, some of the R&D projects are related to high-speed, ride comfort, safety certifications, standard compliances, new elevator controller functionalities, Internet-of-Things ("IoT") and others.

In addition, the Elevator Test Tower combined with the various elevator and escalator facilities also serve as a training ground to upskill the competencies of our technical personnel.

Furutech Electrical in Penang has now embarked on another R&D collaboration with a local university in Penang and this is funded under the Collaborative Research in Engineering, Science and Technology (CREST) grant. It is also developing IoT solutions to improve busduct energy performance with regards to the conductor's efficiency and temperature rise.

- **Towards "greener" products and operations**

Globally and in Malaysia, the concept of Environmental, Social and Corporate Governance ("ESG") in gaining acceptance by industry leaders and acknowledgement by investors for stronger ESG adoption.

Aligned to EITA's sustainability mission, we continue to explore "greener" best practices for our products and in our business operations. This is further mirrored in our corporate tag-line 'brings good feel to life' to reinforce our need to care for Mother Nature and protect it for our future generations.



Rainwater harvesting tank



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

At our new Bukit Raja site, we have already implemented various eco-friendly solutions such as skylights for natural lighting at the warehouse, energy-efficient LED lighting at the office areas, rainwater harvesting system and a dedicated Recycling Center. As for our renewable energy initiative, a significant investment has been set aside to install solar panels on the factory roof.

EITA also has various initiatives specifically focused on our staff to inculcate a caring behavioral mind-set. These include encouraging staff to bring their home recyclable items to office for recycling and viewing educational videos on preserving the environment and healthy lifestyle while enjoying their weekly sponsored nutritious “Meatless” luncheons. We also hold weekly motivational “Good Feel Aphorism” sharing session for character development.

### ● Increasing energy demand

Besides ensuring energy security, Tenaga Nasional Berhad (TNB) will be well placed to contribute a healthy RM31 billion to Malaysia’s gross domestic product over four years beginning 2021, arising from capital expenditure returns from a wide array of power development projects<sup>7</sup>.

This includes a capex of RM7.3 billion for 2021 and the forecast RM24 billion from 2022 to 2024. Such high investments will ensure widespread spillover benefits to the Malaysian economy which is facing a downturn, due to the crippling effects of the COVID-19 pandemic. The national power company’s large-scale investments will help create some 194,000 needed jobs annually for the country or about 584,000 jobs in the 2022-24 period<sup>7</sup>.



Power Substation installation

TSC is well-positioned to capitalise on the potential opportunities in this particular power infrastructure sector.

### ACKNOWLEDGMENT

This COVID-19 global crisis has been most disruptive to our lives and livelihoods over the last two years. However, just as EITA has faced many challenges before, together we have persisted and persevered. Despite a difficult FY2021, EITA still achieved an overall commendable performance.

On behalf of the Management team, I would like to express our sincere gratitude to the Board of Directors for their confidence and guidance. I would also like to convey a big round of appreciation to my fellow EITarians across the whole Group for their continued commitment and contributions. Finally, my whole-hearted thanks to our shareholders, customers and business associates for their ongoing trust and support.

I am confident that EITA is dynamic and resilient to weather future storms to emerge stronger and bring greater success to all our stakeholders.

### FU WING HOONG

Group Managing Director

<sup>1</sup> Ministry of Finance: Budget 2022 – Economic Outlook 2022 (pg 78)

<sup>2</sup> Ministry of Finance: Budget 2022 – Economic Outlook 2022 (pg 82)

<sup>3</sup> The Star: Economic Outlook 2022 – 30 October 2021 (pg 4)

<sup>4</sup> Ministry of Finance: Budget 2022 – Economic Outlook 2022 (pg 40)

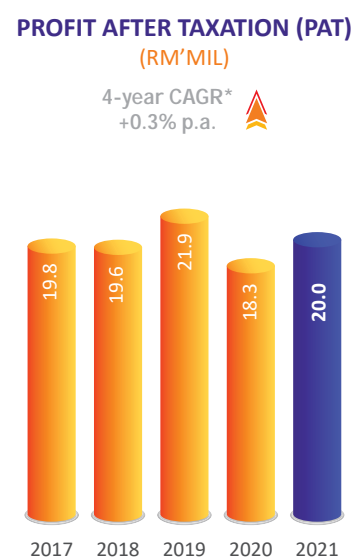
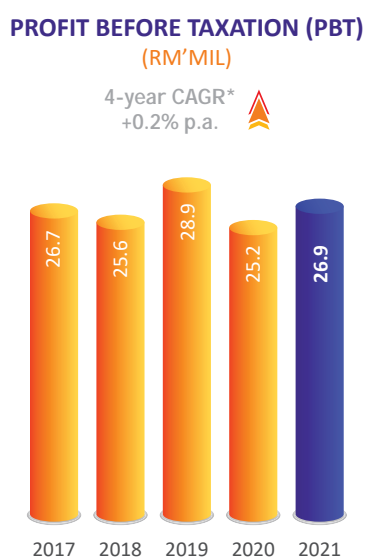
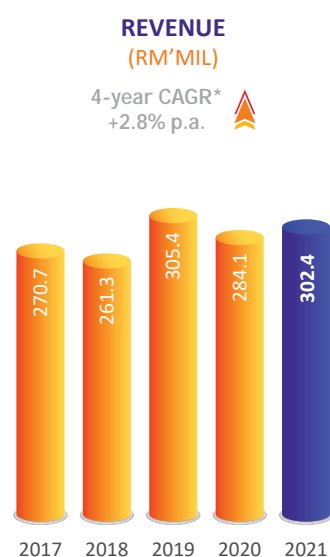
<sup>5</sup> Ministry of Finance: Budget 2022 – Economic Outlook 2022 (pg 83)

<sup>6</sup> Ministry of Finance: Budget 2022 – Economic Outlook 2022 (pg 88)

<sup>7</sup> New Straits Times, 10 May 2021

## FINANCIAL HIGHLIGHTS

GROUP PROFITABILITY For the Financial Year (RM' Mil)	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue	270.7	261.3	305.4	284.1	302.4
Profit Before Tax	26.7	25.6	28.9	25.2	26.9
Net Profit	19.8	19.6	21.9	18.3	20.0
GROUP FINANCIAL POSITION As at 30 September (RM' Mil)	FY2017	FY2018	FY2019	FY2020	FY2021
Total Non-Current Assets	34.6	38.7	54.2	60.6	67.4
Total Current Assets	196.8	198.8	249.6	242.5	259.8
Total Assets	231.4	237.5	303.8	303.1	327.2
Shareholders' Equity	157.0	162.4	173.5	185.3	198.1
Non-controlling interest	1.3	1.7	2.7	3.7	3.8
Total Equity	158.3	164.1	176.2	189.0	201.9
Total Non-Current Liabilities	7.6	6.8	15.8	19.1	18.8
Total Current Liabilities	65.5	66.6	111.8	95.0	106.5
Total Equity & Liabilities	231.4	237.5	303.8	303.1	327.2
FINANCIAL ANALYSIS	FY2017	FY2018	FY2019	FY2020	FY2021
Profit Before Tax Margin	9.9%	9.8%	9.5%	8.9%	8.9%
Net Profit Margin	7.3%	7.5%	7.2%	6.5%	6.6%



\* CAGR = Compounded Annual Growth Rate.

# SUSTAINABILITY STATEMENT



## OUR SUSTAINABILITY APPROACH

This Sustainability Statement ("Statement") covers the operations of the EITA Group of Companies ("EITA" or the "Group") located in Malaysia, Singapore and Indonesia. It encompasses our various business segments namely, Manufacturing, Marketing and Distribution, Services and High Voltage System.

In previous Sustainability Statement reports, we highlighted selected data for comparison between current and previous year only. However, for this reporting cycle we have included graphs to show the trends for the past five (5) years.

# SUSTAINABILITY STATEMENT

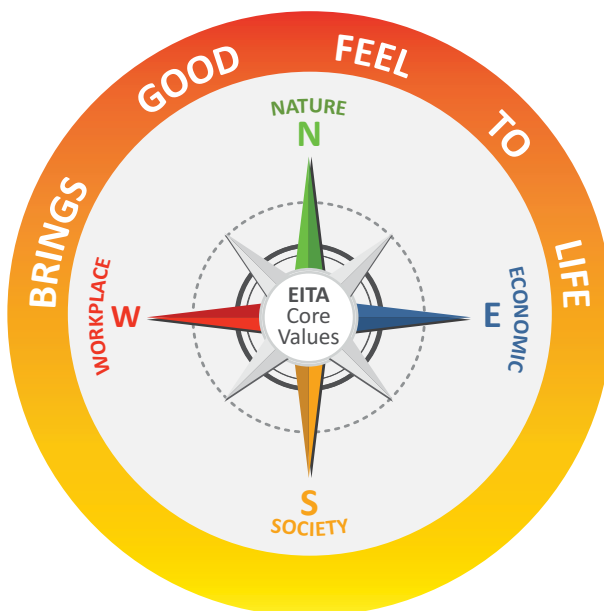
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## Our Corporate Tagline “Brings Good Feel To Life”

“Brings good feel to life”, is our corporate tagline which highlights shared benefits to all stakeholders. In our mission to strive for long-term business sustainability, EITA embraces its role as a responsible corporate citizen. We strive to conduct our business ethically together with social and environmental best practices.

“The essence of this tagline is reflected in the keywords “Good Feel”. As employees, we are EITA “Good Feel” ambassadors, we all need to be the very best that we can be and practice mindfulness when carrying out our duties as we serve our stakeholders. Only then would our actions and outputs be viewed as holistic **Win-Win outcome** for all concerned.” – Fu Wing Hoong, Group Managing Director.

This tagline acts as the guiding principle and it encompasses our Core Values and Sustainability Compass.



## Our Core Values

At the very heart of our business sustainability approach lies the Spirit of our Core Values as reflected in our EITA acronym:

- E – Excellence:** In our quest for excellence, we seek sustained and strategic business growth for the company and its employees, and to optimise shareholders’ returns.
- I – Integrity:** We shall carry out our duties with the utmost integrity, grounded in sound moral and ethical principles.
- T – Trust and Respect:** It is through trust and mutual respect that we build strong working relationships and teamwork.
- A – Accountability:** We shall demonstrate full accountability and be responsible for all our actions, decisions and behavior.

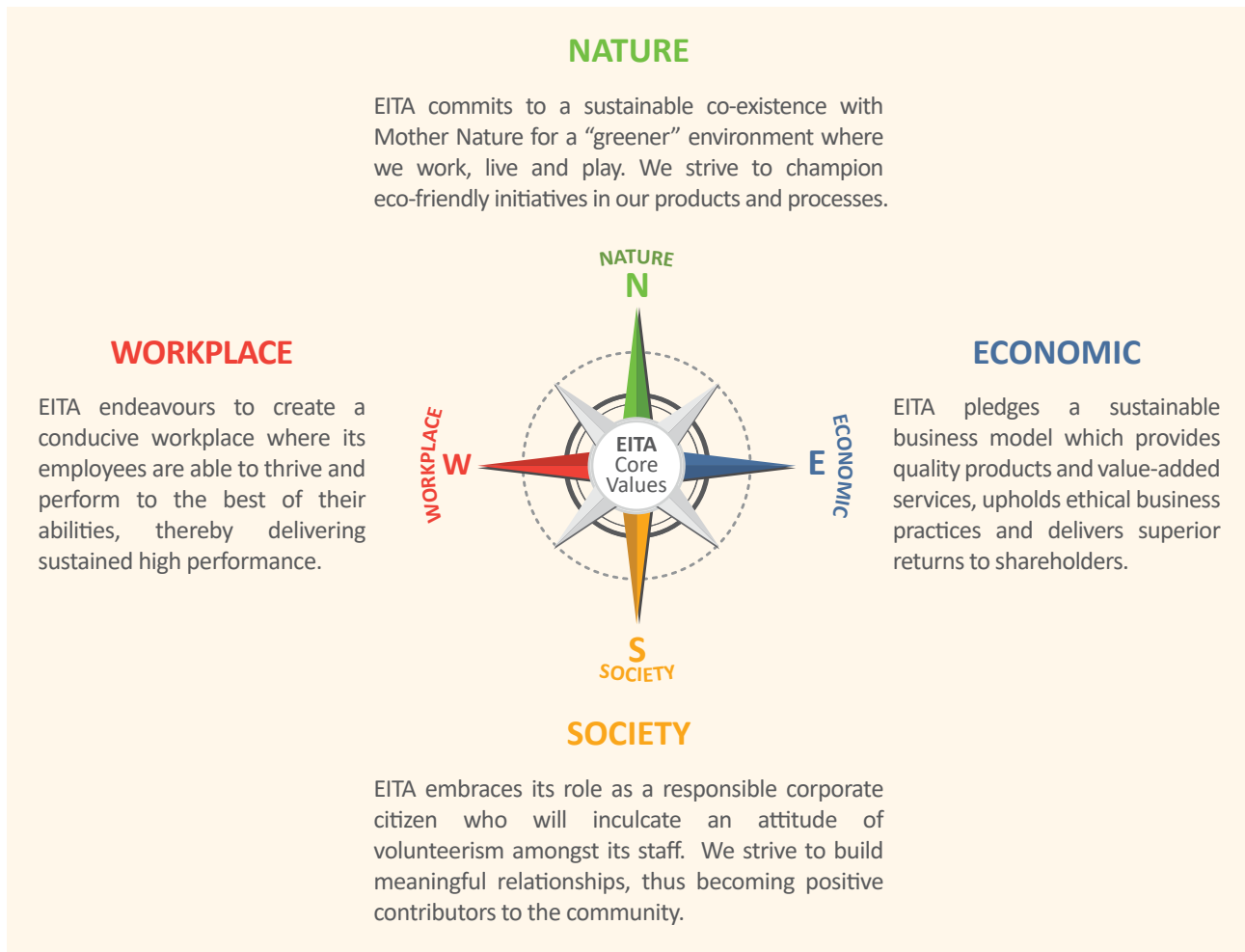


# SUSTAINABILITY STATEMENT

*cont'd*

## Our Sustainability Compass

Our Sustainability Compass with its four (4) cardinal points acts as shining beacons to EITA's Sustainability Approach.



# SUSTAINABILITY STATEMENT

cont'd

## SUSTAINABILITY GOVERNANCE

As for overall sustainability governance, the Executive Committee consisting of the Board of Directors and led by our Group Managing Director sets the overall corporate sustainability strategy and provides impact oversight on the Group's sustainability initiatives.

The Sustainability Working Group ("SWG") is headed by our Executive Director, Mr. Lee Peng Sian. He reviews sustainability implementation and performance indicators and is supported by our Chief Financial Officer (CFO). The SWG comprises designated management and executives from various subsidiaries and departments. They are responsible for materiality assessment, drive implementation, monitor and report sustainability initiatives.

Ongoing governance processes are periodically reviewed and refined to incorporate sustainability best practices for greater effectiveness and efficiency.



# SUSTAINABILITY STATEMENT

*cont'd*

## STAKEHOLDER ENGAGEMENT

The Group acknowledges the importance of both internal and external stakeholders' contributions to EITA's sustainable growth. We work closely with both our internal and external stakeholders in a timely and open manner to identify and address sustainability. Ultimately, this helps us make informed decisions to achieve our sustainability objectives.

Stakeholders	Mode of Engagement	Sustainability Focus Areas
Shareholders/Investors	<ul style="list-style-type: none"> <li>* Annual General Meeting</li> <li>* Annual Report</li> <li>* Quarterly Results Announcements</li> <li>* Websites</li> <li>* Analyst briefings</li> <li>* Media interviews and releases</li> </ul>	<ul style="list-style-type: none"> <li>* Company performance</li> <li>* Dividend</li> <li>* Business strategy and plans</li> <li>* Corporate governance</li> <li>* Corporate activities</li> </ul>
Customers/Distributors	<ul style="list-style-type: none"> <li>* Direct engagements</li> <li>* On-site meetings</li> <li>* Customer Satisfaction Surveys</li> <li>* Exhibitions</li> <li>* Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>* Relationship management</li> <li>* Supply chain management</li> <li>* Quality of product &amp; services</li> <li>* Project management</li> </ul>
Suppliers/Contractors/Consultants	<ul style="list-style-type: none"> <li>* Direct engagements</li> <li>* On-site inspections</li> </ul>	<ul style="list-style-type: none"> <li>* Relationship management</li> <li>* Supply chain management</li> <li>* Quality of product &amp; services</li> <li>* Occupational health &amp; safety</li> </ul>
Government/Regulatory authorities	<ul style="list-style-type: none"> <li>* Participation in programmes organised</li> <li>* On-site inspections</li> </ul>	<ul style="list-style-type: none"> <li>* Corporate governance</li> <li>* Regulatory compliance</li> </ul>
Media/Analyst	<ul style="list-style-type: none"> <li>* Media interviews &amp; releases</li> <li>* Analyst briefings</li> <li>* Advertisements</li> </ul>	<ul style="list-style-type: none"> <li>* Timely communications</li> </ul>
Employees	<ul style="list-style-type: none"> <li>* Learning &amp; Development programme</li> <li>* Employee Engagement Survey</li> <li>* Performance Appraisal</li> <li>* Company activities (Sports Club, Annual Dinner, Quarterly Birthdays)</li> </ul>	<ul style="list-style-type: none"> <li>* Career development &amp; advancement</li> <li>* Fair Employment practices</li> <li>* Workplace conduciveness</li> <li>* Safety, health and welfare</li> <li>* Balanced lifestyle</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>* Volunteering programmes</li> <li>* Community engagement programmes</li> </ul>	<ul style="list-style-type: none"> <li>* Good Corporate Citizenship</li> <li>* Safety practices</li> <li>* Environmental practices</li> </ul>

# SUSTAINABILITY STATEMENT

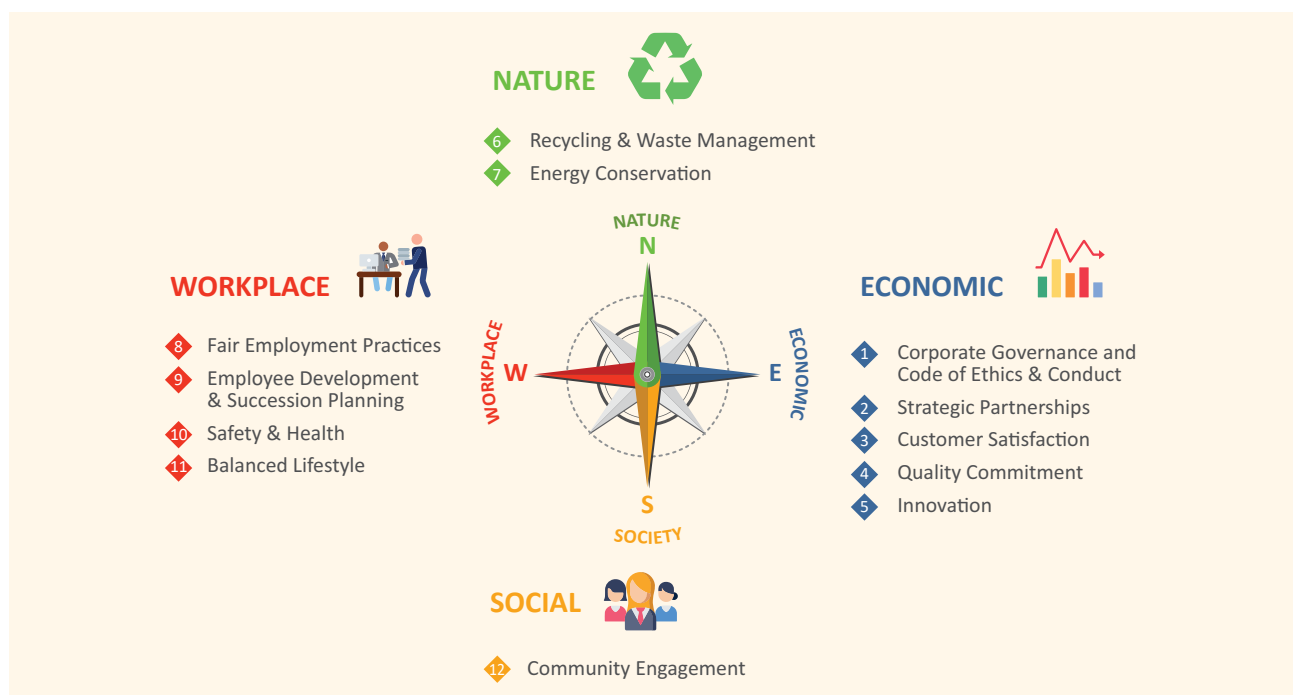
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## MATERIALITY

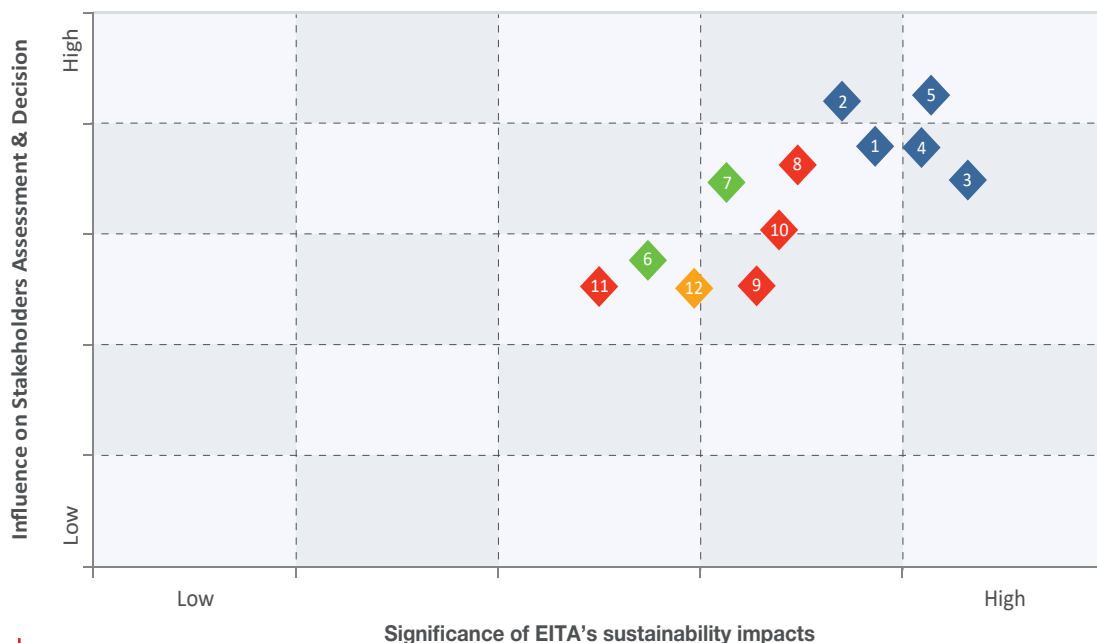
Following Bursa Malaysia's Sustainability Reporting Guide and Toolkits, EITA has adopted a structured materiality assessment approach in identifying relevant sustainability matters.

Our approach in materiality assessment and in developing the Materiality Matrix is to evaluate the significant material sustainability matters within the four cardinal points of our Sustainability Compass that are most impactful to our long-term business sustainability and in harmony with our stakeholder interests.

### Materiality Matters



### Materiality Matrix





# SUSTAINABILITY STATEMENT

cont'd

Each sustainability matter is mapped against the respective stakeholder group across our business value chain. Concurrently, we also match the impact created against United Nations Sustainable Development Goals (SDGs) framework.

Our Stakeholders	Shareholders/ Investors	Customers/ Distributors	Suppliers/ Contractors/ Consultants	Government/ Regulatory Authorities	Media/ Analyst	Employees	Local Communities	Contributions to SDGs
<b>Sustainability Matters</b>								
<b>ECONOMIC</b>								
Corporate Governance and Code of Ethics & Conduct	√	√	√	√	√	√		SDG#16
Strategic Partnerships	√	√	√	√	√	√		SDG#9, #12, #17
Customer Satisfaction	√	√			√	√		SDG#9, #17
Quality Commitment	√	√	√	√	√	√		SDG#9, #17
Innovation	√	√	√	√	√	√		SDG#9
<b>NATURE</b>								
Recycling & Waste Management	√	√		√		√	√	SDG#13
Energy Conservation	√	√		√		√	√	SDG#7, #12
<b>WORKPLACE</b>								
Fair Employment Practices	√			√		√	√	SDG#4, #5, #8
Employee Development & Succession Planning	√					√		SDG#4, #8
Safety & Health	√			√		√	√	SDG#3
Balanced Lifestyle	√					√		SDG#3
<b>SOCIAL</b>								
Community Engagement	√	√				√	√	SDG#10, #13



**SUSTAINABLE  
DEVELOPMENT GOALS**  
17 GOALS TO TRANSFORM OUR WORLD



# SUSTAINABILITY STATEMENT

cont'd

## ECONOMIC SUSTAINABILITY



The Group's Sustainability Compass sets the direction towards achieving Economic Sustainability in terms of long-term profitability and growth for the Group.

- Corporate Governance and Code of Ethics & Conduct**

Integrity is one of EITA's core values. We are committed to the principles of sound corporate governance as dictated in the Malaysia Code of Corporate Governance.

We continue our push for zero-tolerance of any form of bribes or corruption. In 2021, EITA conducted a group-wide evaluation exercise to remind and reinforce Anti-Bribery and Corruption guidelines. This exercise consisted of customised set of questionnaires targeted at various staff levels, namely, Technician, Non-executive, Executive and Management.

EITA's integrity initiatives are further supported by our Whistle Blowing Policy. For the financial year ended 30 September 2021 ("FY2021"), there were no reported cases.

- Strategic Partnerships**

EITA understands that for business sustainability and long-term mutual benefits, it needs to develop strong strategic alliances with various business associates and stakeholders. Together we can leverage our collective strengths and synergise our resources to create a greater impact on our business and industry.

Collaborating with local and overseas partners on major projects such as MRT 1, MRT 2, LRT 3, and other challenging projects, has elevated EITA's staff knowledge and experiences.



This would improve our capabilities and expertise to handle even demanding projects in the future.

Overseas growth is vital for the Group, we will continue to expand our distribution network in ASEAN and the Middle-East regions, to seek and cultivate more strategic overseas partnerships.

- Customer Satisfaction**

Our ability in satisfying customers' demanding expectations is the foundation in fostering long-term customer loyalty that drives business sustainability.

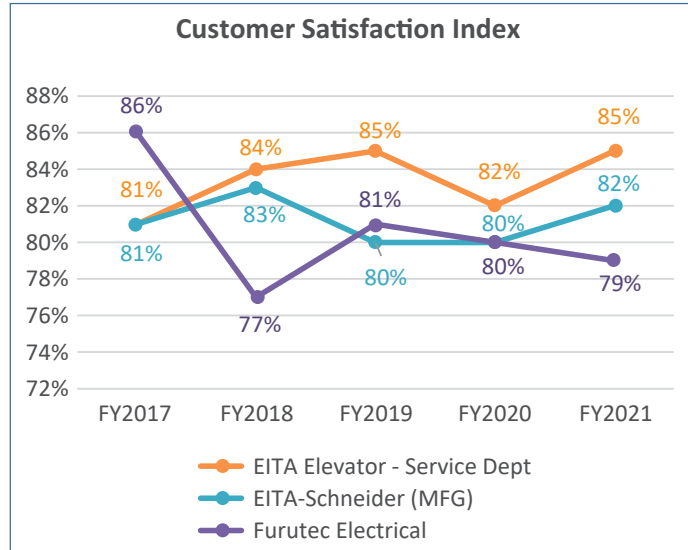
EITA is constantly exploring means and methods in elevating customer satisfaction in order to advance our business, such as, offering improved products, flexibility in customisation and faster deliveries. This also includes delivering a better overall customer service experience in sales, marketing support, project management, repairs and maintenance services.

# SUSTAINABILITY STATEMENT

cont'd

For EITA Elevator (Malaysia) Sdn. Bhd. ("EITA Elevator"), the Maintenance and Service Department carries out Customer Satisfaction surveys on a quarterly basis. It has re-designed a new Customer Satisfaction survey with criteria ranging from promptness of delivery and services to quality of products and service, and from communication with customers to price competitiveness.

It sets an internal Customer Satisfaction benchmark of 80%. For FY2020, its Customer Satisfaction rating was at 82% which improved to 85% for FY2021. In line with our push to deliver greater customer satisfaction, numerous online technical training courses were conducted to upskill the Service team. We also expanded our pool of elevator Competent Persons to carry out timely safety inspections.



EITA-Schneider (MFG) Sdn. Bhd., our elevator manufacturing subsidiary is responsible for both local and overseas elevator sales. For FY2021, it also improved its Customer Satisfaction index to 82% as compared to 80% in FY2020. In order to be more responsive to its overseas customers, it has increased its overseas sales headcount.

With regard to Furutec Electrical Sdn. Bhd. ("Furutec Electrical") in Penang, its Customer Satisfaction was revamped with an expanded set of survey metrics focused on product design, quality and technical support with a Customer Satisfaction target of 80%. For FY2021, it scored 79% as compared to 80% in FY2020. Upon further analysis, Furutec Electrical aims to improve on its delivery lead time.

## Marketing Support

EITA continues to provide ongoing technical training to upskill its customers and business partners. Despite the pandemic, EITA Power System Sdn. Bhd. ("EITA Power System") conducted virtual MMC Certified Installer courses and similarly, Furutec Electrical held several online Busduct Certified Installer programmes.

In embracing the new norm, Furutec Electrical even organised a virtual factory tour and conducted Acceptance Test for its international clients at its manufacturing plant in Penang.



## SUSTAINABILITY STATEMENT

cont'd

We maintain our direct presence in Indonesia and Vietnam through our local Representative Office to provide on-the-ground marketing support for our business associates and customers. This allows us to proactively engage them and have a deeper understanding of the local business climate.



### • Quality Commitment

EITA is committed to its quest to deliver high-quality products backed by superior service to support its customers and business associates. This allows EITA to compete effectively against other reputable brands.

Our own brands, EITA-Schneider® Elevator Systems, Furutec® Busduct Systems and PYROTEC® Fire-Resistant Cables, we continue to provide assurance of quality to our customers by complying with the latest international and local standards such as IEC, BS, CNS, EN81, SIRIM and others.

EITA also adheres to the latest management system standards such as ISO 9001:2015 Quality Management System and ISO 45001:2018 Occupational Health & Safety Management System. This is to ensure that we adhere to quality management principles to deliver consistent quality products and services with a strong customer focus and a process approach for continual improvement.

### • Innovation & Improvement



In line with Mr. Fu Wing Hoong's view, "We need to innovate for sustainability.", EITA is committed to investing in research and development ("R&D") to drive innovations and improvements to differentiate ourselves and to stay ahead of the competition.

Our in-house EITA Research & Development Sdn. Bhd. provides specialised research and development services for our own elevator and busduct products. Our R&D team is now focused on:

- o Furutec Electrical received a grant from MIDA to research and develop a new in-house IR4.0 solution. This involves developing specialised functions and processes, to monitor and provide key analytics for its production life cycle.
- o Collaborative Research in Engineering, Science and Technology ("CREST"). Under this CREST grant, this R&D project involves developing the next generation of busduct products that offers better energy throughput and cost savings by incorporating new composite material. This is also collaborative R&D project with a local university.
- o Internet-Of-Things ("IoT"). There are several ongoing IoT initiatives such as a cloud-based monitoring system for our elevators, integrating Facial Recognition into our elevator systems and sensors to measure elevator and busduct performance to enhance preventive maintenance.
- o Safety improvements. Ongoing R&D efforts to provide new safety features such as touchless buttons, lift ionizer and sterilizer for our elevator and escalator products in response to the pandemic.

With our very own Elevator Test Tower facility already up and running, the R&D team is now able to perform effective in-house R&D to further improve our elevator systems in terms of speed, safety, ride comfort, enhanced features and much more.



# SUSTAINABILITY STATEMENT

cont'd

## NATURE SUSTAINABILITY



EITA's Nature Sustainability mission is grounded in the importance of co-existing with Mother Nature. We are mindful of the impact of our business decisions and operations on the environment, likewise the effects of the environment on us. As such, we endeavor to pursue green sustainable initiatives in terms of recycling, waste management, renewable energy and energy conservation.

### Recycling and Waste Management

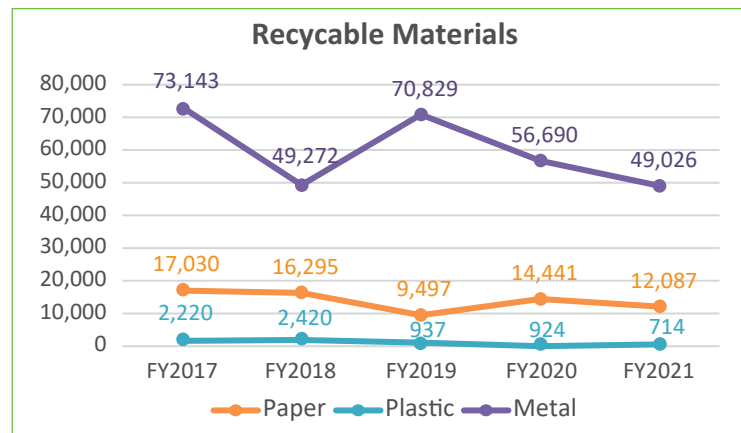
Our Recycling Campaign which began in 2016, is already well-entrenched within EITA. The goal is to instill an active recycling mindset within the organization, at home and at the community level. And that we all need to play our part to protect the environment.

At Bukit Raja, there are no waste-paper baskets at the staff's workstations. They will need to walk to the nearest Recycling Bins (Paper, Plastic, Metal) placed on their respective floors, segregate and drop off the recyclable materials.



For FY2021, we recorded a praiseworthy decrease in all our recyclable categories. The reasons for the decrease are twofolds; lockdowns causing slowdown in operations thus leading to lower operational waste and our staff's ongoing recycling efforts. Meanwhile, we are constantly exploring ways to improve our waste management processes.

Our recycling initiative also has an extended Corporate Social Responsibility ("CSR") component. Aligning and learning from like-minded Non-Governmental Organisations ("NGOs") such as Tzu Chi Foundation Malaysia, we collaborate with them whereby they collect a portion of our recyclable materials on a regular basis. In turn, they would use the sales proceeds of these recyclable materials for their NGO's charitable and welfare activities.



"To be able to instill a recycling mindset within the Group to help protect Mother Earth. Indeed, it is a worthy initiative I wholeheartedly support.", Mr. Fu comments.

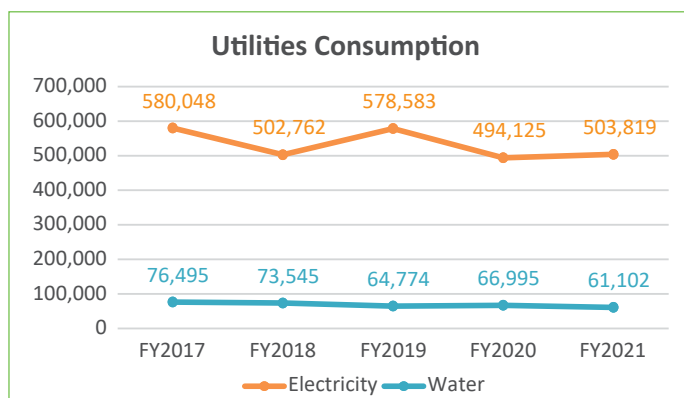
# SUSTAINABILITY STATEMENT

cont'd

## • Energy Conservation

At EITA, we strive to inculcate good energy conservation habits within the staff, from the simplest act of switching off lights and air-conditioners while out-of-office, to encouraging the use of harvested rainwater to wash their cars.

For FY2021, the Group recorded a slight increase in electricity consumption due to the need to light up a larger built-up space at Bukit Raja. However, it is expected to be reduced once solar panels are installed at this site.



The new Bukit Raja office and factory have also implemented several energy conservation solutions. For instance, we installed energy-efficient LED lighting at the office areas and skylights for natural lighting for the factory. In addition, a rainwater harvesting system was installed which is being used for watering the plants at the compound, and washing the driveway and company vehicles.

## • “Green” Renewable Energy

Our first solar project was installing solar panels at the car-park rooftop at our Furutec factory in Penang in 2016. We are now embarking on a major solar project at Bukit Raja. The solar panels are to be installed on the rooftop of the factory with an estimated coverage area of about 1,700 square metres and an expected output of 25,000 AC power (kWh) per month. However, it has been delayed due to the pandemic. Installation is targeted to commence at the beginning of 2022.



	FY2020	FY2021
<b>Solar energy</b>	<b>Estimated Savings</b>	<b>Estimated Savings</b>
EEM/Bukit Raja	N/A	N/A
Furutec/Penang	RM9,272	RM9,500
Total CO2 reduction	14,590 kg	15,798 kg
<b>Natural lighting</b>	<b>Estimated Savings</b>	<b>Estimated Savings</b>
EEM/Bukit Raja	N/A	RM954
Furutec/Penang	RM477	RM477
Total CO2 reduction	745 kg	2,236 kg
<b>Rain-water harvesting</b>	<b>Estimated Savings</b>	<b>Estimated Savings</b>
EEM/Bukit Raja	N/A	RM420
Furutec/Penang	RM1,368	RM1,368
Total litres saved	456 K	636 K

# SUSTAINABILITY STATEMENT

cont'd

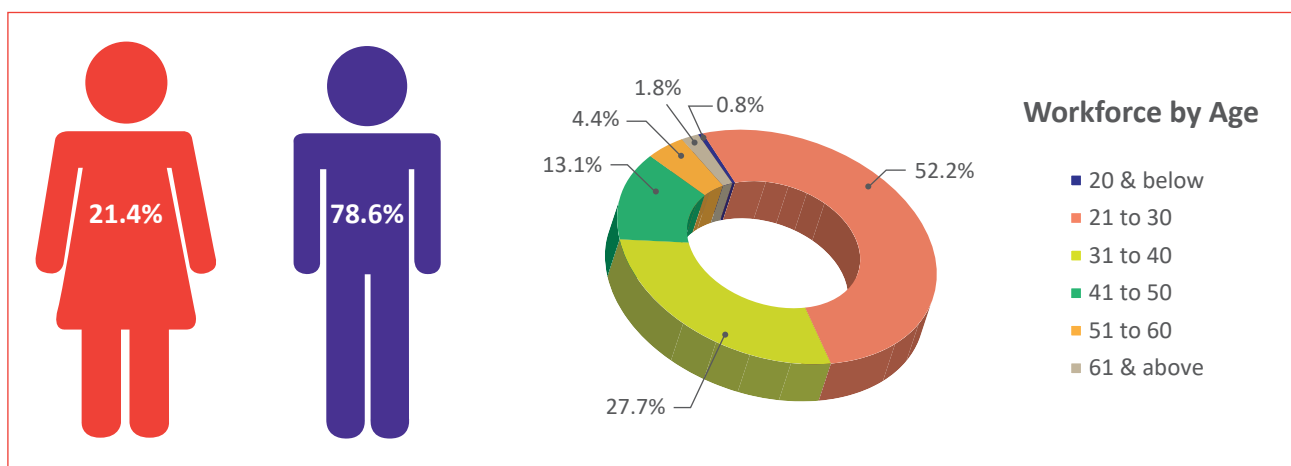
## WORKPLACE SUSTAINABILITY



The Group acknowledges the importance of our dedicated staff's collective commitment, knowledge, experiences and diversified skills that will help to continue propel EITA to attain sustainable growth.

EITA's Workplace Sustainability efforts are focused on creating conducive work culture for its staff to thrive and perform to the best of their abilities, whilst promoting mutual respect and teamwork. We also aim to provide a rewarding work environment based on meritocracy to attract and retain top talents.

Our workforce profile:



About 81% of our staff are below 40 years old, indicating a relatively youthful and energetic workforce which is integral to ensuring a potential pool of talents geared for continued business sustainability.

### • Employment Practices

The Group advocates fair employment practices abiding by principles of equal opportunity and non-discrimination.

At our annual EITA Policy Review meeting, our Human Resources Policy is reviewed and benchmarked against the industry. Recommendations are proposed and where appropriate, they are adopted in order to offer a competitive overall remuneration and benefits package to our staff.

For FY2021, there were 56 Long Service Award recipients altogether, ranging from 5 years to 20 years of service. A virtual appreciation ceremony was held to present Long Service Awards to these deserving staff in recognition of their loyalty, dedication and contributions over the years.

Long Service	No. of employees
20 years	2
15 years	6
10 years	12
5 years	36
<b>Total</b>	<b>56</b>

# SUSTAINABILITY STATEMENT

cont'd

## • Employee Development & Succession Planning

The growth and sustained success of any organisation is dependent on training, developing and retaining competent and capable employees by equipping them with relevant skills, knowledge, and work experiences. At EITA, we place significant importance on inculcating a learning culture within the organization.

During the pandemic period, our training classes have switched to virtual mode. Our in-house trainers and staff have adapted well to online learning which has allowed us to conduct more virtual classes. This has also helped in reducing our training expenditure.

Training & Development	FY2017	FY2018	FY2019	FY2020	FY2021
Training Expenditure (RM)	81,337	140,429	138,530	69,135	51,783
No. of training courses	65	79	81	138	234
Total training hours	3,266	4,698	5,257	5,352	9,632

In 2021, EITA Training Centre Sdn. Bhd. ("ETC") was formed to provide industrial-based training with its training facilities located at Bukit Raja. It is one of several training providers approved relevant authorities to conduct Lift Competent Person training and certification programmes. ETC is also an approved training provider under the Human Resource Development Corporation ("HRD Corp"), hence, it is eligible to offer HRDF claimable training courses.



Lift Competent Person hands-on training

## • Safety & Health

The Group recognises the significance of maintaining high standards of occupational safety and health management practices to ensure its employees, customers, the public and the environment are accorded the proper level of protection.

In early 2020, with the onset spread of the COVID-19 virus, EITA immediately set up a dedicated COVID-19 Safety & Health ("S&H") Task-force. It is headed by our Executive Director, Mr. Lee Peng Sian, backed by Human Resources Department with a representative from each subsidiary.



Regular safety briefing

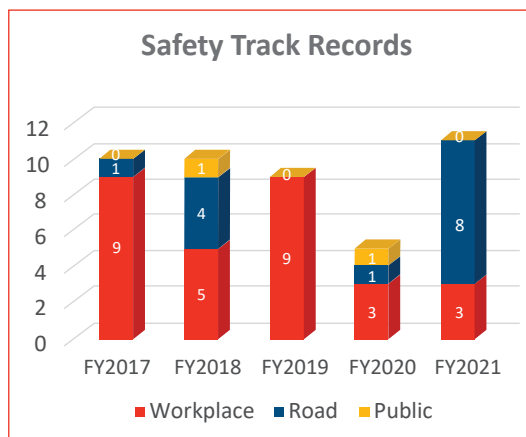


# SUSTAINABILITY STATEMENT

cont'd

The various S&H Task-force efforts include:

- Ensure compliance related to our Government's Standard Operating Procedures ("SOPs") and various Movement Control Order ("MCO") guidelines
- Weekly S&H task-force meeting for updates
- Monitoring of internal S&H SOPs, ranging from workplace sanitization to office zoning, from Work-From-Home guidelines to Visitors' Safety guidelines, from organizing staff vaccination to the provision of RT test-kits and others
- Weekly S&H group-wide briefing and demonstration



Employees' safety and well-being is one of our top agendas. We have already transitioned to the ISO 45001:2018 Occupational Health & Safety Management System and carried out our annual audit exercise accordingly.

Due to riders' carelessness and road conditions, these factors resulted in higher road accidents for our Service Technicians on their motorcycle. Fortunately, these were all minor accidents. In order to reinforce road safety, plans have already been put in place to conduct Motorcycle Audit Checks and Ride Safety Courses.

To reinforce greater safety awareness, in early 2021, EITA Elevator implemented the EITA Safety Passport programme. This is a mandatory course for all field staff and sub-contractors in order to adhere to worksite safety best practices.

## • **Balanced lifestyle**

To mirror our corporate "Brings good feel to life" tagline, EITA encourages its staff to embrace a balanced lifestyle of work, play and healthy living.

**Fostering a better working relationship.** EITA Sports Club, managed by elected staff, is responsible for organising fun and engaging activities for its members. However, in compliance with the Government's safety SOPs, many planned group events had to be postponed in FY2021.



## SUSTAINABILITY STATEMENT

cont'd

**Promoting a healthier lifestyle.** One of the major contributors to greenhouse gases is methane output from animal farming that has led to global warming and subsequent devastating effects on our climate. In doing our small part to protect our environment and at the same time advocate a healthier lifestyle, EITA continues to sponsor weekly “meatless” luncheons to encourage its staff to consume more vegetables. During some of these luncheons, staff get to enjoy motivational or educational presentations related to healthier living, recycling, protection of the environment and other related topics.



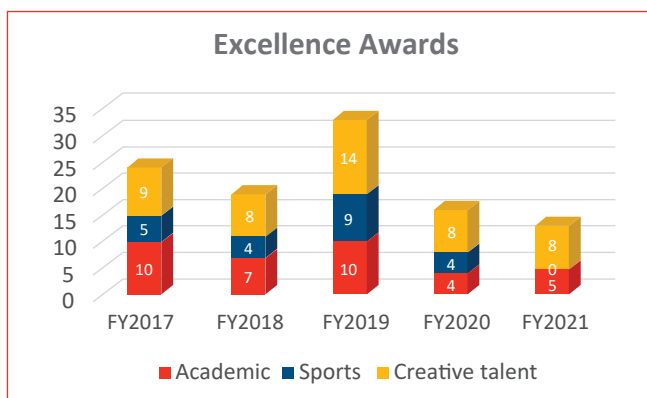
At Bukit Raja, with management support, a small hydroponic vegetable project was started on the roof of the main office block. It has proven to be quite successful, and as such, there are plans to invest in more hydroponic units to grow a variety of vegetables. Also, a “Best Meatless Meal Decoration” competition was held to further urge staff to embark on this journey of healthy eating. Winners received cash prizes.

Since 2016, the Group has made a deliberate decision to serve full vegetarian food for all its events, which include EITA Annual Dinner, in-house functions and training.

**Encouraging well-rounded excellence.** This balanced lifestyle message is also extended to the staff’s children to develop them into well-rounded individuals. We hold our annual EITA Excellence Award ceremony, specifically for our staff’s children to recognize their achievements in Academic Studies, Sports and Creative Talent pursuits. For FY2021, we had thirteen (13) recipients. These high achievers are rewarded with cash incentives to spur them to attain higher goals. The lockdowns caused schools to stop all sporting activities, thus no award given under the Sports category.



Similar to last year, we organized a fun and engaging virtual award ceremony for the parents and their children to celebrate their proud achievements.



# SUSTAINABILITY STATEMENT

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## SOCIAL SUSTAINABILITY



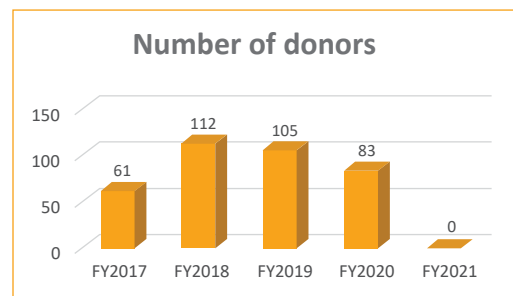
EITA is conscious of its Social Sustainability responsibilities. We strive to do our best to participate, contribute and build meaningful relationships with the communities.

“To reinforce our corporate tagline ‘brings good feel to life’ and foster a Caring Culture within EITA, we continually encourage our staff to serve and to give back to society.”, Mr. Fu enthuses.

### Community Engagement

**Saving lives.** Again, due to pandemic and safety reasons, EITA decided not to hold its annual Blood Donation Drive.

However, staff on their own initiatives participated in blood donation drives organised by the National Blood Bank and Government hospitals.



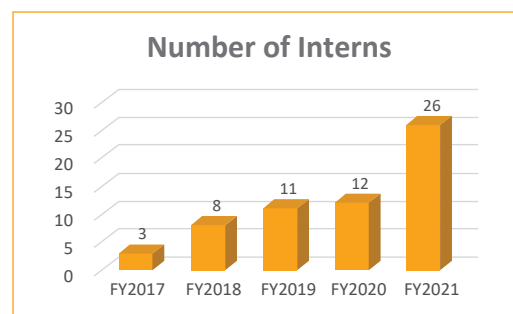
Internship (by Function)	Number of interns
Project	2
Technical (QC/Safety)	0
Finance & Accounts	1
Human Resources	0
R&D	2
Credit Control	2
Service & Maintenance	2
Purchasing	2
Warehouse	1
Production	2
Service Operation	11
Engineering	1
<b>Total</b>	<b>26</b>

**Supporting education.** The Group believes in developing industry-ready graduates through our internship programme. This would give them a proper head-start in their career and eventually be a positive contributor to society and the economy.

Every year, EITA offers internships to final year students in various functional disciplines. We mentor these students to best match them to industry needs in preparation for their eventual employment in the Construction and Manufacturing sectors. For FY2021, we took in twenty six (26) interns for various functional roles. In order to eventually increase our pool of Service Technician personnel, we provided thirteen (13) internship positions through our alliance with Selangor Human Resource Development Centre.



In 2021, Furutec Electrical in Penang again secured a grant from CREST to work in collaborative R&D with post-graduates from a local university in Penang. This is a win-win scenario enabling these students to provide R&D assistance for us, and at the same time, allow them to fulfil their project thesis, gain valuable practical hands-on R&D experience and relevant industry know-how.



## SUSTAINABILITY STATEMENT

*cont'd*

**Caring for the community.** EITA supports the spirit of volunteerism within the organisation. It encourages its staff to contribute back to the community, especially in caring for the less fortunate. In order to recognise our staff's volunteerism spirit, EITA has incorporated a CSR KPI in our performance appraisal process to measure their participation in CSR projects.



*Delivering medical equipment to hospital*



*Provisions for the needy*

Leading by example, our top management regularly volunteer their time and effort to various charities, NGOs and community project. Their hands-on participation ranges from working at recycling centres to aiding international disaster reliefs, and much more. Throughout this pandemic period, they were directly involved in delivering care packages, food provisions, Personal Protective Equipment and medical equipment to various local hospitals, prisons, public housing projects and refugees in Klang Valley.

Meanwhile, EITA continues to give contributions both in cash and in kind to various charitable causes, especially in support of the underprivileged, schools, places of worship and disaster reliefs.



*Providing aid to Old Folks Home in Bintulu*



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## INTRODUCTION

The Board of Directors (“the Board”) of EITA Resources Berhad (“EITA” or “the Company”) is committed towards ensuring good corporate governance and practices are implemented and maintained throughout the Company and its subsidiaries (“the Group”) as a fundamental part of discharging its duties to enhance shareholders’ values consistent with the principles and best practices set out in the Malaysian Code on Corporate Governance (“MCCG”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the Corporate Governance Guide.

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report (“CG Report”), based on a prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements to provide a detailed articulation on the application of the Group’s corporate governance practices as set out in the MCCG throughout the financial year ended 30 September 2021 (“FY2021”).

This Corporate Governance Overview Statement makes reference to the following three (3) principles of the MCCG:-

- (a) Board Leadership and Effectiveness;
- (b) Effective Audit and Risk Management; and
- (c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The CG Report is available on the Group’s website, [www.eita.com.my](http://www.eita.com.my) as well as via an announcement on the website of Bursa Securities.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### PART I - BOARD RESPONSIBILITIES

The Group is led and managed by an effective and experienced Board comprising members with a wide range of experience and qualifications.

The Board has delegated specific responsibilities to the following committees:-

- (a) Audit Committee (“AC”);
- (b) Nomination and Remuneration Committee (“NRC”);
- (c) Executive Committee; and
- (d) Senior Management Committee.

The Board Committees operate within their respective defined Terms of Reference approved and specific authorities delegated by the Board. The Chairman of the respective Committees will report to the Board the proceedings of each Committee meeting. The Board, however, retains full responsibility for the final decision on all matters.

The Board is led by the Chairman, Dato’ Siow Kim Lun by focusing on strategy, governance and compliance whereas the Group MD, Mr. Fu Wing Hoong manages the business and operations of the Group and implements the Board’s decisions.

The Board is supported by a Company Secretary who has the requisite credentials and is qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. All Directors have access to the advice and services of the Company Secretary. The Company Secretary, who is qualified, experienced and competent, is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, corporate governance best practices, procedures and regulations affecting the Company.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART I - BOARD RESPONSIBILITIES (CONT'D)

The Directors, whether as the entire Board or under their respective individual capacity, have full and unrestricted access to all information and documentations pertaining to the Group's business and affairs to enable them to discharge their duties effectively. The Board could direct any queries to fulfil its responsibilities and could retain, at the Company's expense (where appropriate), any legal, accounting or other services that it considers necessary to perform its duties.

The Board is also regularly updated and advised on new regulations, guidelines or directives issued by Bursa Securities, Securities Commission Malaysia and any other relevant regulatory authorities.

The Board has a Board Charter which set out the roles and responsibilities of the Board which serves as a guide for the Board to effectively discharge its duties. The Board Charter entails the following:-

- Composition and balance of the Board;
- Roles and responsibilities;
- Board processes;
- Indemnification and Directors' and Officers' insurance; and
- Code of Ethics and Conduct.

The Board Charter was last reviewed, revised and approved by the Board on 20 May 2021 and is published on the Company's website at [www.eita.com.my](http://www.eita.com.my).

The Board had also put in place a Whistle Blowing Policy and Anti-Bribery and Anti-Corruption Policy which will be reviewed at least once every three (3) years and in accordance with the needs of the Company.

### PART II - COMPOSITION OF THE BOARD

The Board currently consists of eight (8) Directors and two (2) Alternate Directors. The Board currently has one (1) female Board member, Ms. Ho Lee Chen, which reflects the Board's commitment towards achieving a more gender diversified Board.

The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

Pursuant to the MCGG, in view that Mr. Chong Lee Chang and Dato' Siow Kim Lun have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, the Board will be seeking approval of the shareholders of the Company at the forthcoming Annual General Meeting ("AGM") to support the Board's decision to retain them as Independent Non-Executive Directors.

The Board believes that the Independent Directors' continued contribution, especially their invaluable knowledge of the Group and its operations gained through the years, will provide stability and benefits to the Board and the Company as a whole. Their caliber, qualification, experience and personal qualities, and more importantly, the Director's integrity and objectivity in discharging their responsibilities in the best interest of the Company, predominantly determines the ability of the Directors to serve effectively as Independent Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II - COMPOSITION OF THE BOARD (CONT'D)

The Board, through its NRC regularly assesses the optimum size, required mix of skills, experience, independence and diversity required collectively for the Board to effectively fulfill its role. The appointment of Board members is reviewed by the NRC and made via a formal and transparent process. The NRC shall consider and recommend a suitable candidate for the Board, in terms of appropriate balance of skills, expertise, attributes and core competencies, taking into consideration the character, experience, integrity, competence and time commitment.

The composition of the NRC is as follows:-

Name	Designation
Chong Lee Chang, Chairman	Senior Independent Non-Executive Director
Ho Lee Chen, Member	Independent Non-Executive Director
Chia Mak Hooi, Member	Non-Independent Non-Executive Director
Ir. Haji Omar Bin Mat Piah, Member (Appointed on 16 March 2021)	Independent Non- Executive Director

The NRC considers and recommends competent persons with integrity and a strong sense of professionalism to be appointed to the Board. In arriving at these recommendations, due consideration will be given to the required mix of skills, expertise and experience that the proposed Director(s) shall bring to complement the Board. The candidates must also be able to commit a sufficient amount of time to discharge their duties as a Board member.

The NRC has developed certain criteria used in the recruitment process and annual assessment of Directors, including Independent Directors.

During the FY2021, the following activities were undertaken by the NRC:-

- Reviewed and assessed the performance of the Group Managing Director, Executive Director and Non-Executive Directors.
- Reviewed and assessed the independence of the Independent Directors.
- Reviewed and assessed the performance of the AC.
- Reviewed and assessed the effectiveness of the Board and Board Committee as a whole.
- Reviewed and recommended to the Board for consideration, the re-election of Mr. Lee Peng Sian and Mr. Chong Lee Chang as Directors who retired by rotation pursuant to Clause 85 of the Company's Constitution at the last AGM held on 22 February 2021.
- Reviewed and recommended to the Board for consideration, the re-election of Ir. Haji Omar Bin Mat Piah as Director who retired pursuant to Clause 91 of the Company's Constitution at the last AGM held on 22 February 2021.
- Reviewed and recommended to the Board for consideration, the retention of Mr. Chong Lee Chang and Dato' Siow Kim Lun as Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years pursuant to the MCG at the last AGM held on 22 February 2021.
- Reviewed and recommended to the Board for consideration, the remuneration packages of the Group Managing Director and Executive Directors.
- Reviewed and recommended to the Board for consideration, the performance bonus and incentive payout of the Group.
- Reviewed and recommended to the Board for consideration, the fees and benefits for the Directors.
- Reviewed and considered the nomination of Ir. Haji Omar Bin Mat Piah as a new Independent Non-Executive Director of the Company.
- Reviewed and recommended to the Board for consideration, re-designation of Mr. Lim Joo Swee from Executive Director to the Deputy Group Managing Director.
- Reviewed and considered the Curriculum Vitae and remuneration package of the new Chief Financial Officer of the Company.
- Reviewed and recommended to the Board for consideration, the appointment of Ir. Haji Omar Bin Mat Piah as a member of the AC and NRC.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II - COMPOSITION OF THE BOARD (CONT'D)

The Board recognises the importance of assessing the effectiveness of individual directors, the Board as a whole and its Board Committees. Facilitated by the NRC, the Company conducted an annual evaluation to determine the effectiveness of the Board and Board Committees as a whole as well as the contribution of each Director. The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities. Criteria used in these assessments are guided by the Corporate Governance Guide issued by Bursa Securities.

In evaluating the performance of Non-Executive Chairman/Directors, certain criteria were established and adopted, amongst others, attendance at Board or Committee meetings, key responsibilities of the Chairman/adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committee as a whole.

In evaluating the performance of Executive Directors, an assessment was carried out against diverse key performance indicators, amongst others, financial, strategic, operations management and business plans, product development, conformance and compliance, stakeholders' relations, employee training and development, succession planning and personal input to the role.

The annual assessment was facilitated by the Company Secretary and conducted on a peer and self-evaluation basis through questionnaires circulated to the Directors.

The Directors and the Committee Members have discharged their duties and roles by attending their respective meetings. The number of meetings held and attended by each member of the Board and Board Committees during FY2021 are as follows:-

Type of Meetings Name of Directors	Board of Directors	Audit Committee	Nomination and Remuneration Committee
	No. of Meetings Attended		
Dato' Siow Kim Lun	4/4	3/3	1/1
Fu Wing Hoong	4/4	N/A	N/A
Lim Joo Swee	4/4	N/A	N/A
Lee Peng Sian	4/4	N/A	N/A
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	4/4	N/A	N/A
Chia Mak Hooi	4/4	4/4	1/1
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	4/4	N/A	N/A
Chong Lee Chang	4/4	4/4	1/1
Ho Lee Chen	4/4	4/4	1/1
Ir. Haji Omar Bin Mat Piah (Appointed on 20 November 2020)	3/3	2/2	N/A

The Board meets at least once every quarter on a scheduled basis and additional meetings are to be convened as and when deemed necessary by the Board. All the Directors have attended more than 50% of the total Board Meetings held during the FY2021 and complied with the requirement on attendance at Board meetings as stipulated in the Listing Requirements.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART II - COMPOSITION OF THE BOARD (CONT'D)

The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

The senior management and officers of the Group may be invited to attend the Board and Committees meetings to discuss pertinent issues arising from the Group's operations and the Board has unrestricted access to the management at any time.

The Board acknowledges that continuous training is essential in keeping them abreast with changes in law and regulations, business environment and corporate governance developments, besides enhancing professionalism and knowledge in enabling them to discharge their duties more effectively.

The training needs of Directors would be assessed and proposed by the individual Director. Each Director determines the areas of training that he/she may require for personal development as a Director or as a member of a Board Committee.

The Directors have attended the following training, seminars and conferences during the FY2021:-

Name of Directors	Title of Seminars/Training attended
Dato Siow Kim Lun	<ul style="list-style-type: none"> <li>- Section 17A &amp; Adequate Procedures</li> <li>- Audit Committee Annual Conference 2021</li> <li>- A Boardroom Simulation – Corporate Strategy Beyond the Crisis</li> <li>- JC3 Conference on Climate Change</li> <li>- Data Analytics Strategy Implementation</li> <li>- Enterprise Risk Management – Actualising its Effectiveness</li> <li>- Business Foresight Forum 2021 – Transformative Innovation Reshaping Business Realities in Extraordinary Times</li> </ul>
Lim Joo Swee	<ul style="list-style-type: none"> <li>- Incentives for Foreign Direct Investment</li> </ul>
Chia Mak Hooi	<ul style="list-style-type: none"> <li>- Delivering business resilience in transformative times – Setting an Efficient Growth Framework</li> </ul>
Chia Seong Pow	<ul style="list-style-type: none"> <li>- Delivering Business Resilience in Transformative Times – Setting an Efficient Growth Framework</li> </ul>
Ho Lee Chen	<ul style="list-style-type: none"> <li>- Coffee Talk Series - The Accounting Practice Amidst Covid-19</li> <li>- Fraud Risk Management Workshop</li> <li>- Implementing Amendments in the Malaysian Code on Corporate Governance</li> <li>- The Net Zero Journey: What Board Members Need to Know- Part 1</li> </ul>

During the financial year under review, all Directors of the Company have attended an in-house training session conducted by the Company Secretary on the updated Malaysian Code on Corporate Governance 2021.

# CORPORATE GOVERNANCE

## OVERVIEW STATEMENT

cont'd

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART III - REMUNERATION

The Board has established a formal and transparent Remuneration Policy which sets out the remuneration principles and guidelines for the Board and the NRC to determine the remuneration of Directors and/or Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

The annual Directors' fees and benefits payable to the Non-Executive Directors are endorsed by the Board for approval by the shareholders of the Company at the AGM. The Directors do not participate in decisions regarding their own remuneration packages.

The Remuneration Policy is available at the Company's website at [www.eita.com.my](http://www.eita.com.my).

The remuneration of the Directors of the Company and the Group for the FY2021 are as follows:

#### (A) The Company

Name of Directors	Fees RM'000	Salaries RM'000	Benefits in Kind RM'000	Meeting Allowance RM'000	Bonus RM'000	Others RM'000	Total RM'000
Dato' Siow Kim Lun	67.2	-	-	1.2	-	-	68.4
Fu Wing Hoong	-	904.3	28.0	-	126.5	393.0	1,451.8
Lim Joo Swee	-	656.1	-	-	91.8	288.5	1,036.4
Lee Peng Sian	-	-	-	-	-	-	-
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	-	-	-	-	-	-	-
Chia Mak Hooi	53.4	-	-	-	-	-	53.4
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	-	-	-	-	-	-	-
Chong Lee Chang	60.3	-	-	1.2	-	-	61.5
Ho Lee Chen	60.3	-	-	1.2	-	-	61.5
Ir. Haji Omar Bin Mat Piah (Appointed on 20 November 2020)	51.6	-	-	1.2	-	-	52.8
<b>TOTAL</b>	<b>292.8</b>	<b>1,560.4</b>	<b>28.0</b>	<b>4.8</b>	<b>218.3</b>	<b>681.5</b>	<b>2,785.8</b>



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART III - REMUNERATION (CONT'D)

#### (B) The Group

Name of Directors	Fees RM'000	Salaries RM'000	Benefits in Kind RM'000	Meeting Allowance RM'000	Bonus RM'000	Others RM'000	Total RM'000
Dato' Siow Kim Lun	67.2	-	-	1.2	-	-	68.4
Fu Wing Hoong	75.7	904.3	28.0	-	126.5	640.5	1,775.0
Lim Joo Swee	57.6	656.1	16.5	-	91.8	537.3	1,359.3
Lee Peng Sian	51.0	492.8	26.7	-	17.3	154.4	742.2
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	24.0	503.3	22.3	-	70.4	234.5	854.5
Chia Mak Hooi	71.4	-	-	-	-	-	71.4
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	24.0	-	-	-	-	-	24.0
Chong Lee Chang	60.3	-	-	1.2	-	-	61.5
Ho Lee Chen	60.3	-	-	1.2	-	-	61.5
Ir. Haji Omar Bin Mat Piah (Appointed on 20 November 2020)	51.6	-	-	1.2	-	-	52.8
<b>TOTAL</b>	<b>543.1</b>	<b>2,556.5</b>	<b>93.5</b>	<b>4.8</b>	<b>306.0</b>	<b>1,566.7</b>	<b>5,070.6</b>

The remuneration of the Senior Management of the Group for the FY2021 are as follows:

Range of Remuneration	Group
	No. of Senior Management
Below RM50,000	-
RM50,001 to RM100,000	1
RM200,001 to RM250,000	1
RM250,001 to RM300,000	2
RM350,001 to RM400,000	1
RM500,001 to RM550,000	1

Due to confidentiality and sensitivity of the remuneration package of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.00.

The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART I – AUDIT COMMITTEE (“AC”)

The AC comprises four (4) members who are exclusively Non-Executive Directors with a majority of them being Independent Non-Executive Directors.

The objectives of the AC are, amongst others, providing additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures, establishing and maintaining internal controls. The AC is also tasked with reinforcing the independence of the Company’s external auditors, thereby ensuring that the auditors have free reign in the audit process.

The composition of the AC and the works carried out during the FY2021 are set forth in the AC Report in this Annual Report.

The term of office and performance of the AC and its members should be reviewed by the NRC annually to determine whether such AC and its members have carried out their duties in accordance with the Terms of Reference.

The Group has established a transparent and appropriate relationship with the Internal Auditors and External Auditors. Such a relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party. Similar to the External Auditors, Internal Auditors too have direct reporting access to the AC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence from the Management.

The Board has established the External Auditors Assessment Policy together with the Annual Performance Evaluation Form. The said Policy aims to outline the guidelines and procedures for AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

### PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibilities for maintaining a sound system of internal controls.

Management is responsible for implementing the process for identifying, evaluating, monitoring and reporting risks and internal control, taking appropriate and timely corrective actions as needed and providing assurance to the Board that the processes have been carried out. The AC has been entrusted by the Board to ensure the effectiveness of the Group’s internal control systems.

The internal audit function of the Group is outsourced to an independent professional firm. The findings of the outsourced Internal Auditors are reported directly to the AC which provides the Board with the required assurance in relation to the adequacy and integrity of the Group’s system of internal controls.

Information on the Group’s Risk Management and Internal Control is presented in the Statement on Risk Management and Internal Control set out in this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### PART I - COMMUNICATION WITH STAKEHOLDERS

The Group values the importance of timely and equal dissemination of information on major developments of the Group to the shareholders, potential investors and the general public. EITA's website at [www.eita.com.my](http://www.eita.com.my) serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Board has earmarked a dedicated section for corporate governance on the Company's website, where information on the Company's announcements to the regulators, the Board Charter, policies and the Company's Annual Report may be accessed.

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Company has adopted a formal Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to regulators, shareholders and stakeholders.

### PART II - CONDUCT OF GENERAL MEETING

The AGM remains as a principal forum for communication with its shareholders. During the AGM, shareholders are accorded time and opportunities to query the Board on the resolutions being proposed and also matters relating to the performance, developments and directions of the Group. Shareholders are also invited to convey and share their inputs with the Board.

Members of the Board and key management of the Company as well as external auditors of the Company are available to respond to shareholders' questions during the meetings. The Board also encourages other channels of communication with shareholders.

All resolutions set out in the Notice of the Twenty-Fifth AGM ("25<sup>th</sup> AGM") of the Company held on 22 February 2021 were put to vote by way of poll and the votes cast were validated by an independent scrutineer appointed by the Company.

All the Directors were present at the 25<sup>th</sup> AGM held on 22 February 2021 and the Board had responded to all queries raised by the shareholders.

### STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company shall continue to strive for high standards of corporate governance through the Group, and the highest level of integrity and ethical standards in all of its business dealings.

The Company has in all material aspects satisfactory complied with the principles and practices set out in the Code, except for the departures set out in the CG Report.

# AUDIT COMMITTEE REPORT

## OBJECTIVE OF THE AUDIT COMMITTEE (“AC”)

The primary objective of the AC is to provide additional assurance to the Board of Directors (“the Board”) of EITA Resources Berhad (“the Company”) by giving an objective and independent review of financial, operational and administrative controls and procedures, establishing and maintaining internal controls. The AC is also tasked with reinforcing the independence of the Company’s external and internal auditors, thereby ensuring that the auditors have free reign in the audit process.

## COMPOSITION AND MEMBERS OF THE AC

The AC comprises the following members, all being Non-Executive Directors with a majority of them being Independent Directors:-

Name	Designation
Ho Lee Chen, Chairperson	Independent Non-Executive Director
Dato’ Siow Kim Lun, Member (Resigned on 20 May 2021)	Independent Non-Executive Chairman
Chong Lee Chang, Member	Senior Independent Non-Executive Director
Chia Mak Hooi, Member	Non-Independent Non- Executive Director
Ir. Haji Omar Bin Mat Piah, Member (Appointed on 16 March 2021)	Independent Non- Executive Director

During the financial year under review, the AC convened four (4) meetings and attendance of each of the AC members to the meetings is set out as follows:

Audit Committee Members	Attendance
Ho Lee Chen, Chairperson	4/4
Dato’ Siow Kim Lun, Member (Resigned on 20 May 2021)	3/3
Chong Lee Chang, Member	4/4
Chia Mak Hooi, Member	4/4
Ir. Haji Omar Bin Mat Piah, Member (Appointed on 16 March 2021)	2/2

The Company complied with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) which the AC members fulfil the requirement as prescribed. The AC has effectively discharged its duties pursuant to the Terms of Reference of the AC.

The authorities and duties of the AC are clearly governed by the Terms of Reference of the AC. The Terms of Reference of the AC can be accessed from the corporate website of the Company at <http://www.eita.com.my>.

# AUDIT COMMITTEE REPORT

*cont'd*

## SUMMARY OF WORKS DURING THE FINANCIAL YEAR UNDER REVIEW

Amongst others, the AC had carried out the following works during the financial year ended 30 September 2021 ("FY2021") in discharging their duties and responsibilities:-

- i. In overseeing the Company's financial reporting, reviewed the four (4) unaudited quarterly financial results and annual audited financial statements of the Company and its subsidiaries ("the Group") and the Company including the announcements pertaining thereto. The discussion focused particularly on any change in accounting policies and practices, significant adjustments arising from the audit and compliance with accounting standards and other legal requirements before recommending to the Board for approval and release of the announcements to Bursa Securities.
- ii. Reviewed with the External Auditors, the audit plan and scope of the statutory audit of the Group's financial statements for the FY2021 before the audit commenced to ensure that the scope of the external audit is comprehensive.
- iii. Reviewed with the External Auditors, the Audit Review Memorandum upon completion of the annual audit, covering findings on the results and issues arising from their audit of the financial statements of the Group and their resolutions of such issues highlighted in their report to the AC.
- iv. Considered and recommended the re-appointment of KPMG PLT as the External Auditors and their audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the Auditors during their audit.
- v. Reviewed with the Internal Auditors, the internal audit plan, work done and reports for the internal audit function and considered the findings of internal audit investigations and management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the Internal Auditors.
- vi. Reviewed the related party transactions and/or recurrent related party transactions that transpired during the financial year under review to ensure that the transactions entered into were at arm's length basis.
- vii. Reviewed the Report on Registry of Risk and Risk Matrix of the Company and its subsidiaries.
- viii. Reviewed the Corporate Governance Overview Statement, AC Report and Statement on Risk Management and Internal Control and Sustainability Statement to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report.
- ix. Self-appraised the performance of the AC and submitted the evaluation form to the Nomination and Remuneration Committee for assessment.
- x. Evaluated the performance of the External and Internal Auditors.

## INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional consulting company, which is independent of the activities and operations of the Group. The Internal Auditors are empowered by the AC to provide an objective evaluation of risks and controls in the auditable activities to ensure a sound system of internal controls.

The Internal Auditors shall present its risk-based Internal Audit Plan for the AC's review annually. Scheduled audits are carried out on various departments and/or subsidiaries of the Group in accordance with the approved Internal Audit Plan. A risk-based methodology is adopted to evaluate the adequacy and effectiveness of the risk management, financial, operational and governance processes.



# AUDIT COMMITTEE REPORT

*cont'd*

## INTERNAL AUDIT FUNCTION (CONT'D)

In an effort to provide value added services, the Internal Auditors also play an active role in an advisory capacity especially on potential improvement on the existing controls. On an ad-hoc basis, the Internal Auditors may be requested by the AC to perform special reviews on any particular area, functions and activities of any business units within the Group whenever the AC deems necessary.

Reports on these audits shall be presented to the AC highlighting observations, recommendations, corrective actions and deadlines for the management team to implement the agreed corrective actions. Where the result of an audit is unsatisfactory, a follow-up audit is conducted and subsequently reported to the AC.

The summary of the works of the internal audit function is disclosed in the Statement on Risk Management and Internal Control.

The fee incurred during the FY2021 in relation to the internal audit function was RM51,200.

For the FY2021, the Committee noted that the internal audit function is independent and Internal Auditors have performed their audit assignments with impartiality, proficiency and due professional care.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“the Board”) of EITA Resources Berhad (“the Company”) is pleased to present the Statement on Risk Management and Internal Control of the Company and its subsidiaries (“the Group”) which outlines the nature and scope of risk management and the internal control systems of the Group for the financial year ended 30 September 2021 (“FY2021”) pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance and “*Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*”.

## BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group’s risk management and internal control system to safeguard shareholders’ investment and the Group’s assets as well as reviewing its effectiveness, adequacy and integrity on a regular basis.

The system of internal control covers governance, risk management, financial, organisational, operational and compliance controls. However, due to the limitations that are inherent in any system of internal control, the Group’s system of internal control is designed to manage, rather than eliminate the risk of failure to achieve the corporate objectives. Accordingly, it only provides reasonable but not absolute assurance against material misstatement or loss.

The Board, through the Audit Committee (“AC”), implement the risk management and internal control practices within the Group. Management is required to apply good judgement in assessing the risks faced by the Group, assessing the Group’s ability to reduce the incidence and impact of risks.

## RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group’s business operations and has put in place the Risk Management Framework within the Group as an ongoing process for identifying, evaluating, monitoring and managing the significant risk affecting the achievement of its business objectives.

The risk identification process involves reviewing and identifying the possible risk exposure arising from changes in both external business environment and internal operating conditions. The risk measurement guidelines consist of financial and non-financial qualitative measures of risk consequences based on the risk likelihood rating and risk impact rating. The risk control actions are prioritised and implemented as per the risk control actions assigned to the respective risk owners.

Risk profile consists of principal business risks which are identified and documented in the Registry of Risks. The Registry of Risks identified the risk factors, statement of risk, risk owner, impact, likelihood and risk control actions. The Risk Management Committee is represented by an Executive Committee which consists of the Group Managing Director and two (2) Executive Directors and one (1) Alternate Director. The Registry of Risks which comprises corporate level and subsidiaries is tabled to the AC for review and approval every quarter. The AC reports to the Board on any significant changes in the business and external environment which may affect key risks.

The Board is of the view that there is an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives in their daily activities throughout the financial year and up to the date of approval of the Annual Report.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to external service providers ("Internal Auditors") to provide independent assurance and serves to assist the Group to provide adequate and effective internal control system and reports directly to the AC on quarterly basis. The Internal Auditors is free from any relationships or conflict of interest, which could impair their objectivity and independence of the internal audit function and do not have any direct operational responsibility or authority over any of the audited activities. The AC is of the opinion that the internal audit function is effective and able to function independently.

The Internal Auditors use the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework as a basis in conducting internal audit functions. The Internal Auditors submit a proposed risk-based internal audit plan to the AC for reviewing and approval. Based on their internal audit reviews, observations were presented by the Internal Auditors, together with Management's response and proposed action plans, to the AC for reviewing during the quarterly AC Meetings. In addition, the Internal Auditors have followed up on the implementation of recommendations from previous cycles of internal audit and updated the AC on the status of Management-agreed action plan. For the FY2021, the total costs incurred for the outsourced internal audit function was RM51,200.

For the FY2021, the following subsidiaries of the Group were audited by the Internal Auditors:-

Audit Period	Reporting Month	Name of Entity Audited	Audited Areas
1 <sup>st</sup> Quarter (October 2020 – December 2020)	February 2021	EITA Resources Berhad	<ul style="list-style-type: none"> <li>Human Resources</li> <li>Corporate Governance</li> </ul>
2 <sup>nd</sup> Quarter (January 2021 – March 2021)	May 2021	EITA-Schneider (MFG) Sdn. Bhd.	<ul style="list-style-type: none"> <li>Business Development/Sustainability Management (Overseas Sales)</li> <li>Procurement and Supplies Quality Assurance</li> <li>Production/Assemble</li> <li>Inventory Management</li> </ul>
3 <sup>rd</sup> Quarter (April 2021 – June 2021)	August 2021	EITA Electric Sdn. Bhd.	<ul style="list-style-type: none"> <li>Inventory Management</li> <li>Sales and Marketing</li> <li>Procurement and Supplies Quality Assurance</li> <li>Sales Collection</li> </ul>
4 <sup>th</sup> Quarter (July 2021 – September 2021)	November 2021	EITA Power System Sdn. Bhd.	<ul style="list-style-type: none"> <li>Procurement and Supplies Quality Assurance</li> <li>Sales and Marketing</li> <li>Inventory Management</li> </ul>

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

*cont'd*

## INTERNAL AUDIT FUNCTION (CONT'D)

During the financial year under review, the Internal Auditors have presented their follow-up status reports on previously reported audit findings in respect of the following subsidiaries of the Group:-

Name of Entities audited by the Internal Auditors	Date of Follow up Status Report
TransSystem Continental Sdn. Bhd.	22 February 2021
EITA Elevator (Malaysia) Sdn. Bhd.	22 February 2021
EITA Elevator (Malaysia) Sdn. Bhd.	20 May 2021
TransSystem Continental Sdn. Bhd.	20 May 2021
EITA Resources Berhad	20 May 2021
EITA-Schneider (MFG) Sdn. Bhd.	24 August 2021
TransSystem Continental Sdn. Bhd.	24 August 2021
EITA Resources Berhad	24 August 2021
EITA Electric Sdn. Bhd.	25 November 2021
TransSystem Continental Sdn. Bhd.	25 November 2021
EITA Resources Berhad	25 November 2021

## KEY ELEMENTS OF INTERNAL CONTROL

The following sets out the key elements of the Group's internal control, which have been in place throughout the FY2021, and up to 14 January 2022, being the date of this Statement:-

### ▪ Organisational Structure

The Group has a defined organisational structure that is aligned to its business and operation requirements. Defined lines of accountability, delegation of responsibility and level of authorisation for all aspects of the business have been laid down and communicated throughout the Group.

### ▪ Limits of Authority

Authority charts have been established within the Group to provide a functional framework of authority in approving sales order, purchases, expenses and capital expenditure.

### ▪ Standard Operating Policies and Procedures ("SOPs")

Numerous SOPs have been established to serve as a general management guide for daily operations. These policies and procedures are reviewed as and when necessary to reflect changing risks or to resolve any operational deficiencies. It is also to promote efficiency and accountability for the Group.

### ▪ Board and Management Meetings

Regular Board and Management meetings are held where information is provided to the Board and Management covering financial performances and operations.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

*cont'd*

## KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

### ▪ Training and Development Programmes

Training and development programmes are established to ensure that staff are constantly kept up-to-date with the constant technological changing environment in order to be competent in the industry in line with achieving the Group's business objectives.

### ▪ Management Accounts and Reports

The Group's performance is monitored through regular reviews on management accounts and reports prepared and reported to AC.

## ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and internal control system were operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group, for FY2021, and up to 14 January 2022, being the date of this Statement.

## CONCLUSION

For the financial year under review and up to 14 January 2022, being the date of this Statement, the Board is of the opinion that there is an ongoing process of identifying, evaluating, and managing significant risks faced by the Group. The Board continues to take appropriate action plans to strengthen the risk management and internal control systems to meet the Group's objectives.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 30 September 2021, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.



## ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the following additional information is provided:-

During the financial year ended 30 September 2021 (“FY2021”):-

### (I) AUDIT AND NON-AUDIT FEE

The amount of audit and non-audit fees paid/payable to the External Auditors by the Company and the Group are as follows:-

	Company RM	Group RM
Audit Fee	34,500	196,666
Non - Audit Fee	9,000	9,000

### (II) STATUS OF UTILISATION OF PROCEEDS

The Company did not raise any funds through any corporate proposals during the FY2021.

### (III) MATERIAL CONTRACT INVOLVING INTERESTS OF DIRECTOR AND/OR MAJOR SHAREHOLDER

No material contract was entered into by the Company and/or its subsidiaries involving Directors and major shareholders’ interests.

### (IV) RECURRENT RELATED PARTY TRANSACTION

Significant recurrent related party transactions of a revenue or trading nature entered into by the Group are disclosed in Note 34 of the Notes to the Financial Statements for the FY2021 on page 149 of this Annual Report.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 to ensure that financial statements for each financial year are drawn up in accordance with the applicable approved accounting standards in Malaysia to give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the financial performance of the Group and of the Company for the financial year then ended.

In preparing those financial statements, the Directors have:

- adopted and consistently applied suitable accounting policies;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared it on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy, at any time, the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are also responsible to take such steps to safeguard the assets of the Group and of the Company and hence, the prevention and detection of fraud and other irregularities.



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

For the year ended 30 September 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2021.

## PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and provision of management services whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

## SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

## RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	19,887	1,081
Non-controlling interest	138	-
	<u>20,025</u>	<u>1,081</u>

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

## DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- (i) a second interim dividend of 3.00 sen per ordinary share totalling RM3,899,880 in respect of the financial year ended 30 September 2020 on 8 January 2021; and
- (ii) a first interim dividend of 1.50 sen per ordinary share totalling RM3,900,055 in respect of the financial year ended 30 September 2021 on 9 July 2021.

On 25 November 2021, the Directors declared a second interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 September 2021 and paid on 12 January 2022. Based on the total number of issued shares of the Company at the end of the reporting period, the second interim dividend amounted to RM3,900,055.

The Directors do not recommend any final dividend to be paid for the financial year ended 30 September 2021.

# DIRECTORS' REPORT

For the year ended 30 September 2021  
*cont'd*

## DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Dato' Siow Kim Lun @ Siow Kim Lin  
Fu Wing Hoong  
Lim Joo Swee  
Lee Peng Sian  
Chong Yoke Peng (*alternate director to Lee Peng Sian*)  
Chia Mak Hooi  
Chia Seong Pow (*alternate director to Chia Mak Hooi*)  
Chong Lee Chang  
Ho Lee Chen  
Ir. Haji Omar Bin Mat Piah

## DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				At 30.9.2021
	At 1.10.2020	Bought	Bonus issued	Sold	
Name of Directors					
Fu Wing Hoong					
Direct interest in the Company:					
- own	857,541	185,800	882,041	-	1,925,382
Indirect interest in the Company^					
- others	24,873,496	20,000	24,873,496	-	49,766,992
Lim Joo Swee					
Direct interest in the Company:					
- own	1,618,341	20,000	1,618,341	-	3,256,682
Indirect interest in the Company^#					
- others	18,511,853	37,000	18,541,853	-	37,090,706
Chong Yoke Peng					
Direct interest in the Company:					
- own	4,399,236	20,000	4,399,236	-	8,818,472
Indirect interest in the Company^B					
- others	150,000	-	150,000	-	300,000



# DIRECTORS' REPORT

For the year ended 30 September 2021

cont'd

## DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares				At 30.9.2021
	At 1.10.2020	Bought	Bonus issued	Sold	
Name of Directors					
Lee Peng Sian					
Direct interest in the Company:					
- own	6,443,008	-	6,443,008	-	12,886,016
Indirect interest in the Company <sup>ⁱ</sup>					
- others	43,500	-	43,500	-	87,000
Dato' Siow Kim Lun @ Siow Kim Lin					
Direct interest in the Company:					
- own	200,000	-	200,000	-	400,000
Chia Mak Hooi					
Direct interest in the Company:					
- own	200,000	-	150,000	(50,000)	300,000
Chong Lee Chang					
Direct interest in the Company:					
- own	380,000	-	380,000	-	760,000
Chia Seong Pow					
Direct interest in the Company:					
- own	200,000	-	200,000	-	400,000
Indirect interest in the Company*					
- others	30,073,259	-	30,073,259	-	60,146,518
Ho Lee Chen					
Indirect interest in the Company					
- others	4,000 <sup>☆</sup>	2,666 <sup>☆</sup>	4,000 <sup>☆</sup>	-	10,666 <sup>°</sup>

# DIRECTORS' REPORT

For the year ended 30 September 2021

*cont'd***DIRECTORS' INTERESTS (CONT'D)**

	Warrants in the Company				
	At 1.10.2020	Issued	Sold	Exercised	At 30.9.2021
Warrant holdings in which Directors have direct interests in the Company					
Name of Directors					
Fu Wing Hoong					
Direct interest in the Company:					
- own	-	588,027	(80,000)	-	508,027
Indirect interest in the Company^					
- others	-	16,582,330	(7,300)	-	16,575,030
Lim Joo Swee					
Direct interest in the Company:					
- own	-	1,078,894	-	-	1,078,894
Indirect interest in the Company#					
- others	-	12,361,233	-	-	12,361,233
Chong Yoke Peng					
Direct interest in the Company:					
- own	-	2,932,824	-	-	2,932,824
Indirect interest in the Company <sup>β</sup>					
- others	-	100,000	-	-	100,000
Lee Peng Sian					
Direct interest in the Company:					
- own	-	4,295,338	-	-	4,295,338
Indirect interest in the Company <sup>α</sup>					
- others	-	29,000	-	-	29,000
Dato' Siow Kim Lun @ Siow Kim Lin					
Direct interest in the Company:					
- own	-	133,333	-	-	133,333
Chia Mak Hooi					
Direct interest in the Company:					
- own	-	100,000	(75,000)	-	25,000

# DIRECTORS' REPORT

For the year ended 30 September 2021

cont'd

## DIRECTORS' INTERESTS (CONT'D)

	Warrants in the Company				
	At 1.10.2020	Issued	Sold	Exercised	At 30.9.2021
Warrant holdings in which Directors have direct interests in the Company					
Name of Directors					
Chong Lee Chang					
Direct interest in the Company:					
- own	-	253,333	-	-	253,333
Chia Seong Pow					
Direct interest in the Company:					
- own	-	133,333	-	-	133,333
Indirect interest in the Company*					
- others	-	20,048,838	-	-	20,048,838
Ho Lee Chen					
Indirect interest in the Company <sup>☆</sup>					
- others	-	2,666	-	(2,666)	-

<sup>^</sup> Deemed interested by virtue of the shares held by his spouse, Lee Pek See, his daughter, Fu Jia Lik and both his and his spouse's shareholdings in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act").

<sup>#</sup> Deemed interested by virtue of the shares held by his spouse, Goh Kin Bee, his children and both his and his spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.

<sup>β</sup> Deemed interested by virtue of the shares held by his spouse, Jane Chew Yin Sum.

<sup>Ω</sup> Deemed interested by virtue of the shares held by his spouse, Looi Lin Poh.

<sup>\*</sup> Deemed interested by virtue of the shares held by his children and his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.

By virtue of his interests in the shares of the Company, Chia Seong Pow is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

<sup>☆</sup> Deemed interested by virtue of the shares held by her spouse, Lam Huang Soo.

<sup>◇</sup> Deemed interested by virtue of the shares held by her son, Jeric Lam Zhen Xiang, which was transferred from her spouse, Lam Huang Soo.

No other Director holding office at 30 September 2021 has any interest in the ordinary shares of the Company and of its related companies during the financial year.

# DIRECTORS' REPORT

For the year ended 30 September 2021

*cont'd*

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements of the Company and related corporations or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in Note 34 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- a) issued 130,000,000 new ordinary shares pursuant to the bonus issue on the basis of (1) one bonus share for every one (1) existing ordinary share held in the Company.

The bonus issue exercise was completed on 2 February 2021 following the listing and quotation of the 130,000,000 bonus shares issued pursuant to the bonus issue on the Main Market of Bursa Malaysia Securities Berhad. These new ordinary shares issued rank pari passu in all respect with the existing shares of the Company.

- b) issued 3,666 new ordinary shares for cash pursuant to the conversion of warrants at an exercise price of RM0.70 per warrant.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of warrants during the financial year.

On 3 February 2021, the Company issued 86,665,951 free warrants on the basis of one (1) free warrant for every three (3) existing ordinary shares, held after accounting for the bonus issued. The Warrants are constituted by a Deed Poll dated 15 January 2021 and were listed on Bursa Malaysia Securities Berhad on 10 February 2021.

The main features of the Warrants are as follows:

- (a) each warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM0.70 per share, subject to adjustment in accordance with the provisions of the Deed Poll.
- (b) the Warrants are valid for exercise for a period of three (3) years from the issue date, and may be exercised at any time on or after the issue date, until the expiry date on 2 February 2024. Any warrants not exercised by its expiry date shall thereafter lapse and cease to be valid.

## DIRECTORS' REPORT

For the year ended 30 September 2021

*cont'd*

### OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

- (c) the new ordinary shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new ordinary shares arising from the exercise of the Warrants.

There were 3,666 warrants exercised during the financial year. As at the date of this report, the Company completed the conversion of 3,666 warrants into 3,666 ordinary shares at the exercise price of RM0.70 per warrant.

### INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage given to Directors and Officers of the Company pursuant to Directors and Officers liability insurance is RM10,000,000. There were no indemnity given to, or insurance effected for auditors of the Company during the financial year.

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.



# DIRECTORS' REPORT

For the year ended 30 September 2021

*cont'd*

## OTHER STATUTORY INFORMATION (CONT'D)

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 September 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 24 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Fu Wing Hoong**  
Director

Petaling Jaya

Date: 14 January 2022

**Lim Joo Swee**  
Director

# STATEMENTS OF FINANCIAL POSITION

As at 30 September 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Assets</b>					
Property, plant and equipment	3	42,113	36,448	565	473
Right-of-use assets	4	9,551	10,263	3,262	3,190
Intangible assets	5	784	1,232	-	-
Investment properties	6	8,024	6,564	-	-
Investments in subsidiaries	7	-	-	25,946	25,846
Investment in joint venture	8	1,768	1,693	-	-
Other investments	9	10	10	-	-
Deferred tax assets	10	5,142	4,372	134	215
<b>Total non-current assets</b>		67,392	60,582	29,907	29,724
Inventories	11	43,018	38,925	-	-
Contract assets	12	85,182	58,756	-	-
Trade and other receivables	13	57,166	64,585	55,645	44,653
Current tax assets		1,857	2,324	48	-
Deposits and prepayments	14	9,331	6,117	462	385
Derivative financial assets	15	1,209	3	-	-
Other investments	9	1,043	-	1,043	-
Cash and cash equivalents	16	60,957	71,753	5,077	16,807
<b>Total current assets</b>		259,763	242,463	62,275	61,845
<b>Total assets</b>		327,155	303,045	92,182	91,569
<b>Equity</b>					
Share capital	17	69,305	69,302	69,305	69,302
Reserves	18	128,766	115,973	10,352	17,062
<b>Total equity attributable to owners of the Company</b>		198,071	185,275	79,657	86,364
Non-controlling interest	19	3,828	3,675	-	-
<b>Total equity</b>		201,899	188,950	79,657	86,364

# STATEMENTS OF FINANCIAL POSITION

As at 30 September 2021

*cont'd*

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Liabilities</b>					
Loans and borrowings	20	14,715	15,518	37	50
Lease liabilities		2,917	3,245	2,232	2,081
Deferred tax liabilities	10	1,121	395	-	-
<b>Total non-current liabilities</b>		18,753	19,158	2,269	2,131
Loans and borrowings	20	23,572	15,072	7,262	11
Lease liabilities		1,880	2,136	1,040	1,109
Provision for warranties	21	280	326	-	-
Trade and other payables	22	68,259	59,780	1,954	1,729
Contract liabilities	12	10,549	16,540	-	-
Current tax payable		1,783	605	-	225
Derivative financial liabilities	15	180	478	-	-
<b>Total current liabilities</b>		106,503	94,937	10,256	3,074
<b>Total liabilities</b>		125,256	114,095	12,525	5,205
<b>Total equity and liabilities</b>		327,155	303,045	92,182	91,569

The notes on pages 80 to 151 are an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Revenue</b>	23	302,451	284,128	7,293	13,640
Contract costs recognised as an expense		(96,095)	(122,224)	-	-
Cost of sales		(130,165)	(84,559)	-	-
<b>Gross profit</b>		76,191	77,345	7,293	13,640
Other operating income		6,546	2,296	996	1,227
Distribution expenses		(4,925)	(5,412)	(114)	(175)
Administrative expenses		(48,248)	(45,584)	(7,509)	(7,472)
Other operating expenses		(2,161)	(4,340)	(82)	(16)
Net gain/(loss) on impairment of financial instruments and contract assets		1,228	2,870	(8)	(8)
<b>Results from operating activities</b>	24	28,631	27,175	576	7,196
Finance costs	25	(2,015)	(2,351)	(313)	(360)
Finance income		215	360	1,354	1,667
<b>Net finance (costs)/income</b>		(1,800)	(1,991)	1,041	1,307
Share of profit of equity-accounted joint venture, net of tax		75	45	-	-
<b>Profit before tax</b>		26,906	25,229	1,617	8,503
Tax expense	26	(6,881)	(6,908)	(536)	(776)
<b>Profit for the year</b>		20,025	18,321	1,081	7,727
<b>Other comprehensive income, net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Cash flow hedge		734	2,951	-	-
Less: Tax effect		(176)	(646)	-	-
		558	2,305	-	-
Foreign currency translation differences for foreign operations		154	10	-	-
<b>Other comprehensive income for the year</b>		712	2,315	-	-
<b>Total comprehensive income for the year</b>		20,737	20,636	1,081	7,727

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2021

*cont'd*

	Note	Group		Company	
		2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
<b>Profit attributable to:</b>					
Owners of the Company		19,887	17,294	1,081	7,727
Non-controlling interest		138	1,027	-	-
<b>Profit for the year</b>		<b>20,025</b>	<b>18,321</b>	<b>1,081</b>	<b>7,727</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		20,584	19,608	1,081	7,727
Non-controlling interest		153	1,028	-	-
<b>Total comprehensive income for the year</b>		<b>20,737</b>	<b>20,636</b>	<b>1,081</b>	<b>7,727</b>
<b>Basic earnings per ordinary share (sen):</b>	27	7.65	6.65		
<b>Diluted earnings per ordinary share (sen):</b>	27	7.13	6.65		

The notes on pages 80 to 151 are an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

Group	Note	Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Treasury shares	Translation reserve	Hedging reserve	Retained profits		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 October 2019</b>		69,302	(5)	939	(2,900)	106,131	2,748	176,215
Foreign currency translation differences for foreign operations		-	-	9	-	-	1	10
Cash flow hedge		-	-	-	2,305	-	-	2,305
Total other comprehensive income for the year		-	-	9	2,305	-	1	2,315
Profit for the year		-	-	-	-	17,294	1,027	18,321
Total comprehensive income for the year		-	-	9	2,305	17,294	1,028	20,636
<i>Distributions to owners of the Company</i>								
- Dividends to owners of the Company	28	-	-	-	-	(7,800)	-	(7,800)
- Dividends to non-controlling interest		-	-	-	-	-	(101)	(101)
Total transactions with owners of the Company		-	-	-	-	(7,800)	(101)	(7,901)
<b>At 30 September 2020</b>		69,302	(5)	948	(595)	115,625	3,675	188,950
Foreign currency translation differences for foreign operations		-	-	139	-	-	15	154
Cash flow hedge		-	-	-	558	-	-	558
Total other comprehensive income for the year		-	-	139	558	-	15	712
Profit for the year		-	-	-	-	19,887	138	20,025
Total comprehensive income for the year		-	-	139	558	19,887	153	20,737
<i>Distributions to owners of the Company</i>								
- Dividends to owners of the Company	28	-	-	-	-	(7,800)	-	(7,800)
- Share options exercised		3	-	-	-	-	-	3
- Own shares sold		-	5	-	-	4	-	9
Total transactions with owners of the Company		3	5	-	-	(7,796)	-	(7,788)
<b>At 30 September 2021</b>		69,305	-	1,087	(37)	127,716	3,828	201,899

Note 17

Note 18.1

Note 18.2

Note 18.3

Note 19

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

Note	Non-distributable		Distributable		Total
	Share capital	Treasury shares	Retained profits		
	RM'000	RM'000	RM'000		RM'000
<b>Company</b>					
<b>At 1 October 2019</b>	69,302	(5)	17,140		86,437
Total comprehensive income for the year	-	-	7,727		7,727
<i>Distributions to owners of the Company</i>					
- Dividends to owners of the Company	28	-	(7,800)		(7,800)
<b>At 30 September 2020/1 October 2020</b>	69,302	(5)	17,067		86,364
Total comprehensive income for the year	-	-	1,081		1,081
<i>Distributions to owners of the Company</i>					
- Dividends to owners of the Company	28	-	(7,800)		(7,800)
- Share options exercised		-	-		3
- Own shares sold		5	4		9
Total transactions with owners of the Company	3	5	(7,796)		(7,788)
<b>At 30 September 2021</b>	69,305	-	10,352		79,657
	Note 17	Note 18.1			

The notes on pages 80 to 151 are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

For the year ended 30 September 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		26,906	25,229	1,617	8,503
Adjustments for:					
Amortisation of development costs	5	47	47	-	-
Amortisation of investment properties	6	110	231	-	-
Reversal of allowance for foreseeable losses		(36)	(202)	-	-
Bad debts written off		1,398	539	-	-
Depreciation of property, plant and equipment	3	2,111	1,612	149	145
Depreciation of right-of-use assets	4	2,440	2,607	1,160	1,289
Fair value (gain)/loss on forward exchange contracts, net		(1,504)	108	-	-
Fair value loss/(gain) on liquid investments, net		82	(36)	80	(36)
Finance costs		2,015	2,351	313	360
Finance income		(215)	(360)	(1,354)	(1,667)
Gain on derecognition of right-of-use assets		(47)	-	(41)	-
(Reversal of)/Provision for impairment loss on:					
- amount due from a subsidiary		-	-	8	8
- trade receivables		(1,612)	(1,241)	-	-
- contract assets		(986)	(1,931)	-	-
- goodwill	5	481	481	-	-
- other receivables		(28)	(237)	-	-
Inventories written off		10	147	-	-
Net (gain)/loss on disposal of property, plant and equipment		(112)	86	-	(10)
Property, plant and equipment written off		21	-	-	-
Provision/(Reversal of) for liquidated and ascertained damages		104	(1,512)	-	-
Provision for warranties, net		9	48	-	-
Inventories written down to net realisable value		299	2,503	-	-
Share of profit of equity-accounted joint venture, net of tax		(75)	(45)	-	-
Unit trust income		(219)	(409)	(173)	(316)
Unrealised foreign exchange loss		148	121	-	-
<b>Operating profit before changes in working capital</b>		<b>31,347</b>	<b>30,137</b>	<b>1,759</b>	<b>8,276</b>

# STATEMENTS OF CASH FLOWS

For the year ended 30 September 2021

*cont'd*

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Cash flows from operating activities (cont'd)</b>					
Inventories		(4,383)	474	-	-
Contract assets		(25,508)	3,748	-	-
Trade and other receivables, deposits and prepayments and other financial assets		3,593	6,173	(12,120)	818
Contract liabilities		(5,991)	1,325	-	-
Trade and other payables and derivative finance liabilities		8,903	(15,566)	225	(193)
Warranties paid	21	(55)	(205)	-	-
<b>Cash generated from operations</b>		7,906	26,086	(10,136)	8,901
Net income tax paid		(5,456)	(6,418)	(728)	(893)
Interest paid		(426)	(484)	(203)	(208)
Interest received/distribution from liquid investment		352	805	1,447	2,019
<b>Net cash generated from/(used in) operating activities</b>		2,376	19,989	(9,620)	9,819
<b>Cash flows from investing activities</b>					
Acquisition of investment properties		(1,570)	(1,530)	-	-
Acquisition of intangible assets		(80)	(55)	-	-
Acquisition of property, plant and equipment	(i)	(6,977)	(4,714)	(244)	(111)
Increase in investments in a subsidiary		-	-	(100)	-
Proceeds from disposal of property, plant and equipment		142	153	3	10
<b>Net cash used in investing activities</b>		(8,485)	(6,146)	(341)	(101)

# STATEMENTS OF CASH FLOWS

For the year ended 30 September 2021

cont'd

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Cash flows from financing activities</b>					
Dividend paid to owners of the Company		(7,800)	(7,800)	(7,800)	(7,800)
Dividend paid to non-controlling interest		-	(101)	-	-
Interest paid		(1,272)	(1,923)	(4)	(1)
Interest paid in relation to lease liabilities		(317)	(272)	(106)	(151)
Proceeds from bills payable, net		7,305	396	7,250	-
Net repayment of hire purchase liabilities		(19)	(4)	(12)	(4)
Proceeds from term loans		1,126	1,664	-	-
Repayment of term loans		(1,466)	(603)	-	-
Net payment of lease liabilities		(2,265)	(2,254)	(1,109)	(1,156)
Proceeds from issue of new shares upon warrants exercised		3	-	3	-
Proceeds from disposal of treasury shares		9	-	9	-
<b>Net cash used in financing activities</b>		(4,696)	(10,897)	(1,769)	(9,112)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(10,805)	2,946	(11,730)	606
<b>Foreign exchange differences on cash held</b>		108	(19)	-	-
<b>Cash and cash equivalents at beginning of the year</b>		71,654	68,727	16,807	16,201
<b>Cash and cash equivalents at end of the year</b> (ii)		60,957	71,654	5,077	16,807

## (i) Acquisition of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment with respective aggregate cost of RM7,825,000 (2020: RM4,779,000) and RM244,000 (2020: RM176,000) of which RM850,000 (2020: RM65,000) and nil (2020: RM65,000) was acquired by means of hire purchase arrangement.

## (ii) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	16	51,782	50,192	1,191	3,991
Deposits placed with licensed banks	16	3,000	5,000	-	-
Liquid investments	16	6,175	16,561	3,886	12,816
Bank overdrafts	20	-	(99)	-	-
		60,957	71,654	5,077	16,807



# STATEMENTS OF CASH FLOWS

For the year ended 30 September 2021

cont'd

(iii) Cash outflows for leases as a lessee

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Included in net cash from operating activities:</b>					
Payment relating to short-term leases	24	1,063	1,036	-	-
Payment relating to leases of low value assets	24	52	48	8	8
<b>Included in net cash from financing activities:</b>					
Interest paid in relation to lease liabilities	25	317	272	106	151
Net payment of lease liabilities		2,265	2,254	1,109	1,156
<b>Total cash outflows for leases</b>		<b>3,697</b>	<b>3,610</b>	<b>1,223</b>	<b>1,315</b>

(iv) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 October 2019 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	At 1 October 2020 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Termination of lease contract RM'000	At 30 September 2021 RM'000
<b>Group</b>								
Term loans	15,659	1,061	-	16,720	(340)	-	-	16,380
Bill payables	13,314	396	-	13,710	7,305	-	-	21,015
Hire purchase liabilities	-	(4)	65	61	(19)	850	-	892
Lease liabilities	7,562	(2,254)	73	5,381	(2,265)	3,066	(1,385)	4,797
<b>Total liabilities from financing activities</b>	<b>36,535</b>	<b>(801)</b>	<b>138</b>	<b>35,872</b>	<b>4,681</b>	<b>3,916</b>	<b>(1,385)</b>	<b>43,084</b>
<b>Company</b>								
Bills payable	-	-	-	-	7,250	-	-	7,250
Hire purchase liabilities	-	(4)	65	61	(12)	-	-	49
Lease liabilities	4,346	(1,156)	-	3,190	(1,109)	2,305	(1,114)	3,272
<b>Total liabilities from financing activities</b>	<b>4,346</b>	<b>(1,160)</b>	<b>65</b>	<b>3,251</b>	<b>6,129</b>	<b>2,305</b>	<b>(1,114)</b>	<b>10,571</b>

The notes on pages 80 to 151 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

EITA Resources Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

## Principal place of business

Lot 4, Block A  
Jalan SS 13/7  
Subang Jaya Industrial Estate  
47500 Subang Jaya  
Selangor Darul Ehsan

## Registered office

Third Floor, No.77, 79 & 81  
Jalan SS 21/60, Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 30 September 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in a joint venture. The financial statements of the Company as at and for the financial year ended 30 September 2021 do not include other entities.

The principal activities of the Company consist of investment holding and provision of management services whilst the principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 January 2022.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 1. BASIS OF PREPARATION (CONT'D)

### (a) Statement of compliance (cont'd)

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)\**
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)\**

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts\**
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information\**
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 October 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021.
- from the annual period beginning on 1 October 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments marked with [\*] which are not applicable to the Group and the Company.
- from the annual period beginning on 1 October 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for those standards and amendments marked with [\*] which are not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 1. BASIS OF PREPARATION (CONT'D)

### (a) Statement of compliance (cont'd)

The Group and the Company have early adopted Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions* beyond 30 June 2021 for the financial year ended 30 September 2021, which is effective for annual periods beginning on or after 1 April 2021. The early adoption does not have a material effect on the Group's and the Company's financial statements.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 - extension options and incremental borrowing rate in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options.

Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. The Group also applies judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

- Note 5 - impairment of intangible assets

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 1. BASIS OF PREPARATION (CONT'D)

### (d) Use of estimates and judgements (cont'd)

- Note 10 - recognition of deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

- Note 11 - allowance for slow-moving inventories and write down of inventories to net realisable value

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

- Note 13 - impairment of receivables and contract assets

The Group applies the MFRS 9 simplified approach to recognise expected credit losses "ECL" for trade receivables as well as contract assets and updates the amount of ECL recognised at each reporting date to reflect changes in the credit risk of financial assets. The impairment standards applied measure ECL based on reasonable and supportable information that includes historical, current and forecast information, thus considering possible future credit loss events in different scenarios.

- Note 23 - construction contracts revenue

The Group recognises revenue when (or as) it transfers control of goods or services to a customer at a point in time, unless the Group's performance does not create an asset with an alternative use and the Group has enforceable right to payment for performance completed to date. In this case, the Group recognises construction contract revenue over time based on stage of completion. The stage of completion is determined by comparing actual cost incurred to date with the total estimated cost of the projects. Judgement is required in the estimation of estimated total costs. Where actual costs incurred differs from the estimated total costs, such difference will impact the contract revenue and profits recognised.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (cont'd)

#### (i) Subsidiaries (cont'd)

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

#### (ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

#### (iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (cont'd)

#### (iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

#### (v) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to an arrangement. The Group accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

#### (vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### (vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (cont'd)

#### (vii) Transactions eliminated on consolidation (cont'd)

Unrealised gains arising from transactions with equity-accounted joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (b) Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

#### (ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Financial instruments

#### (i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Financial instrument categories and subsequent measurement

##### *Financial assets*

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

##### (a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

##### (b) *Fair value through profit or loss*

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Financial instruments (cont'd)

#### (ii) Financial instrument categories and subsequent measurement (cont'd)

##### *Financial assets (cont'd)*

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2(k)(i)).

##### *Financial liabilities*

The categories of financial liabilities at initial recognition are as follows:

#### (a) *Fair value through profit or loss*

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Financial instruments (cont'd)

#### (ii) Financial instrument categories and subsequent measurement (cont'd)

##### *Financial liabilities (cont'd)*

##### **(b) Amortised cost**

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

#### (iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

- (a) the recognition of an asset on the day it is received by the Group or the Company; and
- (b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

#### (iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Financial instruments (cont'd)

#### (v) Hedge accounting

At inception of a designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

#### *Cash flow hedge*

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Financial instruments (cont'd)

#### (vi) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### (vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

### (d) Property, plant and equipment

#### (i) Recognition and measurement

Freehold land and construction work-in-progress are measured at cost. Other items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" or "other operating expenses" respectively in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (d) Property, plant and equipment (cont'd)

#### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of the asset, then the component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Renovation, electrical installation and furniture and fittings	10 years
Office equipment	10 years
Computer equipment	5 years
Motor vehicles	5 years
Plant and machinery	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (e) Leases

#### (i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

#### (ii) Recognition and initial measurement

##### As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (e) Leases (cont'd)

#### (ii) Recognition and initial measurement (cont'd)

##### As a lessee (cont'd)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (iii) Subsequent measurement

##### As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment disclosed in Note 2(d). In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### COVID-19-related rent concessions

The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications.

The changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19-related rent concessions are recognised in profit or loss.

### (f) Intangible assets

#### (i) Goodwill

Goodwill arises on a business combination is measured at cost less any accumulated impairment losses. In respect of equity-accounted joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted joint venture.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Intangible assets (cont'd)

#### (ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to preparing the assets for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less any accumulated amortisation and any accumulated impairment losses.

#### (iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### (iv) Amortisation

Goodwill with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods for capitalised development costs are 5 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

### (g) Investment properties

#### Investment properties carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Investment properties (cont'd)

#### Investment properties carried at cost (cont'd)

Investment properties are measured at cost less accumulated amortisation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 2(d).

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

### (h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (i) Contract asset/Contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

### (j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

### (k) Impairment

#### (i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (k) Impairment (cont'd)

#### (i) Financial assets (cont'd)

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables and contract asset using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

#### (ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (k) Impairment (cont'd)

#### (ii) Other assets (cont'd)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

### (l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

#### (i) Issue expense

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

#### (ii) Ordinary shares

Ordinary shares are classified as equity.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (l) Equity instruments (cont'd)

#### (iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

### (m) Employee benefits

#### (i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group or the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (ii) State plans

The Group's or the Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate.

### (n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### *Provision for warranties*

A provision for warranties is recognised when the underlying products are sold or where a construction contract is completed. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (o) Revenue and other income

#### (i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

#### (ii) Dividend income/unit trust income

Dividend income/unit trust income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

#### (iii) Management fee

Management fee is recognised as and when the services are rendered.

#### (iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

#### (v) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

#### (vi) Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### (q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (q) Income tax (cont'd)

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

### (r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

### (s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

### (t) Contingencies

#### Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (u) Fair value measurements

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Renovation, electrical installation and furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Construction work-in- progress RM'000	Total RM'000
<b>Cost</b>									
At 1 October 2019	5,579	7,550	4,145	1,620	3,884	2,367	8,035	15,530	48,710
Additions	-	468	340	169	183	245	495	2,879	4,779
Borrowing costs capitalised at 4.6% per annum	-	-	-	-	-	-	-	328	328
Disposals	-	-	-	(23)	(10)	(63)	(1)	(235)	(332)
Written off	-	-	(3)	(1)	(11)	-	-	-	(15)
Reclassification	-	18,153	255	-	-	-	-	(18,408)	-
Foreign exchange adjustment	-	-	-	(4)	4	-	-	-	-
At 30 September 2020/ 1 October 2020	5,579	26,171	4,737	1,761	4,050	2,549	8,529	94	53,470
Additions	-	1,978	1,203	1,128	643	1,278	503	1,092	7,825
Disposals	-	-	(50)	(68)	(6)	(464)	(31)	-	(619)
Written off	-	-	(269)	(37)	(292)	-	(56)	-	(654)
Reclassification	-	-	791	385	-	-	-	(1,176)	-
Foreign exchange adjustment	-	-	4	(4)	5	1	-	-	6
At 30 September 2021	5,579	28,149	6,416	3,165	4,400	3,364	8,945	10	60,028

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM'000	Buildings RM'000	Renovation, electrical installation and furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Construction work-in- progress RM'000	Total RM'000
<b>Accumulated depreciation</b>									
At 1 October 2019	-	936	2,808	1,116	3,227	1,938	5,493	-	15,518
Depreciation for the year	-	262	287	111	266	229	457	-	1,612
Disposals	-	-	-	(22)	(7)	(63)	(1)	-	(93)
Written off	-	-	(3)	(1)	(11)	-	-	-	(15)
Foreign exchange adjustment	-	-	-	(3)	3	-	-	-	-
At 30 September 2020/ 1 October 2020	-	1,198	3,092	1,201	3,478	2,104	5,949	-	17,022
Depreciation for the year	-	578	448	201	272	192	420	-	2,111
Disposals	-	-	(43)	(48)	(3)	(464)	(31)	-	(589)
Written off	-	-	(252)	(36)	(292)	-	(53)	-	(633)
Foreign exchange adjustment	-	-	1	(1)	3	1	-	-	4
At 30 September 2021	-	1,776	3,246	1,317	3,458	1,833	6,285	-	17,915
<b>Carrying amounts</b>									
At 1 October 2019	5,579	6,614	1,337	504	657	429	2,542	15,530	33,192
At 30 September 2020/ 1 October 2020	5,579	24,973	1,645	560	572	445	2,580	94	36,448
At 30 September 2021	5,579	26,373	3,170	1,848	942	1,531	2,660	10	42,113

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Renovation and furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Total RM'000
<b>Cost</b>						
At 1 October 2019	1,037	509	832	595	1	2,974
Additions	-	4	65	107	-	176
Disposals	-	-	-	(64)	-	(64)
At 30 September 2020/ 1 October 2020	1,037	513	897	638	1	3,086
Additions	150	70	24	-	-	244
Disposals	-	-	(6)	-	-	(6)
Written off	-	-	(2)	-	-	(2)
At 30 September 2021	1,187	583	913	638	1	3,322
<b>Accumulated depreciation</b>						
At 1 October 2019	835	343	758	595	1	2,532
Depreciation for the year	53	36	47	9	-	145
Disposals	-	-	-	(64)	-	(64)
At 30 September 2020/ 1 October 2020	888	379	805	540	1	2,613
Depreciation for the year	61	38	29	21	-	149
Disposals	-	-	(3)	-	-	(3)
Written off	-	-	(2)	-	-	(2)
At 30 September 2021	949	417	829	561	1	2,757
<b>Carrying amounts</b>						
At 1 October 2019	202	166	74	-	-	442
At 30 September 2020/ 1 October 2020	149	134	92	98	-	473
At 30 September 2021	238	166	84	77	-	565

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### 3.1 Leased motor vehicles

At 30 September 2021, the net carrying amount of motor vehicles of the Group and of the Company acquired under hire purchase arrangements were RM1,312,000 (2020: RM98,000) and RM76,541 (2020: RM98,000) respectively.

### 3.2 Security

At 30 September 2021, land and buildings with carrying amounts of RM31,952,000 (2020: RM30,552,000) are charged to bank for banking facilities granted to the subsidiaries (see Note 20.2).

### 3.3 Construction work-in-progress

The Group's construction work-in-progress include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of buildings. During the financial year, the borrowing costs capitalised as cost of construction work-in-progress is nil (2020: RM328,000).

## 4. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Buildings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Group</b>					
At 1 October 2019	4,991	6,116	140	1,550	12,797
Additions	-	73	-	-	73
Depreciation	(131)	(1,923)	(34)	(519)	(2,607)
At 30 September 2020/ 1 October 2020	4,860	4,266	106	1,031	10,263
Additions	-	3,066	-	-	3,066
Depreciation	(130)	(1,861)	(35)	(414)	(2,440)
Termination of lease contract	-	(1,338)	-	-	(1,338)
At 30 September 2021	4,730	4,133	71	617	9,551
<b>Company</b>					
At 1 October 2019	-	3,968	-	511	4,479
Depreciation	-	(1,068)	-	(221)	(1,289)
At 30 September 2020/ 1 October 2020	-	2,900	-	290	3,190
Additions	-	2,305	-	-	2,305
Depreciation	-	(991)	-	(169)	(1,160)
Termination of lease contract	-	(1,073)	-	-	(1,073)
At 30 September 2021	-	3,141	-	121	3,262

The Group and the Company lease a number of buildings that run between 1 year and 5 years, with an option to renew the lease after that date.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 5. INTANGIBLE ASSETS

Group	Goodwill on consolidation RM'000	Development costs RM'000	Total RM'000
<b>Cost</b>			
At 1 October 2019	2,566	2,200	4,766
Additions	-	55	55
At 30 September 2020/1 October 2020	2,566	2,255	4,821
Additions	-	80	80
At 30 September 2021	2,566	2,335	4,901
<b>Amortisation and impairment loss</b>			
At 1 October 2019			
Accumulated amortisation	-	1,938	1,938
Accumulated impairment loss	1,123	-	1,123
	1,123	1,938	3,061
Amortisation for the year	-	47	47
Impairment loss for the year	481	-	481
At 30 September 2020/ 1 October 2020			
Accumulated amortisation	-	1,985	1,985
Accumulated impairment loss	1,604	-	1,604
	1,604	1,985	3,589
Amortisation for the year	-	47	47
Impairment loss for the year	481	-	481
At 30 September 2021			
Accumulated amortisation	-	2,032	2,032
Accumulated impairment loss	2,085	-	2,085
	2,085	2,032	4,117
<b>Carrying amounts</b>			
At 1 October 2019	1,443	262	1,705
At 30 September 2020/1 October 2020	962	270	1,232
At 30 September 2021	481	303	784

5.1 Goodwill of the Group arose from acquisitions of subsidiaries in previous financial years.

### 5.2 Impairment testing for cash-generating units containing goodwill

For the purposes of impairment testing, goodwill is allocated to the Group's investment in its subsidiaries which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 5. INTANGIBLE ASSETS (CONT'D)

### 5.2 Impairment testing for cash-generating units containing goodwill (cont'd)

The aggregate carrying amounts of goodwill are allocated to the following subsidiaries:

	Group	
	2021	2020
	RM'000	RM'000
TransSystem Continental Sdn. Bhd.	481	962

The recoverable amount of the cash-generating units is based on its value in use, determined by discounting the future cash flows to be generated from the continuing operations of the subsidiaries.

The projected cash flows were prepared based on financial budgets and projections which were approved by management covering a five-year period. The projected cash flows are then discounted using pre-tax discount rate of 12.26% (2020: 12.44%), which was estimated based on the Company's weighted average cost of capital.

## 6. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Buildings RM'000	Buildings under construction RM'000	Total RM'000
<b>Cost</b>				
At 1 October 2019	116	3,904	1,400	5,420
Additions	-	1,160	370	1,530
At 30 September 2020/1 October 2020	116	5,064	1,770	6,950
Additions	-	858	712	1,570
At 30 September 2021	116	5,922	2,482	8,520
<b>Accumulated amortisation</b>				
At 1 October 2019	-	155	-	155
Amortisation for the year	-	231	-	231
At 30 September 2020/1 October 2020	-	386	-	386
Amortisation for the year	-	110	-	110
At 30 September 2021	-	496	-	496
<b>Carrying amounts</b>				
At 1 October 2019	116	3,749	1,400	5,265
At 30 September 2020/1 October 2020	116	4,678	1,770	6,564
At 30 September 2021	116	5,426	2,482	8,024



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 6. INVESTMENT PROPERTIES (CONT'D)

Investment properties of a subsidiary amounting to RM2,004,000 (2020: RM2,047,000) have been charged to secure banking facilities granted to a subsidiary (see Note 20.2).

Included in the above are:

	Group	
	2021	2020
	RM'000	RM'000
<b>At cost</b>		
Land	116	116
Buildings	5,426	4,678
Building under construction	2,482	1,770
	8,024	6,564

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2021	2020
	RM'000	RM'000
Rental income	(21)	(11)
Direct operating expenses:		
- income generating investment properties	14	8
- non-income generating investment properties	19	19

### Fair value information

Fair value of investment properties are categorised as follows:

	Level 3	
	2021	2020
Group	RM'000	RM'000
Land and buildings	9,330	7,686

### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

Level 3 fair values of land and buildings are estimated by Directors using the comparison approach. Expected sales price of comparable properties in close proximity are adjusted for difference in key attributes such as property size. The significant unobservable input into the Directors' valuation is adjustment to the price per square foot of comparable properties. For buildings under construction, the fair value is deemed to be approximate the carrying value.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Cost of investment	25,946	25,846

During the financial year, the Company subscribed shares in a subsidiary amounted to RM100,000, satisfied via cash.

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2021 %	2020 %
EITA Power System Sdn. Bhd.	Malaysia	Marketing and distribution of fire resistant cables, electrical and electronic components and equipment and provision of electrical and security system solutions.	100	100
EITA Technologies (Malaysia) Sdn. Bhd.	Malaysia	Manufacture of electrical and electronic components and equipment.	100	100
EITA Electric Sdn. Bhd.	Malaysia	Marketing and distribution of electrical and electronic components and equipment.	100	100
EITA Elevator (Malaysia) Sdn. Bhd.	Malaysia	Design, installation and maintenance of elevator systems.	100	100
EITA-Schneider (MFG) Sdn. Bhd.	Malaysia	Manufacture of elevator systems.	100	100
Furutech Electrical Sdn. Bhd.	Malaysia	Design and manufacture of Busduct systems and manufacture of metal fabricated products.	100	100
Schneider Research & Development Centre Sdn. Bhd.	Malaysia	Research and development of elevator systems.	100	100
EITA Technologies Pte. Ltd. (#)	Singapore	Marketing and distribution of electrical and electronic components and equipment.	90	90

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2021 %	2020 %
EITA Research & Development Sdn. Bhd.	Malaysia	Research and development of elevator and Busduct products and systems.	100	100
TransSystem Continental Sdn. Bhd.	Malaysia	Civil, electrical engineering and general contractors.	60	60
EITA Training Centre Sdn. Bhd.	Malaysia	Provision of training in relation of mechanical, electrical, electronic, machinery, engineering technical skills, information technology and humanistic culture and rent out training facilities, tools and other related items.	100	-
<i>Subsidiary of TransSystem Continental Sdn. Bhd.</i>				
TransSystem T&D Sdn. Bhd.	Malaysia	Manufacture of protection relay and control panels, metering panel, marshalling kiosk for electricity transmission and distribution substations.	100	100
<i>Subsidiary of EITA Elevator (Malaysia) Sdn. Bhd.</i>				
EITA KOP Sdn. Bhd.	Malaysia	Provision of services related to services, maintenance, repair, upgrading and modernization of lifts, escalators and elevators, mechanical and electrical including to sub-contract or outsource the services to any third parties.	70	70

# Not audited by a member firm of KPMG International.

Summarised financial information of non-controlling interest in EITA Technologies Pte. Ltd., TransSystem Continental Sdn. Bhd. and its subsidiary and EITA KOP Sdn. Bhd. have not been presented as the related information is not individually material to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 8. INVESTMENT IN JOINT VENTURE

	Group	
	2021	2020
	RM'000	RM'000
Investment in shares	500	500
Share of post-acquisition reserves	1,268	1,193
	1,768	1,693

Details of the joint venture are as follows:

Name of Company	Principal place of business/ Country of incorporation	Nature of relationship	Effective ownership interest and voting interest	
			2021	2020
			%	%
Sigriner Automation (MFG) Sdn. Bhd.	Malaysia	Manufacture and design elevator & escalator control system and is one of the suppliers of the Group.	50	50

The following table summarises the financial information of Sigriner Automation (MFG) Sdn. Bhd., as adjusted for any differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Sigriner Automation (MFG) Sdn. Bhd., which is accounted for using the equity method.

	Group	
	2021	2020
	RM'000	RM'000
<b>Summarised financial information</b>		
<b>As at 30 September</b>		
Non-current assets	1,100	252
Current assets	4,096	6,366
Current liabilities	(1,660)	(3,232)
Net assets	3,536	3,386
<b>Year ended 30 September</b>		
Profit for the financial year	150	90

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 8. INVESTMENT IN JOINT VENTURE (CONT'D)

	Group	
	2021	2020
	RM'000	RM'000
<i>Included in the total comprehensive income:</i>		
Revenue	6,173	5,256
Depreciation	(9)	(13)
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	1,768	1,693
Group's share of results for the year ended 30 September		
Group's share of profit, net of tax	75	45

## 9. OTHER INVESTMENTS

	Unit trusts	Others	Total
	RM'000	RM'000	RM'000
<b>Group</b>			
<b>2021</b>			
<b>Non-current</b>			
Fair value through profit or loss	-	10	10
<b>Current</b>			
Fair value through profit or loss	1,043	-	1,043
<b>2020</b>			
<b>Non-current</b>			
Fair value through profit or loss	-	10	10
<b>Company</b>			
<b>2021</b>			
<b>Current</b>			
Fair value through profit or loss	1,043	-	1,043

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 10. DEFERRED TAX ASSETS/(LIABILITIES)

### Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>						
Property, plant and equipment	-	14	(2,018)	(1,445)	(2,018)	(1,431)
Right-of-use assets, net of lease liabilities	2	3	-	-	2	3
Provisions	4,312	4,826	-	-	4,312	4,826
Other items	1,761	461	(5)	(27)	1,756	434
Cash flow hedge	-	145	(31)	-	(31)	145
Tax assets/(liabilities)	6,075	5,449	(2,054)	(1,472)	4,021	3,977
Set off of tax	(933)	(1,077)	933	1,077	-	-
Net tax assets/ (liabilities)	5,142	4,372	(1,121)	(395)	4,021	3,977
<b>Company</b>						
Plant and equipment	-	-	(55)	(76)	(55)	(76)
Provisions	189	291	-	-	189	291
	189	291	(55)	(76)	134	215

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movement in temporary differences during the year

	At 1.10.2019 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income RM'000	At 30.9.2020/ 1.10.2020 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income RM'000	At 30.9.2021 RM'000
<b>Group</b>							
Property, plant and equipment	(807)	(624)	-	(1,431)	(587)	-	(2,018)
Right-of-use assets, net of lease liabilities	-	3	-	3	(1)	-	2
Provisions	5,357	(531)	-	4,826	(514)	-	4,312
Other items	170	264	-	434	1,322	-	1,756
Cash flow hedge	791	-	(646)	145	-	(176)	(31)
	5,511	(888)	(646)	3,977	220	(176)	4,021
<b>Company</b>							
Plant and equipment	(91)	15	-	(76)	21	-	(55)
Provisions	233	58	-	291	(102)	-	189
	142	73	-	215	(81)	-	134

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item (stated at gross):

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses	933	933

Deferred tax assets have not been recognised in respect of unutilised tax losses above because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits therefrom.

Unutilised tax losses of RM933,000 expire in 2028 under the current tax legislation of Malaysia.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 11. INVENTORIES

	Group	
	2021	2020
	RM'000	RM'000
Raw materials	14,716	9,544
Work-in-progress	1,352	590
Manufactured inventories and trading goods	22,779	25,500
Equipment and parts	4,171	3,291
	43,018	38,925
Recognised in profit or loss:		
Inventories recognised as cost of sales	83,673	74,367
Inventories written down to net realisable value	299	2,503
Written off	10	147

## 12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021	2020
	RM'000	RM'000
Contract assets	85,182	58,756
Contract liabilities	(10,549)	(16,540)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed based on specific milestone as agreed with customers and payment is expected within 60 days from date of billing.

The contract liabilities primarily relate to the advance consideration received from a customer for construction contract, which revenue is recognised over time during the project.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Trade</b>					
Trade receivables	13.1	60,434	71,398	-	-
Less: Impairment loss		(6,800)	(8,412)	-	-
		53,634	62,986	-	-
<b>Non-trade</b>					
Other receivables	13.2	3,622	1,717	94	70
Less: Impairment loss		(90)	(118)	-	-
		3,532	1,599	94	70
Amounts due from subsidiaries	13.3	-	-	56,763	45,787
Less: Impairment loss		-	-	(1,212)	(1,204)
		-	-	55,551	44,583
		57,166	64,585	55,645	44,653

### 13.1 Included in trade receivables are the following:

- RM821,000 (2020: RM769,000) owing by companies in which certain Directors of the Group and persons connected to the Directors have interests. The amounts are interest-free, unsecured and repayable based on normal credit terms;
- RM62,000 (2020: RM44,000) owing by joint venture. The amounts are interest-free, unsecured and repayable based on normal credit terms; and
- Retention sum amounting to RM11,079,000 (2020: RM9,313,000) relating to project contracts.

Retentions are interest-free, unsecured and are expected to be collected as follows:

	Group	
	2021 RM'000	2020 RM'000
Within 1 year	2,350	2,473
1 - 2 years	293	817
2 - 3 years	1,125	505
3 - 4 years	7,311	5,518
	11,079	9,313

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 13. TRADE AND OTHER RECEIVABLES (CONT'D)

13.2 Included in the Group's other receivables are advances paid to suppliers amounting to RM286,000 (2020: RM803,000).

13.3 The non-trade amounts due from subsidiaries are unsecured, subject to interest at 1% (2020: 1%) per annum above KLIBOR and repayable on demand.

## 14. DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits	4,370	1,813	296	295
Prepayments	4,961	4,304	166	90
	9,331	6,117	462	385

## 15. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	Nominal value RM'000	Assets RM'000	Liabilities RM'000
<b>2021</b>			
Forward foreign exchange contracts:			
- Fair value through profit or loss	64,405	1,209	(62)
- Cash flow hedge	14,486	-	(118)
	78,891	1,209	(180)
<b>2020</b>			
Forward foreign exchange contracts:			
- Fair value through profit or loss	49,533	3	(365)
- Cash flow hedge	38,006	-	(113)
	87,539	3	(478)

Forward foreign exchange contracts are used to manage the foreign currency exposures arising from the Group's payables or highly probable forecast transactions denominated in currencies other than the functional currencies of the Group entities. Most of the forward foreign exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

# NOTES TO THE FINANCIAL STATEMENTS

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## 16. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances		51,782	50,192	1,191	3,991
Deposits placed with licensed banks		3,000	5,000	-	-
Liquid investments	16.1	6,175	16,561	3,886	12,816
		60,957	71,753	5,077	16,807

16.1 The liquid investments represent investments in unit trust funds which primarily invest in money market instruments. The Directors regard the liquid investments as cash and cash equivalents in view of its high liquidity and insignificant risk of changes in value.

## 17. SHARE CAPITAL

	Group and Company			
	Number of shares 2021 '000	Amount 2021 RM'000	Number of shares 2020 '000	Amount 2020 RM'000
Issued and fully paid shares with no par value:				
Ordinary shares				
At 1 October	130,000	69,302	130,000	69,302
Bonus issued	130,000	-	-	-
Issuance of new shares upon warrants exercised	4	3	-	-
At 30 September	260,004	69,305	130,000	69,302

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## 18. RESERVES

### 18.1 Treasury shares

On 4 January 2021, the Company disposed 4,000 treasury shares at RM2.18 per share totaling RM8,720.

At 30 September 2021, the Group held nil (2020: 4,000) of the Company's own shares.

### 18.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations with functional currency other than RM.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 18. RESERVES (CONT'D)

### 18.3 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

### 18.4 Warrants

On 3 February 2021, the Company issued 86,665,951 free warrants on the basis of one (1) free Warrant for every three (3) existing ordinary shares, held after accounting for the bonus issued. The Warrants are constituted by a Deed Poll dated 15 January 2021 and were listed on Bursa Malaysia Securities Berhad on 10 February 2021.

The main features of the Warrants are as follows:

- (a) each warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM0.70 per share, subject to adjustment in accordance with the provisions of the Deed Poll.
- (b) the Warrants are valid for exercise for a period of three (3) years from the issue date, and may be exercised at any time on or after the issue date, until the expiry date on 2 February 2024. Any warrants not exercised by its expiry date shall thereafter lapse and cease to be valid.
- (c) the new ordinary shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares will not be entitled to any dividends, rights, allotments and/or other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new ordinary shares arising from the exercise of the Warrants.

There were 3,666 warrants exercised during the financial year. As at the date of this report, the Company completed the conversion of 3,666 warrants into 3,666 ordinary shares at the exercise price of RM0.70 per warrant.

## 19. NON-CONTROLLING INTEREST

This consists of the non-controlling interest's proportion of share capital and reserves of subsidiaries, net of its share of subsidiaries' goodwill on consolidation.

## 20. LOANS AND BORROWINGS

	Note	Group		Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
<b>Non-current</b>					
Hire purchase liabilities	20.1	723	50	37	50
Term loans - secured	20.2	13,992	15,468	-	-
		14,715	15,518	37	50

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 20. LOANS AND BORROWINGS (CONT'D)

		Group		Company	
	Note	2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
<b>Current</b>					
Hire purchase liabilities	20.1	169	11	12	11
Term loans - secured	20.2	2,388	1,252	-	-
Bills payable - unsecured	20.3	21,015	13,710	7,250	-
Bank overdrafts - unsecured	20.3	-	99	-	-
		23,572	15,072	7,262	11
		38,287	30,590	7,299	61

### 20.1 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments 2021 RM'000	Interest 2021 RM'000	Present value of minimum lease payments 2021 RM'000	Future minimum lease payments 2020 RM'000	Interest 2020 RM'000	Present value of minimum lease payments 2020 RM'000
<b>Group</b>						
Less than one year	202	33	169	15	4	11
Between one and five years	779	56	723	56	6	50
	981	89	892	71	10	61
<b>Company</b>						
Less than one year	15	3	12	15	4	11
Between one and five years	41	4	37	56	6	50
	56	7	49	71	10	61

### 20.2 Term loans - secured

The term loans of the Group are secured by the land and buildings of a subsidiary (see Note 3.2) and investment properties of a subsidiary (see Note 6).

### 20.3 Security

The bills payable and bank overdrafts of the Group are supported by way of:

- corporate guarantee by the Company; and
- a negative pledge over all the assets of certain subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 21. PROVISION FOR WARRANTIES

	Group	
	2021	2020
	RM'000	RM'000
At beginning of financial year	326	483
Provision made during the year	171	152
Provision reversed during the year	(162)	(104)
Warranty claimed during the year	(55)	(205)
At end of financial year	280	326

The provision for warranties relates to products sold and projects completed. The provision is based on estimates made from historical warranty data associated with similar products and projects.

## 22. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
<b>Trade</b>					
Trade payables	22.1	53,240	47,551	-	-
<b>Non-trade</b>					
Other payables		4,736	4,550	174	47
Accrued expenses		10,283	7,679	1,535	1,682
Amount due to subsidiaries		-	-	245	-
		15,019	12,229	1,954	1,729
		68,259	59,780	1,954	1,729

### 22.1 Included in trade payables of the Group are as follows:

- Retention sum amounting to RM741,000 (2020: RM728,000);
- Amounts payable to companies in which certain Directors of the Group and persons connected to the Directors have interests of RM34,000 (2020: RM179,000). The amounts are interest-free, unsecured and repayable based on the normal credit terms; and
- Amount payable to the joint venture of RM1,356,000 (2020: RM2,902,000). The amount is interest-free, unsecured and repayable based on the normal credit terms.



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 23. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers	302,451	284,128	-	-
Other revenue				
- Dividend income	-	-	-	6,192
- Management fees	-	-	7,293	7,448
<b>Total revenue</b>	<b>302,451</b>	<b>284,128</b>	<b>7,293</b>	<b>13,640</b>

### 23.1 Disaggregation of revenue

	Design and manufacturing		Marketing and distribution		Services		High voltage system		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Group</b>										
<b>Major products and services lines</b>										
Construction contracts	69,169	66,405	-	-	1,163	5,387	79,136	72,339	149,468	144,131
Sales of goods and services	42,882	36,428	73,797	72,219	-	92	-	-	116,679	108,739
Maintenance and repair services	-	-	-	-	36,304	31,258	-	-	36,304	31,258
	112,051	102,833	73,797	72,219	37,467	36,737	79,136	72,339	302,451	284,128
<b>Timing and recognition</b>										
At a point in time	24,580	14,951	73,797	72,219	36,304	31,350	-	-	134,681	118,520
Over time	87,471	87,882	-	-	1,163	5,387	79,136	72,339	167,770	165,608
	112,051	102,833	73,797	72,219	37,467	36,737	79,136	72,339	302,451	284,128
<b>Revenue from contracts with customers</b>	<b>112,051</b>	<b>102,833</b>	<b>73,797</b>	<b>72,219</b>	<b>37,467</b>	<b>36,737</b>	<b>79,136</b>	<b>72,339</b>	<b>302,451</b>	<b>284,128</b>

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 23. REVENUE (CONT'D)

### 23.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Construction contracts	Revenue is recognised over time using input method, assessed by reference to the proportion that contract costs incurred for work performed to-date to the estimated total contract costs.	Based on agreed milestone.	Not applicable	Not applicable	Assurance warranty ranging from 12 to 24 months.
Sale of goods and services	<ul style="list-style-type: none"> <li>Revenue is recognised at the point in time when the goods are delivered, services are performed and accepted by the customers at their premises.</li> <li>Revenue is recognised over time as costs are incurred. Control of goods are transferred over time as the goods have no alternative use and there is an enforceable right to payment for performance completed to date.</li> </ul>	Credit period of 90 days from invoice date.	Not applicable	The Group only allows return for replacement or repair. No cash refunds are offered.	Assurance warranty of 1 year are given to the customers.
Maintenance and repair services	Revenue from recurring (or as a series of) services is recognised when the services are performed.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable
Management fees	Revenue is recognised at the point in time as and when the services are rendered.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 23. REVENUE (CONT'D)

### 23.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date. The remaining performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date is expected to be satisfied over a period of time of 1 to 3 years.

	Group	
	2021	2020
	RM'000	RM'000
Construction contracts	340,782	387,455

The above revenue does not include variable consideration.

## 24. RESULTS FROM OPERATING ACTIVITIES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Results from operating activities are arrived at after charging:</b>				
<b>Auditors' remunerations</b>				
Audit fees:				
- KPMG Malaysia	187	173	35	32
- other auditors	9	10	-	-
Non-audit fees to KPMG	9	9	9	9
<b>Material expenses</b>				
Amortisation of development costs	47	47	-	-
Amortisation of investment properties	110	231	-	-
Depreciation of property, plant and equipment	2,111	1,612	149	145
Depreciation of right-of-use assets	2,440	2,607	1,160	1,289
Fair value loss on forward exchange contracts, net	-	108	-	-
Fair value loss on liquid investments, net	82	-	80	-
Foreign exchange loss, net				
- realised	-	541	-	-
- unrealised	148	121	-	-
Loss on disposal of property, plant and equipment, net	-	86	-	-
Provision for impairment loss on goodwill	481	481	-	-

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 24. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

		Group		Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
<b>Material expenses (cont'd)</b>					
Inventories written off		10	147	-	-
Inventories written down to net realisable value, net		299	2,503	-	-
Property, plant and equipment written off		21	-	-	-
Provision for liquidated and ascertained damages, net		104	-	-	-
Provision for warranties, net		9	48	-	-
Staff costs:					
- contribution to state plans		4,888	4,668	554	554
- wages, salaries and others		39,251	37,367	4,058	4,059
<b>Expenses arising from leases</b>					
Expenses relating to short-term leases	a	1,063	1,036	-	-
Expenses relating to leases of low-value assets	a	52	48	8	8
<b>and after crediting:</b>					
<b>Material income</b>					
Fair value gain on forward exchange contracts, net		1,504	-	-	-
Fair value gain on liquid investments, net		-	36	-	36
Gain on disposal of property, plant and equipment, net		112	-	-	10
Reversal of allowance for foreseeable losses, net		36	202	-	-
Reversal of provision for liquidated and ascertained damages, net		-	1,512	-	-
Foreign exchange gain, net					
- realised		1,922	-	-	-
Rental income on premises		21	85	823	865
Unit trust income		219	409	173	316
Government grant on wages subsidy	b	1,691	983	-	38
<b>Net gain/(loss) on impairment of financial instruments and contract assets</b>					
Bad debts written off		(1,398)	(539)	-	-
Provision for impairment loss on amount due from a subsidiary		-	-	(8)	(8)
Reversal of impairment loss, net					
- trade receivables		1,612	1,241	-	-
- other receivables		28	237	-	-
- contract assets		986	1,931	-	-

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 24. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

### Note a

The Group leases a number of buildings and office equipment with contract terms of 1 year and 5 years respectively. These leases are short-term and leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

### Note b

The grant related to a wage subsidy programme introduced in Malaysia in response to the COVID-19 pandemic. The grant was recognised in profit or loss in 'administrative expenses' where the related wages and salaries were recognised. There is no outstanding balance of deferred income or receivable related to this grant as at 30 September 2021/2020.

## 25. FINANCE COSTS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest expense of financial liabilities that are not fair value through profit or loss:				
- bank overdrafts	6	8	-	-
- bills payable	886	1,284	-	-
- hire purchase	2	1	4	1
- lease liabilities	317	272	106	151
- term loans	384	638	-	-
Other finance costs	420	476	203	208
	2,015	2,679	313	360
Recognised in profit or loss	2,015	2,351	313	360
Capitalised on qualifying assets:				
- property, plant and equipment	-	328	-	-
	2,015	2,679	313	360

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 26. TAX EXPENSE

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
- current year	6,972	4,786	559	898
- prior year	129	1,234	(104)	(49)
	7,101	6,020	455	849
<b>Deferred tax expense</b>				
- origination and reversal of temporary differences	98	1,523	(18)	(163)
- prior year	(318)	(635)	99	90
	(220)	888	81	(73)
	6,881	6,908	536	776
Share of tax of equity-accounted joint venture	18	10	-	-
Total tax expense	6,899	6,918	536	776

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Reconciliation of tax expense</b>				
Profit for the year	20,025	18,321	1,081	7,727
Total tax expense	6,899	6,918	536	776
Profit excluding tax	26,924	25,239	1,617	8,503
Income tax calculated using Malaysian tax rate at 24% (2020: 24%)	6,462	6,057	388	2,040
Effect of different tax rate in foreign jurisdiction	(44)	(45)	-	-
Non-deductible expenses	1,235	1,023	195	257
Tax exempt income	(44)	(289)	(42)	(1,562)
Tax incentives	(51)	(51)	-	-
Double tax deduction	(470)	(376)	-	-
	7,088	6,319	541	735
(Over)/Under provision in prior year	(189)	599	(5)	41
Total tax expense	6,899	6,918	536	776

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. EARNINGS PER ORDINARY SHARE

### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 September 2021 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year calculated as follows:

	Group	
	2021	2020
	RM'000	RM'000
		Restated
Profit for the year attributable to the owners	19,887	17,294
Issued ordinary shares at beginning of the financial year	130,000	130,000
Effect of bonus issue (i)	130,000	130,000
Effect of treasury shares held	-	(4)
Effect of new ordinary shares issued	1	-
Weighted average number of shares (basic)	260,001	259,996
Basic earnings per ordinary share (sen)	7.65	6.65

- (i) The comparative figures for the weighted average number of ordinary shares for basic earnings per share have been restated to reflect the adjustments arising from bonus issue during the year.

### Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 30 September 2021 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2021	2020
	RM'000	RM'000
		Restated
Profit for the year attributable to the owners	19,887	17,294
Weighted average number of shares (basic)	260,001	259,996
Effect of warrants on issue	18,759	-
Weighted average number of shares (diluted)	278,760	259,996
Diluted earnings per ordinary share (sen)	7.13	6.65

The average market value of the Company's shares for purpose of calculating the dilutive effect of warrants was based on quoted market prices for the period during which the warrants were outstanding.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 28. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2021</b>			
First interim 2021 ordinary	1.50	3,900	9 July 2021
Second interim 2020 ordinary	3.00	3,900	8 January 2021
		<u>7,800</u>	
<b>2020</b>			
First interim 2020 ordinary	3.00	3,900	24 September 2020
Final 2019 ordinary	3.00	3,900	16 March 2020
		<u>7,800</u>	

On 25 November 2021, the following dividend was declared by the Directors and paid on 12 January 2022. This dividend will be recognised in the subsequent financial period.

	Sen per share	Total amount RM'000
Second interim 2021 ordinary	1.5	3,900

## 29. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Managing Director reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Design and manufacturing - Includes purchasing, designing and manufacturing elevator and Busduct.
- Marketing and distribution - Includes purchasing, marketing and distributing electrical and electronic components and equipment.
- Services - Includes maintenance of elevator systems.
- High voltage system - Includes carrying out, electrical engineering and general construction work.

Performance is measured based on segment profit before interest, tax, depreciation and amortisation ("EBITDA"), as included in the internal management reports that are reviewed by the Group's Managing Director, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 29. OPERATING SEGMENTS (CONT'D)

### Segment assets and liabilities

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence, no disclosures are made on segment assets and liabilities.

	Design and manufacturing		Marketing and distribution		Services		High voltage system		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>										
External customers	113,237	102,833	73,796	72,219	36,282	36,737	79,136	72,339	302,451	284,128
Segment EBITDA	10,590	5,518	8,575	6,068	12,023	15,489	2,226	4,642	33,414	31,717
Depreciation and amortisation	(2,852)	(1,879)	(667)	(833)	(484)	(1,240)	(705)	(545)	(4,708)	(4,497)
Finance costs	(1,123)	(994)	(165)	(374)	(190)	(276)	(537)	(707)	(2,015)	(2,351)
Finance income	158	313	50	29	3	15	4	3	215	360
Tax expense	(549)	(138)	(2,040)	(1,388)	(3,611)	(4,524)	(681)	(858)	(6,881)	(6,908)
Segment profit	6,224	2,820	5,753	3,502	7,741	9,464	307	2,535	20,025	18,321

### Geographical segments

The Group operates primarily in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	Malaysia		ASEAN		Middle East		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
Revenue	264,029	242,236	35,440	36,591	2,088	3,768	894	1,533	302,451	284,128

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 30. FINANCIAL INSTRUMENTS

### 30.1 Categories of financial instruments

The table below shows the carrying amount of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL")  
- Mandatorily required by MFRS 9; and
- (b) Amortised cost ("AC")

Group	Carrying amount RM'000	FVTPL RM'000	AC RM'000	Derivative used for hedging RM'000
<b>2021</b>				
<b>Financial assets</b>				
Other investments	1,053	1,053	-	-
Trade and other receivables excluding advances paid to suppliers	56,880	-	56,880	-
Deposits	4,370	-	4,370	-
Cash and cash equivalents	60,957	6,175	54,782	-
Derivative financial assets	1,209	1,209	-	-
	124,469	8,437	116,032	-
<b>Financial liabilities</b>				
Loans and borrowings	(38,287)	-	(38,287)	-
Trade and other payables	(68,259)	-	(68,259)	-
Derivative financial liabilities	(180)	(62)	-	(118)
	(106,726)	(62)	(106,546)	(118)
<b>2020</b>				
<b>Financial assets</b>				
Other investments	10	10	-	-
Trade and other receivables excluding advances paid to suppliers	63,782	-	63,782	-
Deposits	1,813	-	1,813	-
Cash and cash equivalents	71,753	16,561	55,192	-
Derivative financial assets	3	3	-	-
	137,361	16,574	120,787	-
<b>Financial liabilities</b>				
Loans and borrowings	(30,590)	-	(30,590)	-
Trade and other payables	(59,780)	-	(59,780)	-
Derivative financial liabilities	(478)	(365)	-	(113)
	(90,848)	(365)	(90,370)	(113)

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.1 Categories of financial instruments (cont'd)

Company	Carrying amount RM'000	FVTPL RM'000	AC RM'000
<b>2021</b>			
<b>Financial assets</b>			
Other investments	1,043	1,043	-
Trade and other receivables	55,645	-	55,645
Deposits	296	-	296
Cash and cash equivalents	5,077	3,886	1,191
	62,061	4,929	57,132
<b>Financial liabilities</b>			
Loans and borrowings	(7,299)	-	(7,299)
Trade and other payables	(1,954)	-	(1,954)
	(9,253)	-	(9,253)
<b>2020</b>			
<b>Financial assets</b>			
Trade and other receivables	44,653	-	44,653
Deposits	295	-	295
Cash and cash equivalents	16,807	12,816	3,991
	61,755	12,816	48,939
<b>Financial liabilities</b>			
Loans and borrowings	(61)	-	(61)
Trade and other payables	(1,729)	-	(1,729)
	(1,790)	-	(1,790)

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) arising on:				
Financial asset measured at amortised cost	2,442	4,667	1,346	1,659
Financial liabilities measured at amortised cost	(991)	(2,464)	(209)	(209)
Fair value through profit or loss	1,641	337	93	352
	3,092	2,540	1,230	1,802

### 30.3 Financial risk management objective and policies

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### 30.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

#### Trade receivables and contract assets

##### *Risk management objectives, policies and processes for managing the risk*

Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount to mitigate the exposure to credit risk. The Group and the Company do not have any significant exposure to any individual counterparty.

There are no significant changes as compared to previous year.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.4 Credit risk (cont'd)

#### Trade receivables and contract assets (cont'd)

##### *Exposure to credit risk and credit quality*

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their recoverable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

##### *Impairment losses*

The Group uses an allowance matrix to measure ECLs of trade receivables and contract asset.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract asset as at 30 September 2021 which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
<b>2021</b>			
Current (not past due)	29,019	(82)	28,937
1 – 30 days past due	5,386	(52)	5,334
31 – 60 days past due	6,032	(65)	5,967
61 – 90 days past due	3,618	(48)	3,570
More than 90 days past due	11,085	(1,259)	9,826
	55,140	(1,506)	53,634
Credit impaired	5,294	(5,294)	-
Trade receivables	60,434	(6,800)	53,634
Contract assets	86,456	(1,274)	85,182
	146,890	(8,074)	138,816

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.4 Credit risk (cont'd)

#### Trade receivables and contract assets (cont'd)

##### Impairment losses (cont'd)

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
<b>2020</b>			
Current (not past due)	32,201	(124)	32,077
1 – 30 days past due	11,436	(137)	11,299
31 – 60 days past due	4,136	(147)	3,989
61 – 90 days past due	2,860	(41)	2,819
More than 90 days past due	14,138	(1,336)	12,802
	64,771	(1,785)	62,986
Credit impaired	6,627	(6,627)	-
Trade receivables	71,398	(8,412)	62,986
Contract assets	61,016	(2,260)	58,756
	132,414	(10,672)	121,742

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

	Trade receivables			
	Lifetime ECL RM'000	Credit impaired RM'000	Contract assets RM'000	Total RM'000
Balance at 1 October 2019	3,727	5,926	4,191	13,844
Net remeasurement of loss allowance	(1,942)	701	(1,931)	(3,172)
Balance at 30 September 2020/ 1 October 2020	1,785	6,627	2,260	10,672
Net remeasurement of loss allowance	(279)	(1,333)	(986)	(2,598)
Balance at 30 September 2021	1,506	5,294	1,274	8,074

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.4 Credit risk (cont'd)

#### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

#### Other receivables

Credit risks on other receivables are mainly arising from back-charges to the sub-contractors and advances paid to suppliers. The Group and Company manage the credit risk of the other receivables on an individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The movement in the allowance for impairment losses of other receivables during the year was:

	Group	
	2021	2020
	RM'000	RM'000
At beginning of financial year	118	355
Reversal of impairment loss	(28)	(237)
At end of financial year	90	118

#### Financial guarantees

##### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

##### *Exposure to credit risk, credit quality and collateral*

The Company's maximum exposure to financial guarantees amounts to RM56,601,000 (2020: RM36,268,000) representing the total banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment. The financial guarantees have not been recognised since the fair value on initial recognition was not material.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.4 Credit risk (cont'd)

#### Inter-company loans and advances

##### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

##### *Impairment losses*

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable except for a subsidiary which the Company has impaired the balance. The Company does not specifically monitor the ageing of the current advances to the subsidiaries.

The movements in the allowance for impairment losses of inter-company balances during the year were:

	Company	
	2021 RM'000	2020 RM'000
At beginning of financial year	1,204	1,196
Impairment loss recognised	8	8
At end of financial year	1,212	1,204

### 30.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

# NOTES TO THE FINANCIAL STATEMENTS

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## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.5 Liquidity risk (cont'd)

#### *Maturity analysis*

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
<b>2021</b>						
<i>Non-derivative financial liabilities</i>						
Term loans - secured	16,380	2.94 - 3.40	17,338	2,855	14,086	397
Hire purchase liabilities	892	3.78 - 6.39	981	202	403	376
Lease liabilities	4,797	2.86 - 3.94	5,102	2,012	1,195	1,895
Bills payable - unsecured	21,015	3.05 - 3.84	21,451	21,451	-	-
Trade and other payables	68,259	-	68,259	68,259	-	-
	<b>111,343</b>		<b>113,131</b>	<b>94,779</b>	<b>15,684</b>	<b>2,668</b>
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled):						
Outflow	180		26,013	26,013	-	-
Inflow	-		(25,833)	(25,833)	-	-
	<b>111,523</b>		<b>113,311</b>	<b>94,959</b>	<b>15,684</b>	<b>2,668</b>

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.5 Liquidity risk (cont'd)

#### *Maturity analysis (cont'd)*

Group	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2020</b>							
<i>Non-derivative financial liabilities</i>							
Term loans - secured	16,720	3.15 - 4.90	27,538	2,620	2,855	7,423	14,640
Hire purchase liabilities	61	6.39	71	15	15	41	-
Lease liabilities	5,381	3.34 - 5.70	5,717	2,318	1,824	1,543	32
Bills payable - unsecured	13,710	3.23 - 4.35	14,196	14,196	-	-	-
Trade and other payables	59,780	-	59,780	59,780	-	-	-
Bank overdrafts - unsecured	99	6.89	106	106	-	-	-
	<u>95,751</u>		<u>107,408</u>	<u>79,035</u>	<u>4,694</u>	<u>9,007</u>	<u>14,672</u>
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	478		87,228	87,228	-	-	-
Inflow	-		(86,750)	(86,750)	-	-	-
	<u>96,229</u>		<u>107,886</u>	<u>79,513</u>	<u>4,694</u>	<u>9,007</u>	<u>14,672</u>

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.5 Liquidity risk (cont'd)

*Maturity analysis (cont'd)*

Company	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
<b>2021</b>						
<i>Non-derivative financial liabilities</i>						
Hire purchase liabilities	49	6.39	56	15	31	10
Lease liabilities	3,272	2.86 - 3.94	3,504	1,128	737	1,639
Bills payable - unsecured	7,250	-	7,250	7,250	-	-
Trade and other payables	1,954	-	1,954	1,954	-	-
Financial guarantees	-	-	56,601	56,601	-	-
	<u>12,525</u>		<u>69,365</u>	<u>66,948</u>	<u>768</u>	<u>1,649</u>
<b>2020</b>						
<i>Non-derivative financial liabilities</i>						
Hire purchase liabilities	61	6.39	71	15	15	41
Lease liabilities	3,190	3.94	3,190	1,109	1,081	1,000
Trade and other payables	1,729	-	1,729	1,729	-	-
Financial guarantees	-	-	36,268	36,268	-	-
	<u>4,980</u>		<u>41,258</u>	<u>39,121</u>	<u>1,096</u>	<u>1,041</u>

### 30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's and the Company's financial position or cash flows.

#### Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), U.S. Dollar ("USD") and Chinese Yuan Renminbi ("CNY").

*Risk management objectives, policies and processes for managing the risk*

The Directors monitor the exposure to foreign currency risk on a regular basis to ensure no significant adverse impact. It is the Group's policy to enter into forward foreign currency contracts to hedge against significant exposures to exchange rate fluctuations. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.6 Market risk (cont'd)

#### Foreign currency risk (cont'd)

##### *Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

Group	Denominated in		
	SGD RM'000	USD RM'000	CNY RM'000
<b>2021</b>			
Trade and other receivables	660	7,537	180
Cash and cash equivalents	-	3,573	-
Trade and other payables	-	(1,735)	(8,096)
<b>Net exposure in the statements of financial position</b>	<b>660</b>	<b>9,375</b>	<b>(7,916)</b>
<b>2020</b>			
Trade and other receivables	1,666	6,726	349
Cash and cash equivalents	-	2,778	-
Trade and other payables	(8)	(14,151)	(7,647)
<b>Net exposure in the statements of financial position</b>	<b>1,658</b>	<b>(4,647)</b>	<b>(7,298)</b>

##### *Foreign currency risk sensitivity analysis*

A 10% (2020: 10%) strengthening of RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	Equity		Profit or loss	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
SGD	(845)	(792)	(50)	(126)
USD	-	-	(713)	353
CNY	-	-	602	555

A 10% (2020: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

# NOTES TO THE FINANCIAL STATEMENTS

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## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.6 Market risk (cont'd)

#### Interest rate risk

The Group's and the Company's fixed rate deposits placements and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate liquid investment and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

#### *Risk management objectives, policies and processes for managing the risk*

The Group and the Company are exposed to interest rate risk when a financial instrument's value will fluctuate as a result of changes in market interest rate.

Excess funds are placed with licensed banks for short term periods during which the interest rates are fixed.

The Group's and the Company's interest-bearing financial liabilities are mainly lease liabilities, hire purchase liabilities, term loans, bills payables and bank overdrafts. The Group and the Company adopt a policy of managing the interest rate risk through the use of fixed and floating rate debts.

#### *Exposure to interest rate risk*

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Fixed rate instruments</b>				
Financial assets	3,000	5,000	-	-
Financial liabilities	(5,689)	(5,442)	(3,321)	(3,251)
	(2,689)	(442)	(3,321)	(3,251)
<b>Floating rate instruments</b>				
Financial assets	6,175	16,561	3,886	12,816
Financial liabilities	(37,395)	(30,529)	(7,250)	-
	(31,220)	(13,968)	(3,364)	12,816

#### *Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.6 Market risk (cont'd)

#### Interest rate risk (cont'd)

##### *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss			
	Group		Company	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
<b>2021</b>				
Floating rate instruments	(237)	237	(26)	26
<b>2020</b>				
Floating rate instruments	(106)	106	97	(97)

### 30.7 Hedging activities

#### Cash flow hedge

The Group entered into forward exchange contracts as hedges for purchases denominated in foreign currencies. During the year, the Group recognised a net gain of RM558,000 (2020: net gain of RM2,305,000) in other comprehensive income.

### 30.8 Fair value information

The carrying amounts of cash and cash equivalents, trade and other receivables, deposits, trade and other payables and short term borrowings reasonably approximate fair values due to the relatively short term nature of these financial instruments.

The carrying amounts of the floating rate bills payable, bank overdrafts and term loan approximate fair values as they are subject to variable interest rates which in turn approximate the current market interest rates for similar loans at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.8 Fair value information (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
<b>Financial assets</b>										
Forward exchange contract	-	1,209	-	1,209	-	-	-	-	1,209	1,209
Other investments										
- unit trusts	1,043	-	-	1,043	-	-	-	-	1,043	1,043
- others	-	-	10	10	-	-	-	-	10	10
	1,043	-	10	1,053	-	-	-	-	1,053	1,053
Liquid investments										
- unit trusts	6,175	-	-	6,175	-	-	-	-	6,175	6,175
	7,218	1,209	10	8,437	-	-	-	-	8,437	8,437
<b>Financial liabilities</b>										
Forward exchange contract	-	(180)	-	(180)	-	-	-	-	(180)	(180)
Hire purchase liabilities										
- fixed rate	-	-	-	-	-	-	(836)	(836)	(836)	(892)
	-	(180)	-	(180)	-	-	(836)	(836)	(1,016)	(1,072)
<b>Company</b>										
<b>Financial assets</b>										
Other investments										
- unit trusts	1,043	-	-	1,043	-	-	-	-	1,043	1,043
Liquid investments										
- unit trusts	3,886	-	-	3,886	-	-	-	-	3,886	3,886
	4,929	-	-	4,929	-	-	-	-	4,929	4,929
<b>Financial liabilities</b>										
Hire purchase liabilities										
- fixed rate	-	-	-	-	-	-	(42)	(42)	(42)	(49)



# NOTES TO THE FINANCIAL STATEMENTS

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## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.8 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
<b>Financial assets</b>										
Forward exchange contract	-	3	-	3	-	-	-	-	3	3
Other investments										
- others	-	-	10	10	-	-	-	-	10	10
Liquid investments										
- unit trusts	16,561	-	-	16,561	-	-	-	-	16,561	16,561
	16,561	3	10	16,574	-	-	-	-	16,574	16,574
<b>Financial liabilities</b>										
Forward exchange contract	-	(478)	-	(478)	-	-	-	-	(478)	(478)
Hire purchase liabilities										
- fixed rate	-	-	-	-	-	-	(51)	(51)	(51)	(61)
	-	(478)	-	(478)	-	-	(51)	(51)	(529)	(539)
<b>Company</b>										
<b>Financial assets</b>										
Liquid investments										
- unit trusts	12,816	-	-	12,816	-	-	-	-	12,816	12,816
<b>Financial liabilities</b>										
Hire purchase liabilities										
- fixed rate	-	-	-	-	-	-	(51)	(51)	(51)	(61)

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.8 Fair value information (cont'd)

#### Level 2 fair value

##### *Derivatives*

The fair value of forward exchange contracts is based on their quoted prices, if available. If a quoted price is not available, then fair value is estimated by comparing the difference between the contractual forward price and the current forward price based on available spot rate at reporting date.

##### *Transfer between Level 1 and Level 2 fair values*

There has been no transfer between Level 1 and 2 fair values during the financial year (2020: no transfer in either directions).

#### Level 3 fair value

##### *Other investment*

The fair value is determined to approximate the carrying value as it is immaterial in the context at the financial statement.

##### *Non-derivative financial liabilities – hire purchase liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

##### *Interest rates used to determine fair value*

	2021	2020
<b>Group and Company</b>		
Hire purchase liabilities		
- fixed rate	3.78% - 6.39%	6.39%

## 31. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor the adequacy of capital on an ongoing basis.

There was no change in the Group's approach to capital management during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 32. CONTINGENT LIABILITIES - UNSECURED

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Group	
	2021	2020
	RM'000	RM'000
Guarantees issued to third parties for performance of contract by Group entities	37,162	38,727

## 33. CAPITAL COMMITMENTS

	Group	
	2021	2020
	RM'000	RM'000
<b>Capital expenditure commitments</b>		
Property, plant and equipment		
Contracted but not provided for		
- Within one year	5,381	7,149

## 34. RELATED PARTIES

### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group and of the Company. There are no other transactions with key management personnel other than key management personnel compensation as disclosed below.

The Group has related party relationship with companies in which the Directors and person connected to Directors have interests, its subsidiaries and key management personnel.

### Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in the Notes 13 and 22.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 34. RELATED PARTIES (CONT'D)

### Significant related party transactions (cont'd)

Group	Transaction value	
	2021 RM'000	2020 RM'000
<b>With companies in which the Directors and persons connected to the Directors have interests</b>		
Sales		
Boilermech Sdn. Bhd.	(1,416)	(734)
CTL Automation Sdn. Bhd.	(46)	(97)
QL Foods Sdn. Bhd.	(212)	(360)
QL Kitchen Sdn. Bhd.	(4)	(25)
QL Endau Deep Sea Fishing Sdn. Bhd.	-	(159)
QL Figo (Johor) Sdn. Bhd.	(1,965)	(4,585)
Tenaga Semesta (M) Sdn. Bhd.	(232)	(241)
Platinum Victory Development Sdn. Bhd.	(52)	-
Platinum Victory Property Sdn. Bhd.	(400)	-
Purchases		
CTL Automation Sdn. Bhd.	878	694
Tenaga Semesta (M) Sdn. Bhd.	369	-
<b>With persons connected to the Directors</b>		
Sales		
Chia Seong Fatt	-	(163)
<b>Joint venture</b>		
Sigriner Automation (MFG) Sdn. Bhd.		
Sales	(138)	(11)
Purchases	5,895	4,715
Management fees receivable	(120)	(120)
Rental income	(149)	-
<b>Key management personnel</b>		
<b>Directors</b>		
- Fees	543	531
- Remunerations	4,408	4,528
<b>Other key management personnel</b>		
Fees	70	68
Remunerations	805	799

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 34. RELATED PARTIES (CONT'D)

### Significant related party transactions (cont'd)

Company	Transaction value	
	2021 RM'000	2020 RM'000
<b>Subsidiaries</b>		
Gross dividends receivable	-	(6,192)
Management fees receivable	(7,293)	(7,448)
Interest income	(1,348)	(1,648)
Rental income	(823)	(865)
<b>Key management personnel</b>		
<b>Directors</b>		
- Fees	293	281
- Remunerations	2,465	2,496

The estimated monetary value of key management personnel's benefit-in-kind of the Group and of the Company are RM117,000 (2020: RM113,000) and RM28,000 (2020: RM35,000).

## STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 70 to 151 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**Fu Wing Hoong**  
Director

**Lim Joo Swee**  
Director

Petaling Jaya

Date: 14 January 2022

## STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Sia Ching Hwee**, the officer primarily responsible for the financial management of EITA Resources Berhad, do solemnly and sincerely declare that the financial statements set out on pages 70 to 151 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Sia Ching Hwee, I/C No. 850928-10-6365, MIA CA 35006, at Subang Jaya, Selangor Darul Ehsan on 14 January 2022.

**Sia Ching Hwee**

Before me:

**FADZILAH BINTI HUSSAIN**

# INDEPENDENT AUDITORS' REPORT

To the members of EITA Resources Berhad  
(Registration No. 199601026396 (398748-T)) (Incorporated In Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of EITA Resources Berhad, which comprise the statements of financial position as at 30 September 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 151.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### (i) Revenue recognition – construction contract

Refer to Note 2(o)(i) - Significant accounting policy: Revenue and other income and Note 23 - Revenue.

#### The key audit matter

Construction contracts revenue of RM149,468,000 is recognised over time using input method, assessed by reference to the proportion of contract costs incurred for the work performed to date to the estimated total costs of the contract at completion.

Revenue recognition - construction contract is identified as a key audit matter due to the high degree of management judgement required in the estimation of the total costs of the contract at completion. Changes in judgement and the related estimates throughout a contract period could result in a material variance in the amount of revenue and, consequently, profits recognised to date and in the current period.

# INDEPENDENT AUDITORS' REPORT

To the members of EITA Resources Berhad  
(Registration No. 199601026396 (398748-T)) (Incorporated In Malaysia)  
*cont'd*

## KEY AUDIT MATTERS (CONT'D)

### (i) Revenue recognition – construction contract (cont'd)

#### How the matter was addressed in our audit

Our audit procedures performed in this area included, among others:

- We evaluated the design and implementation of selected key controls over the approval of contracts and budgeted costs for respective projects;
- We assessed the reasonableness of the estimated total cost to complete of selected contracts through inquiries with respective project managers and inspection of documents to support the estimates made;
- We compared the actual cost incurred of previous completed projects to its estimated total cost to assess the accuracy of the management's budgeting process;
- We performed verification of actual cost incurred during the financial year on a sampling basis; and
- We recalculated the percentage of completion to ascertain that the revenue is appropriately recognised.

### (ii) Valuation of inventories

Refer to Note 2(h) – Significant accounting policy: Inventories and Note 11 – Inventories.

#### The key audit matter

As at 30 September 2021, the Group has significant inventory balance of RM43,018,000. There is high degree of management's judgement involved in assessing the level of inventory write down required in respect of slow moving or obsolete inventories, therefore, there is a risk that the slow moving or obsolete inventories have not been adequately written down.

#### How the matter was addressed in our audit

Our audit procedures performed in this area included, among others:

- We obtained an understanding of the Group's policy and process for measuring the amount of write down required;
- We evaluated the design and implementation of the controls over management review of adequacy of impairment made;
- We reviewed the stock aging and ascertained adequacy of management's provision for slow moving and obsolete inventories per Group's policy;
- We assessed the reasonableness of the Group's policy by reference to the utilisation rate of inventories in the past years. We have tested the accuracy of the inventories ageing report used for this purpose; and
- We performed costing and net realisable value test on sampling basis.



# INDEPENDENT AUDITORS' REPORT

To the members of EITA Resources Berhad  
(Registration No. 199601026396 (398748-T)) (Incorporated In Malaysia)

*cont'd*

## KEY AUDIT MATTERS (CONT'D)

### (iii) Recoverability of trade receivables and contract assets

Refer to Note 2(k) – Significant accounting policy: Impairment and Note 30 – Credit Risk.

#### The key audit matter

As at 30 September 2021, the Group has significant trade receivables balance of RM53,634,000 and contract assets balance of RM85,182,000. There is high degree of management's judgement involved in assessing the recoverability of trade receivables and contract assets; and the adequacy of impairment made, therefore, there is a risk that the Group's assessment of the level of these impairment loss is insufficient or inaccurate.

#### How the matter was addressed in our audit

Our audit procedures performed in this area included, among others:

- We obtained understanding on the Group's process in determining the level of impairment required in accordance with MFRS 9;
- We evaluated the design and implementation of the controls over management review of adequacy of impairment made;
- We assessed the exposures to liquidated damages for late delivery of the construction works by making enquiries and where available, reading correspondences and minutes of meetings with contract customers on the expected delivery date and the ability of the Group to deliver on time based on historical progress of the construction works;
- We compared the forecast costs of individual contract against the corresponding income to determine whether provision for foreseeable losses, if any, has been adequately made for loss making contracts; and
- We reviewed the appropriateness of Expected Credit Loss ("ECL") calculation prepared by management and assessed the adequacy of impairment on trade receivables and contract assets. We have tested the accuracy of the trade receivables ageing report used for this purpose.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITORS' REPORT

To the members of EITA Resources Berhad  
(Registration No. 199601026396 (398748-T)) (Incorporated In Malaysia)  
*cont'd*

## RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT

To the members of EITA Resources Berhad  
(Registration No. 199601026396 (398748-T)) (Incorporated In Malaysia)

*cont'd*

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

## OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 14 January 2022

**Ooi Eng Siong**  
Approval Number: 03240/02/2022 J  
Chartered Accountant

# LIST OF PROPERTIES

As at 30 September 2021

Owner Company	Location	Date of acquisition	Tenure	Description/ use	Land & built-up Area (Acres/Sq. ft.)	Net book value	Age of the building
EITA-Schneider (MFG) Sdn Bhd	Lot No 14, Eastern Gateway Industrial Hub @ Bandar Bukit Raja Geran 288296	30 June 2011	Freehold	Land	2.9 acres (126,411 sq. ft.)	5,579,588	Not applicable
	Lot 69097 and Geran 246863 Lot No 69099 Mukim Kapar District of Klang Selangor			Factory and warehouse	Build-up approx. 93,177 sq.ft	20,102,244	2
Furutech Electrical Sdn Bhd	No 849 Lorong Perindustrian Bukit Minyak 11 Taman Perindustrian Bukit Minyak 14100 Simpang Ampat Seberang Perai Pulau Pinang	26 November 2013	Leasehold 60 years expiring on 14.01.2058	Busduct factory	131,724 sq. ft. Built-up approx. 62,800 sq. ft.	11,000,239	19
EITA Elevator (Malaysia) Sdn Bhd	H.S(M) 1926 PT No. 126 Seksyen 3 Pekan Pasir Penambang Daerah Kuala Selangor Negeri Selangor Darul Ehsan	30 March 2015	Freehold	Freehold land and building	130 sq. meter (1,399 sq. ft.)	# 1,047,826	7
EITA Elevator (Malaysia) Sdn Bhd	E3-21-06, Tower Three Jalan ION Delemen 1 Genting Highlands 69000 Genting Pahang	29 April 2014	Freehold	Serviced apartment	103.7 sq meter	# 840,522	3
EITA Elevator (Malaysia) Sdn Bhd	Parcel No.F-1-1 Subang Parkhomes Persiaran Kemajuan 47500 Subang Jaya Selangor	26 September 2014	Freehold	Serviced apartment	1,365 sq. ft.	# 789,284	7
EITA Elevator (Malaysia) Sdn Bhd	ARTE PLUS, AMPANG T1-08-06 Arte Plus Amapang Off Jalan Amapang 55000 KL	10 September 2020	Leasehold	Serviced apartment	1,137 sq meter	# 723,967	2

# LIST OF PROPERTIES

As at 30 September 2021

*cont'd*

Owner Company	Location	Date of acquisition	Tenure	Description/ use	Land & built-up Area (Acres/Sq. ft.)	Net book value	Age of the building
EITA Elevator (Malaysia) Sdn Bhd	13A-13 Vue Residences No. 102, Jalan Pahang 53000 Kuala Lumpur	23 April 2015	Freehold	Serviced apartment	737 sq. ft.	# 595,674	8
EITA Elevator (Malaysia) Sdn Bhd	Quay West Residence Tower B, Unit B-19-26 No.120, Pesiaran Bayan Indah 11900, Penang	8 September 2020	Freehold	SOHO	94 sq meter	# 599,250	WIP
EITA Elevator (Malaysia) Sdn Bhd	69-1F & 69-2F Jalan Setia Perdana BA U13/BA, Setia Alam Seksyen U13 40170 Shah Alam Selangor Darul Ehsan	1 March 2021	Freehold	1st and 2nd floor office units within a stratified intermediate four-storey terraced shop/office	274 sq meter	# 474,400	1

**Note:**

# These are "Investment Properties" held by our Group.

# ANALYSIS OF SHAREHOLDINGS

As at 31 December 2021

Class of equity securities	:	Ordinary Shares ("Shares")
Total number of issued shares	:	260,003,666 Shares
Voting rights by show of hand	:	One vote for every member
Voting rights by poll	:	One vote for every Share held

## DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 Shares	16	0.45	308	#
100 - 1,000 Shares	432	12.17	281,620	0.11
1,001 - 10,000 Shares	1,943	54.72	10,204,500	3.92
10,001 - 100,000 Shares	1,025	28.86	31,455,770	12.10
100,001 - 13,000,182 *	131	3.69	78,288,178	30.11
13,000,183 and above **	4	0.11	139,773,290	53.76
<b>Total</b>	<b>3,551</b>	<b>100.00</b>	<b>260,003,666</b>	<b>100.00</b>

Notes:

\* Less than 5% of the total number of issued shares.

\*\* 5% and above of the total number of issued shares.

# Negligible.

## DIRECTORS' SHAREHOLDINGS (As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Siow Kim Lun	400,000	0.15	-	-
Fu Wing Hoong	2,022,582	0.78	49,766,992 <sup>(1)</sup>	19.14
Lim Joo Swee	3,256,682	1.25	37,130,706 <sup>(2)</sup>	14.28
Lee Peng Sian	12,886,016	4.96	87,000 <sup>(3)</sup>	0.03
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	8,818,472	3.39	300,000 <sup>(4)</sup>	0.12
Chia Mak Hooi	300,000	0.12	-	-
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	400,000	0.15	60,146,518 <sup>(5)</sup>	23.13
Chong Lee Chang	760,000	0.29	-	-
Ho Lee Chen	-	-	10,666 <sup>(6)</sup>	#
Ir. Haji Omar Bin Mat Piah	-	-	-	-

Notes:

(1) Deemed interested by virtue of the shares held by his spouse, Lee Pek See, his daughter, Fu Jia Lik and both his and his spouse's shareholdings in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act").

(2) Deemed interested by virtue of the shares held by his spouse, Goh Kin Bee, his children and both his and his spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of the shares held by his spouse, Looi Lin Poh.

(4) Deemed interested by virtue of the shares held by his spouse, Jane Chew Yin Sum.

(5) Deemed interested by virtue of the shares held by his children and his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.

(6) Deemed interested by virtue of the shares held by her son, Jeric Lam Zhen Xiang.

# ANALYSIS OF SHAREHOLDINGS

As at 31 December 2021

cont'd

## SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS (As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Ruby Technique Sdn. Bhd.	59,746,518	22.98	-	-
Sudut Kreatif Sdn. Bhd.	43,003,066	16.54	-	-
Jasa Simbolik Sdn. Bhd.	23,787,148	9.15	-	-
Goh Kin Bee	13,236,558	5.09	27,043,830 <sup>(1)</sup>	10.40
Fu Wing Hoong	2,022,582	0.78	49,766,992 <sup>(2)</sup>	19.14
Lim Joo Swee	3,256,682	1.25	37,130,706 <sup>(3)</sup>	14.28
Lee Pek See	6,721,926	2.59	45,025,648 <sup>(4)</sup>	17.32
CBG Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(5)</sup>	22.98
Farsathy Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(5)</sup>	22.98
Chia Seong Pow	400,000	0.15	60,146,518 <sup>(6)</sup>	23.13
Chia Seong Fatt	-	-	59,746,518 <sup>(7)</sup>	22.98

### Notes:

- (1) Deemed interested by virtue of the shares held by her spouse, Lim Joo Swee and both her and her spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of the shares held by his spouse, Lee Pek See, his daughter, Fu Jia Lik and both his and his spouse's shareholdings in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of the shares held by his spouse, Goh Kin Bee, his children and both his and his spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of the shares held by her spouse, Fu Wing Hoong and both her and her spouse's shareholdings in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of its shareholdings in Ruby Technique Sdn. Bhd. pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of the shares held by his children and his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.

# ANALYSIS OF SHAREHOLDINGS

As at 31 December 2021

cont'd

## 30 LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares held	%
1	Ruby Technique Sdn. Bhd.	59,746,518	22.98
2	Sudut Kreatif Sdn. Bhd.	43,003,066	16.54
3	Jasa Simbolik Sdn. Bhd.	23,787,148	9.15
4	Goh Kin Bee	13,236,558	5.09
5	Lee Peng Sian	12,886,016	4.96
6	Chong Yoke Peng	8,818,472	3.39
7	Lee Pek See	6,721,926	2.59
8	Citigroup Nominees (Tempatan) Sdn Bhd - <i>Employees Provident Fund Board</i>	6,255,700	2.41
9	Lim Joo Swee	3,070,482	1.18
10	Wong Chin Tim	2,713,100	1.04
11	Fu Wing Hoong	2,022,582	0.78
12	Wong Jiann Shyong	1,580,000	0.61
13	CIMB Group Nominees (Asing) Sdn. Bhd. - <i>Exempt An for DBS Bank Ltd (SFS)</i>	1,433,600	0.55
14	Public Nominess (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Phua Kiap Wite</i>	913,100	0.35
15	Amsec Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Leong Kee Chan</i>	864,000	0.33
16	Chong Lee Chang	760,000	0.29
17	Thian Yook Chin	705,800	0.27
18	Tang Wey Shing	650,000	0.25
19	Migan Sdn. Bhd.	577,600	0.22
20	Phua Kai Yan	576,000	0.22
21	Hoo Chee Keong	560,000	0.22
22	Tang Wey Shing	520,000	0.20
23	HLIB Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Ng Sin Guan</i>	502,700	0.19
24	Andrew Lim Cheong Seng	500,000	0.19
25	Thee Woei Cherng	467,000	0.18
26	Tan Lee Kiew	460,000	0.18
27	Koh Kwee Hooi	456,900	0.18
28	Lee Tiong Hian	446,000	0.17
29	UOB Kay Hian Nominees (Asing) Sdn. Bhd. - <i>Exempted An for UOB Kay Hian (Hong Kong) Limited (A/C clients)</i>	443,500	0.17
30	Ng Kew @ Ng Sing Koon	424,200	0.16



# ANALYSIS OF WARRANTHOLDINGS

As at 31 December 2021

Type of Convertible Securities	:	Warrants 2021/2024 ("Warrants")
No. of Outstanding Warrants	:	86,662,285
Exercise Price	:	RM0.70
Exercise Period	:	3 February 2021 to 2 February 2024

## DISTRIBUTION SCHEDULE OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No. of Warrants	%
Less than 100 Warrants	393	21.69	20,030	0.02
100 - 1,000 Warrants	245	13.52	138,043	0.16
1,001 - 10,000 Warrants	714	39.40	3,127,368	3.61
10,001 - 100,000 Warrants	390	21.52	13,070,129	15.08
100,001 - 4,333,113 *	66	3.65	23,715,619	27.37
4,333,114 and above **	4	0.22	46,591,096	53.76
<b>Total</b>	<b>1,812</b>	<b>100.00</b>	<b>86,662,285</b>	<b>100.00</b>

Notes:

\* Less than 5% of the total number of outstanding Warrants.

\*\* 5% and above of the total number of outstanding Warrants.

## DIRECTORS' WARRANT HOLDINGS AS AT 31 DECEMBER 2021 (As per the Register of Directors' Warrant holdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Dato' Siow Kim Lun @ Siow Kim Lin	133,333	0.15	-	-
Fu Wing Hoong	458,027	0.53	16,575,030 <sup>(1)</sup>	19.13
Lim Joo Swee	1,078,894	1.24	12,361,233 <sup>(2)</sup>	14.26
Lee Peng Sian	4,295,338	4.96	29,000 <sup>(3)</sup>	0.03
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	2,832,824	3.27	100,000 <sup>(4)</sup>	0.12
Chia Mak Hooi	25,000	0.03	-	-
Chia Seong Pow (Alternate Director to Lee Peng Sian)	133,333	0.15	20,048,838 <sup>(5)</sup>	23.13
Chong Lee Chang	253,333	0.29	-	-
Ho Lee Chen	-	-	-	-
Ir. Haji Omar Bin Mat Piah	-	-	-	-

Notes:

(1) Deemed interested by virtue of the Warrants held by his spouse, Lim Pek See, his daughter, Fu Jia Lik and both him and his spouse in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act").

(2) Deemed interested by virtue of the Warrants held by his spouse, Goh Kin Bee, his children and both him and his spouse in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of the Warrants held by his spouse, Looi Lin Poh.

(4) Deemed interested by virtue of the Warrants held by his spouse, Jane Chew Yin Sum.

(5) Deemed interested by virtue of the Warrants held by his children and his beneficial interests in Farsathy Holdings Sdn. Bhd. held via trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.

# ANALYSIS OF WARRANTHOLDINGS

As at 31 December 2021

cont'd

**30 LARGEST WARRANT HOLDERS AS AT 31 DECEMBER 2021****(without aggregating the securities from different securities accounts belonging to the same registered holder)**

No.	Name	No. of Warrants held	%
1	Ruby Technique Sdn. Bhd.	19,915,506	22.98
2	Sudut Kreatif Sdn. Bhd.	14,334,355	16.54
3	Jasa Simbolik Sdn. Bhd.	7,929,049	9.15
4	Goh Kin Bee	4,412,186	5.09
5	Lee Peng Sian	4,295,338	4.96
6	Chong Yoke Peng	2,832,824	3.27
7	Lee Pek See	2,240,642	2.59
8	Lim Joo Swee	1,023,494	1.18
9	Wong Chin Tim	904,366	1.04
10	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Vincent Phua Chee EE</i>	500,000	0.58
11	CIMB Group Nominees (Asing) Sdn. Bhd. - <i>Exempt An for DBS Bank Ltd (SFS)</i>	477,867	0.55
12	Wong Jiann Shyong	470,000	0.54
13	Fu Wing Hoong	458,027	0.53
14	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Wong Weng Kong</i>	338,000	0.39
15	Ong Keng Seng	325,400	0.38
16	Low Foi	319,000	0.37
17	Lim Keng Ann	305,800	0.35
18	Tee Yong	300,400	0.35
19	Kaw Keng Wai	299,000	0.35
20	Amsec Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Leong Kee Chan</i>	288,000	0.33
21	Muhammad Hafiz Bin Mohd Nasarudin	274,700	0.32
22	Maybank Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Razali Bin Mohammad</i>	270,000	0.31
23	Kek Shuang Yin	260,000	0.30
24	Chong Lee Chang	253,333	0.29
25	Maybank Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Tan Sun Ping</i>	250,000	0.29
26	Public Nominees Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Mohd Rashdi Bin Ab Hamid @ Aziz (E-KLC)</i>	244,733	0.28
27	Thian Yook Chin	235,266	0.27
28	Kenanga Nominees (Tempatan) Sdn. Bhd. - <i>Rakuten Trade Sdn. Bhd. for Liong Yew Wei</i>	230,000	0.27
29	Gan Wee Meng	210,600	0.24
30	Public Nominees Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Wong Chin Ann (E-KLG)</i>	205,400	0.24

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Sixth Annual General Meeting of EITA RESOURCES BERHAD (“EITA” or “the Company”) will be held on a fully virtual basis through an online meeting platform via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on Friday, 25 February 2022 at 11:00 a.m. or at any adjournment thereof, to transact the following businesses:-

## AGENDA

### AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2021 together with the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*
2. To approve the payment of Directors’ fees and benefits of up to RM403,800.00 for the financial year ending 30 September 2022. *(Ordinary Resolution 1)*
3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company’s Constitution:-
  - i) Dato’ Siow Kim Lun *(Ordinary Resolution 2)*
  - ii) Mr. Fu Wing Hoong *(Ordinary Resolution 3)*
  - iii) Mr. Lim Joo Swee *(Ordinary Resolution 4)*
4. To re-appoint KPMG PLT as Auditors of the Company until the conclusion of the next Annual General Meeting (“AGM”) of the Company and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 5)*

### AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without any modifications, the following resolutions:-

5. **RETENTION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR** *(Ordinary Resolution 6)*  
 “THAT Mr. Chong Lee Chang who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company.”
6. **RETENTION OF THE INDEPENDENT NON-EXECUTIVE CHAIRMAN** *(Ordinary Resolution 7)*  
 “THAT subject to the passing of Ordinary Resolution 2, Dato’ Siow Kim Lun who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Chairman of the Company.”

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

cont'd

**7. GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** *(Ordinary Resolution 8)*

"THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier."

**8. PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** *(Ordinary Resolution 9)*

"THAT subject always to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company, the Listing Requirements of Bursa Securities and the approvals of any other relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares in the Company's issued share capital ("EITA Shares") through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of EITA Shares bought-back and/or held as treasury shares does not exceed ten per centum (10%) of the total number of issued shares of the Company subject to a restriction that the issued share capital of the Company does not fall below the public shareholding spread requirement of the Listing Requirements of Bursa Securities;
- (ii) the maximum funds to be allocated for the share buy-back shall not exceed the aggregate of the retained earnings of the Company; and
- (iii) the EITA Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority are to be treated in any of the following manner:
  - (a) cancel the purchased EITA Shares;
  - (b) retain the purchased EITA Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
  - (c) retain part of the purchased EITA Shares as treasury shares and cancel the remainder,

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

*cont'd*

AND THAT such authority shall commence immediately upon the passing of this resolution until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which this resolution is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the EITA Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities;

AND FURTHER THAT, the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as they may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the EITA Shares."

## 9. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

*(Special Resolution)*

"THAT the proposed amendments to the Constitution of the Company as set out in the "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

10. To transact any other business of which due notice shall have been given.

By order of the Board

**TEA SOR HUA (MACS 01324) (CCM PC NO. 201908001272)**  
Company Secretary

Petaling Jaya, Selangor Darul Ehsan  
27 January 2022

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

cont'd

## Notes:

- (a) According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.
- (b) A member who is entitled to attend, participate, speak and vote at the Twenty-Sixth AGM ("Meeting") shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (c) A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (e) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting:-
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
  - (ii) By electronic form  
The proxy form can be electronically lodged via TIIH Online website at <https://tiah.online>. Please refer to the Administrative Details on the procedure for electronic lodgement of proxy form via TIIH Online.
- (h) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 18 February 2022. Only members whose names appear in the General Meeting Record of Depositors as at 18 February 2022 shall be entitled to attend, participate, speak and vote at the Meeting.
- (i) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- (j) The members are advised to refer to the Administrative Guide on the registration process for the Meeting.
- (k) Members or proxies are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the Meeting using Remote Participation and Voting Facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at <https://tiah.online>. Please refer to the Administrative Guide of the Meeting as enclosed for further information in relation thereto.
- (l) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at [www.eita.com.my](http://www.eita.com.my) for the latest updates on the status of the Meeting.

# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

cont'd

## EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

### 1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 30 September 2021

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require the formal approval of the shareholders for the audited financial statements. Hence, this Agenda is not put forward for voting.

### 2. Item 2 of the Agenda - Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits on a current financial year basis. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

### 3. Items 5 and 6 of the Agenda - Retention of Independent Non-Executive Director and Independent Non-Executive Chairman

The Board had assessed the independence of Mr. Chong Lee Chang and Dato' Siow Kim Lun, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. The Board is satisfied that they have met the independence and recommended him to continue to act as Independent Non-Executive Director and Independent Non-Executive Chairman of the Company respectively based on the following reasons:

- (a) they have declared and confirmed that they fulfilled the criteria under the definition of Independent Director as set out in Chapter 1 of the Listing Requirements of Bursa Securities;
- (b) they have vast experience in their respective industries which could provide the Board with a diverse set of experience, expertise and independent judgement;
- (c) they have good knowledge of the Company and its subsidiaries' business operations;
- (d) they have devoted sufficient time and attention to their responsibilities as Independent Directors of the Company; and
- (e) they have exercised due care during their tenure as Independent Non-Executive Directors of the Company and carried out their duties in the best interest of the Company and shareholders of the Company.

### 4. Item 7 of the Agenda - General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act

The Company had at its Twenty-Fifth AGM held on 22 February 2021 ("25th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this AGM.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the 20% General Mandate granted to the Directors at the 25th AGM which will lapse at the conclusion of this AGM.

The Ordinary Resolution 8 proposed under item 7 of the Agenda, is to seek the 20% General Mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act. This 20% General Mandate may be utilised by the Company to issue and allot new ordinary shares **until 31 December 2022** and thereafter, unless extended by Bursa Securities, the 10% limit under Paragraph 6.03(1) of the Listing Requirements of Bursa Securities will be reinstated. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.



# NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

cont'd

*In view of the challenging time due to the COVID-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate and on 23 December 2021, further extended the implementation and utilisation of this 20% General Mandate to 31 December 2022 to allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Listing Requirements of Bursa Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for the issue of new securities.*

## **The Board of Directors' Statement**

*The Board of Directors of EITA ("Board"), after due consideration, is of the opinion that in the face of unprecedented challenges brought by the COVID-19 pandemic, this 20% General Mandate is the most appropriate avenue of fund raising at this juncture. This 20% General Mandate will enable the Company to raise funds expeditiously without having to incur interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow. The funds raised will be used to finance the day-to-day operational expenses, working capital for the on-going projects or future projects/investments to ensure the long-term sustainability of the Company.*

*The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.*

## **5. Item 8 of the Agenda - Proposed Renewal of Share Buy-Back Authority**

*The Ordinary Resolution 9 proposed under item 8 of the Agenda is to renew the shareholders' mandate for the share buy-back by the Company. The said proposed renewal of shareholders' mandate will empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's total number of issued shares at any point of time, by utilising the amount allocated which shall not exceed the total retained profits of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM, or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.*

*Please refer to the Share Buy-Back Statement contained in this Annual Report for further details.*

## **6. Item 9 of the Agenda - Proposed Amendments to the Constitution of the Company**

*The proposed amendments to the Constitution of the Company under item 9 of the Agenda are mainly to enhance administrative efficiency.*

*The proposed amendments to the Constitution of the Company shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.*



## APPENDIX A

## PROPOSED AMENDMENTS TO THE CONSTITUTION OF EITA RESOURCES BERHAD ("THE COMPANY")

This is the Appendix A referred to in Agenda 9 of the Notice of Twenty-Sixth Annual General Meeting of the Company dated 27 January 2022.

Clause No.	Existing Clause	Proposed Clause
61 <i>Meetings of members at two or more venue</i>	The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.	<p>(a) The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing.</p> <p>(b) For a hybrid general meeting, the main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting.</p> <p>(c) For a fully virtual general meeting, the broadcast venue or the online meeting platform which located in Malaysia shall be recognised as the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.</p> <p>(d) For a fully virtual general meeting, the main venue of the meeting shall be the broadcast venue which shall be located in Malaysia and the Chairman shall be present at the broadcast venue of the meeting; or the Uniform Resource Locator ("URL") address of the online meeting platform or the physical address of the Registrant shall be in Malaysia and the Chairman who is present virtually at the meeting shall be deemed to be present at the main venue of the meeting.</p>

## APPENDIX A

cont'd

Clause No.	Existing Clause	Proposed Clause
107(b) <i>Meeting of Directors</i>	A member of the Board may participate in a meeting of the Board by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such Director shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the Board.	<b>The meeting of the Directors may be held by fully virtual or hybrid at more than one venue using any technology or method. A member of the Board or any invitees may participate in the meeting by means of a telephone conference, or any other audio, or audio visual, or communication means which allows all persons participating in the meeting to hear and speak with each other and such Director or person shall be regarded for all purposes as personally attended such a meeting and such Director shall be counted in a quorum and be entitled to vote on the resolutions tabled at the meeting.</b>
107(c) <i>Meeting of Directors</i>	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.	- Deleted -
123(a) <i>Participation at Committee Meeting by way of telephone and video conference</i>	Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the committee.	<b>Notwithstanding any provisions to the contrary contained in this Constitution, the committee meetings may be held by fully virtual or hybrid at more than one venue using any technology or method. A committee member or any invitees may participate in the meeting by means of a telephone conference or any other audio, or audio visual, or communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member or person shall be regarded for all purposes as personally attended such a meeting and such committee member shall be counted in a quorum and be entitled to vote on the resolutions tabled at the committee meeting.</b>
123(b) <i>Participation at Committee Meeting by way of telephone and video conference</i>	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the committee members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.	- Deleted -

## APPENDIX A

cont'd

Clause No.	Existing Clause	Proposed Clause
135(a) <i>Preparation, and circulation and publication of audited financial statements and reports of directors and auditors thereon</i>	The Directors shall cause to be prepared, sent to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.	The Directors shall cause to be prepared <b>and circulated</b> , <del>sent</del> to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.
135(b) <i>Preparation, and circulation and publication of audited financial statements and reports of directors and auditors thereon</i>	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent to every Member of, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent <b>or circulated</b> to every Member of <b>the Company</b> , and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.

# SHARE BUY-BACK STATEMENT

## THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad [200301033577 (635998-W)] has not perused this Statement prior to its issuance and takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

<b>Act</b>	: Companies Act 2016 as may be amended, modified or re-enacted from time to time
<b>AGM</b>	: Annual General Meeting
<b>Annual Report 2021</b>	: Annual Report of EITA for the financial year ended 30 September 2021
<b>Board</b>	: Board of Directors of EITA
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
<b>Code</b>	: Malaysian Code on Take-Overs and Mergers, 2016 as may be amended, modified or re-enacted from time to time
<b>Director(s)</b>	: The Director(s) of EITA
<b>EITA or Company</b>	: EITA Resources Berhad [199601026396 (398748-T)]
<b>EITA Group or the Group</b>	: EITA and its subsidiaries, collectively
<b>EITA Share(s) or Share(s)</b>	: Ordinary share(s) in EITA
<b>EPS</b>	: Earnings per share
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
<b>LPD</b>	: 31 December 2021, being the latest practicable date

# SHARE BUY-BACK STATEMENT

*cont'd*

<b>Major Shareholders(s)</b>	: A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:
	(a) 10% or more of the total number of voting shares in the Company; or
	(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
	(c) For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act
<b>NA</b>	: Net assets
<b>Proposed Renewal of Share Buy-Back Authority</b>	: Proposed renewal of the authority for the Company to purchase its own Shares of up to ten per centum (10%) of the total number of issued shares of EITA
<b>Purchased Shares</b>	: EITA Share(s) purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
<b>RM and sen</b>	: Ringgit Malaysia and sen respectively
<b>Rules</b>	: Rules on Take-Overs, Mergers and Compulsory Acquisitions as may be amended, modified or re-enacted from time to time
<b>Statement</b>	: Statement to shareholders in relation to the Proposed Renewal of Share Buy-Back Authority
<b>Treasury Shares</b>	: Has the meaning given under Section 127(4) of the Act
<b>Warrants</b>	: Warrants 2021/2024 issued by EITA

Words importing the singular shall, where applicable include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to “we”, “us”, “our” and “ourselves” are to EITA or EITA Group. All references to “you” in this Statement are to the shareholders of our Company.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to the time of day in this Statement shall be reference to Malaysian time, unless otherwise stated.

Any discrepancy in the figures included in this Statement between the amounts stated and the totals thereof are due to rounding.

## 1. INTRODUCTION

At our Twenty-Fifth (25<sup>th</sup>) AGM held on 22 February 2021, our shareholders had approved, among others, the renewal of authority for the Company to undertake a share buy-back of up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Securities at any point in time subject to the compliance with the Act, rules and regulations made pursuant to the Act, the provisions of the Company’s Constitution and the Listing Requirements of Bursa Securities and any other relevant authority (“**Existing Authority**”). The Existing Authority will expire at the conclusion of our forthcoming Twenty-Sixth (26<sup>th</sup>) AGM scheduled to be held on 25 February 2022.

# SHARE BUY-BACK STATEMENT

cont'd

On 14 January 2022, our Board had announced to Bursa Securities that our Company intends to seek its shareholders' approval for the Proposed Renewal of Share Buy-Back Authority by way of an Ordinary Resolution at our forthcoming 26<sup>th</sup> AGM.

The purpose of this Statement is to provide details pertaining to the Proposed Renewal of Share Buy-Back Authority together with our Directors' recommendation and to seek your approval for the Ordinary Resolution to be tabled at the forthcoming 26<sup>th</sup> AGM of our Company.

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Our Board proposes to seek our shareholders' approval for the renewal of the authority for our Company to purchase up to ten per centum (10%) of its total number of issued shares at any point in time, subject to compliance with the Act, rules, regulations and orders made pursuant to the Act, the provisions of the Company's Constitution and the Listing Requirements of Bursa Securities and any other relevant authority ("**Prevailing Laws**") at the time of purchase.

The approval from the shareholders for the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the Ordinary Resolution for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 26<sup>th</sup> AGM and shall be valid until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within the next AGM of the Company after the date it is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by our shareholders at a general meeting.

whichever occurs first.

### 2.1 Maximum number or percentage of EITA shares to be acquired

The maximum aggregate number of EITA Shares which may be purchased by our Company shall not exceed 10% of our total number of issued shares at any point in time subject to compliance with the provisions of the Act, the Listing Requirements and/or any other relevant authorities.

As at LPD, our total number of issued shares is 260,003,666 Shares. For illustration purposes, the maximum number of EITA Shares that may be purchased and/or held by our Company shall not be more than 26,000,366 Shares based on the total number of issued shares as at LPD.

As at LPD, our Company has 86,662,285 Warrants. Assuming full exercise of the Warrants, a total of 86,662,285 new EITA Shares will be issued and the enlarged issued shares of the Company shall be 346,665,951 Shares. For illustration purposes, the maximum number of EITA Shares that may be purchased and/or held by our Company shall not be more than 34,666,595 Shares based on the total number of enlarged issued shares.

# SHARE BUY-BACK STATEMENT

*cont'd*

## 3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority is intended to enable our Company to utilise its surplus financial resources which is not immediately required for other use, to purchase our own shares from the market. Our Company will be able to purchase our own shares when the Shares are being traded at values that are grossly below what our Board believes to be their intrinsic value. This will enable the prices of EITA Shares traded on the Bursa Securities to be stabilised and therefore better reflect its fundamentals.

In accordance with Sections 127(4) and (7) of the Act, our Board will be allowed to deal with the Shares so purchased in the following manner:-

- (a) to cancel the Shares so purchased;
- (b) to retain the Shares so purchased as Treasury Shares for distribution as share dividends to our shareholders and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently and/or such other purposes as allowed under the Act; or
- (c) to retain part of the Shares so purchased as Treasury Shares and cancel the remainder of the Shares.

If the Purchased Shares are maintained as Treasury Shares or subsequently cancelled, the EPS of EITA may strengthen and if so, it is expected to benefit our shareholders.

If the Purchased Shares are held as Treasury Shares, such Shares may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves. Should the Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantage to our Company and our shareholders, and it will be implemented only after due consideration of the financial resources of the EITA Group, and of the resultant impact on our shareholders. Our Board will be mindful of the interests of our Group and our shareholders in undertaking the Proposed Renewal of Share Buy-Back Authority.

## 4. FUNDING FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority will be funded by internal funds of our Company and/or borrowings, the breakdown of which has not been determined at this juncture. In the event that the Proposed Renewal of Share Buy-Back Authority is to be financed by borrowings, our Company will ensure its capability of repaying such borrowings and that such repayment will not have a material effect on its cash flow. The actual number of EITA Shares to be purchased and the timing of any purchase, together with the treatment of the EITA Shares purchased would depend on, among others, the prevailing market conditions, the availability of our Company's retained profits as well as cash and funding position.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of our Company. The audited retained profits of our Company as at 30 September 2021 (being the latest available audited financial statements of the Company) was RM10,352,000.

# SHARE BUY-BACK STATEMENT

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## 5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to EITA and our shareholders are as follows:

- (a) allow EITA to take preventive measures against speculation particularly when its shares are undervalued which would, in turn, stabilise its market price and hence, enhance investors' confidence;
- (b) allow EITA flexibility in achieving the desired capital structure, in terms of its debt and equity composition and its size of equity; and
- (c) if the Treasury Shares are distributed as dividends by the Company, it may then serve to reward its shareholders.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to EITA and our shareholders are as follows:

- (a) any purchase by our Company of our own Shares will reduce our financial resources and may result in EITA foregoing better investment opportunities that may emerge in future; and
- (b) as any purchase of our own Shares can only be made out of our retained profits, it may result in the reduction of financial resources available for distribution to our shareholders in the immediate future.

Nevertheless, our Board will be mindful of our Company and our shareholders' interest in undertaking any purchase of our own Shares and in the subsequent resale of Treasury Shares on Bursa Securities, if any.

## 6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

### 6.1 Issued Share Capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of our Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

The Proposed Renewal of Share Buy-Back Authority will, however, result in the reduction of the issued share capital of our Company if the Purchased Shares are cancelled. Based on the issued share capital of our Company as at LPD and assuming that the maximum number of EITA Shares (of up to ten per centum (10%)) of the total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority and full exercise of Warrants are set out as follows:

	Number of Ordinary Shares	Upon full exercise of Warrants
Total number of issued share of our Company as at LPD	260,003,666	346,665,951
Maximum number of shares which may be purchased and cancelled by our Company pursuant to the Proposed Renewal of Share Buy-Back Authority <sup>(1)</sup>	(26,000,366)	(34,666,595)
<b>Resultant total number of issued shares of our Company</b>	<b>234,003,300</b>	<b>311,999,356</b>

Note:-

<sup>(1)</sup> Comprising the entire 10% of the total number of issued shares of EITA allowed under the Proposed Renewal of Share Buy-Back Authority.

However, if the Purchased Shares are held as Treasury Shares, resold or distributed to shareholders, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the total number of issued shares of our Company.



# SHARE BUY-BACK STATEMENT

*cont'd*

## 6.2 Earnings and EPS

The effects of the Proposed Renewal of Share Buy-Back Authority on the EPS of our Group will depend on, among others, the number of Purchased Shares and the purchase price for such Shares, the effective funding cost to our Group to finance the Purchased Shares or any loss in interest income to our Group.

In the event that any of the Purchased Shares are retained as Treasury Shares and subsequently sold, the effects on the earnings of our Group will depend on the actual selling price, the number of Treasury Shares resold and the effective gain.

If the Purchased Shares are cancelled, the Proposed Renewal of Share Buy-Back Authority will have a positive effect on the EPS of our Group.

## 6.3 NA

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA of our Group will depend on the purchase price for such EITA Shares, the number of Purchased Shares, the effective funding cost to our Group to finance the Purchased Shares and whether the Purchased Shares are cancelled or retained as treasury shares.

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA of our Group, whether the Purchased Shares are cancelled or retained as treasury shares are as follows:

### a. Purchased Shares are subsequently retained as treasury shares

The NA of our Group would decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity, resulting in a decrease in the NA of our Group by the cost of the treasury shares.

If the Purchased Shares were distributed as share dividends, the NA of our Group will decrease by the cost of the treasury shares.

If the Purchased Shares are resold on Bursa Securities, the NA of our Group would increase if EITA realises a gain from the resale, and vice-versa.

### b. Purchased Shares are subsequently cancelled

If the Purchased Shares are cancelled, the Proposed Renewal of Share Buy-Back Authority will reduce the NA per Share if the purchase price per Share exceeds the NA per Share at the relevant point in time, and vice-versa.

## 6.4 Working Capital

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the cash flow of our Group if it is wholly and/or partly financed by internally generated funds and result in a lower amount of cash reserves available for working capital of EITA Group, the quantum of which will depend on, among others, the prices paid and the number of Purchased Shares.

## 6.5 Dividends

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Renewal of Share Buy-Back Authority may have an effect of increasing the dividend rate per ordinary share of our Company as a result of the reduction in the total number of issued shares of our Company.

# SHARE BUY-BACK STATEMENT

cont'd

## 6.6 Substantial Shareholders' Shareholdings

Based on our Company's Register of Substantial Shareholders as at LPD and assuming that the maximum number of EITA Shares (of up to ten per centum (10%) of the total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased from shareholders other than the existing substantial shareholders of EITA, and all such shares purchased are cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the existing substantial shareholders of EITA are set out below:

Substantial Shareholders	As at LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ruby Technique Sdn. Bhd.	59,746,518	22.98	-	-	59,746,518	25.53	-	-
Sudut Kreatif Sdn. Bhd.	43,003,066	16.54	-	-	43,003,066	18.38	-	-
Jasa Simbolik Sdn. Bhd.	23,787,148	9.15	-	-	23,787,148	10.17	-	-
Goh Kin Bee	13,236,558	5.09	27,043,830 <sup>(1)</sup>	10.40	13,236,558	5.66	27,043,830 <sup>(1)</sup>	11.56
Fu Wing Hoong	2,022,582	0.78	49,766,992 <sup>(2)</sup>	19.14	2,022,582	0.86	49,766,992 <sup>(2)</sup>	21.27
Lim Joo Swee	3,256,682	1.25	37,130,706 <sup>(3)</sup>	14.28	3,256,682	1.39	37,130,706 <sup>(3)</sup>	15.87
Lee Pek See	6,721,926	2.59	45,025,648 <sup>(4)</sup>	17.32	6,721,926	2.87	45,025,648 <sup>(4)</sup>	19.24
CBG Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(5)</sup>	22.98	-	-	59,746,518 <sup>(5)</sup>	25.53
Farsathy Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(5)</sup>	22.98	-	-	59,746,518 <sup>(5)</sup>	25.53
Chia Seong Pow	400,000	0.15	60,146,518 <sup>(6)</sup>	23.13	400,000	0.17	60,146,518 <sup>(6)</sup>	25.70
Chia Seong Fatt	-	-	59,746,518 <sup>(7)</sup>	22.98	-	-	59,746,518 <sup>(7)</sup>	25.53

# SHARE BUY-BACK STATEMENT

cont'd

## Upon full exercise of Warrants

Substantial Shareholders	Upon full exercise of Warrants				After the Proposed Renewal of Share Buy-Back Authority			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ruby Technique Sdn. Bhd.	79,662,024	22.98	-	-	79,662,024	25.53	-	-
Sudut Kreatif Sdn. Bhd.	57,337,421	16.54	-	-	57,337,421	18.38	-	-
Jasa Simbolik Sdn. Bhd.	31,716,197	9.15	-	-	31,716,197	10.17	-	-
Goh Kin Bee	17,648,744	5.09	36,051,773 <sup>(1)</sup>	10.40	17,648,744	5.66	36,051,773 <sup>(1)</sup>	11.56
Fu Wing Hoong	2,480,609	0.72	66,342,022 <sup>(2)</sup>	19.14	2,480,609	0.80	66,342,022 <sup>(2)</sup>	21.26
Lim Joo Swee	4,335,576	1.25	49,491,939 <sup>(3)</sup>	14.28	4,335,576	1.39	49,491,939 <sup>(3)</sup>	15.86
Lee Pek See	8,962,568	2.59	59,818,030 <sup>(4)</sup>	17.26	8,962,568	2.87	59,818,030 <sup>(4)</sup>	19.17
CBG Holdings Sdn. Bhd.	-	-	79,662,024 <sup>(5)</sup>	22.98	-	-	79,662,024 <sup>(5)</sup>	25.53
Farsathy Holdings Sdn. Bhd.	-	-	79,662,024 <sup>(5)</sup>	22.98	-	-	79,662,024 <sup>(5)</sup>	25.53
Chia Seong Pow	533,333	0.15	80,195,356 <sup>(6)</sup>	23.13	533,333	0.17	80,195,356 <sup>(6)</sup>	25.70
Chia Seong Fatt	-	-	79,662,024 <sup>(7)</sup>	22.98	-	-	79,662,024 <sup>(7)</sup>	25.53

### Notes:

- (1) Deemed interested by virtue of the shares held by her spouse, Lim Joo Swee and both her and her spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of the shares held by his spouse, Lee Pek See, his daughter, Fu Jia Lik and both his and his spouse's shareholdings in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of the shares held by his spouse, Goh Kin Bee, his children and both his and his spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of the shares held by her spouse, Fu Wing Hoong and both her and her spouse's shareholdings in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of its shareholdings in Ruby Technique Sdn. Bhd. pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of the shares held by his children and his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.

Save for the resulting increase in percentage shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the substantial shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or the resale of treasury shares, if any.

# SHARE BUY-BACK STATEMENT

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## 6.7 Directors' Shareholdings

Based on our Company's Register of Directors' Shareholdings as at LPD and assuming that the maximum number of EITA Shares (of up to ten percent (10%) of the total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased from shareholders other than the existing Directors of EITA, and all such shares purchased are cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors of EITA are set out below:

Directors	As at LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Dato' Siow Kim Lun	400,000	0.15	-	-	400,000	0.17	-	-
Fu Wing Hoong	2,022,582	0.78	49,766,992 <sup>(1)</sup>	19.14	2,022,582	0.86	49,766,992 <sup>(1)</sup>	21.27
Lim Joo Swee	3,256,682	1.25	37,130,706 <sup>(2)</sup>	14.28	3,256,682	1.39	37,130,706 <sup>(2)</sup>	15.87
Lee Peng Sian	12,886,016	4.96	87,000 <sup>(3)</sup>	0.03	12,886,016	5.51	87,000 <sup>(3)</sup>	0.04
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	8,818,472	3.39	300,000 <sup>(4)</sup>	0.12	8,818,472	3.77	300,000 <sup>(4)</sup>	0.13
Chia Mak Hooi	300,000	0.12	-	-	300,000	0.13	-	-
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	400,000	0.15	60,146,518 <sup>(5)</sup>	23.13	400,000	0.17	60,146,518 <sup>(5)</sup>	25.70
Chong Lee Chang	760,000	0.29	-	-	760,000	0.32	-	-
Ho Lee Chen	-	-	10,666 <sup>(6)</sup>	#	-	-	10,666 <sup>(6)</sup>	#
Ir. Haji Omar Bin Mat Piah	-	-	-	-	-	-	-	-

# SHARE BUY-BACK STATEMENT

cont'd

## Upon full exercise of Warrants

Directors	Upon full exercise of Warrants				After the Proposed Renewal of Share Buy-Back Authority			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Siow Kim Lun	533,333	0.15	-	-	533,333	0.17	-	-
Fu Wing Hoong	2,480,609	0.72	66,342,022 <sup>(1)</sup>	19.14	2,480,609	0.80	66,342,022 <sup>(1)</sup>	21.26
Lim Joo Swee	4,335,576	1.25	49,491,939 <sup>(2)</sup>	14.28	4,335,576	1.39	49,491,939 <sup>(2)</sup>	15.86
Lee Peng Sian	17,181,354	4.96	116,000 <sup>(3)</sup>	0.03	17,181,354	5.51	116,000 <sup>(3)</sup>	0.04
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	11,651,296	3.36	400,000 <sup>(4)</sup>	0.12	11,651,296	3.73	400,000 <sup>(4)</sup>	0.13
Chia Mak Hooi	325,000	0.09	-	-	325,000	0.10	-	-
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	533,333	0.15	80,195,356 <sup>(5)</sup>	23.13	533,333	0.17	80,195,356 <sup>(5)</sup>	25.70
Chong Lee Chang	1,013,333	0.29	-	-	1,013,333	0.32	-	-
Ho Lee Chen	-	-	10,666 <sup>(6)</sup>	#	-	-	10,666 <sup>(6)</sup>	#
Ir. Haji Omar Bin Mat Piah	-	-	-	-	-	-	-	-

### Notes:

- (1) Deemed interested by virtue of the shares held by his spouse, Lee Pek See, his daughter, Fu Jia Lik and both his and his spouse's shareholdings in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Act.
  - (2) Deemed interested by virtue of the shares held by his spouse, Goh Kin Bee, his children and both his and his spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.
  - (3) Deemed interested by virtue of the shares held by his spouse, Looi Lin Poh.
  - (4) Deemed interested by virtue of the shares held by his spouse, Jane Chew Yin Sum.
  - (5) Deemed interested by virtue of the shares held by his children and his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.
  - (6) Deemed interested by virtue of the shares held by her son, Jeric Lam Zhen Xiang.
- # Negligible.

Save for the resulting increase in percentage shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or the resale of treasury shares, if any.

# SHARE BUY-BACK STATEMENT

cont'd

## 7. PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the public shareholding spread of our Company is 30.65%. Our Company will endeavour to ensure that the Proposed Renewal of Share Buy-Back Authority will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed corporation must not purchase its own shares on Bursa Securities if that purchase(s) will result in the listed corporation being in breach of the public shareholding spread requirements as set out under Paragraph 8.02(1) of the Listing Requirements.

## 8. PURCHASE, RESALE AND CANCELLATION OF EITA SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

Our Company has resold a total of 4,000 Treasury Shares in the preceding twelve (12) months up to the LPD, details of which are as below:

Date of Transaction	No. of EITA Shares resold	Resale Price per Share (RM)	Total consideration received (RM)
4 January 2021	4,000	2.18	8,720.00

Apart from the above, our Company has not made any purchase or cancel any Shares in the preceding twelve (12) months up to the LPD. As at LPD, no Shares were held by our Company as Treasury Shares.

## 9. IMPLICATION OF THE CODE

A person and any person acting in concert with him will be obliged to make a mandatory general offer (MGO) under the Code and the Rules for the remaining ordinary shares of the Company not already owned by him/ them if as a result of the Proposed Renewal of Share Buy-Back Authority:

- (i) a person obtains control in the Company;
- (ii) a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) increases his holding of the voting shares or voting rights of the Company by more than 2% in any six (6)-month period; or
- (iii) a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) acquires more than 2% of the voting shares or voting rights of the Company when he knows or reasonably ought to know that the Company would carry out a share buy-back scheme.

In the event the Proposed Renewal of Share Buy-Back Authority is implemented in full and all the Shares acquired are cancelled, the pro forma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the substantial shareholders of EITA and persons connected to the substantial shareholder as at LPD are illustrated above in Section 6.6.

Based on Section 6.6, the Proposed Renewal of Share Buy-Back Authority has no implication to the substantial shareholders of EITA with regard to the Code.

Our Company intends to implement the Proposed Renewal of Share Buy-Back Authority in a manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, our Board will be mindful of the requirements of the Code when making any purchases of EITA Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

# SHARE BUY-BACK STATEMENT

cont'd

## 10. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of our shareholders being obtained at the forthcoming 26th AGM of the Company to be convened on 25 February 2022.

## 11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority as set out in Section 6.6 and Section 6.7 of this Statement, none of the Directors, major shareholders of EITA, and/or persons connected to them, as defined in the Listing Requirements, have any interest, whether directly or indirectly, in the Proposed Renewal of Share Buy-Back Authority.

## 12. HISTORICAL PRICES OF EITA SHARES

The monthly high and low market closing prices of EITA Shares for the past twelve (12) months from January 2021 to December 2021 are as follows:

	Low RM	High RM
<b>2021</b>		
January	1.230	3.620
February	0.880	1.270
March	0.815	0.960
April	0.855	1.130
May	0.850	1.040
June	0.810	0.915
July	0.790	0.840
August	0.745	0.840
September	0.815	0.920
October	0.825	1.090
November	0.840	1.050
December	0.835	0.890

The last transacted price of EITA Shares on LPD : RM0.865

(Source: Excel Force MSC Berhad)

## 13. DIRECTORS' STATEMENT

Our Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of our Company.

## 14. DIRECTORS' RECOMMENDATION

Our Board recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 26th AGM of our Company.

# SHARE BUY-BACK STATEMENT

*cont'd*

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## FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by our Board of Directors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### 2. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours (except public holiday) at the Registered Office of our Company at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor from the date of this Statement up to and including the date of the 26th AGM:-

- (i) The Constitution of EITA; and
- (ii) The audited financial statements of EITA for the past two financial years ended 30 September 2020 and 30 September 2021.



# ADMINISTRATIVE GUIDE FOR THE TWENTY-SIXTH ANNUAL GENERAL MEETING



## EITA RESOURCES BERHAD

[Registration No. 199601026396 (398748-T)]  
(Incorporated in Malaysia)

### ADMINISTRATIVE GUIDE FOR THE 26TH ANNUAL GENERAL MEETING ("AGM")

Date : Friday, 25 February 2022  
Time : 11:00 a.m. or at any adjournment thereof  
Online Meeting Platform : TIH online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia

#### Precautionary Measures against the Coronavirus Disease ("COVID-19")

- In light of the COVID-19 pandemic and in line with the Guidance Note and Frequently Asked Questions ("FAQs") on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia (including any amendment(s) that may be made from time to time), the AGM of the Company will be conducted on a fully virtual basis through an online meeting platform via TIH Online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") in Malaysia. Members are to attend, speak (including posing questions to our Board of Directors ("the Board") via real time submission of typed texts) and vote (collectively, "participate") remotely at this AGM via Remote Participation and Voting ("RPV") facilities provided by Tricor.
- According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.
- We **strongly encourage** you to attend the AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.
- Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the AGM.
- The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

#### Remote Participation and Voting

- The RPV facilities are available on Tricor's **TIH Online** website at <https://tiih.online>.
- Shareholders are to participate remotely at the AGM using the RPV facilities from Tricor.
- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

# ADMINISTRATIVE GUIDE FOR THE TWENTY-SIXTH ANNUAL GENERAL MEETING

cont'd

## Procedures to Remote Participation and Voting via RPV Facilities

- Please read and follow the procedures below to engage in remote participation through an online meeting platform at the AGM using the RPV facilities:

### Before the AGM Day

	Procedure	Action
i.	Register as a user with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, access to website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services" select the "Sign Up" button and followed by "<b>Create Account by Individual Holder</b>". Refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</li> <li>If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.</li> </ul>
ii.	Submit your request to attend AGM remotely	<ul style="list-style-type: none"> <li>Registration is open from Thursday, 27 January 2022 until the day of AGM on Friday, 25 February 2022. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV facilities.</li> <li>Login with your user ID (i.e. e-mail address) and password and select the corporate event: "<b>(REGISTRATION) EITA 26TH AGM</b>".</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select "Register for Remote Participation and Voting".</li> <li>Review your registration and proceed to register.</li> <li>System will send an <b>e-mail to notify</b> that your registration for remote participation is received and will be verified.</li> <li>After verification of your registration against the Record of Depositors as at 18 February 2022, the system will send you an <b>e-mail on or after 23 February 2022 to approve or reject</b> your registration for remote participation.</li> </ul> <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and-registration for the RPV).</i></p>

### On the AGM Day

	Procedure	Action
i.	Login to TIIH Online	<ul style="list-style-type: none"> <li>Login with your user ID and password for remote participation at the AGM at any time from 10:00 a.m. i.e. 1 hour before the commencement of meeting at 11:00 a.m. on Friday, 25 February 2022.</li> </ul>
ii.	Participate through Live Streaming	<ul style="list-style-type: none"> <li>Select the corporate event: "<b>(LIVE STREAM MEETING) EITA 26TH AGM</b>" to engage in the proceedings of the AGM remotely.</li> <li>If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.</li> </ul>

# ADMINISTRATIVE GUIDE FOR THE TWENTY-SIXTH ANNUAL GENERAL MEETING

*cont'd*

## On the AGM Day *cont'd*

	Procedure	Action
iii.	Online remote voting	<ul style="list-style-type: none"> <li>Voting session commences from 11:00 a.m. on Friday, 25 February 2022 until a time when the Chairman announces the end of the session.</li> <li>Select the corporate event: “<b>(REMOTE VOTING) EITA 26TH AGM</b>” or if you are on the live stream meeting page, you can select “<b>GO TO REMOTE VOTING PAGE</b>” button below the Query Box.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select the CDS account that represents your shareholdings.</li> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> </ul>
iv.	End of remote participation	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the conclusion of the AGM, the Live Streaming will end.</li> </ul>

### **Note to users of the RPV facilities:**

- Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to [tiih.online@my.tricorglobal.com](mailto:tiih.online@my.tricorglobal.com) for assistance.

### **Entitlement to Participate and Appointment of Proxy**

- Only members whose names appear on the Record of Depositors as at 18 February 2022 shall be eligible to participate at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the AGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
- If you wish to participate in the AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than Wednesday, 23 February 2022 at 11:00 a.m.:

#### (i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

# ADMINISTRATIVE GUIDE FOR THE TWENTY-SIXTH ANNUAL GENERAL MEETING

cont'd

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
Proceed with submission of form of proxy	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: <b>“EITA 26TH AGM - SUBMISSION OF PROXY FORM”</b>.</li> <li>Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li> <li>Appoint your proxy(s) and insert the required details of your proxy(s) or appoint the Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>Review and confirm your proxy(s) appointment.</li> <li>Print the form of proxy for your record.</li> </ul>
<b>ii. Steps for corporation or institutional shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects the “Sign Up” button and followed by <b>“Create Account by Representative of Corporate Holder”</b>.</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <p><i>(Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
Proceed with submission of form of proxy	<ul style="list-style-type: none"> <li>Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Select the corporate event name: <b>“EITA 26TH AGM - SUBMISSION OF PROXY FORM”</b>.</li> <li>Agree to the Terms &amp; Conditions and Declaration.</li> <li>Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxies by inserting the required data.</li> <li>Login to TIIH Online, select corporate event name: <b>“EITA 26TH AGM - SUBMISSION OF PROXY FORM”</b>.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select “Submit” to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>

# ADMINISTRATIVE GUIDE FOR THE TWENTY-SIXTH ANNUAL GENERAL MEETING

*cont'd*

## **Voting at Meeting**

- The voting at the AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor to conduct the poll voting electronically (e-voting) via Tricor e-Vote application (Tricor e-Vote App).
- Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the AGM at 11:00 a.m. Kindly refer to “Procedures to Remote Participation and Voting via RPV Facilities” provided above for guidance on how to vote remotely via TIIH Online.

## **Door Gift or Food Voucher**

- There will be no door gifts or food vouchers for attending the AGM.

## **No Recording or Photography**

- Unauthorised recording and photography are strictly prohibited at the AGM.

## **Pre-Meeting Submission of Questions to the Board**

- The Board recognises that the AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the AGM, shareholders may in advance, before the AGM, submit questions to the Board via Tricor’s TIIH Online website at <https://tiih.online>, by selecting “e-Services” to login, post your questions and submit it electronically no later than Wednesday, 23 February 2022 at 11:00a.m. The Board will endeavor to address the questions received at the AGM.

## **Enquiry**

- If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor at +603-2783 9299 during office hours i.e. from 8:30 a.m. to 5:30 p.m. (Monday to Friday).

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**Proxy Form**

(Before completing this form  
 please refer to the notes below)

<b>No. of shares held</b>	:	
<b>CDS Account No.</b>	:	

I/We \* \_\_\_\_\_ NRIC/Passport/Registration No.\* \_\_\_\_\_  
 (Full name in block)

of \_\_\_\_\_  
 (Address)

with email address \_\_\_\_\_ mobile phone no. \_\_\_\_\_

being a member/members\* of **EITA RESOURCES BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her\*, the Chairman of the Meeting as my/our\* proxy to vote for me/us\* on my/our\* behalf at the Twenty-Sixth Annual General Meeting ("Meeting") of the Company to be held on a fully virtual basis through an online meeting platform via TIH Online website at <https://tth.online> on Friday, 25 February 2022 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM403,800.00 for the financial year ending 30 September 2022.		
2.	To re-elect Dato' Siow Kim Lun as a Director of the Company.		
3.	To re-elect Mr. Fu Wing Hoong as a Director of the Company.		
4.	To re-elect Mr. Lim Joo Swee as a Director of the Company.		
5.	To re-appoint KPMG PLT as Auditors of the Company.		
6.	To retain Mr. Chong Lee Chang as an Independent Non-Executive Director of the Company.		
7.	To retain Dato' Siow Kim Lun as the Independent Non-Executive Chairman of the Company.		
8.	To approve the general authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
9.	To approve the Proposed Renewal of Share Buy-Back Authority.		

No.	Special Resolution	For	Against
1.	To approve the Proposed Amendments to the Constitution of the Company.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
 Signature of Member(s) / Common Seal

**Notes:**

- (a) According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.
- (b) A member who is entitled to attend, participate, speak and vote at the Twenty-Sixth Annual General Meeting ("Meeting") shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (c) A proxy may but need not be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- (e) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting:-

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AFFIX  
STAMP

The Share Registrar

**EITA RESOURCES BERHAD** [199601026396 (398748-T)]  
c/o Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A,  
Vertical Business Suite,  
Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur.

1st Fold Here

- (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- (ii) By electronic form  
The proxy form can be electronically lodged via TIIH Online website at <https://tiah.online>. Please refer to the Administrative Details on the procedure for electronic lodgement of proxy form via TIIH Online.
- (h) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 18 February 2022. Only members whose names appear in the General Meeting Record of Depositors as at 18 February 2022 shall be entitled to attend, participate, speak and vote at the Meeting.
- (i) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- (j) The members are advised to refer to the Administrative Guide on the registration process for the Meeting.
- (k) Members or proxies are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the Meeting using Remote Participation and Voting Facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its TIIH Online website at <https://tiah.online>. Please refer to the Administrative Guide of the Meeting as enclosed for further information in relation thereto.
- (l) Given the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our Meeting at short notice. Kindly check Bursa Securities' and the Company's website at [www.eita.com.my](http://www.eita.com.my) for the latest updates on the status of the Meeting.



## **EITA RESOURCES BERHAD**

[199601026396 (398748-T)]

Lot 4, Block A, Jalan SS13/7  
Subang Jaya Industrial Estate  
47500 Subang Jaya  
Selangor Darul Ehsan, Malaysia

Tel: 603-5637 8099 Fax: 603-5637 8128

[www.eita.com.my](http://www.eita.com.my)