



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

**CELEBRATING 10 YEARS  
OF LISTING**



EITA listed on 9th April 2012



— CREATING SYNERGY —  
**DELIVERING VALUE**

Annual Report 2022

# CREATING SYNERGY, DELIVERING VALUE



“

The global and local business landscape is ever-changing and becoming increasingly challenging. As long as EITA continues to focus on Creating Synergy and Delivering Value, we will forge ahead to build a sustainable and successful organisation.

”

Mr. Lim Joo Swee



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# A TRIBUTE

We are deeply saddened by the recent passing of the late Mr. Fu Wing Hoong, our Group Managing Director in October 2022. We have lost a unique individual that has indeed left an inspiring mark on all of us.

A wise man once wrote that it is not in the stars to hold our destiny but in ourselves. Mr. Fu Wing Hoong has always believed that it was his destiny to one day become an entrepreneur. My dear colleague and friend, Fu-san was our founder, a visionary leader and a savvy businessman.

Fu's formative years were spent growing up in a traditional Chinese village in Sekinchan, Selangor. Both his parents had to work hard to provide for the family. His father was in the business of supplying electricity to the community via generator sets whilst his mother did laundry for others and sold homemade food stuff. His father was also a village head and had invested significantly in time, effort and money to help the community. Fu recollected, "My father's actions taught me invaluable lessons on leadership, compassion and communicating with people."

In spite of his busy career, life-long learning is part of his DNA. Fu did not cease to advance himself. Being educated in Electronics Engineering, he eventually obtained his MBA which provided him with invaluable lessons to create a "bankable" business plan which led to the subsequent formation of EITA.

There were only a few of us when EITA was incorporated in 1996 and, now in 2023, we have a headcount of over 600+. Over the years, Fu has always been the steady captain that has helped sail EITA through all the stormy seas of trials and tribulations in the business world.

Fu was instrumental in bringing about the successful growth of EITA. His hands-on leadership, business acumen, integrity, hard-working nature and sheer determination to realise his dreams (and our dreams also) have steered EITA to be a successful public-listed company today.

Most importantly, Fu's values and principles were simple yet profound. It was Fu who coined our EITA corporate tagline "**Brings Good Feel to Life**". To share one of his quotes,



His values and compassion are mirrored in his positive words and actions to create a Caring Culture within EITA – to encourage our staff to give back to society and to help preserve Mother Earth for future generations.

In closing, we will honour his memory by dedicating ourselves to continuing his vision for the EITA Group which he loved so much and to bring our EITA to even greater heights of success. His spirit will forever live on in the EITA family – his proud legacy.

**Mr. Lim Joo Swee**  
*Acting Group Managing Director*

**“We’re born with a pair of hands and a pair of legs. We must work on them. If we can help others, we should help.”**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Siow Kim Lun**  
*Independent Non-Executive Chairman*

**Lim Joo Swee**  
*Acting Group Managing Director*

**Lee Peng Sian**  
*Executive Director*

**Chong Yoke Peng**  
*Alternate Director to Lee Peng Sian*

**Chia Mak Hooi**  
*Non-Independent Non-Executive Director*

**Chia Seong Pow**  
*Alternate Director to Chia Mak Hooi*

**Fu Mun Win**  
*Non-Independent Non-Executive Director  
(Appointed on 1 December 2022)*

**Fu Jia Lik**  
*(Alternate Director to Fu Mun Win)  
(Appointed on 1 December 2022)*

**Chong Lee Chang**  
*Senior Independent Non-Executive Director*

**Ho Lee Chen**  
*Independent Non-Executive Director*

**Ir. Haji Omar Bin Mat Piah**  
*Independent Non-Executive Director*

## 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 : 73 years old

Gender : Male

Nationality : Malaysian



Dato' Siow Kim Lun 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 Trustees Bhd. and RHB Trustees Berhad.

He attended all four (4) Board Meetings held during the financial year ended 30 September 2022 ("FY2022").

### LIM JOO SWEE

#### Acting Group Managing Director and Key Senior Management

Age : 63 years old

Gender : Male

Nationality : Malaysian



Mr. Lim Joo Swee was appointed to the Board on 17 December 1996 and is one of the co-founders of EITA Group. He was promoted as the Deputy Group Managing Director of EITA Group since December 2020 and as the Acting Group Managing Director since 31 October 2022 to lead the business and operations of EITA Group.

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 FY2022.

## DIRECTORS' PROFILE

cont'd

### LEE PENG SIAN

#### Executive Director and Key Senior Management

Age : 53 years old

Gender : Male

Nationality : Malaysian



Mr. Lee Peng Sian was appointed to the Board on 14 December 2009. He was promoted to his current position as the Chief Operating Officer for EITA's 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, Commissioning (EPCC) of high voltage business up to 500KV.

He was appointed into The Electrical and Electronic Association Malaysia (TEEAM) as council member in year 2017 and subsequently appointed as the Honorary Secretary in 2019 until 2021. He was appointed as TEEAM Vice President & Chairman of manufacturing group in 2021 until 2023.

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 FY2022.

### CHONG YOKE PENG

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

Age : 64 years old

Gender : Male

Nationality : Malaysian



Mr. Chong Yoke Peng 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 in 1987, he left to join BBC Brown Boveri Sdn. Bhd. as a Sales Representative. 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 forty (40) 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 FY2022.



# DIRECTORS' PROFILE

*cont'd*

## CHIA MAK HOOI

### Non-Independent Non-Executive Director

Age : 58 years old

Gender : Male

Nationality : Malaysian



Mr. Chia Mak Hooi was appointed to the Board on 20 August 1997 and is also a member of the Audit Committee ("AC") and Nomination and Remuneration Committee ("NRC").

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 as the Executive Director of QL Resources Berhad in 2000 where he is actively involved in the group's 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 FY2022.

## CHIA SEONG POW

### Alternate Director to Chia Mak Hooi

Age : 68 years old

Gender : Male

Nationality : Malaysian



Mr. Chia Seong Pow 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 thirty-eight (38) 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 the 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 FY2022.

# DIRECTORS' PROFILE

cont'd

**FU MUN WIN**

**Non-Independent Non-Executive Director**

Age : 31 years old

Gender : Male

Nationality : Malaysian



Mr. Fu Mun Win was appointed to the Board on 1 December 2022.

He obtained his Bachelor of Engineering, Mechatronics from the University of Sheffield in 2013 and holds a Master of Business Administration, Entrepreneurship Major from the Babson College in 2018.

He started his career in 2014 as a Business Associate in Protégé Associates. Subsequently, he joined BraunWeiss as a Financial Analyst in 2017 and in 2018, he left to join Eastland Food Corporations as a Process Manager. He was a Tech Lead with Shopee Singapore in 2019 and was promoted to the position of Regional Product Manager in 2021. Currently, he is a Product Lead of TripleA Technologies Pte Ltd.

He does not hold directorship in other public companies and listed issuers. He was appointed to the Board on 1 December 2022, hence, he did not attend any Board Meetings held during the FY2022.

**FU JIA LIK**

**Alternate Director to Fu Mun Win**

Age : 32 years old

Gender : Female

Nationality : Malaysian



Ms. Fu Jia Lik was appointed to the Board on 1 December 2022.

She obtained her Bachelors in Human Genetics in 2012 and a Master in International Business Management in 2013 from the Newcastle University.

She started her career in 2014 as a CSR Business Development in People Systems Consultancy Sdn. Bhd. Subsequently, she was promoted to the position of Business Consultant in 2016 and Senior Business Consultant in 2017. Currently, she is a Managing Consultant of Easy Consulting Sdn. Bhd.

She does not hold directorship in other public companies and listed issuers. She was appointed to the Board on 1 December 2022, hence, she did not attend any Board Meetings held during the FY2022.

# DIRECTORS' PROFILE

cont'd

## CHONG LEE CHANG

### Senior Independent Non-Executive Director

Age : 64 years old

Gender : Male

Nationality : Malaysian



Mr. 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 NRC and a member of the AC.

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 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 FY2022.

## HO LEE CHEN

### Independent Non-Executive Director

Age : 61 years old

Gender : Female

Nationality : Malaysian



Ms. Ho Lee Chen was appointed to the Board on 1 November 2018. She is the Chairperson of the AC and a member of NRC.

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 thirty (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 FY2022.

## DIRECTORS' PROFILE

cont'd

### IR. HAJI OMAR BIN MAT PIAH

#### Independent Non-Executive Director

Age : 63 years old

Gender : Male

Nationality : Malaysian



Ir. Haji Omar Bin Mat Piah was appointed to the Board on 20 November 2020. He is a member of the AC and NRC.

He obtained his Bachelor of Engineering (Mechanical) from 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 accident and to inculcate preventive culture that contribute 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 all four (4) Board Meetings held during the FY2022.

#### Notes:-

- 1) None of the Directors have family relationship with other Directors and/or major shareholders except for the following:-
  - a) Mr. Lim Joo Swee is the spouse of Madam Goh Kin Bee, a major shareholder of the Company.
  - b) Mr. Chia Seong Pow is the younger brother to Mr. Chia Seong Fatt, a major shareholder of the Company.
  - c) Mr. Fu Mun Win and Ms. Fu Jia Lik are the children of Madam Lee Pek See, 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 156 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 FY2022.



## KEY SENIOR MANAGEMENT'S PROFILE

### SIA CHING HWEE

Sia Ching Hwee, a Malaysian, aged 38, male, is the Chief Financial Officer of the Company since 19 July 2021. He is a Chartered Accountant and a fellow member of Association of Chartered Certified Accountants (ACCA) and a member of 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.



*EITA-Schneider escalator*



*Furutec Electrical at Penang*

### LU KHENG CHUN

Lu Kheng Chun, a Malaysian, aged 54, 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 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.

### NG KHEOK WAH

Ng Kheok Wah, a Malaysian, aged 48, male, 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.

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd



### SHAK SUN FATT

Shak Sun Fatt, a Malaysian, aged 61, 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.

### WEE FOOK SANG

Wee Fook Sang, a Malaysian, aged 60, 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 build a team of competent future leader to support the business growth.



## KEY SENIOR MANAGEMENT'S PROFILE

*cont'd*

### WONG CHIN TIM

Wong Chin Tim, a Malaysian, aged 55, male, 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 Electric - Cast Resin Transformers*

#### **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 FY2022.*

# CHAIRMAN'S STATEMENT



## Dear Shareholders,

The recent passing of Mr. Fu Wing Hoong leaves us with great sadness. Mr. Fu was our founder and a visionary leader. He was instrumental in bringing about the successful growth of EITA. For those of us who have been fortunate to have known and worked with him, we have lost an inspiring mentor and sincere friend.

We will honour his memory by dedicating ourselves to continuing his vision for the EITA Group which he loved so much. His spirit will forever live on in the EITA family – his proud legacy.

Meanwhile, it is my honour to present to you the 2022 Annual Report for the financial year ended 30 September 2022 ("FY2022").

I have every confidence that the EITA Group will as a team continue to persevere, grow and achieve even greater height.

**DATO' SIOW KIM LUN**

*Independent Non-Executive Chairman*

## BUSINESS RESULTS

As the world moved into the COVID-19 endemic phase, the overall business operating environment for FY2022 was still challenging for the Group. The Malaysian Government's push for higher vaccination rates and easing of the safety Standard Operating Procedures ("SOPs") have allowed employees to return to work with businesses progressing to near full operation mode.

With many countries reopening their international borders and allowing quarantine-free travel, I am confident that the global and local Malaysian economy will be on the right path of recovery. However, we still need to practise good safety measures for ourselves when undertaking our social and business activities.

For FY2022, the Group recorded a consolidated revenue of RM363.6 million, as compared to RM302.4 million for the financial year ended 30th September 2021 ("FY2021"). Segmentally, the High Voltage System business was the major contributor with RM128.9 million (35.5%) of the Group's revenue. The Manufacturing segment was the second largest revenue contributor with RM98.7 million (27.1%) while Marketing & Distribution recorded RM91.4 million (25.1%) and Services contributed RM44.6 million (12.3%) of the Group's revenue.

The Group achieved a Profit After Tax of RM18.9 million for FY2022 as compared to RM20.0 million for FY2021, a decline of 5.5%.

As of 30 September 2022, the Group Shareholder's Fund stood at RM208.9 million.



## CHAIRMAN'S STATEMENT

cont'd

## ACHIEVEMENTS

During the FY2022, the Group maintained its focus on the **Manufacturing segment** to further develop and build the brand image for our own products such as EITA-Schneider® for Elevator Systems, and Furutec® for Busduct Systems for both the domestic and foreign markets.

We witnessed a slowdown in construction activities during the early pandemic phase as a result of the tight implementation of safety SOPs and labour scarcity. However, the Manufacturing and Construction sectors gradually improved as vaccination rates increased coupled with the eventual loosening of safety restrictions by the Government.



EITA-Schneider brand

For FY2022, we continued to secure a few significant projects to supply a range of EITA products for commercial complexes, high rise residential properties and power infrastructure projects.



EITA Elevator HQ at Bukit Raja

Currently, EITA is working hard to deliver our elevator systems for the transport infrastructure projects. MRT 2 is expected to run by early 2023 whilst the LRT 3 project is targeted to operate by 2024.

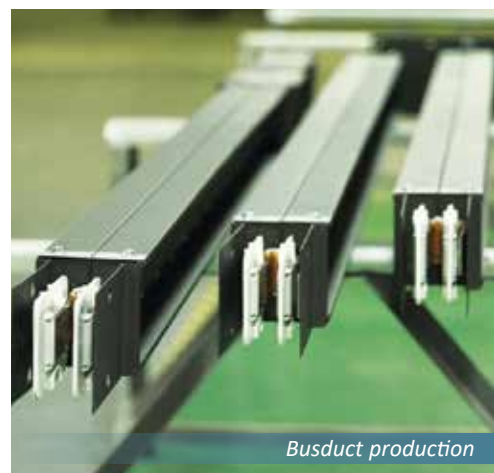
EITA Elevator (Malaysia) Sdn. Bhd. ("EITA Elevator") and its related companies are now fully operational at their new centralised headquarter at Bukit Raja, Klang. With all key resources housed under one roof, it would help EITA Elevator improves productivity and efficiency in its overall business operations.

The striking Elevator Test Tower, standing at 87.2 metres is a prominent landmark around Bukit Raja area. This tower has already been certified by **The Malaysia Book of Records as the "Tallest Elevator Test Tower in Malaysia"**.

Presently, at our Bukit Raja site, a Solar PV system has already been installed on the warehouse rooftop with a **coverage of 18,000 sq. ft.** It can generate an output of **38,000 kWh per month** which is equivalent to **reducing 26 metric ton of CO<sub>2</sub> emission**. It takes about 676 trees to be planted in order to absorb this amount CO<sub>2</sub> emissions.<sup>1</sup>

The pandemic has had an adverse impact on the business of Furutec Electrical Sdn. Bhd. ("Furutec Electrical"), both locally and in our overseas markets. However, we remain committed to growing our busduct business, particularly in the international markets. In responding to market demands, Furutec Electrical developed its new i-DC busduct model for the data-centre industry. This specific i-DC busduct is designed for data hall power distribution in data-centres to capitalize on opportunities within the ASEAN region.

The business community is generally facing challenges in recovering their businesses from the impact of the pandemic. We too are impacted but will continue to expand our global clientele. EITA intends to seek greater market penetration and growth in the ASEAN and Middle-Eastern markets for our very own brands - EITA-Schneider®, Furutec®, and Pyrotec®.



Busduct production

<sup>1</sup> <http://greentechmalaysia.my/carboncalculator/>

## CHAIRMAN'S STATEMENT

cont'd



Fuji Electric Air Circuit Breaker

Our **Marketing and Distribution segment** continues to be a consistent revenue contributor for the Group. 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 are appreciative of the long-standing support from our key overseas principals.

Over the years, the marketing and support teams from the Marketing and Distribution Division have worked hard to establish a network of loyal business partners. This relationship has allowed us to continue to work hand-in-hand with our business partners to ride out the difficult pandemic period together and achieve commendable results.



Elevator Maintenance

The **Service segment** provides ongoing repair and maintenance services for our customers after the elevator and escalator systems have been handed over. As the customer base in our Service segment increases, the Service segment becomes a significant recurrent revenue stream for the Group. In order to deliver greater customer satisfaction and retain our customers, we continuously upskill our service personnel and improve the quality of our service delivery.



Substation installation

Our **High Voltage System segment** is managed under TransSystem Continental Sdn. Bhd. (“TSC”), a 60%-owned subsidiary which specializes in Engineering, Procurement, Construction, and Commissioning of cabling works and high-voltage substations up to 500kV. As the population grows and as the country gears up for greater industrialization, there will be greater demand for energy usage and this bodes well for the EITA Group. Based on our current Order Book, TSC will be busy with projects over the next few years, especially with three major contracts secured in 2022 from Tenaga Nasional Berhad and Sarawak Energy Berhad. Meanwhile, it will continue to bid for more projects to strengthen its position in the market.

## OUTLOOK

The global COVID-19 pandemic has been a major disruptor to businesses for the past 3 years. As the world slowly transitions towards endemicity, businesses are still trying to adapt and adjust to the lingering after-effects of this pandemic. Meanwhile, the ongoing geo-political tensions such as the Russian-Ukraine conflict and tensed relationships between China and the United States will continue to add further uncertainties to the markets, international supply-chain disruptions and inflationary pressures. On the international front, the growth of the global economy is projected at 2.9% in 2023 on the back of cost increases in raw material, freight, labour, food items, fuel and transportation due to the conflict.<sup>2</sup>



Pyrotec – FRMI cable

<sup>2</sup> The Star – Economic Outlook – 8 October 2022 (page 6)

## CHAIRMAN'S STATEMENT

cont'd

Despite the softening world economic growth and trade activities, Malaysia's economy is expected to grow by 4% to 5% in 2023 supported by steady domestic demand, vibrant services sector, implementation of new and ongoing high multiplier infrastructure projects and sustained exports.<sup>2</sup>



The push for Environmental, Social and Governance ("ESG") principles in making informed investment decisions is increasing over the years, driving consumer preferences and public attitudes, thus influencing businesses to adopt sustainable practices. By advocating the ESG agenda as an integral part of the company's policies and practices, corporations will reduce the impact of their business decisions on the environment and at the same time benefit local communities, while improving their sustainability disclosure and transparency through the ESG principles.<sup>3</sup>

EITA identifies with these ESG principles and practices. Besides installing Solar PV System at our Bukit Raja site, EITA has implemented various green initiatives ranging from group-wide recycling to sponsoring "meatless" meals, and from skylights at factories to rainwater harvesting systems. EITA will continue to explore and adopt more ESG-centric initiatives within the organization.

### DIVIDEND

For FY2022, the Group has declared and paid two interim dividends. The First Interim Dividend of 1.75 sen per ordinary share equivalent to RM4.6 million was paid to our shareholders on 7 July 2022 and the Second Interim Dividend of 1.50 sen per ordinary share which is equivalent to RM3.9 million was paid to our shareholders on 12 January 2023. The total dividend payment of 3.25 sen per ordinary share is equivalent to RM8.5 million represented a payout ratio of 45.0% of the Group's net profits for FY2022.

### APPRECIATION

FY2022 was undoubtedly a difficult year in many aspects. We have emerged even stronger than before as reflected in our performance. On behalf of the Board, I would like to offer our sincere appreciation to all our customers, suppliers, business partners, government officials, and bankers for their ongoing support. And to our shareholders, our gratitude for your continued confidence in EITA.

To my fellow Board members, EITA team of Management and staff, thank you for your perseverance, contribution, ability to adapt, diligence and commitment which have been invaluable, not just for FY2022, but throughout the past many years. Let us continue to give our best to the EITA Group and realize our company tagline "Brings Good Feel to Life" with passion.

My heartfelt thanks to all.

**DATO' SIOW KIM LUN**

<sup>2</sup> The Star – Economic Outlook – 8 October 2022 (page 2)

<sup>3</sup> Ministry of Finance: Budget 2023 – Economic Outlook 2023 (page 4)

# MANAGEMENT DISCUSSION AND ANALYSIS



**LIM JOO SWEE**

*Acting Group Managing Director  
and Key Senior Management*

## GROUP BUSINESS OBJECTIVES AND STRATEGIES

EITA continues to strengthen its core businesses in Manufacturing, Marketing & Distribution, Services, and High Voltage System. The Group is committed to expanding and offering value-added products and solutions for the Construction, Manufacturing and Power sectors.

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

- **Manufacturing mission.** It has always been EITA's mission to establish itself as a reputable manufacturer of quality products. Its home-grown brands, EITA-Schneider® for Elevator Systems, and Furutec® for Busduct Systems continue to gain greater market awareness and acceptance both locally and internationally.
- **Overseas ambition.** EITA's ambition to expand its overseas business is part of its key growth strategy, which is to achieve wider and deeper market penetration in the ASEAN and Middle-East markets.
- **Focusing on high-value projects.** Having built a commendable clientele base such as MRT 1, MRT 2, LRT 3, high-end commercial buildings and residential projects, this has strengthened EITA's reputation. It has reinforced the market's confidence in EITA's credibility and competency to take on high-value and complex projects. We have completed projects above 60 floors and with technical capabilities to run our elevators at 6 meters per second.



*EITA HQ at Subang*



*EITA Elevator*



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- Meeting 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 experience in the field of electricity transmission, distribution and utilisation. In addition, TSC carries out local manufacturing of Control Protection Relay Panels, Marshalling Kiosk, Metering Panels and related equipments to complement its primary substation implementation business.

TSC is well-positioned to meet the increasing demand for electricity as Malaysia's population grows and as the country strives forward to be an industrialised nation. Currently, it is executing contracted projects for Tenaga Nasional Berhad ("TNB") and Sarawak Energy Berhad ("Sarawak Energy").

- Optimising service maintenance revenue.** Over the years, EITA has progressively handed over more and more elevators and escalator systems. As these units transition into the contract maintenance phase, this translates into a consistent service revenue stream for EITA. Our service strategy is to maximise retention of our installed base in order to optimise our recurring service revenue.

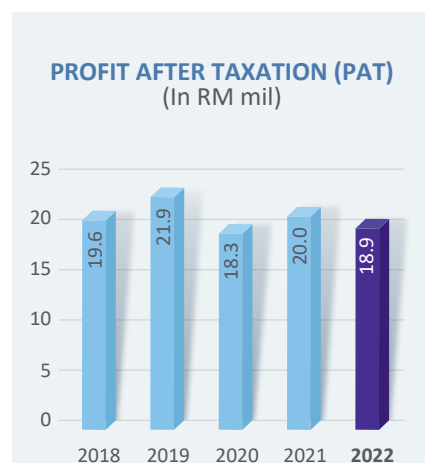
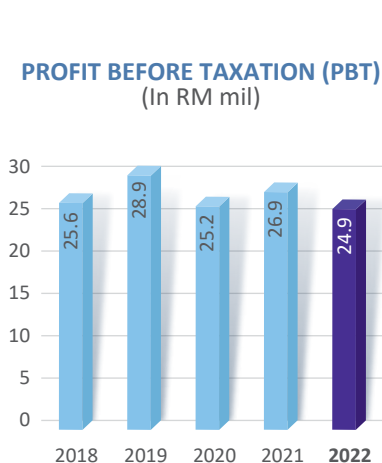
## FINANCIAL PERFORMANCE REVIEW

The Group achieved total revenue of RM363.6 million for the financial year ended 30 September 2022 ("FY2022") as compared to RM302.4 million for the financial year ended 30 September 2021 ("FY2021"). The High Voltage System segment was the main driver for the growth in the Group's revenue due to the higher number of projects executed in the current financial year.

The Group's Profit Before Tax for FY2022 decreased by RM2.0 million or 7.4% to RM24.9 million as compared to RM26.9 million for FY2021. During the financial year, the Group experienced some margin compressions for projects in addition to the fair value loss on derivatives and higher write-down of inventories resulting in lower Profit Before Tax.

For FY2022, our domestic market recorded revenue of RM309.6 million as compared to RM264.0 million in FY2021. The increase was mainly due to the higher execution of transmission substation projects and higher demand for the Electrical and Electronics ("E&E") market.

As for our overseas market, in FY2022 we registered revenue of RM54.0 million as compared to RM38.4 million achieved in FY2021. The increase in revenue was mainly due to higher overseas sales of busducts and cables.



# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

		Audited				
		FY 30 Sept 2018	FY 30 Sept 2019	FY 30 Sept 2020	FY 30 Sept 2021	FY 30 Sept 2022
Revenue	RM'000	261,295	305,386	284,128	302,451	363,602
Profit Before Taxation (PBT)	RM'000	25,646	28,921	25,229	26,906	24,912
PBT Margin	%	9.81	9.47	8.88	8.90	6.85
Profit After Taxation (PAT)	RM'000	19,645	21,881	18,321	20,025	18,863
PAT Margin	%	7.52	7.17	6.45	6.62	5.19
Basic EPS**	sen	7.40	8.01	6.65	7.65	7.19
Gearing Ratio (including lease liabilities)	times	0.09	0.17	0.19	0.21	0.23

## Note:-

\*\* Based on the weighted average number of ordinary shares outstanding during the financial year excluding any treasury shares held by the Company. For comparative purposes, the basic EPS for FYE 30 September 2018 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 FY2022, the Manufacturing segment has achieved RM98.7 million or 27.1% of the Group's revenue, in comparison to FY2021 of RM113.2 million or 37.4% of the Group's revenue. The decrease was mainly due to the delays in elevator projects such as MRT 2. The decrease revenues from elevator projects was mitigated by the increase in busducts sales.

The Manufacturing segment continues to be the significant revenue contributor to the Group. Our manufacturing mission is to solidify our reputation as a manufacturer of quality products through our home-grown brands, namely, EITA-Schneider® for Elevator Systems, Furutec® for Busduct Systems and REFAS® for Lighting Control System.



As COVID-19 moves into the endemic phase, many business sectors are quickly progressing to normal business operations. Our major transport infrastructure projects; MRT2 (Sungai Buloh – Serdang – Putrajaya) is in its final stage of handing over our elevator and escalator systems. This MRT 2 is targeted to run by early 2023. As for LRT 3 (Bandar Utama – Johan Setia), it is in various stages of delivery and installation works. The LRT 3 project has been scheduled for operation by 2024.

At our own Elevator Test Tower facility at Bukit Raja, we successfully conducted our very first in-house TUV testing and certification for Cargo lifts; for Motor-Room and Motor-Roomless models up to 5,000 kg and Motor-Room model up to 10,000 kg.

Furutec Electrical Sdn. Bhd. ("Furutec Electrical") rebounded in FY2022, having encountered a challenging FY2021. As its busduct business is more export-oriented, the after-effects of the COVID-19 pandemic are still felt in some ASEAN and Middle-East markets. Its overseas sales for busduct was recorded at RM25.6 million in FY2022 as compared to RM17.8 million in FY2021.

Furutec Electrical progressively explores ways to improve productivity within its operations. For the Design Team, it purchased new ANSYS software for 3D drawing with state-of-the-art simulation features. As for the Production Unit, new machines were acquired to improve the AH manufacturing process which included aluminium housing shearing machine, plug in hole forming machine, 5-in-1 conductor processing machine, 2-in-1 accessories processing machine and conductor bending machine.

# MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

To cater to changing market demands, Furutec Electrical continues to develop new and improved busduct products:

- i-DC DCIB (Data centre intelligent busduct) model. This particular busduct is designed for data hall power distribution to capitalize on opportunities in Malaysia, Singapore, Indonesia and other ASEAN countries. Since its launch, the i-DC busduct has gained traction and has even secured a notable government data-centre project in Singapore.
- AH ES sandwich type busduct model. This model is more price competitive product, designed to optimize current capacity. The model has a full type certification based on IEC 61439-6.



Furutec Electrical i-DC Busduct

Now, Furutec Electrical 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 track record as a consistent revenue contributor. For FY2022, it recorded RM91.4 million or 25.1% of the Group's revenue, as compared to FY2021, RM73.8 million or 24.4% of the Group's revenue. The increase was due to the higher demand for the E&E market.

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, VITALink, Pudu Robotics 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&amp;E partner

It is the hardworking team efforts of our Sales and Marketing technical consultants, and Service engineers in supporting our business partners that have helped build mutual trust and long-term business relationships. This led EITA to establish a strong business network throughout Malaysia. This Marketing & Distribution segment continues with its targeted marketing initiatives, reinforced by its value-added technical consultancy and support.

## • Services

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



Service Technician at work

For FY2022, the Services segment achieved RM44.6 million or 12.3% of the Group's revenue, as compared to FY2021 of RM36.3 million or 12.0% of the Group's revenue. The increase was mainly due to the higher revenue from elevator maintenance services.

By end of FY2022, EITA had handed over close to 3,800 units of elevator and escalator systems, with about 550 units in various work-in-progress stages. 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".

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

EITA Elevator is one of several training providers approved by the relevant authorities to conduct Lift Competency Person training and certification courses. Subsequently, EITA Training Centre Sdn. Bhd. ("ETC") was formed in April 2021 with its charter to provide industrial-based training for the elevator industry. ETC is a registered training provider for the Human Resource Development Corporation, and Jabatan Pembangunan Kemahiran (Department of Skills Development, Ministry of Human Resources). ETC conducts a host of courses which include technical, soft skills, management and others.

- **High Voltage System**

For FY2022, the High Voltage System segment recorded RM128.9 million or 35.5% of the Group's revenue, as compared to FY2021 of RM79.1 million or 26.2% of the Group's revenue. The increase was due to the higher execution of transmission substation projects.

Coming out of the pandemic, TSC is now working hard to fulfil its project deliverables for its key clients, TNB and Sarawak Energy.

In May 2022, TSC secured a TNB contract worth over RM36 million and in January 2022, bagged two substation projects with Sarawak Energy valued above RM58 million.



### RISKS AND CHALLENGES

The protracted China-United States conflict, and now coupled with the Russia-Ukraine war have caused geo-political complications which have affected energy prices, supply chain disruptions, inflations, currency fluctuations and others.

- **Safety**

Safety is a paramount priority for EITA. This includes safety for everyone; staff, business associates, customers and the public. EITA Group Safety Committee is charged with the overall safety and health implementation for the whole Group.

As COVID-19 moves toward endemicity, and even with ongoing vaccination programmes, EITA remains watchful and continues to follow the safety Government's Standard Operating Procedures (SOPs) as the COVID-19 virus and its new variants are still highly infectious.

Our Service Technicians ride their motorbike to clients' premises to perform their service tasks. As such, we conducted an annual Motorbike Audit in order for their vehicles to comply with certain safety guidelines.

- **Foreign Exchange**

EITA conducts business internationally both with suppliers and customers. The Management is ever vigilant for currency fluctuations. We have in place our Hedging Policy which is fine-tuned periodically in anticipation to the dynamic business environment in order to mitigate foreign exchange risk exposure.

- **Human Capital**

As of the end FY2022, EITA's headcount stands at 640. Managing human capital is a constant challenge, whether it is for optimising operational productivity, planning for business expansion or staff retention.



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Post-pandemic, it seems to be an employee market, thus making recruitment more challenging. There is trend among the younger workforce to be independent freelancers, such as, GIG workers. Others are switching industries or seeking overseas jobs for higher pay and different work experiences.

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.



Training &amp; Development

### OUTLOOK AND PROSPECTS

The scarring effects of the COVID-19 pandemic have highlighted to the world that economic recovery has to be more adaptive towards becoming more resilient against any unforeseen crises in the future. As such, nations across the globe are beginning to roll out various measures to steer their economies back to pre-pandemic growth momentum. Following the dwindling impact of the COVID-19 pandemic, most nations have reopened their borders, signalling a more encouraging prospect of an accelerated economic recovery. Nonetheless, the world continues to face various challenges including the ongoing effects of the Russia-Ukraine conflict, high commodity prices and other regional and global issues, posing downside risks to economic growth.<sup>1</sup>



EITA warehouse at Subang

The **global economy** is projected to grow by 2.9% in 2023 albeit moderately, due to slower-than-expected growth in both advanced economies and Emerging Market & Developing Economies ("EMDEs"). The ASEAN-5's growth is forecast to increase by 5.1%, sustained by further improvements in domestic consumption and private investment.<sup>2</sup>

In 2023, **global inflation** is forecast at 5.7% backed by the anticipated fall in prices of commodities which include crude oil. The inflation rate in advanced economies is projected to record 3.3%, while EMDEs at 7.3%.<sup>3</sup>

The **Malaysian economy** remains resilient and is forecast to expand between 4% – 5% in 2023 driven by domestic demand. Nevertheless, the pace of economic recovery is also dependent on other factors, including successful containment of the pandemic, support for the cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.<sup>4</sup>

In weathering the challenging global environment while the country is in the post-pandemic recovery phase, the **Malaysian government** will continue to provide relevant support for the *rakyat* and businesses. The Budget 2023's emphasis is on strengthening the momentum of recovery, building economic resilience and catalysing comprehensive reforms. The proposed expansionary fiscal policy with **Budget 2023** has a total allocation of RM373.3 billion or 20.5% of the Gross Domestic Product ("GDP"). Of this total, RM95 billion will be for development expenditure.<sup>5</sup>

<sup>1</sup> Ministry of Finance: Budget 2023 - Economic Outlook 2023 (page 3)

<sup>2</sup> Ministry of Finance: Budget 2023 - Economic Outlook 2023 (page 99-100)

<sup>3</sup> Ministry of Finance: Budget 2023 - Economic Outlook 2023 (page 100)

<sup>4</sup> Ministry of Finance: Budget 2023 - Economic Outlook 2023 (page 6)

<sup>5</sup> The Star: Economic Outlook 2023 – 8 October 2022 (page 4)

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd



The **Manufacturing** sector is forecast to grow by 3.9% in 2023 supported by expansion in all subsectors. Output in export-oriented industries is anticipated to increase despite a softening global trade, with the E&E segment continuing to drive the industries. Meanwhile, the expansion in residential and non-residential construction activities as well as the continuation of several infrastructure projects will boost the production of iron and steel and other construction-related segments.<sup>6</sup>

The **Construction** sector plays a significant role in Malaysia's economy, particularly through its linkages to other sectors of the economy. In view of this, the Government prioritises the Construction sector through various initiatives for the sector to recover from the impact of economic crises. The Construction sector is forecast to expand by 4.7% in 2023 following a better performance in all subsectors. The civil engineering subsector is anticipated to rebound, buoyed by the implementation of new projects, such as MRT 3 (Circle Line) and the acceleration of ongoing infrastructure projects which includes the Rapid Transit System Link, East Coast Rail Link and LRT 3. In addition, the approved investment projects in the manufacturing sector are anticipated to come onstream and subsequently create a greater demand for industrial buildings. Hence, the non-residential buildings subsector is projected to expand further. Meanwhile, the residential buildings subsector is expected to grow steadily supported by more construction of affordable houses.<sup>7</sup>

In Budget 2023, the recovery and catalyst measures proposed coupled with the overall positive outlook, especially in the Manufacturing and Construction sectors, all these encouraging indicators bode well for EITA.

- **Focusing on high-value projects**

EITA will continue to tender for major transportation projects, such as MRT 3, Johor-Singapore Rapid Transit System, and Bayan Lepas LRT. Now, having installed elevators running at 6 meter per second in buildings over 60 floors, EITA will be able to tender for high-value, high-end residential and commercial complexes.

The ripple effect from these construction projects would 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 buildings along these transportation lines.



These positive multiplier effects in the construction sector augur 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.

<sup>6</sup> Ministry of Finance: Budget 2023 - Economic Outlook 2023 (page 101-102)

<sup>7</sup> Ministry of Finance: Budget 2023 - Economic Outlook 2023 (page 102-103)

# MANAGEMENT DISCUSSION AND ANALYSIS

*cont'd*

- **Expanding our overseas market**



*Overseas markets*

Overseas growth is important for EITA business sustainability. As international borders have opened with less restrictive travel controls and delayed projects are being restarted coupled with new projects; there are more proposal requests for our products. We are committed to building greater brand awareness for our in-house brands, EITA-Schneider® Elevator systems, Furutec® Busduct systems and PYROTEC® cables.

Furutec Electrical has carved a niche in the data-centre market. Its latest i-DC busduct model has been specifically

designed for data-centres to further take advantage of opportunities in the ASEAN region which become a hub for data-centres.

ASEAN and the Middle-East regions are still our primary target markets. EITA has already laid out plans to have a more direct presence in selected countries to achieve deeper market penetration and grow the business with our partners.

- **Showcasing EITA at Bukit Raja**

Housing EITA Elevator Group of Companies at its new centralised Headquarters at Bukit Raja, Klang, it is the fulfillment of a mission to establish EITA as a reputable elevator manufacturer with its home-grown brands. The landmark structure is the Elevator Test Tower which measures over 87 meters in height and has been certified by the Malaysia Book of Records as the tallest elevator test tower in the country.

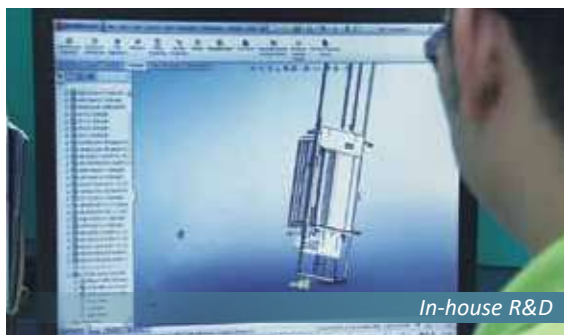
The ground floor has been set up as a “one-stop” showcase area to exhibit EITA’s suite of product and solution offerings – elevator equipment, busduct systems, and various E&E components.



*EITA Elevator at Bukit Raja*

- **Sustainable innovative edge through Research & Development (“R&D”)**

To gain a competitive advantage, EITA strives to create a sustainable innovative edge through its own R&D initiatives. It is our commitment to improve, develop and innovate quality products and solutions that address the market’s needs. EITA has its very own in-house R&D facilities such as the Elevator Test Tower at Bukit Raja and its Busduct R&D Lab at Penang,



*In-house R&D*

The in-house elevator R&D facilities, with its own Elevator Test Tower, glass lift, home lift, cargo lift and escalator, are all self-contained at Bukit Raja. This enables the elevator R&D team to be more productive and effective in carrying out various R&D tasks internally. Currently, there are several ongoing R&D projects which are related to high-speed, ride comfort, safety standards, touchless systems, lift display systems, new elevator controller functionalities, Internet-of-Things (“IoT”) and others.



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

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

Furutech Electrical in Penang has an ongoing R&D collaboration with a local university in Penang to develop IoT solutions to explore new composite material to improve busduct energy performance. This R&D project is funded under the Collaborative Research in Engineering, Science and Technology ("CREST") grant.

- **Adopting ESG principles**

The sustainability and climate change agenda has gained traction around the world, particularly after the COVID-19 pandemic. In the efforts of post-disaster reconstruction and recovery, governments and businesses are identifying new opportunities and developing holistic approaches for businesses in creating a more resilient economy in an effective and efficient manner. The concept of Environmental, Social and Corporate Governance ("ESG") is gaining acceptance by industry leaders and acknowledgment by investors for stronger ESG adoption.

EITA's corporate tagline **"Brings Good Feel to Life"** embodies our business sustainability philosophy where we need to be the very best and be mindful as we carry out our duties to serve our stakeholders, including the environment. It is represented by our Sustainability Compass, where we strive to adopt ESG values and best practices for our business processes, our people and our products.



At both EITA Elevator, Bukit Raja site and Furutech Electrical, Penang, we have already implemented various eco-friendly solutions such as skylights for natural lighting at the warehouse and factory, energy-efficient LED lighting within the office areas, rainwater harvesting system and as well as a dedicated Recycling Center. Our most significant investment of over RM1 million has been the installation of a Solar PV system at Bukit Raja.

As for the Social aspect of ESG, at EITA we strive to create a Caring Culture by promoting the "spirit of volunteerism" among our staff to be more caring and compassionate by giving back to the community. Now, our Annual Performance Appraisal has a "volunteerism" Key Performance Indicator which carries a 10% weightage to track staff's social involvements.

- **Increasing energy demand**

Besides ensuring energy security, TNB will be well placed to contribute a healthy RM31 billion to Malaysia's gross domestic product over four (4) years beginning in 2021, arising from capital expenditure returns from a wide array of power development projects.<sup>8</sup>

This includes a CAPEX of RM7.3 billion for 2021 and the forecast of 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 badly needed jobs annually for the country or about 584,000 jobs in the 2022-24 period.<sup>8</sup>



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

<sup>8</sup> New Straits Times, 10 May 2021



# MANAGEMENT DISCUSSION AND ANALYSIS

*cont'd*

## ACKNOWLEDGMENT

EITA has encountered many difficult challenges before. Dealing with this unprecedented COVID-19 global pandemic over the past two years, EITA has persevered and demonstrated steely resolve to deliver commendable performance for FY2022.

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 my whole-hearted appreciation to our shareholders, customers and business associates for their ongoing trust and support. Finally, a big round of rousing Thanks to my fellow EITarians across the whole Group for their continued commitment and contributions.

I am confident, we “TEAM” EITA is resilient and able to raise to tackle future challenges to emerge stronger and bring greater success to all our stakeholders.

## LIM JOO SWEE

*Acting Group Managing Director*

# FINANCIAL HIGHLIGHTS

GROUP PROFITABILITY For the Financial Year (RM' Mil)					
	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue	261.3	305.4	284.1	302.4	363.6
Profit Before Tax	25.6	28.9	25.2	26.9	24.9
Net Profit	19.6	21.9	18.3	20.0	18.9
GROUP FINANCIAL POSITION As at 30 September (RM' Mil)					
	FY2018	FY2019	FY2020	FY2021	FY2022
Total Non-Current Assets	38.7	54.2	60.6	67.4	69.1
Total Current Assets	198.8	249.6	242.5	259.8	278.8
Total Assets	237.5	303.8	303.1	327.2	347.9
Shareholders' Equity	162.4	173.5	185.3	198.1	208.9
Non-controlling interest	1.7	2.7	3.7	3.8	3.9
Total Equity	164.1	176.2	189.0	201.9	212.8
Total Non-Current Liabilities	6.8	15.8	19.1	18.8	16.9
Total Current Liabilities	66.6	111.8	95.0	106.5	118.2
Total Equity & Liabilities	237.5	303.8	303.1	327.2	347.9
FINANCIAL ANALYSIS					
	FY2018	FY2019	FY2020	FY2021	FY2022
Profit Before Tax Margin	9.8%	9.5%	8.9%	8.9%	6.8%
Net Profit Margin	7.5%	7.2%	6.5%	6.6%	5.2%

## REVENUE (In RM mil)

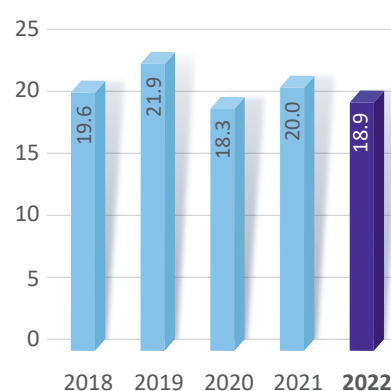
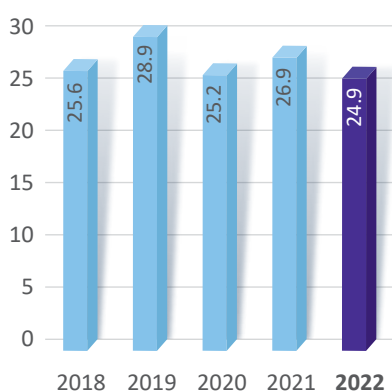
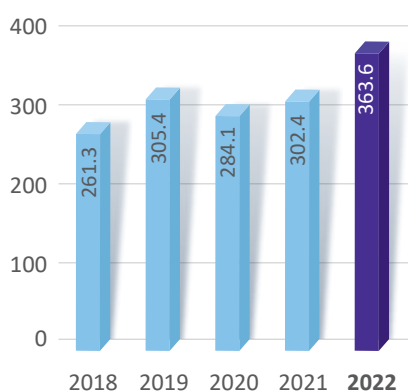
4-year CAGR\*  
+8.6% p.a.

## PROFIT BEFORE TAXATION (PBT) (In RM mil)

4-year CAGR\*  
-0.7% p.a.

## PROFIT AFTER TAXATION (PAT) (In RM mil)

4-year CAGR\*  
-0.9% p.a.



\* 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") and the active subsidiaries located in Malaysia, Singapore and Indonesia. It encompasses our various business segments namely, Manufacturing, Marketing and Distribution, Services and High Voltage System.

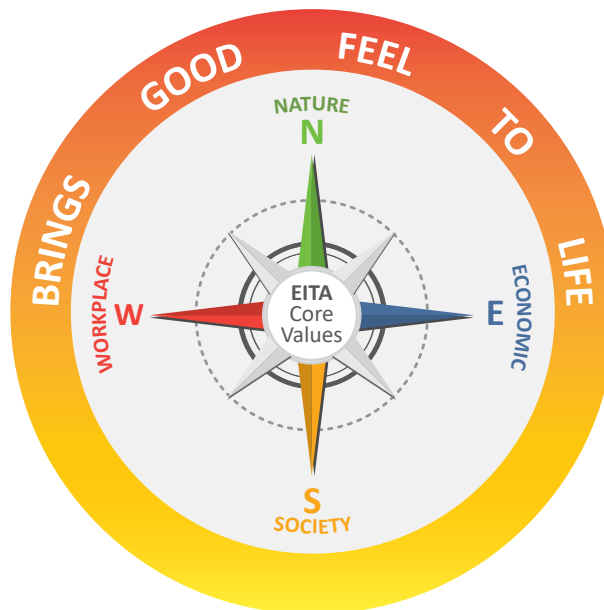
# SUSTAINABILITY STATEMENT

cont'd

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

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

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



*“Our employees are our EITA “Good Feel” ambassadors. Our actions are purposeful in order to bring about positive outcomes to all stakeholders.” – Lim Joo Swee, Acting Group Managing Director.*

## Our Core Values

The essence of our business sustainability approach lies within 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.

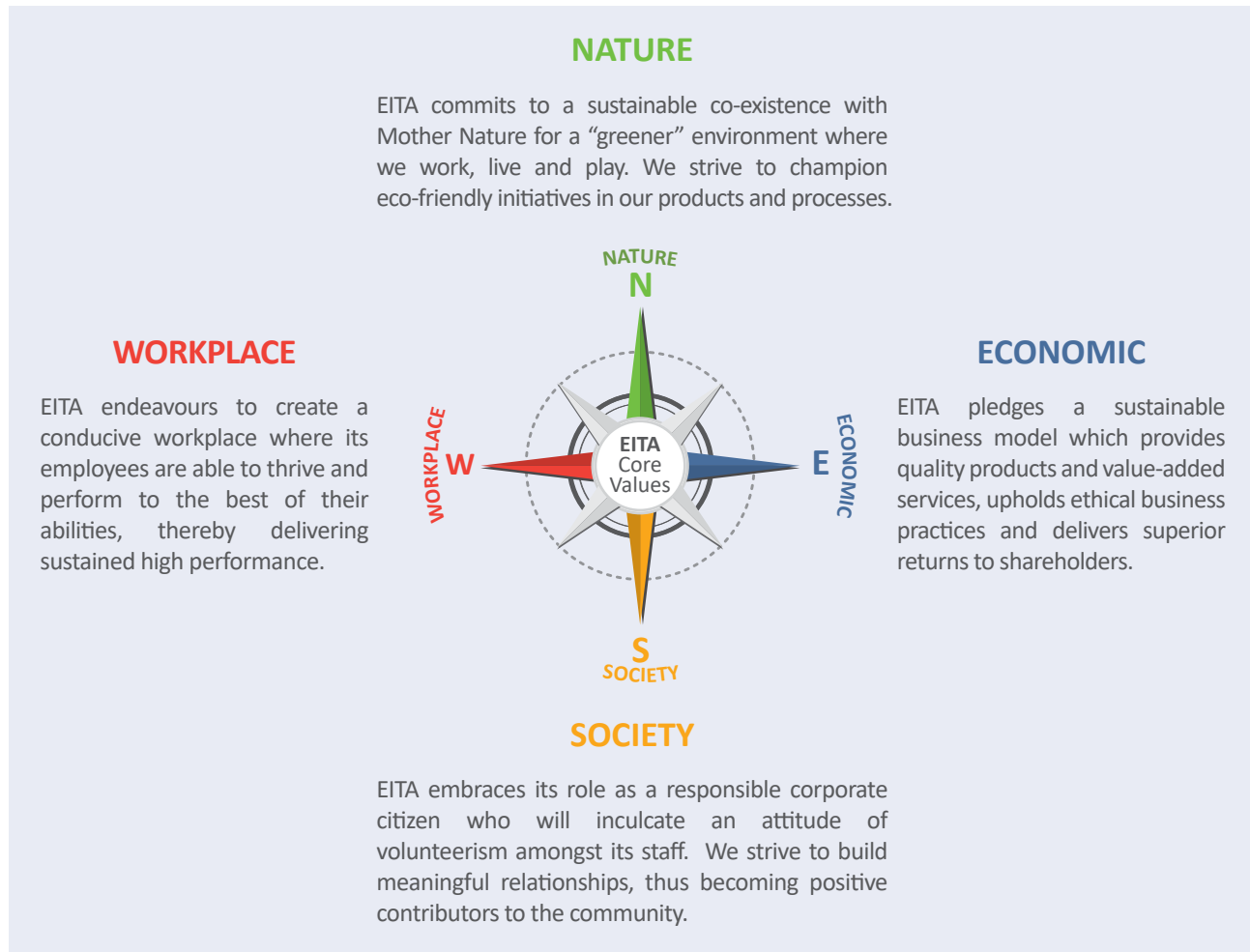


# SUSTAINABILITY STATEMENT

*cont'd*

## Our Sustainability Compass

Our Sustainability Compass with its four (4) cardinal points acts as a shining beacon to EITA's Sustainability Approach; NORTH for NATURE, EAST for ECONOMIC, SOUTH for SOCIETY and WEST for WORKPLACE.



## SUSTAINABILITY STATEMENT

cont'd

### Sustainability Governance

With regards to sustainability governance, the Executive Committee consisting of the Board of Directors and led by our Acting 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 helmed by our Executive Director, Mr. Lee Peng Sian. He reviews sustainability implementation and performance indicators and is supported by the Chief Financial Officer ("CFO"). The SWG consists of designated managers and executives from various subsidiaries and departments. They are responsible for materiality assessment, implementation, monitoring and reporting 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

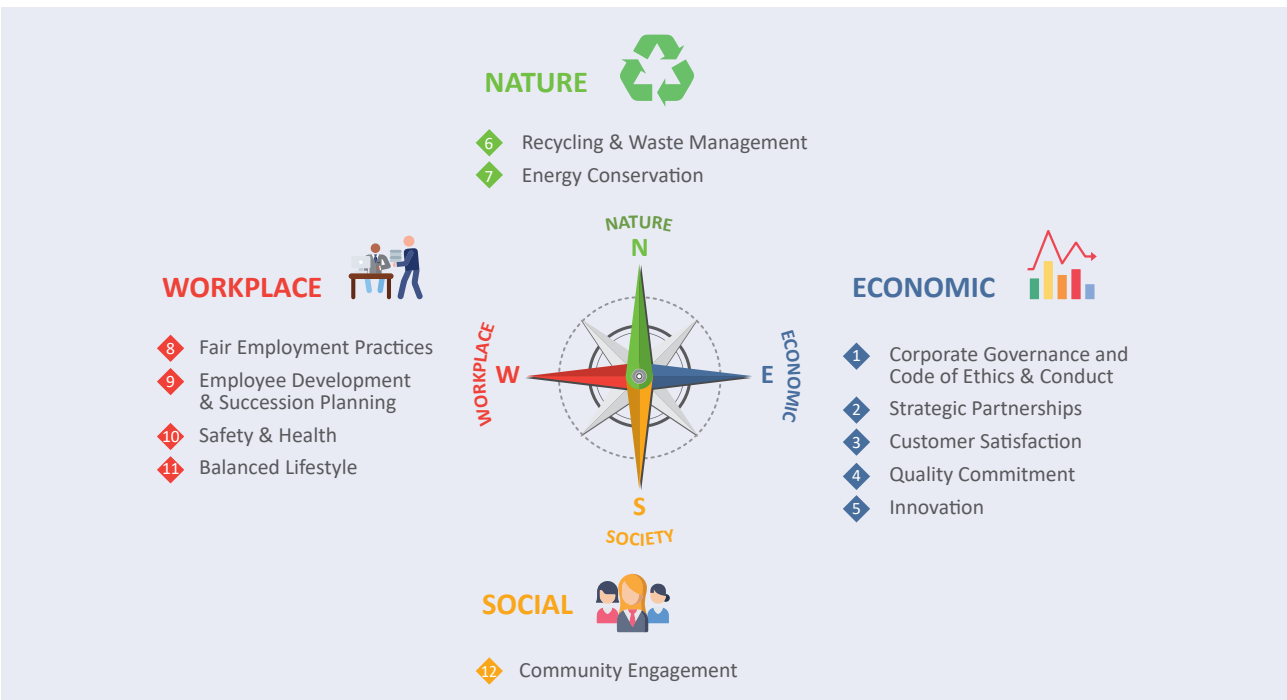
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## MATERIALITY

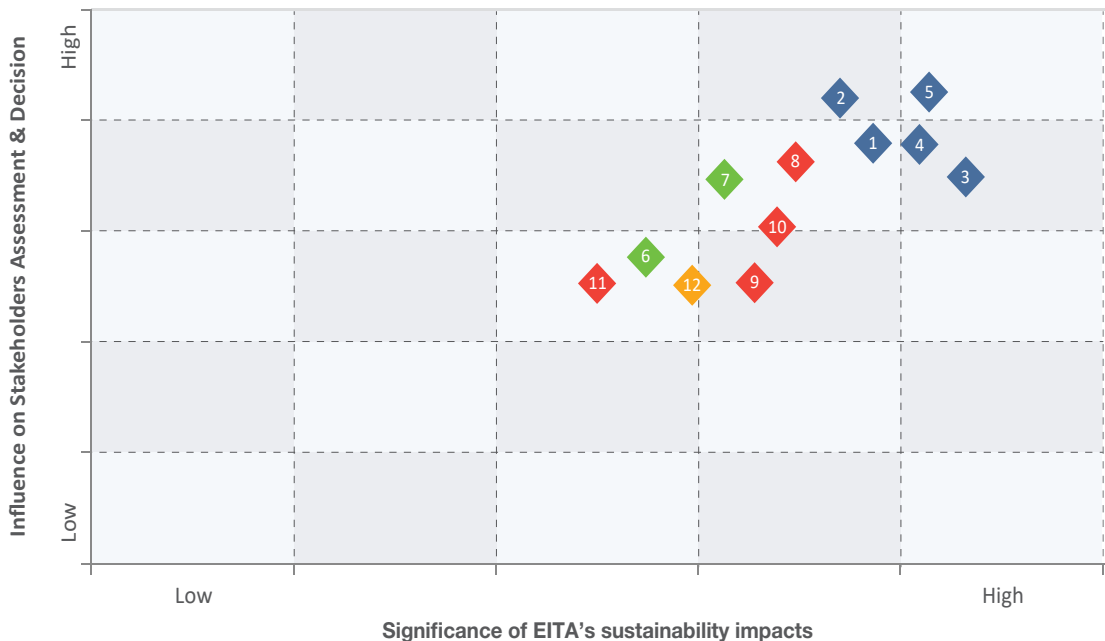
Following Bursa Malaysia’s Sustainability Reporting Guide and Toolkits, EITA has adopted a structured materiality assessment approach in identifying relevant sustainability matters.

Our approach in materiality assessment and development of the Materiality Matrix is to evaluate the significant material sustainability matters that align with the four (4) cardinal points of our Sustainability Compass which 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 EAST cardinal direction of the Sustainability Compass is about ECONOMIC Sustainability in terms of achieving 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. Since 2021, EITA conducts an annual group-wide evaluation exercise to remind and reinforce Anti-Bribery and Corruption guidelines. This online evaluation exercise consists of customised sets 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 FY2022, there were no reported cases.

- Strategic Partnerships**

EITA understands that for business sustainability and long-term mutual benefits, it needs to develop strong relationships with business associates, authorities and relevant stakeholders. Through our strategic partnerships, we will be able to synergise our collective strengths and resources to create an even greater impact on our business and the industry.

Collaborations with our partners ranging from project specifications customization to product design with principals and technical know-how transfer to joint Research & Development ("R&D") with a local university. These strategic partnerships have elevated EITA's staff knowledge and expertise; improving our competencies and capabilities to handle even more demanding projects in the future.

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



*New norm – virtual meetings with overseas partners*



*Workshop with JKKP*

- Customer Satisfaction**

One of the cornerstones of business sustainability is fostering long-term customer loyalty through satisfying customers' demanding expectations.

EITA continually explores ways to improve customer satisfaction. They include improved product designs, flexibility in customisation, faster deliveries, and also providing an overall better customer experience in sales, marketing support, project management, repairs and maintenance services.

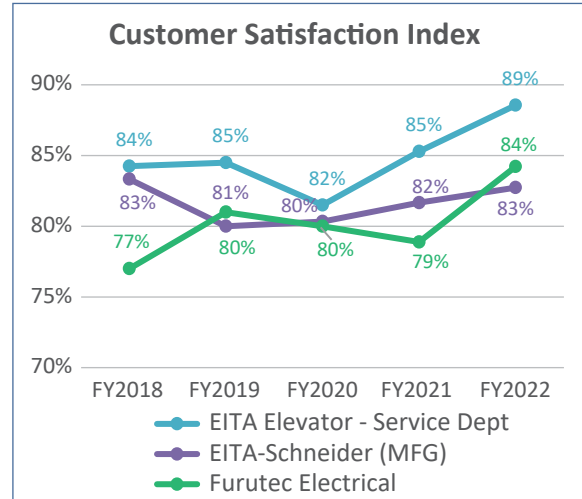
# SUSTAINABILITY STATEMENT

cont'd

EITA Elevator (Malaysia) Sdn. Bhd. ("EITA Elevator"), specifically, its Maintenance and Service Department carries out Customer Satisfaction surveys quarterly. The survey tracks criteria, such as promptness of delivery, product quality, communication with customers and price competitiveness. It sets an internal Customer Satisfaction benchmark of 80%. For FY2022, its Customer Satisfaction rating improved to 89% as compared to 85% in FY2021. In line with our push for greater customer satisfaction, numerous 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 sales. For FY2022, it also improved its Customer Satisfaction index to 83% as compared to 82% in FY2021. With the opening of international borders, the overseas sales team has increased their travel frequency. It now has local sales staff stationed in Jakarta to focus on the Indonesian market. It is presently revamping its website to be more customer-centric.

As for Furutec Electrical Sdn. Bhd. ("Furutec Electrical") in Penang, its Customer Satisfaction survey metrics focus on product design, quality and technical support with a Customer Satisfaction target of 80%. For FY2022, it scored 84% as compared to 79% in FY2021.



## Marketing and Technical Support



We have local Representative Offices in Indonesia and Vietnam which allows us to have a deeper understanding of the local business climate and to provide direct on-the-ground marketing support for our business associates and customers.

EITA continues to provide marketing and technical support for its customers and business partners. In 2022, EITA Power System Sdn. Bhd. conducted in-person MMC Certified Installer training for its business partners and also participated in a series of marketing events in Indonesia, Vietnam and The Philippines.



# SUSTAINABILITY STATEMENT

cont'd

- **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, REFAS® Lighting solutions and PYROTEC® Fire-Resistant cables, we assure customers of our quality 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. We follow a process approach for continual improvement and abide to quality management principles in order to deliver consistent quality products and services with a strong customer focus.



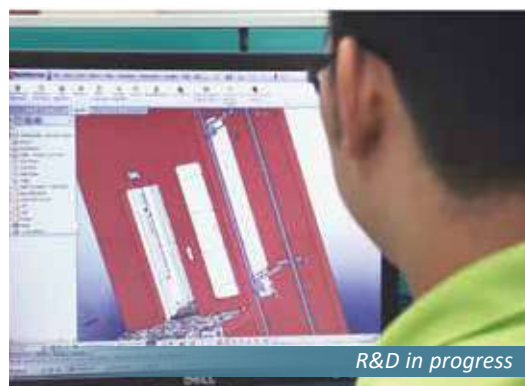
Furutec Electrical invested in a new series of automated machines to improve its busduct production process for shearing, plug-in hole forming, bending, conductor and accessories processing.

- **Innovation & Improvement**

EITA is committed to investing in R&D to drive innovations and improvements to differentiate ourselves and to stay competitive.

Our in-house EITA Research & Development Sdn. Bhd. continues to provide specialised R&D services for EITA's brand of elevator and busduct products. Some R&D highlights:

- New busduct models. Furutec Electrical continues to develop new and improved busduct products. The latest busducts are I-DC DCIB (Data centre intelligent busduct) model and AH ES sandwich-type busduct model.
- Industrial Revolution 4.0 (IR 4.0). Furutec Electrical received a MIDA grant to research and develop an in-house IR 4.0 solution. This IR 4.0 implementation involves developing customised automated processes to record, monitor and provide key analytics to improve productivity and cost-effectiveness. This involved tracing the interconnectivity from sales orders all the way to delivery in the busduct manufacturing life cycle.
- Collaborative Research in Engineering, Science and Technology ("CREST"). This R&D project under the CREST grant involves developing the next generation of busduct by incorporating new composite material to improve energy throughput and material cost savings. This is a collaborative R&D project with a local university and is still ongoing.
- Internet-Of-Things ("IoT"). There are several ongoing IoT initiatives such as a cloud-based monitoring system for our elevator and escalator systems. The objective of this IoT project is to develop a preventive and predictive maintenance solution that would allow the Service Department to anticipate possible equipment failures, thus minimising break-downs and optimising running time.





- Our Elevator Test Tower facility is already in full operation. The R&D team is now able to perform in-house R&D more effectively to further improve our elevator systems in terms of speed, safety, ride comfort, enhanced features and much more. In 2022, our Elevator Test Tower was used to conduct its very first TUV testing and certification for our Cargo lifts.



# SUSTAINABILITY STATEMENT

cont'd

## NATURE SUSTAINABILITY



The NORTH cardinal direction of the Sustainability Compass concerns NATURE Sustainability, grounded on the importance of co-existing with Mother Nature. At EITA, we are ever mindful of the impact of our business decisions and operations on the environment, likewise the effects of the environment on humankind.

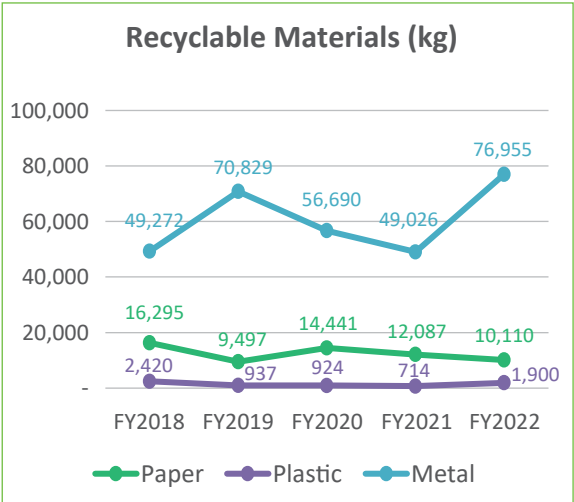
- Recycling and Waste Management**

We all need to play our part to protect the environment. Our group-wide Recycling Campaign started in 2016 and is already well-entrenched within EITA. Our goal is to instill an active recycling mindset within the organization, at home and at the community level.

At EITA Headquarters (Subang), EITA Elevator (Bukit Raja) and Furutec Electrical (Penang), we have dedicated Recycling Centres to collect and store all the sorted recyclables. There are also designated Recycling Teams in charge of managing the recycling activities at their respective sites.

For FY2022, the metal recyclables increased as busduct production picked up due to a corresponding increase in busduct sales in the post-pandemic period. Paper and plastic recyclables are at manageable levels. Meanwhile, we continue to explore ways to improve our waste management processes.

Our recycling initiative also has an extended Corporate Social Responsibility (“CSR”) component. We collaborate with like-minded Non-Governmental Organisations (“NGOs”) such as Tzu Chi Foundation Malaysia. Our recyclables are collected by them and subsequently converted to monetary proceeds which are then used for their own charitable and welfare activities.



“Instilling a recycling mindset to help protect Mother Earth, and eventually helping the needy, it is an admirable initiative that I wholeheartedly support.”, Mr. Lim affirms.

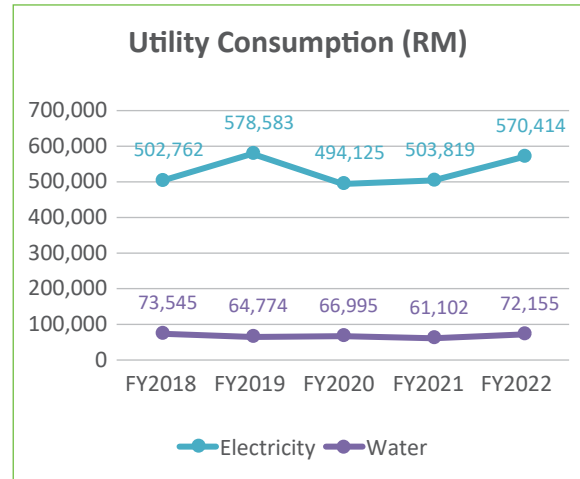
# SUSTAINABILITY STATEMENT

cont'd

## • Energy Conservation

Moving towards endemicity, the Group resumed full business operations, as such, the utility consumption reverted to pre-pandemic levels. However, from 2023 onwards, the electricity expense is expected to be reduced once the Solar PV renewable energy system becomes fully operational.

At both locations, EITA Elevator (Bukit Raja) and Furutec Electrical (Penang), they have implemented energy conservation solutions such as natural lighting, LED lights and rainwater harvesting. The rainwater harvesting tank has a 4,000-litre capacity with the water used for watering the plants at the compound, washing the driveway and company vehicles. Staff is encouraged to use the harvested rainwater to wash their cars.



## • “Green” Renewable Energy



EITA is committed to adopting ESG principles. The Solar PV installation at Bukit Raja is our first major investment in renewable energy. The Solar PV system has been installed on the rooftop of the warehouse cum factory with an estimated coverage area of 1,800 square metres. It has the capacity to generate 38,000 kWh per month. This translates to about **26 metric ton of reduction in CO<sub>2</sub> emission** or about **676 mature trees** needed to absorb this amount of CO<sub>2</sub>.<sup>1</sup>

This Solar PV System at Bukit Raja received its license under the Net Energy Metering Scheme from Tenaga Nasional Berhad in August 2022. The projected payback period is 3.5 years.

<sup>1</sup> <http://greentechmalaysia.my/carboncalculator/>

# SUSTAINABILITY STATEMENT

cont'd

## WORKPLACE SUSTAINABILITY

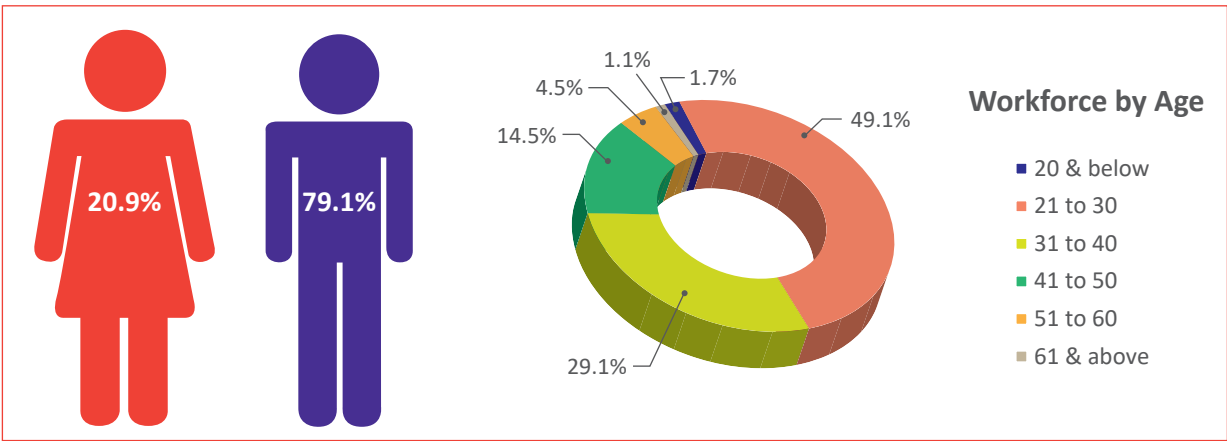


The WEST cardinal direction of the Sustainability Compass relates to WORKPLACE Sustainability. Our Workplace Sustainability efforts are focused on creating conducive work culture for our staff to thrive and perform to the best of their abilities, whilst promoting mutual respect and fostering teamwork. We also aim to provide a rewarding work environment based on meritocracy to attract and retain top talents.

### Our Workforce

It is our dedicated staff's collective commitment, knowledge, experiences and diversified skills that will continue to propel EITA to attain sustainable growth.

Our workforce profile:



About 80% of our staff are below 40 years old, indicating a relatively youthful and energetic workforce. This potential talent pool is important for continued business sustainability.

### Employment Practices

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

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

For FY2022, there were 44 Long Service Award recipients, 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
25 years	7
20 years	1
15 years	3
10 years	7
5 years	26
Total	44



# SUSTAINABILITY STATEMENT

cont'd

## Employee Development & Succession Planning

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

Transitioning into endemicity, at EITA we practice a hybrid training model of having both virtual classes and in-person training.

Training & Development	FY2018	FY2019	FY2020	FY2021	FY2022
Training Expenditure (RM)	140,429	138,530	69,135	51,783	273,128
No. of training courses	79	81	138	234	76
Total training hours	4,698	5,257	5,352	9,632	4,735



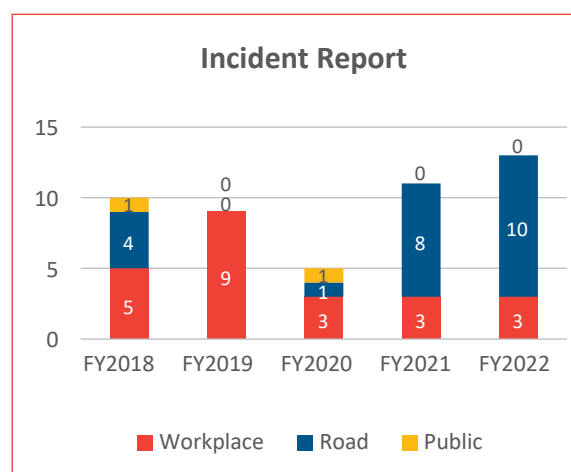
EITA Training Centre Sdn. Bhd. ("ETC") was formed to provide industrial-based training with its training facilities located at Bukit Raja. It is one of several training providers approved by relevant authorities to conduct Lift Competent Person training and certification programmes. ETC is also the approved training provider under the Human Resource Development Corporation and Department of Skills Development (Jabatan Pembangunan Kemahiran) under the Ministry of Human Resources.



## Safety & Health

The Group recognises the significance of maintaining high standards of occupational safety and health management practices for its employees, customers, the public and the environment.

From the onset of the COVID-19 pandemic in the early 2020, EITA immediately set up a dedicated Safety & Health ("S&H") Task-force to implement safety SOPs. Now in 2022, EITA established a Group Safety Committee to look into group-wide safety and health standards, guidelines and activities. It is headed by our Executive Director, Mr. Lee Peng Sian, supported by Human Resources Department. It also has representatives from each subsidiary consisting of both the management (employer) and workers (employee) side.



The Group Safety Committee's roles include:

- Development of Safety and Health policies (systems and standards) and programmes
- Periodic review and recommendations of Safety and Health policies and programmes
- Record and perform immediate investigations on incident with statistics and analysis
- Organise periodic Safety and Health programmes, such as Fire Drills, training on First-Aid, CPR, AED and ERT, safety briefing for new staff, CIDB training for field staff and others

## SUSTAINABILITY STATEMENT

cont'd

- **Weekly S&H group-wide briefing and demonstration**



Employees' safety and well-being are one of our top agendas. EITA has already implemented ISO 45001:2018 Occupational Health & Safety Management System. It also carries out our audit training for new and existing staff prior to the actual audit exercise.

Although in January 2022, the Motorcycle Audit Checks and Ride Safety campaign was organised, the number of road accidents increased. On further analysis, the majority of these incidents were caused by other drivers.

To reinforce greater safety awareness, EITA Elevator continues with its EITA Safety Passport programme. This is a mandatory course for all field staff and sub-contractors to adhere to worksite safety best practices.

- **Balanced lifestyle**

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. For 2022, the new committee has been busy organising a host of activities, such as Quarterly Birthday, Menarathon Tower Run 2022, badminton, bowling, yoga and Zumba with more activities in the pipeline.

**Promoting a healthier lifestyle.** Animal farming is one of the major contributors to greenhouse gases that has led to global warming and the devastating effects of climate change.

# SUSTAINABILITY STATEMENT

cont'd

Since 2016, in doing our small part to protect the environment and at the same time advocate a healthier lifestyle, the Group has made a deliberate decision to serve vegetarian or “meatless” food for all its events, which include EITA Annual Dinner, in-house functions and training. EITA also continues to sponsor weekly “meatless” luncheons to encourage its staff to consume more vegetables. By reducing just 1 piece of chicken (4 oz) per meal, hence in FY2022, with **5,414 “meatless” meals** served, this is equivalent to **reducing 7,504 kg of CO<sub>2</sub> emission**.<sup>2</sup>

Also, during 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, the mini-hydroponic vegetable project is still ongoing. Fruit trees have also been planted around the compound perimeter.

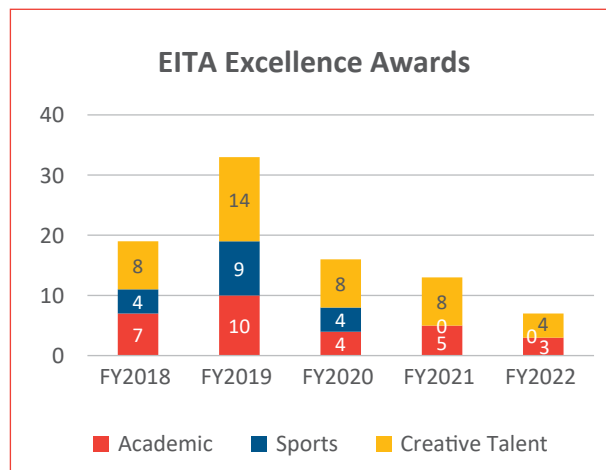
**Encouraging well-rounded excellence.** This balanced lifestyle message is also extended to the staff’s children to develop them into well-rounded individuals. At our annual EITA Excellence Award ceremony, the staff’s children are recognized for their achievements in Academic Studies, Sports and Creative Talent pursuits.



Enjoying delicious “Meatless” feast



Growing own hydroponic vegetables



EITA Excellence Awards for staff's children

In FY2022, we had 7 recipients and we organized an in-house award ceremony for the parents and their children to celebrate their proud achievements. 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 was given under the Sports category.

<sup>2</sup> <https://consumerecology.com/chicken-carbon-footprint-environmental-impact/>

# SUSTAINABILITY STATEMENT

cont'd

## SOCIAL SUSTAINABILITY



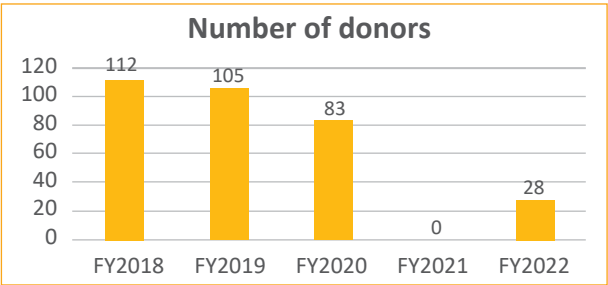
The SOUTH cardinal direction of the Sustainability Compass points to SOCIAL Sustainability. EITA, being a progressive and caring corporate citizen, strives to do its best to build meaningful relationships with the communities.

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

- Community Engagement

**Saving lives.** Due to the pandemic, the Blood Donation Drive was temporarily stopped in FY2021.

Furutec Electrical restarted its annual Blood Donation Drive for 2022 with 28 donors. EITA Sports Club will also be organising similar Blood Donation Drives at Subang and Bukit Raja.

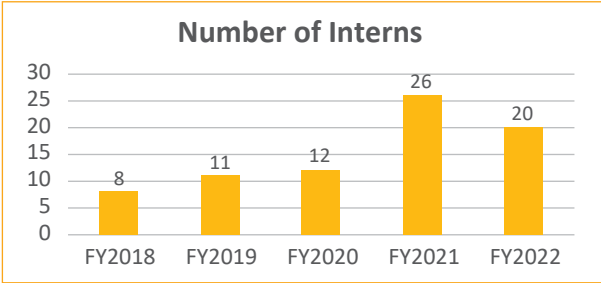


**Supporting education.** The Group believes in developing industry-ready graduates through our internship programme. This would give them a proper head-start in their career and eventually be positive contributors to the industry and society.

Internship (by Function)	Number of interns
Project Dept	2
Finance & Accounts	11
Credit Control	2
Service & Maintenance	1
Purchasing	1
Engineering	3
Total	20

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 subsequent employment in the Construction and Manufacturing sectors. For FY2022, we took in 20 interns for various functional roles.

Furutec Electrical in Penang again secured a grant from CREST to conduct collaborative R&D with post-graduate Master’s students from a local university in Penang. These students provide specialised R&D knowledge and assistance for us. At the same time, they can fulfill their project thesis requirements, thus gaining valuable practical hands-on R&D experience and relevant industry know-how.





# SUSTAINABILITY STATEMENT

cont'd

**Caring for the community.** EITA endeavours to promote the “spirit of volunteerism” within the organisation. This is to encourage our staff to be more compassionate and contribute back to the community, especially in caring for the less fortunate. To recognise our staff’s volunteerism spirit, in our Annual Performance Appraisal, we have incorporated a Key Performance Indicator that carries a 10% weightage to measure their involvement level in CSR projects and related contributions.



Donations to staff affected by flood



Flood clean-up at staff home

Some notable community activities were assisting with flood relief efforts through Tzu Chi Foundation and on our own in cleaning up staff’s homes affected by the flood. We also collected donations from the company and staff which were then distributed to the affected staff.

In conjunction with Earth Day on April 2022, to heighten awareness to care for Mother Earth, we created a series of activities, such as tree planting, use of harvested rainwater, hydroponic seeding, recycling competition and soft launch of the Solar PV system.

On October 2022, we donated a Disinfection Robot to Tzu Chi Pudu Free Clinic. This clinic provides free medical healthcare to the public, in particular to the refugees. The Disinfectant Robot has been programmed to move in a pre-planned route at night to carry out disinfecting tasks by spraying Ultrasonic Dry mist coupled with 360° sterilization through 4 UV-C lamps to provide a sanitized environment with up to 99.99% effectiveness.



Disinfection Robot for Tzu Chi Free Clinic

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

# 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 (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) 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 of Bursa Securities 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 2022 (“FY2022”).

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 Company’s corporate 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 on 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 Acting Group Managing Director, Mr. Lim Joo Swee, who was appointed on 31 October 2022, 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 documentation 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 and 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 is available on the Company's corporate 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.

In line with the new Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board had on 25 May 2022 adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting ("AGM").

The Directors' Fit and Proper Policy shall be reviewed by the Board from time to time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices.

The Directors' Fit and Proper Policy is published on the Company's corporate website at [www.eita.com.my](http://www.eita.com.my).

The Board believes that sustainable business practices are essential to the creation of long-term value and that responsibly running the business is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board on 20 May 2021 reviewed, revised, and approved the relevant amendments to the Board Charter by incorporating the assessment of the Board's understanding of sustainability issues in the annual performance evaluation that are critical to the Company's performance.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

### PART II - BOARD COMPOSITION

The Board currently consists of eight (8) Directors and three (3) Alternate Directors. One (1) of the eight (8) Directors is a female Board member, namely 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 MCCG, in view that Dato' Siow Kim Lun and Mr. Chong Lee Chang have served as the Independent Non-Executive Chairman and Independent Non-Executive Director of the Company respectively, 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 AGM to support the Board's decision to retain them as the Independent Non-Executive Chairman and Independent Non-Executive Director through a two-tier voting process.

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 determine the ability of the Directors to serve effectively as Independent Directors.

Appointment of the Board and recruitment of Senior Management are based on objective criteria, merit and besides gender diversity, due regard is placed for a required mix of skills, experience, independence, age, integrity, core competencies and cultural background.

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The NRC scrutinises the candidates and recommends the same for the Board's approval. In discharging this duty, the NRC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate shall bring to complement the Board.

In searching for suitable candidates, the NRC may receive suggestions from existing Board Members, Management and major shareholders. The NRC is also open to referrals from external sources available or independent search firms.

The Company has adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and Senior Management levels. The Gender Diversity Policy does not set any specific target on the composition in terms of gender, age or ethnicity of its Board members. However, the Board is well-represented by individuals drawn from distinctly diverse professional backgrounds.

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	Independent Non-Executive Director



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

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

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 FY2022, the following activities were undertaken by the NRC:-

- Reviewed and assessed the performance of all Directors of the Company.
- 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 Committees as a whole.
- Reviewed and recommended to the Board for consideration, the re-election of Directors who shall retire pursuant to the Company's Constitution at the AGM of the Company.
- Reviewed and recommended to the Board for consideration, the retention of Mr. Chong Lee Chang and Dato' Siow Kim Lun, who have served as the Independent Non-Executive Chairman and Independent Non-Executive Director of the Company respectively, for a cumulative term of more than nine (9) years pursuant to the MCCG.
- Reviewed and recommended to the Board for consideration, the remuneration packages (including fees and benefits) for all Directors of the Company.
- Reviewed and recommended to the Board for consideration, the performance bonus and incentive payout of the Group.

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 Committees and the Chairman's role and responsibilities. Criteria used in these assessments are guided by the Corporate Governance Guide issued by Bursa Securities.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

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

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 FY2022 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	N/A	N/A
Fu Wing Hoong (Demised on 29 October 2022)	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	4/4	4/4	1/1
Fu Mun Win (Appointed on 1 December 2022)	N/A	N/A	N/A
Fu Jia Lik (Alternate Director to Fu Mun Win) (Appointed on 1 December 2022)	N/A	N/A	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 FY2022 and complied with the requirement on attendance at Board meetings as stipulated in the Listing Requirements of Bursa Securities.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

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

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 FY2022:-

Name of Directors	Title of Seminars/Training attended
Dato' Siow Kim Lun	<ul style="list-style-type: none"> <li>- BNM-FIDE Forum MyFintech Week</li> <li>- Becoming A Boardroom Star</li> <li>- Corruption Risk Management &amp; Organisational Anti-Corruption Plan</li> <li>- ESG Investing : Perspective for the Stockbroking Industry</li> <li>- Anti-Corruption Empowerment</li> <li>- Invest ASEAN 2022 : Framing a Future</li> <li>- Webinar on the Audit Committee</li> <li>- Sustainability and impact on organisations: What directors need to know</li> <li>- ASEAN Sustainability Summit 2022</li> <li>- RMIT: Sharing of insights and discussions on the strategic aspects of IT risks</li> <li>- SIDC Webinar on dissecting environmental factors in sustainability investments</li> <li>- Webinar – Section 17A</li> </ul>
Ho Lee Chen	<ul style="list-style-type: none"> <li>- AOB Webinar with Securities Commission - AOB Conversation with Audit Committees</li> <li>- TCFD 02 - TCFD Climate Disclosure Training Program</li> <li>- Embracing Sustainability</li> <li>- Waste Stream Roundtable Webinar</li> <li>- PLC Transformation (PLCT) Programme - Guidebook 2 Highlights</li> </ul>
Lee Peng Sian	<ul style="list-style-type: none"> <li>- Audit Oversight Board (AOB) Conversation with Audit Committees</li> <li>- TCFD 101 Climate Disclosure Training programme</li> <li>- (TCFD: Task Force on Climate Related Financial Disclosure)</li> <li>- e-Shared Prosperity Organisation (e-SPO) acknowledgement certificate</li> <li>- Sustainability blueprint for companies</li> <li>- Behavioural Insights</li> </ul>

During the financial year under review, all Directors of the Company attended an in-house training session conducted by the Company Secretary on the key amendments to the Listing Requirements of Bursa Securities in relation to the following areas:-

- Director appointment, independence, and other amendments on 25 May 2022; and
- Enhanced Sustainability Reporting Framework on 24 November 2022.

# 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 corporate website at [www.eita.com.my](http://www.eita.com.my).

The remuneration of the Directors of the Company and the Group for the FY2022 are as follows:

#### (A) The Company

Name of Directors	Fee RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits -in-kind RM'000	Other emoluments RM'000	Total RM'000
Dato' Siow Kim Lun	73.2	1.2	-	-	-	-	74.4
Fu Wing Hoong (Demised on 29 October 2022)	-	62.6	944.6	130.3	30.7	287.9	1,456.1
Lim Joo Swee	-	36.0	685.2	94.5	-	200.0	1,015.7
Lee Peng Sian	-	-	-	-	-	-	-
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	-	-	-	-	-	-	-
Chia Mak Hooi	59.4	-	-	-	-	-	59.4
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	-	-	-	-	-	-	-
Chong Lee Chang	66.3	1.2	-	-	-	-	67.5
Ho Lee Chen	66.3	1.2	-	-	-	-	67.5
Ir. Haji Omar Bin Mat Piah	66.3	1.2	-	-	-	-	67.5
Fu Mun Win (Appointed on 1 December 2022)	-	-	-	-	-	-	-
Fu Jia Lik (Alternate Director to Fu Mun Win) (Appointed on 1 December 2022)	-	-	-	-	-	-	-
<b>Total</b>	<b>331.5</b>	<b>103.4</b>	<b>1,629.8</b>	<b>224.8</b>	<b>30.7</b>	<b>487.9</b>	<b>2,808.1</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	Fee RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits -in-kind RM'000	Other emoluments RM'000	Total RM'000
Dato' Siow Kim Lun	73.2	1.2	-	-	-	-	74.4
Fu Wing Hoong (Demised on 29 October 2022)	75.8	62.6	944.6	130.3	30.7	653.7	1,897.7
Lim Joo Swee	57.8	50.4	685.2	94.5	35.2	547.7	1,470.8
Lee Peng Sian	51.0	12.0	510.2	26.6	35.2	117.5	752.5
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	24.0	12.0	525.6	72.5	31.2	270.0	935.3
Chia Mak Hooi	77.4	-	-	-	-	-	77.4
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	24.0	-	-	-	-	-	24.0
Chong Lee Chang	66.3	1.2	-	-	-	-	67.5
Ho Lee Chen	66.3	1.2	-	-	-	-	67.5
Ir. Haji Omar Bin Mat Piah	66.3	1.2	-	-	-	-	67.5
Fu Mun Win (Appointed on 1 December 2022)	-	-	-	-	-	-	-
Fu Jia Lik (Alternate Director to Fu Mun Win) (Appointed on 1 December 2022)	-	-	-	-	-	-	-
<b>Total</b>	<b>582.1</b>	<b>141.8</b>	<b>2,665.6</b>	<b>323.9</b>	<b>132.3</b>	<b>1,588.9</b>	<b>5,434.6</b>

The remuneration of the Senior Management of the Group for the FY2022 are as follows:

Range of Remuneration	Group
	No. of Senior Management
RM250,001 to RM300,000	3
RM300,001 to RM350,000	1
RM400,001 to RM450,000	1
RM600,001 to RM650,000	1

Due to the 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 RM50,000.00 is adequate.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART I – AUDIT COMMITTEE

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 FY2022 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

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

### PART I - ENGAGEMENT 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 corporate 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 corporate 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 MEETINGS

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.

The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group.

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-Sixth AGM ("26<sup>th</sup> AGM") of the Company held on 25 February 2022 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 26<sup>th</sup> AGM held on 25 February 2022 and the Board had responded to all queries raised by the shareholders.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 26<sup>th</sup> AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 26<sup>th</sup> AGM was also published on the Company's corporate website for the shareholders' information.

## 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 satisfactorily 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
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	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
Chong Lee Chang, Member	4/4
Chia Mak Hooi, Member	4/4
Ir. Haji Omar Bin Mat Piah, Member	4/4

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 its Terms of Reference.

The authorities and duties of the AC are clearly governed by its Terms of Reference. 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 2022 ("FY2022") 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. 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 FY2022 before the audit commenced to ensure that the scope of the external audit is comprehensive.
- iii. Reviewed with External Auditors, the Audit 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. Met with the External Auditors once during the AC Meeting without the presence of the Executive Directors and Management to discuss any issues arising from the annual statutory audit or any matters the External Auditors may wish to discuss. There were no major issues raised during the meeting.
- v. 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 External Auditors during their audit.
- vi. 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.
- vii. 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.
- viii. Reviewed the Report on Registry of Risk and Risk Matrix of the Group.
- ix. 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 requirement before recommending to the Board for approval for inclusion in the Company's Annual Report.
- x. Self-appraised the performance of the AC and submitted the evaluation form to the Nomination and Remuneration Committee for assessment.
- xi. Evaluated the performance of the External and Internal Auditors.

# AUDIT COMMITTEE REPORT

*cont'd*

## 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 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 Group in accordance to 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.

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 FY2022 in relation to the internal audit function was RM51,200.

For the FY2022, 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 (“EITA Group” or “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 2022 (“FY2022”) pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Main LR”), Malaysian Code on Corporate Governance (“MCCG”) 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”), implements 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. During the financial year under review, the Risk Management Committee was represented by an Executive Committee which consists of the late Group Managing Director and two (2) Executive Directors and one (1) Alternate Director. The Risk Management Committee held four (4) meetings in 25 November 2021, 25 February 2022, 25 May 2022 and 22 August 2022. The results of the meetings were summarised in the updated Registry of Risks which comprises corporate level and subsidiaries were tabled to the AC for review accordingly. 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 an adequate and effective internal control system and reports directly to the AC on a quarterly basis. The Internal Auditors are 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 evaluating the effectiveness of internal control systems of the Group. The Internal Auditors submit a proposed risk-based internal audit plan to the AC for review 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 the Management-agreed action plan. For the FY2022, the total costs incurred for the outsourced internal audit function was RM51,200.

For the FY2022, 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 2021 – December 2021)	February 2022	EITA Elevator (M) Sdn Bhd	<ul style="list-style-type: none"> <li>Project Management</li> </ul>
2 <sup>nd</sup> Quarter (January 2022 – March 2022)	May 2022	<ul style="list-style-type: none"> <li>EITA-Schneider (MFG) Sdn. Bhd.</li> <li>EITA Elevator (M) Sdn Bhd</li> </ul>	<ul style="list-style-type: none"> <li>Finance and Accounts</li> </ul>
		<ul style="list-style-type: none"> <li>EITA Group</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery Management System</li> </ul>
3 <sup>rd</sup> Quarter (April 2022 – June 2022)	August 2022	Furutec Electrical Sdn. Bhd.	<ul style="list-style-type: none"> <li>Manufacturing/Production and Assembly</li> <li>Inventory Management</li> <li>Quality Control</li> </ul>
4 <sup>th</sup> Quarter (July 2022 – September 2022)	November 2022	EITA Elevator (M) Sdn. Bhd.	<ul style="list-style-type: none"> <li>Maintenance of Elevator System</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
EITA Power System Sdn. Bhd.	25 February 2022
EITA Electric Sdn. Bhd.	25 February 2022
TransSystem Continental Sdn. Bhd.	25 February 2022
EITA Elevator (M) Sdn Bhd.	25 May 2022
EITA Power System Sdn. Bhd.	25 May 2022
EITA-Schneider (MFG) Sdn. Bhd.	22 August 2022
EITA Elevator (M) Sdn Bhd .	22 August 2022
Furutec Electrical Sdn. Bhd.	24 November 2022
EITA-Scheneider (MFG) Sdn Bhd	24 November 2022
EITA Elevator (M) Sdn Bhd	24 November 2022

## 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 FY2022, and up to 13 January 2023, being the date of this Statement:-

### ▪ Organisational Structure

The Group has a defined organisational structure that is aligned with 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 orders, purchases, expenses and capital expenditures.

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

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 of management accounts and reports prepared and reported to AC.

## ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Acting 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 FY2022, and up to 13 January 2023, being the date of this Statement.

## CONCLUSION

For the financial year under review and up to 13 January 2023, 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 2022, and reported to the Board that nothing has come to their attention that causes 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 2022 ("FY2022"):-

### (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	205,474
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 FY2022.

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

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

### (III) RECURRENT RELATED PARTY TRANSACTION

Significant recurrent related party transactions of revenue or trading nature entered into by the Group are disclosed in Note 34 of the Notes to the Financial Statements for the FY2022 on page 156 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 so as 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 in 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 2022

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 2022.

## 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	18,703	6,764
Non-controlling interest	160	-
	<u>18,863</u>	<u>6,764</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 1.50 sen per ordinary share totalling RM3,900,055 in respect of the financial year ended 30 September 2021 on 12 January 2022; and
- (ii) a first interim dividend of 1.75 sen per ordinary share totalling RM4,551,986 in respect of the financial year ended 30 September 2022 on 7 July 2022.

On 24 November 2022, the Directors declared a second interim dividend of 1.50 sen per ordinary share in respect of the financial year ended 30 September 2022 and paid on 12 January 2023. Based on the total number of issued shares of the Company at the end of the reporting period, the second interim dividend amounted to RM3,901,702.

The Directors do not recommend any final dividend to be paid for the financial year ended 30 September 2022.

**DIRECTORS' REPORT**

For the Year Ended 30 September 2022

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

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

Fu Mun Win (*Appointed on 1 December 2022*)

Fu Jia Lik (*alternate director to Fu Mun Win*) (*Appointed on 1 December 2022*)

Fu Wing Hoong (*Demised on 29 October 2022*)

**LIST OF DIRECTORS OF SUBSIDIARIES**

Pursuant to Section 253(2) of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Leong Kee Chan

Lim Joo Chuan

Dato' IR Mohtar bin Musri

Datuk Said Anuar Bin Said Ahmad

Wong Chin Tim

**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 30.9.2022
	At 1.10.2021	Bought	Sold	
Name of Directors				
Fu Wing Hoong (Demised on 29 October 2022)				
Direct interest in the Company:				
- own	1,925,382	272,000	-	2,197,382
Indirect interest in the Company^				
- others	49,766,992	-	-	49,766,992

**DIRECTORS' REPORT**

For the Year Ended 30 September 2022

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

	Number of ordinary shares			At 30.9.2022
	At 1.10.2021	Bought	Sold	
Name of Directors				
Lim Joo Swee				
Direct interest in the Company:				
- own	3,256,682	40,000	-	3,296,682
Indirect interest in the Company <sup>#</sup>				
- others	37,090,706	40,000	-	37,130,706
Chong Yoke Peng				
Direct interest in the Company:				
- own	8,818,472	20,000	-	8,838,472
Indirect interest in the Company <sup>b</sup>				
- others	300,000	-	-	300,000
Lee Peng Sian				
Direct interest in the Company:				
- own	12,886,016	-	-	12,886,016
Indirect interest in the Company <sup>a</sup>				
- others	87,000	-	-	87,000
Dato' Siow Kim Lun @ Siow Kim Lin				
Direct interest in the Company:				
- own	400,000	-	-	400,000
Chia Mak Hooi				
Direct interest in the Company:				
- own	300,000	220,000	-	520,000
Chong Lee Chang				
Direct interest in the Company:				
- own	760,000	-	-	760,000
Chia Seong Pow				
Direct interest in the Company:				
- own	400,000	-	-	400,000
Indirect interest in the Company <sup>*</sup>				
- others	60,146,518	-	-	60,146,518
Ho Lee Chen				
Indirect interest in the Company <sup>o</sup>				
- others	10,666	-	-	10,666

**DIRECTORS' REPORT**

For the Year Ended 30 September 2022

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

	Warrants in the Company			
	At 1.10.2021	Sold	Exercised	At 30.9.2022
Warrant holdings in which Directors have direct interests in the Company				
Name of Directors				
Fu Wing Hoong (Demised on 29 October 2022)				
Direct interest in the Company:				
- own	508,027	(50,000)	-	458,027
Indirect interest in the Company^				
- others	16,575,030	-	-	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
Warrant holdings in which Directors have direct interests in the Company				
Name of Directors				
Chong Yoke Peng				
Direct interest in the Company:				
- own	2,932,824	(100,000)	-	2,832,824
Indirect interest in the Company^b				
- 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^a				
- 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	25,000	(25,000)	-	



# DIRECTORS' REPORT

For the Year Ended 30 September 2022

cont'd

## DIRECTORS' INTERESTS (CONT'D)

	Warrants in the Company			
	At 1.10.2021	Sold	Exercised	At 30.9.2022
Warrant holdings in which Directors have direct interests in the Company (cont'd)				
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

<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>b</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 son, Jeric Lam Zhen Xiang.

None of the other Director holding office at 30 September 2022 has any interest in the ordinary shares of the Company and of its related companies during the financial year.

## 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 shown below) 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.

**DIRECTORS' REPORT**

For the Year Ended 30 September 2022

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

The directors' benefits paid to or receivable by directors in respect of the financial year ended 30 September 2022 are as follows:

	From the Company RM'000	From subsidiary companies RM'000 RM
Directors of the Company:		
Fees	332	582
Remunerations	2,446	4,692
Estimated money value of any other benefits	31	156
Trading between companies in which certain Directors and persons connected to certain Directors who have substantial financial interests and the Company in the ordinary course of business	9	(1,695)
	<u>2,818</u>	<u>3,735</u>

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 issued 109,800 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 prior 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.

## DIRECTORS' REPORT

For the Year Ended 30 September 2022

*cont'd*

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

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 109,800 warrants exercised during the financial year. As at the date of this report, the Company completed the conversion of 113,466 warrants into 113,466 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.

**DIRECTORS' REPORT**

For the Year Ended 30 September 2022  
*cont'd*

**OTHER STATUTORY INFORMATION (CONT'D)**

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.

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 2022 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 of the Group and of the Company during the year are RM205,474 and RM34,500 respectively.

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

**Lim Joo Swee**  
Director

Petaling Jaya

Date: 13 January 2023

**Lee Peng Sian**  
Director

# STATEMENTS OF FINANCIAL POSITION

As at 30 September 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Assets</b>					
Property, plant and equipment	3	44,042	42,113	1,176	565
Right-of-use assets	4	8,420	9,551	2,196	3,262
Intangible assets	5	278	784	-	-
Investment properties	6	9,604	8,024	-	-
Investments in subsidiaries	7	-	-	25,946	25,946
Investment in joint venture	8	1,535	1,768	-	-
Other investments	9	10	10	-	-
Deferred tax assets	10	5,243	5,142	109	134
<b>Total non-current assets</b>		69,132	67,392	29,427	29,907
Inventories	11	43,219	43,018	-	-
Contract assets	12	82,860	85,182	-	-
Trade and other receivables	13	61,234	57,166	43,595	55,645
Current tax assets		3,058	1,857	68	48
Deposits and prepayments	14	10,094	9,331	531	462
Derivative financial assets	15	71	1,209	-	-
Other investments	9	1,029	1,043	1,029	1,043
Cash and cash equivalents	16	77,230	60,957	20,700	5,077
<b>Total current assets</b>		278,795	259,763	65,923	62,275
<b>Total assets</b>		347,927	327,155	95,350	92,182
<b>Equity</b>					
Share capital	17	69,382	69,305	69,382	69,305
Reserves	18	139,575	128,766	8,664	10,352
<b>Total equity attributable to owners of the Company</b>		208,957	198,071	78,046	79,657
Non-controlling interest	19	3,917	3,828	-	-
<b>Total equity</b>		212,874	201,899	78,046	79,657



# STATEMENTS OF FINANCIAL POSITION

As at 30 September 2022

*cont'd*

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Liabilities</b>					
Loans and borrowings	20	13,389	14,715	438	37
Lease liabilities		2,266	2,917	1,549	2,232
Deferred tax liabilities	10	1,238	1,121	-	-
<b>Total non-current liabilities</b>		16,893	18,753	1,987	2,269
Loans and borrowings	20	31,791	23,572	12,716	7,262
Lease liabilities		1,588	1,880	683	1,040
Provision for warranties	21	408	280	-	-
Trade and other payables	22	53,967	68,259	1,918	1,954
Contract liabilities	12	28,790	10,549	-	-
Current tax payable		1,004	1,783	-	-
Derivative financial liabilities	15	612	180	-	-
<b>Total current liabilities</b>		118,160	106,503	15,317	10,256
<b>Total liabilities</b>		135,053	125,256	17,304	12,525
<b>Total equity and liabilities</b>		347,927	327,155	95,350	92,182

The notes on pages 87 to 158 are an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 September 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Revenue</b>	23	363,602	302,451	13,333	7,293
Contract costs recognised as an expense		(171,230)	(96,095)	-	-
Cost of sales		(110,024)	(130,165)	-	-
<b>Gross profit</b>		82,348	76,191	13,333	7,293
Other operating income		7,816	6,546	1,189	996
Distribution expenses		(6,082)	(4,925)	-	-
Administrative expenses		(53,658)	(48,248)	(8,098)	(7,623)
Other operating expenses		(3,621)	(2,161)	(9)	(82)
Net gain/(loss) on impairment of financial instruments and contract assets		558	1,228	(8)	(8)
<b>Results from operating activities</b>	24	27,361	28,631	6,407	576
Finance costs	25	(2,554)	(2,015)	(247)	(313)
Finance income		338	215	1,197	1,354
<b>Net finance (costs)/income</b>		(2,216)	(1,800)	950	1,041
Share of (loss)/profit of equity-accounted joint venture, net of tax		(233)	75	-	-
<b>Profit before tax</b>		24,912	26,906	7,357	1,617
Tax expense	26	(6,049)	(6,881)	(593)	(536)
<b>Profit for the year</b>		18,863	20,025	6,764	1,081
<b>Other comprehensive income, net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Cash flow hedge, net of tax		37	558	-	-
Foreign currency translation differences for foreign operations		579	154	-	-
<b>Other comprehensive income for the year</b>		616	712	-	-
<b>Total comprehensive income for the year</b>		19,479	20,737	6,764	1,081

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 September 2022  
*cont'd*

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Profit attributable to:</b>					
Owners of the Company		18,703	19,887	6,764	1,081
Non-controlling interest		160	138	-	-
<b>Profit for the year</b>		18,863	20,025	6,764	1,081
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		19,261	20,584	6,764	1,081
Non-controlling interest		218	153	-	-
<b>Total comprehensive income for the year</b>		19,479	20,737	6,764	1,081
<b>Basic earnings per ordinary share (sen):</b>	27	7.19	7.65		
<b>Diluted earnings per ordinary share (sen):</b>	27	6.84	7.13		

The notes on pages 87 to 158 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2022

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 2020</b>		69,302	(5)	948	(595)	115,625	185,275	188,950
Foreign currency translation differences for foreign operations		-	-	139	-	-	139	154
Cash flow hedge		-	-	-	558	-	558	558
Total other comprehensive income for the year		-	-	139	558	-	697	712
Profit for the year		-	-	-	-	19,887	19,887	20,025
Total comprehensive income for the year		-	-	139	558	19,887	20,584	20,737
<i>Distributions to owners of the Company</i>								
- Dividends to owners of the Company	28	-	-	-	-	(7,800)	(7,800)	(7,800)
- Share options exercised	17	3	-	-	-	-	3	3
- Own shares sold		-	5	-	-	4	9	9
Total transactions with owners of the Company		3	5	-	-	(7,796)	(7,788)	(7,788)
<b>At 30 September 2021</b>		69,305	-	1,087	(37)	127,716	198,071	201,899

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2022  
cont'd

Group	Note	Attributable to owners of the Company				Non-controlling interests		Total equity
		Share capital	Translation reserve	Hedging reserve	Retained profits	Total		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 October 2021</b>		69,305	1,087	(37)	127,716	198,071	3,828	201,899
Foreign currency translation differences for foreign operations		-	521	-	-	521	58	579
Cash flow hedge		-	-	37	-	37	-	37
Total other comprehensive income for the year		-	521	37	-	558	58	616
Profit for the year		-	-	-	18,703	18,703	160	18,863
Total comprehensive income for the year		-	521	37	18,703	19,261	218	19,479
<i>Distributions to owners of the Company</i>								
- Dividends to owners of the Company	28	-	-	-	(8,452)	(8,452)	-	(8,452)
- Dividends to non-controlling interests		-	-	-	-	-	(129)	(129)
- Share options exercised	17	77	-	-	-	77	-	77
Total transactions with owners of the Company		77	-	-	(8,452)	(8,375)	(129)	(8,504)
<b>At 30 September 2022</b>		69,382	1,608	-	137,967	208,957	3,917	212,874
		Note 17	Note 18.1	Note 18.2			Note 19	



# STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2022

		← Non-distributable →	Distributable		
	Note	Share capital RM'000	Treasury shares RM'000	Retained profits RM'000	Total RM'000
<b>Company</b>					
<b>At 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	17	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 2021/1 October 2021</b>		69,305	-	10,352	79,657
Total comprehensive income for the year		-	-	6,764	6,764
<i>Distributions to owners of the Company</i>					
- Dividends to owners of the Company	28	-	-	(8,452)	(8,452)
- Share options exercised	17	77	-	-	77
Total transactions with owners of the Company		77	-	(8,452)	(8,375)
<b>At 30 September 2022</b>		69,382	-	8,664	78,046

Note 17

Note 17

The notes on pages 87 to 158 are an integral part of these financial statements.

# STATEMENTS OF CASH FLOW

For the Year Ended 30 September 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		24,912	26,906	7,357	1,617
Adjustments for:					
Allowance/(Reversal of allowance) for foreseeable losses		391	(36)	-	-
Amortisation of development costs	5	59	47	-	-
Amortisation of investment properties	6	118	110	-	-
Bad debts written off		92	1,398	-	-
Depreciation of property, plant and equipment	3	2,732	2,111	213	149
Depreciation of right-of-use assets	4	2,365	2,440	1,066	1,160
Dividend income	23	-	-	(5,966)	-
Fair value (gain)/loss on liquid investments, net		(17)	82	2	80
Fair value loss/(gain) on forward exchange contracts, net		1,688	(1,504)	-	-
Finance costs	25	2,554	2,015	247	313
Finance income		(338)	(215)	(1,197)	(1,354)
Gain on derecognition of right-of-use assets		(10)	(47)	-	(41)
Inventories written off	11	1,436	10	-	-
Net gain on disposal of property, plant and equipment		(192)	(112)	(87)	-
Property, plant and equipment written off		10	21	-	-
Provision for liquidated and ascertained damages, net		671	104	-	-
Provision for warranties, net		264	9	-	-
(Reversal of)/Inventories written down to net realisable value	11	(666)	299	-	-
(Reversal of)/Provision for impairment loss on:					
- amount due from a subsidiary		-	-	8	8
- contract assets		(540)	(986)	-	-
- goodwill	5	481	481	-	-
- other receivables		-	(28)	-	-
- trade receivables		(110)	(1,612)	-	-
Share of loss/(profit) of equity-accounted joint venture, net of tax	8	233	(75)	-	-
Unit trust income		(184)	(219)	(142)	(173)
Unrealised foreign exchange (gain)/loss		(403)	148	-	-
<b>Operating profit before changes in working capital</b>		<b>35,546</b>	<b>31,347</b>	<b>1,501</b>	<b>1,759</b>

# STATEMENTS OF CASH FLOW

For the Year Ended 30 September 2022

cont'd

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Cash flows from operating activities (cont'd)</b>					
Inventories		(898)	(4,383)	-	-
Contract assets		1,800	(25,508)	-	-
Trade and other receivables, deposits and prepayments and other financial assets		(4,462)	3,593	11,987	(12,120)
Contract liabilities		18,241	(5,991)	-	-
Trade and other payables and derivative finance liabilities		(14,797)	8,901	(36)	225
Warranties paid	21	(136)	(55)	-	-
<b>Cash generated from operations</b>		35,294	7,904	13,452	(10,136)
Net income tax paid		(7,982)	(5,456)	(588)	(728)
Interest paid		(479)	(426)	(150)	(203)
Interest received/distribution from liquid investment		539	352	1,337	1,447
<b>Net cash generated from/(used in) operating activities</b>		27,372	2,374	14,051	(9,620)
<b>Cash flows from investing activities</b>					
Acquisition of investment properties	6	(1,698)	(1,570)	-	-
Acquisition of intangible assets	5	(34)	(80)	-	-
Acquisition of property, plant and equipment	(i)	(3,813)	(6,977)	(34)	(244)
Dividend income received	23	-	-	5,966	-
Increase in investments in a subsidiary		-	-	-	(100)
Proceeds from disposal of property, plant and equipment		192	142	87	3
<b>Net cash used in investing activities</b>		(5,353)	(8,485)	6,019	(341)

# STATEMENTS OF CASH FLOW

For the Year Ended 30 September 2022

cont'd

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Cash flows from financing activities</b>					
Dividend paid to owners of the Company	28	(8,452)	(7,800)	(8,452)	(7,800)
Dividend paid to non-controlling interest		(129)	-	-	-
Interest paid		(1,912)	(1,272)	(10)	(4)
Interest paid in relation to lease liabilities		(163)	(317)	(87)	(106)
Proceeds from bill payables, net		7,733	7,305	5,350	7,250
Net repayment of hire purchase liabilities		(249)	(17)	(285)	(12)
Proceeds from term loans		650	1,126	-	-
Repayment of term loans		(2,373)	(1,466)	-	-
Net payment of lease liabilities		(2,173)	(2,265)	(1,040)	(1,109)
Proceeds from issue of new shares upon warrants exercised	17	77	3	77	3
Proceeds from disposal of treasury shares		-	9	-	9
<b>Net cash used in financing activities</b>		(6,991)	(4,694)	(4,447)	(1,769)
<b>Net increase/(decrease) in cash and cash equivalents</b>		15,028	(10,805)	15,623	(11,730)
<b>Foreign exchange differences on cash held</b>		965	108	-	-
<b>Cash and cash equivalents as at beginning of the year</b>		60,957	71,654	5,077	16,807
<b>Cash and cash equivalents as at end of the year</b>	(ii)	76,950	60,957	20,700	5,077

## (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 RM4,665,000 (2021: RM7,825,000) and RM824,000 (2021: RM244,000) of which RM852,000 (2021: RM848,000) and RM790,000 (2021: nil) 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	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	16	60,471	51,782	9,659	1,191
Deposits placed with licensed banks	16	-	3,000	-	-
Liquid investments	16	16,759	6,175	11,041	3,886
Bank overdrafts	20	(280)	-	-	-
		<b>76,950</b>	<b>60,957</b>	<b>20,700</b>	<b>5,077</b>

# STATEMENTS OF CASH FLOW

For the Year Ended 30 September 2022

cont'd

## (iii) Cash outflows for leases as a lessee

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Included in net cash from operating activities:</b>					
Payment relating to short-term leases	24	693	1,063	-	-
Payment relating to leases of low value assets	24	42	52	5	8
<b>Included in net cash from financing activities:</b>					
Interest paid in relation to lease liabilities	25	163	317	87	106
Net payment of lease liabilities		2,173	2,265	1,040	1,109
<b>Total cash outflows for leases</b>		<b>3,071</b>	<b>3,697</b>	<b>1,132</b>	<b>1,223</b>

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

	At 1 October 2020	Net changes from financing cash flows	Acquisition of new lease	Termination of lease contract	At 1 October 2021	Net changes from financing cash flows	Acquisition of new lease	Termination of lease contract	At 30 September 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>									
Term loans	16,720	(340)	-	-	16,380	(1,723)	-	-	14,657
Bill payables	13,710	7,305	-	-	21,015	7,733	-	-	28,748
Hire purchase liabilities	61	(17)	848	-	892	(249)	852	-	1,495
Lease liabilities	5,381	(2,265)	3,066	(1,385)	4,797	(2,173)	1,573	(343)	3,854
Total liabilities from financing activities	35,872	4,683	3,914	(1,385)	43,084	3,588	2,425	(343)	48,754
<b>Company</b>									
Bill payables	-	7,250	-	-	7,250	5,350	-	-	12,600
Hire purchase liabilities	61	(12)	-	-	49	(285)	790	-	554
Lease liabilities	3,190	(1,109)	2,305	(1,114)	3,272	(1,040)	-	-	2,232
Total liabilities from financing activities	3,251	6,129	2,305	(1,114)	10,571	4,025	790	-	15,386

The notes on pages 87 to 158 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 2022 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 2022 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 13 January 2023.

## 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 of the MFRSs 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 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)\**

# 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 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 – 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 1 January 2024***

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

#### ***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 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for those 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.
- from the annual period beginning on 1 October 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

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

### (b) Basis of measurement

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

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### (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.

- 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.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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

- Note 12 and 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

#### (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.

#### (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.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

#### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### (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.

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

# 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*

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.

##### *(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.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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

#### (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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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

#### (v) Hedge accounting (cont'd)

##### *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.

### (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

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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

#### (i) Definition of a lease (cont'd)

- 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

#### (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.

### (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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

#### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

### (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 customer.

### (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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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

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

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### (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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

### (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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### (o) Revenue and other income (cont'd)

#### (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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

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 assets and liabilities, 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### (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.

### (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 asset 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 changes 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 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/ 1 October 2021	5,579	28,149	6,416	3,165	4,400	3,364	8,945	10	60,028
Additions	-	254	346	157	370	1,293	963	1,282	4,665
Disposals	-	-	-	(4)	-	(453)	-	-	(457)
Written off	-	-	(16)	-	(19)	-	(7)	-	(42)
Reclassification	-	-	1,132	24	-	-	-	(1,156)	-
Foreign exchange adjustment	-	-	3	3	4	8	4	-	22
At 30 September 2022	5,579	28,403	7,881	3,345	4,755	4,212	9,905	136	64,216

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

	Freehold land	Buildings	Renovation, electrical installation and furniture and fittings	Office equipment	Computer equipment	Motor vehicles	Plant and machinery	Construction work-in- progress	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Accumulated depreciation</b>									
At 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 October 2021	-	1,776	3,246	1,317	3,458	1,833	6,285	-	17,915
Depreciation for the year	-	587	541	247	336	526	495	-	2,732
Disposals	-	-	-	(4)	-	(453)	-	-	(457)
Written off	-	-	(9)	-	(16)	-	(7)	-	(32)
Foreign exchange adjustment	-	-	3	2	4	5	2	-	16
At 30 September 2022	-	2,363	3,781	1,562	3,782	1,911	6,775	-	20,174
<b>Carrying amounts</b>									
At 1 October 2020	5,579	24,973	1,645	560	572	445	2,580	94	36,448
At 30 September 2021/ 1 October 2021	5,579	26,373	3,170	1,848	942	1,531	2,660	10	42,113
At 30 September 2022	5,579	26,040	4,100	1,783	973	2,301	3,130	136	44,042

# 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 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 October 2021	1,187	583	913	638	1	3,322
Additions	19	4	11	790	-	824
Disposals	-	-	-	(87)	-	(87)
At 30 September 2022	1,206	587	924	1,341	1	4,059
<b>Accumulated depreciation</b>						
At 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/ 1 October 2021	949	417	829	561	1	2,757
Depreciation for the year	62	38	26	87	-	213
Disposals	-	-	-	(87)	-	(87)
At 30 September 2022	1,011	455	855	561	1	2,883
<b>Carrying amounts</b>						
At 1 October 2020	149	134	92	98	-	473
At 30 September 2021/ 1 October 2021	238	166	84	77	-	565
At 30 September 2022	195	132	69	780	-	1,176

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### 3.1 Leased motor vehicles

At 30 September 2022, the net carrying amount of motor vehicles of the Group and of the Company acquired under hire purchase arrangements were RM2,100,000 (2021: RM1,312,000) and RM780,000 (2021: RM77,000) respectively.

### 3.2 Security

At 30 September 2022, freehold land and buildings with carrying amounts of RM31,619,000 (2021: RM31,952,000) are charged to bank for banking facilities granted to the subsidiaries (see Note 20.2).

## 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 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/ 1 October 2021	4,730	4,133	71	617	9,551
Additions	-	1,573	-	-	1,573
Depreciation	(130)	(1,906)	(35)	(294)	(2,365)
Termination of lease contract	-	(336)	-	-	(336)
Foreign exchange adjustment	-	(3)	-	-	(3)
At 30 September 2022	4,600	3,461	36	323	8,420
<b>Company</b>					
At 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/ 1 October 2021	-	3,141	-	121	3,262
Depreciation	-	(997)	-	(69)	(1,066)
At 30 September 2022	-	2,144	-	52	2,196

The Group and the Company lease a number of buildings that run between 1 year and 6 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 2020	2,566	2,255	4,821
Additions	-	80	80
At 30 September 2021/1 October 2021	2,566	2,335	4,901
Additions	-	34	34
At 30 September 2022	2,566	2,369	4,935
<b>Amortisation and impairment loss</b>			
At 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 2021/1 October 2021			
Accumulated amortisation	-	2,032	2,032
Accumulated impairment loss	2,085	-	2,085
	2,085	2,032	4,117
Amortisation for the year	-	59	59
Impairment loss for the year	481	-	481
At 30 September 2022			
Accumulated amortisation	-	2,091	2,091
Accumulated impairment loss	2,566	-	2,566
	2,566	2,091	4,657
<b>Carrying amounts</b>			
At 1 October 2020	962	270	1,232
At 30 September 2021/1 October 2021	481	303	784
At 30 September 2022	-	278	278

- 5.1 Goodwill of the Group arose from acquisitions of subsidiaries in previous financial years. The goodwill has been fully impaired during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 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 2020	116	5,064	1,770	6,950
Additions	-	858	712	1,570
At 30 September 2021/1 October 2021	116	5,922	2,482	8,520
Additions	-	1,577	121	1,698
At 30 September 2022	116	7,499	2,603	10,218
<b>Accumulated amortisation</b>				
At 1 October 2020	-	386	-	386
Amortisation for the year	-	110	-	110
At 30 September 2021/1 October 2021	-	496	-	496
Amortisation for the year	-	118	-	118
At 30 September 2022	-	614	-	614
<b>Carrying amounts</b>				
At 1 October 2020	116	4,678	1,770	6,564
At 30 September 2021/1 October 2021	116	5,426	2,482	8,024
At 30 September 2022	116	6,885	2,603	9,604

Investment properties of a subsidiary amounting to RM1,961,000 (2021: RM2,004,000) have been charged to secure banking facilities granted to a subsidiary (see Note 20.2).

Included in the above are:

	Group	
	2022 RM'000	2021 RM'000
At cost		
Freehold land	116	116
Buildings	6,885	5,426
Building under construction	2,603	2,482
	9,604	8,024



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 6. INVESTMENT PROPERTIES (CONT'D)

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

	Group	
	2022	2021
	RM'000	RM'000
Rental income	(15)	(21)
Direct operating expenses:		
- income generating investment properties	6	14
- non-income generating investment properties	43	19

### Fair value information

Fair value of investment properties are categorised as follows:

	Level 3	
	2022	2021
Group	RM'000	RM'000
Freehold land and buildings	11,051	9,330

### 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.

## 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
Cost of investment	25,946	25,946

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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	
			2022 %	2021 %
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
Furutec 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
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

# 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	
			2022 %	2021 %
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	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	
	2022	2021
	RM'000	RM'000
Investment in shares	500	500
Share of post-acquisition reserves	1,035	1,268
	1,535	1,768

Details of the joint venture are as follows:

Name of Company	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2022	2021
			%	%
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	
	2022	2021
	RM'000	RM'000
<b>Summarised financial information</b>		
<b>As at 30 September</b>		
Non-current assets	1,146	1,100
Current assets	3,351	4,096
Current liabilities	(1,427)	(1,660)
Net assets	3,070	3,536
<b>Year ended 30 September</b>		
Profit for the financial year	(466)	150

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

	Group	
	2022	2021
	RM'000	RM'000
<i>Included in the total comprehensive income:</i>		
Revenue	4,766	6,173
Depreciation	(8)	(9)
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	1,535	1,768
Group's share of results for the year ended 30 September		
Group's share of (loss)/profit, net of tax	(233)	75

## 9. OTHER INVESTMENTS

	Unit trusts	Others	Total
	RM'000	RM'000	RM'000
<b>Group</b>			
<b>2022</b>			
<b>Non-current</b>			
Fair value through profit or loss	-	10	10
<b>Current</b>			
Fair value through profit or loss	1,029	-	1,029
<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>Company</b>			
<b>2022</b>			
<b>Current</b>			
Fair value through profit or loss	1,029	-	1,029
<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	
	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>						
Property, plant and equipment	-	-	(2,149)	(2,018)	(2,149)	(2,018)
Right-of-use assets, net of lease liabilities	2	2	-	-	2	2
Provisions	4,605	4,312	-	-	4,605	4,312
Other items	1,969	1,761	(422)	(5)	1,547	1,756
Cash flow hedge	-	-	-	(31)	-	(31)
Tax assets/(liabilities)	6,576	6,075	(2,571)	(2,054)	4,005	4,021
Set off of tax	(1,333)	(933)	1,333	933	-	-
Net tax assets/(liabilities)	5,243	5,142	(1,238)	(1,121)	4,005	4,021
<b>Company</b>						
Plant and equipment	-	-	(38)	(55)	(38)	(55)
Provisions	147	189	-	-	147	189
	147	189	(38)	(55)	109	134



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

Movement in temporary differences during the year

Group	At 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/ 1.10.2021 RM'000	Recognised in profit or loss (Note 26) RM'000	Recognised in other comprehensive income RM'000	At 30.9.2022 RM'000
Property, plant and equipment	(1,431)	(587)	-	(2,018)	(131)	-	(2,149)
Right-of-use assets, net of lease liabilities	3	(1)	-	2	-	-	2
Provisions	4,826	(514)	-	4,312	293	-	4,605
Other items	434	1,322	-	1,756	(209)	-	1,547
Cash flow hedge	145	-	(176)	(31)	-	31	-
	3,977	220	(176)	4,021	(47)	31	4,005
<b>Company</b>							
Plant and equipment	(76)	21	-	(55)	17	-	(38)
Provisions	291	(102)	-	189	(42)	-	147
	215	(81)	-	134	(25)	-	109

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### Unrecognised deferred tax assets

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

	Group	
	2022	2021
	RM'000	RM'000
Unutilised tax losses	1,405	933

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

The unrecognised deferred tax assets of the Group which are available for offsetting against future taxable profits of these subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority are as follows:

	Group	
	2022	2021
	RM'000	RM'000
<b>Utilisation period</b>		
Expire in YA 2026	-	933
Expire in YA 2029	933	-
Expire in YA 2033	472	-
	1,405	933

## 11. INVENTORIES

	Group	
	2022	2021
	RM'000	RM'000
Raw materials	11,833	14,716
Work-in-progress	1,263	1,352
Manufactured inventories and trading goods	25,842	22,779
Equipment and parts	4,281	4,171
	43,219	43,018
Recognised in profit or loss:		
Inventories recognised as cost of sales	94,221	83,673
(Reversal of)/Inventories written down to net realisable value	(666)	299
Written off	1,436	10

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2022	2021
	RM'000	RM'000
Contract assets	82,860	85,182
Contract liabilities	(28,790)	(10,549)

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.

## 13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Trade</b>					
Trade receivables	13.1	63,459	60,434	-	-
Less: Impairment loss		(5,953)	(6,800)	-	-
		57,506	53,634	-	-
<b>Non-trade</b>					
Other receivables	13.2	3,818	3,622	75	94
Less: Impairment loss		(90)	(90)	-	-
		3,728	3,532	75	94
Amounts due from subsidiaries	13.3	-	-	44,740	56,763
Less: Impairment loss		-	-	(1,220)	(1,212)
		-	-	43,520	55,551
		61,234	57,166	43,595	55,645

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

13.1 Included in trade receivables are the following:

- RM779,000 (2021: RM821,000) 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;
- RM178,000 (2021: RM62,000) owing by joint venture. The amounts are interest-free, unsecured and repayable based on normal credit terms; and
- Retention sum amounting to RM12,200,000 (2021: RM11,079,000) relating to project contracts.

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

	Group	
	2022	2021
	RM'000	RM'000
Within 1 year	2,811	2,350
1 - 2 years	1,679	293
2 - 3 years	650	1,125
3 - 4 years	7,060	7,311
	12,200	11,079

13.2 Included in the Group's other receivables are advances paid to suppliers amounting to RM617,000 (2021: RM286,000).

13.3 The non-trade amounts due from subsidiaries are unsecured, subject to interest at 1% (2021: 1%) per annum above KLIBOR and repayable on demand.

## 14. DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits	4,724	4,370	303	296
Prepayments	5,370	4,961	228	166
	10,094	9,331	531	462

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 15. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	Nominal value RM'000	Assets RM'000	Liabilities RM'000
<b>2022</b>			
Forward foreign exchange contracts:			
- Fair value through profit or loss	74,060	71	(612)
<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)

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.

## 16. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances		60,471	51,782	9,659	1,191
Deposits placed with licensed banks		-	3,000	-	-
Liquid investments	16.1	16,759	6,175	11,041	3,886
		77,230	60,957	20,700	5,077

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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 17. SHARE CAPITAL

	Group and Company			
	Number of shares	Amount	Number of shares	Amount
	2022	2022	2021	2021
	'000	RM'000	'000	RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 October	260,004	69,305	130,000	69,302
Bonus issue	-	-	130,000	-
Issuance of new shares upon warrants exercised	110	77	4	3
At 30 September	260,114	69,382	260,004	69,305

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 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.

### 18.2 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.

### 18.3 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:

- 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.
- 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.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 18. RESERVES (CONT'D)

### 18.3 Warrants (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 109,800 warrants exercised during the financial year. As at the date of this report, the Company completed the conversion of 113,466 warrants into 113,466 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	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Non-current</b>					
Hire purchase liabilities	20.1	1,158	723	438	37
Term loans - secured	20.2	12,231	13,992	-	-
		13,389	14,715	438	37
<b>Current</b>					
Hire purchase liabilities	20.1	337	169	116	12
Term loans - secured	20.2	2,426	2,388	-	-
Bill payables - secured	20.3	28,748	21,015	12,600	7,250
Bank overdrafts - secured	20.3	280	-	-	-
		31,791	23,572	12,716	7,262
		45,180	38,287	13,154	7,299



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 20. LOANS AND BORROWINGS (CONT'D)

### 20.1 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments 2022 RM'000	Interest 2022 RM'000	Present value of minimum lease payments 2022 RM'000	Future minimum lease payments 2021 RM'000	Interest 2021 RM'000	Present value of minimum lease payments 2021 RM'000
<b>Group</b>						
Less than one year	389	52	337	202	33	169
Between one and five years	1,231	73	1,158	779	56	723
	1,620	125	1,495	981	89	892
<b>Company</b>						
Less than one year	136	20	116	15	3	12
Between one and five years	468	30	438	41	4	37
	604	50	554	56	7	49

### 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 bill payables and bank overdrafts of the Group and the Company are supported by way of:

- (i) corporate guarantee by the Company; and
- (ii) a negative pledge over all the assets of certain subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 21. PROVISION FOR WARRANTIES

	Group	
	2022	2021
	RM'000	RM'000
At beginning of financial year	280	326
Provision made during the year	334	171
Provision reversed during the year	(70)	(162)
Warranty claimed during the year	(136)	(55)
At end of financial year	408	280

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	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Trade</b>					
Trade payables	22.1	38,392	53,240	-	-
<b>Non-trade</b>					
Other payables		4,958	4,736	253	174
Accrued expenses		10,617	10,283	1,665	1,535
Amount due to subsidiaries	22.2	-	-	-	245
		15,575	15,019	1,918	1,954
		53,967	68,259	1,918	1,954

22.1 Included in trade payables of the Group are as follows:

- Retention sum amounting to RM681,000 (2021: RM741,000);
- Amounts payable to companies in which certain Directors of the Group and persons connected to the Directors have interests of RM43,000 (2021: RM34,000). The amounts are interest-free, unsecured and repayable based on the normal credit terms; and
- Amount payable to the joint venture of RM634,000 (2021: RM1,356,000). The amount is interest-free, unsecured and repayable based on the normal credit terms.

22.2 The non-trade amounts due to subsidiaries are unsecured, interest free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 23. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	363,602	302,451	-	-
Other revenue				
- Dividend income	-	-	5,966	-
- Management fees	-	-	7,367	7,293
<b>Total revenue</b>	<b>363,602</b>	<b>302,451</b>	<b>13,333</b>	<b>7,293</b>

### 23.1 Disaggregation of revenue

	Design and manufacturing		Marketing and distribution		Services		High voltage system		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
Major products and services lines										
Construction contracts	59,265	69,169	-	-	256	1,163	128,926	79,136	188,447	149,468
Sales of goods and services	39,467	42,882	91,372	73,797	-	-	-	-	130,839	116,679
Maintenance and repair services	-	-	-	-	44,079	36,304	-	-	44,079	36,304
Training	-	-	-	-	237	-	-	-	237	-
	98,732	112,051	91,372	73,797	44,572	37,467	128,926	79,136	363,602	302,451
<b>Timing and recognition</b>										
At a point in time	13,066	24,580	91,372	73,797	44,079	36,304	-	-	148,517	134,681
Over time	85,666	87,471	-	-	493	1,163	128,926	79,136	215,085	167,770
	98,732	112,051	91,372	73,797	44,572	37,467	128,926	79,136	363,602	302,451
<b>Revenue from contracts with customers</b>	<b>98,732</b>	<b>112,051</b>	<b>91,372</b>	<b>73,797</b>	<b>44,572</b>	<b>37,467</b>	<b>128,926</b>	<b>79,136</b>	<b>363,602</b>	<b>302,451</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
Training services	Revenue is recognised when the services are performed.	Credit period of 90 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	
	2022	2021
	RM'000	RM'000
Construction contracts	292,644	340,782

The above revenue does not include variable consideration.

## 24. RESULTS FROM OPERATING ACTIVITIES

	Note	Group		Company	
		2022	2021	2022	2021
		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		196	187	35	35
- other auditors		9	9	-	-
Non-audit fees to KPMG		9	9	9	9
<b>Material expenses</b>					
Allowance for foreseeable losses, net		391	-	-	-
Amortisation of development costs	5	59	47	-	-
Amortisation of investment properties	6	118	110	-	-
Depreciation of property, plant and equipment	3	2,732	2,111	213	149
Depreciation of right-of-use assets	4	2,365	2,440	1,066	1,160
Fair value loss on forward exchange contracts, net		1,688	-	-	-
Fair value loss on liquid investments, net		-	82	2	80
Inventories written off		1,436	10	-	-
Inventories written down to net realisable value, net		-	299	-	-

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 24. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Material expenses (cont'd)</b>					
Property, plant and equipment written off		10	21	-	-
Provision for impairment loss on goodwill		481	481	-	-
Provision for liquidated and ascertained damages, net		671	104	-	-
Provision for warranties, net		264	9	-	-
Staff costs:					
- contribution to state plans		5,337	4,888	570	554
- wages, salaries and others		42,149	39,251	4,197	3,831
Unrealised foreign exchange loss, net		-	148	-	-
<b>Expenses arising from leases</b>					
Expenses relating to short-term leases	a	693	1,063	-	-
Expenses relating to leases of low-value assets	a	42	52	5	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		17	-	-	-
Foreign exchange gain, net					
- realised		3,084	1,922	-	-
- unrealised		403	-	-	-
Gain on derecognition of right-of-use assets		10	47	-	41
Gain on disposal of property, plant and equipment, net		192	112	87	-
Government grant on wages subsidy	b	666	1,691	-	-
Rental income on premises		35	21	833	823
Reversal of allowance for foreseeable losses, net		-	36	-	-
Reversal of inventories written down to net realisable value		666	-	-	-
Unit trust income		184	219	142	173

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 24. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

Note	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Net gain/(loss) on impairment of financial instruments and contract assets</b>				
Bad debts written off	(92)	(1,398)	-	-
Provision for impairment loss on amount due from a subsidiary	-	-	(8)	(8)
Reversal of impairment loss, net				
- trade receivables	110	1,612	-	-
- other receivables	-	28	-	-
- contract assets	540	986	-	-

### Note a

The Group and Company leases a number of buildings and office equipment with contract terms of 1 year and 6 years respectively. These leases are short-term and leases of low-value items. The Group and Company have 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 2022/2021.

## 25. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expense of financial liabilities that are not fair value through profit or loss:				
- bank overdrafts	5	6	-	-
- bills payable	1,372	886	-	-
- hire purchase	49	2	10	4
- lease liabilities	163	317	87	106
- term loans	491	384	-	-
Other finance costs	474	420	150	203
Recognised in profit or loss	2,554	2,015	247	313



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 26. TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
- current year	6,700	6,972	585	559
- prior year	(698)	129	(17)	(104)
	6,002	7,101	568	455
<b>Deferred tax expense</b>				
- origination and reversal of temporary differences	(103)	98	(23)	(18)
- prior year	150	(318)	48	99
	47	(220)	25	81
	6,049	6,881	593	536
Share of tax of equity-accounted joint venture	(56)	18	-	-
Total tax expense	5,993	6,899	593	536

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Reconciliation of tax expense</b>				
Profit for the year	18,863	20,025	6,764	1,081
Total tax expense	5,993	6,899	593	536
Profit excluding tax	24,856	26,924	7,357	1,617
Income tax calculated using Malaysian tax rate at 24% (2021: 24%)	5,965	6,462	1,766	388
Effect of different tax rate in foreign jurisdiction	(81)	(44)	-	-
Non-deductible expenses	963	1,235	262	195
Deferred tax assets not recognised	113	-	-	-
Tax exempt income	(51)	(44)	(1,466)	(42)
Tax incentives	(368)	(521)	-	-
	6,541	7,088	562	541
(Over)/Under provision in prior year	(548)	(189)	31	(5)
Total tax expense	5,993	6,899	593	536

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 27. EARNINGS PER ORDINARY SHARE

### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 September 2022 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	
	2022	2021
	RM'000	RM'000
Profit for the year attributable to the owners	18,703	19,887
Issued ordinary shares at beginning of the financial year	260,004	130,000
Effect of bonus issue (i)	-	130,000
Effect of new ordinary shares issued	27	1
Weighted average number of shares (basic)	260,031	260,001
Basic earnings per ordinary share (sen)	7.19	7.65

- (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 2022 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	
	2022	2021
	RM'000	RM'000
Profit for the year attributable to the owners	18,703	19,887
Weighted average number of shares (basic)	260,031	260,001
Effect of warrants on issue	13,537	18,759
Weighted average number of shares (diluted)	273,568	278,760
Diluted earnings per ordinary share (sen)	6.84	7.13

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

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## 28. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2022</b>			
First interim 2022 ordinary	1.75	4,552	7 July 2022
Second interim 2021 ordinary	1.50	3,900	12 January 2022
		<u>8,452</u>	
<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>	

On 24 November 2022, the following dividend was declared by the Directors and paid on 12 January 2023. This dividend will be recognised in the subsequent financial period.

	Sen per share	Total amount RM'000
Second interim 2022 ordinary	1.50	3,902

## 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 (cont'd)

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	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	98,732	113,237	91,372	73,796	44,572	36,282	128,926	79,136	363,602	302,451
Segment EBITDA	1,558	10,590	11,250	8,575	17,491	12,023	2,103	2,226	32,402	33,414
Depreciation and amortisation	(2,460)	(2,852)	(1,134)	(667)	(1,175)	(484)	(505)	(705)	(5,274)	(4,708)
Finance costs	(998)	(1,123)	(206)	(165)	(184)	(190)	(1,166)	(537)	(2,554)	(2,015)
Finance income	152	158	105	50	55	3	26	4	338	215
Tax expense	(190)	(549)	(2,495)	(2,040)	(3,128)	(3,611)	(236)	(681)	(6,049)	(6,881)
Segment (loss)/profit	(1,938)	6,224	7,520	5,753	13,059	7,741	222	307	18,863	20,025

### 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
Revenue	309,550	264,029	48,973	35,440	3,544	2,088	1,535	894	363,602	302,451

# 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>2022</b>				
<b>Financial assets</b>				
Other investments	1,039	1,039	-	-
Trade and other receivables excluding advances paid to suppliers	60,617	-	60,617	-
Deposits	4,724	-	4,724	-
Derivative financial assets	71	71	-	-
Cash and cash equivalents	77,230	16,759	60,471	-
	143,681	17,869	125,812	-
<b>Financial liabilities</b>				
Loans and borrowings	(45,180)	-	(45,180)	-
Trade and other payables	(53,967)	-	(53,967)	-
Derivative financial liabilities	(612)	(612)	-	-
	(99,759)	(612)	(99,147)	-
<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	-
Derivative financial assets	1,209	1,209	-	-
Cash and cash equivalents	60,957	6,175	54,782	-
	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)

# 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>2022</b>			
<b>Financial assets</b>			
Other investments	1,029	1,029	-
Trade and other receivables	43,595	-	43,595
Deposits	303	-	303
Cash and cash equivalents	20,700	11,041	9,659
	65,627	12,070	53,557
<b>Financial liabilities</b>			
Loans and borrowings	(13,154)	-	(13,154)
Trade and other payables	(1,918)	-	(1,918)
	(15,072)	-	(15,072)
<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)

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) arising on:				
Financial asset measured at amortised cost	2,538	2,442	1,189	1,346
Financial liabilities measured at amortised cost	(1,608)	(991)	(160)	(207)
Fair value through profit or loss	(1,487)	1,641	140	93
	(557)	3,092	1,169	1,232

### 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.

##### *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.



# 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)

##### *Recognition and measurement of 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 year end 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>2022</b>			
Current (not past due)	22,277	(98)	22,179
1 – 30 days past due	12,526	(49)	12,477
31 – 60 days past due	5,527	(45)	5,482
61 – 90 days past due	2,774	(33)	2,741
More than 90 days past due	16,040	(1,413)	14,627
	59,144	(1,638)	57,506
Credit impaired	4,315	(4,315)	-
Trade receivables	63,459	(5,953)	57,506
Contract assets	83,594	(734)	82,860
	147,053	(6,687)	140,366

# 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)

#### Recognition and measurement of impairment losses (cont'd)

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2021			
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

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

Group	Trade receivables			Total RM'000
	Lifetime ECL RM'000	Credit impaired RM'000	Contract assets RM'000	
Balance at 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 October 2021	1,506	5,294	1,274	8,074
Net remeasurement of loss allowance	132	(242)	(540)	(650)
Amounts written off	-	(737)	-	(737)
Balance at 30 September 2022	1,638	4,315	734	6,687

# 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	
	2022	2021
	RM'000	RM'000
At beginning of financial year	90	118
Reversal of impairment loss	-	(28)
At end of financial year	90	90

#### 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 RM31,234,000 (2021: RM56,601,000) 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.

*Recognition and measurement of impairment loss*

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	
	2022	2021
	RM'000	RM'000
At beginning of financial year	1,212	1,204
Impairment loss recognised	8	8
At end of financial year	1,220	1,212

### 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

*cont'd*

## 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	Over 5 years RM'000
<b>2022</b>							
<i>Non-derivative financial liabilities</i>							
Term loans - secured	14,657	2.94 - 4.90	15,192	2,850	11,932	410	-
Hire purchase liabilities	1,495	1.98 - 6.39	1,620	389	389	842	-
Lease liabilities	3,854	2.86 - 6.00	4,061	1,683	884	1,483	11
Bill payables - secured	28,748	3.48 - 4.47	29,939	29,939	-	-	-
Bank overdrafts	280	6.50 - 6.98	299	299	-	-	-
Trade and other payables	53,967	-	53,967	53,967	-	-	-
	<u>103,001</u>		<u>105,078</u>	<u>89,127</u>	<u>13,205</u>	<u>2,735</u>	<u>11</u>
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
Outflow	612		70,262	70,262	-	-	-
	-		(69,650)	(69,650)	-	-	-
	<u>106,613</u>		<u>105,690</u>	<u>89,739</u>	<u>13,205</u>	<u>2,735</u>	<u>11</u>

# 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
<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 - secured	21,015	3.05 - 3.84	21,698	21,698	-	-
Trade and other payables	68,259	-	68,259	68,259	-	-
	<u>111,343</u>		<u>113,378</u>	<u>95,026</u>	<u>15,684</u>	<u>2,668</u>
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled):						
Outflow	180		26,013	26,013	-	-
Inflow	-		(25,833)	(25,833)	-	-
	<u>111,523</u>		<u>113,558</u>	<u>95,206</u>	<u>15,684</u>	<u>2,668</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>2022</b>						
<i>Non-derivative financial liabilities</i>						
Hire purchase liabilities	554	3.74 – 6.39	604	136	136	332
Lease liabilities	2,232	2.86 – 4.32	2,376	737	418	1,221
Bills payable - secured	12,600	3.96 – 4.22	13,113	13,113	-	-
Trade and other payables	1,918	-	1,918	1,918	-	-
Financial guarantees	-	-	31,234	31,234	-	-
	<u>17,304</u>		<u>49,245</u>	<u>47,138</u>	<u>554</u>	<u>1,553</u>
<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 – 4.32	3,504	1,128	737	1,639
Bills payable - secured	7,250	3.41	7,497	7,497	-	-
Trade and other payables	1,954	-	1,954	1,954	-	-
Financial guarantees	-	-	56,601	56,601	-	-
	<u>12,525</u>		<u>69,612</u>	<u>67,195</u>	<u>768</u>	<u>1,649</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>2022</b>			
Trade and other receivables	1,752	7,075	-
Cash and cash equivalents	-	7,781	-
Trade and other payables	-	(5,619)	(3,580)
<b>Net exposure in the statements of financial position</b>	<b>1,752</b>	<b>9,237</b>	<b>(3,580)</b>
<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>

##### Foreign currency risk sensitivity analysis

A 10% (2021: 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)	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
SGD	(872)	(845)	(133)	(50)
USD	-	-	(702)	(713)
CNY	-	-	272	602

A 10% (2021: 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

cont'd

## 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Fixed rate instruments</b>				
Financial assets	-	3,000	-	-
Financial liabilities	(5,349)	(5,689)	(2,786)	(3,321)
	(5,349)	(2,689)	(2,786)	(3,321)
<b>Floating rate instruments</b>				
Financial assets	16,759	6,175	11,041	3,886
Financial liabilities	(43,685)	(37,395)	(12,600)	(7,250)
	(26,926)	(31,220)	(1,559)	(3,364)

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.6 Market risk (cont'd)

#### Interest rate risk (cont'd)

##### *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.

##### *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>2022</b>				
Floating rate instruments	(205)	205	(12)	12
<b>2021</b>				
Floating rate instruments	(237)	237	(26)	26

### 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 RM37,000 (2021: net gain of RM558,000) 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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
<b>2022</b>										
<b>Group</b>										
<b>Financial assets</b>										
Forward exchange contract	-	71	-	71	-	-	-	-	71	71
Other investments										
- unit trusts	1,029	-	-	1,029	-	-	-	-	1,029	1,029
- others	-	-	10	10	-	-	-	-	10	10
	1,029	-	10	1,039	-	-	-	-	1,039	1,039
Liquid investments										
- unit trusts	16,759	-	-	16,759	-	-	-	-	16,759	16,759
	17,788	71	10	17,869	-	-	-	-	17,869	17,869
<b>Financial liabilities</b>										
Forward exchange contract	-	(612)	-	(612)	-	-	-	-	(612)	(612)
Hire purchase liabilities										
- fixed rate	-	-	-	-	-	-	(1,380)	(1,380)	(1,380)	(1,495)
	-	(612)	-	(612)	-	-	(1,380)	(1,380)	(1,992)	(2,107)
<b>Company</b>										
<b>Financial assets</b>										
Other investments										
- unit trusts	1,029	-	-	1,029	-	-	-	-	1,029	1,029
Liquid investments										
- unit trusts	11,041	-	-	11,041	-	-	-	-	11,041	11,041
	12,070	-	-	12,070	-	-	-	-	12,070	12,070
<b>Financial liabilities</b>										
Hire purchase liabilities										
- fixed rate	-	-	-	-	-	-	(498)	(498)	(498)	(554)

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
<b>2021</b>										
<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

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 (2021: 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*

	2022	2021
<b>Group and Company</b>		
Hire purchase liabilities		
- fixed rate	1.98% - 6.39%	3.78% - 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	
	2022	2021
	RM'000	RM'000
Guarantees issued to third parties for performance of contract by Group entities	50,854	37,162

## 33. CAPITAL COMMITMENTS

	Group	
	2022	2021
	RM'000	RM'000
<b>Capital expenditure commitments</b>		
Property, plant and equipment		
Contracted but not provided for		
- Within one year	1,794	5,381

## 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 also 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.



# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

## 34. RELATED PARTIES (CONT'D)

### Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The 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.

Group	Transaction value	
	2022 RM'000	2021 RM'000
<b>With companies in which the Directors and persons connected to the Directors have interests</b>		
Sales		
Boilermech Sdn. Bhd.	-	(1,416)
QL Foods Sdn. Bhd.	(322)	(212)
QL Figo (Johor) Sdn. Bhd.	(108)	(1,965)
Tenaga Semesta (M) Sdn. Bhd.	(826)	(232)
Platinum Victory Property Sdn. Bhd.	(30)	(400)
Purchases		
CTL Automation Sdn. Bhd.	825	878
Tenaga Semesta (M) Sdn. Bhd.	15	369
<b>Joint venture</b>		
Sigriner Automation (MFG) Sdn. Bhd.		
Sales	(488)	(138)
Purchases	4,669	5,895
<b>Key management personnel</b>		
<b>Directors</b>		
- Fees	582	543
- Remunerations	4,692	4,408
<b>Directors of the subsidiaries</b>		
- Fees	70	70
- Remunerations	895	805
<b>Other key management personnel</b>		
- Remunerations	1,370	1,370
- Contribution to state plans	190	186

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 34. RELATED PARTIES (CONT'D)

### Related party transactions (cont'd)

Company	Transaction value	
	2022 RM'000	2021 RM'000
<b>Subsidiaries</b>		
Gross dividends receivable	(5,966)	-
Management fees receivable	(7,367)	(7,293)
Interest income	(1,135)	(1,348)
Rental income	(833)	(823)
<b>With companies in which the Directors and persons connected to the Directors have interests</b>		
Purchases		
Tenaga Semesta (M) Sdn. Bhd.	9	-
<b>Key management personnel</b>		
<b>Directors</b>		
- Fees	332	293
- Remunerations	2,446	2,465

The estimated monetary value of key management personnel's benefit-in-kind of the Group and of the Company are RM156,000 (2021: RM117,000) and RM31,000 (2021: RM28,000).

## 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 76 to 158 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 2022 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:

**Lim Joo Swee**  
Director

**Lee Peng Sian**  
Director

Petaling Jaya

Date: 13 January 2023

## 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 76 to 158 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 Petaling Jaya, Selangor Darul Ehsan on 13 January 2023.

**Sia Ching Hwee**  
Chief Financial Officer

Before me:

**NORAZILA BINTI HASSAN**

# 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 2022 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 76 to 158.

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 2022, 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 RM188,447,000 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 2022, the Group has significant inventory balance of RM43,219,000. 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 2022, the Group has significant trade receivables balance of RM57,506,000 and contract assets balance of RM82,860,000. 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.
- 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.



## 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)

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: 13 January 2023

**Ooi Eng Siong**  
Approval Number: 03240/02/2024 J  
Chartered Accountant

# TOP 10 LIST OF PROPERTIES

As at 30 September 2022

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 Lot 69097 and Geran 246863 Lot No 69099 Mukim Kapar District of Klang Selangor	30 June 2011	Freehold	Land  Factory and warehouse	2.9 acres (126,411 sq. ft.)  Build-up approx. 93,177 sq.ft	5,579,588  19,942,903	Not applicable  3
Furutec 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.	10,697,480	20
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.)	#1,023,691	8
EITA Elevator (Malaysia) Sdn Bhd	Element Genting Ph2 E4-08-01, Tower Four Jalan Ion Delemen 1, Genting Highlands, 69000 Genting, Pahang	14 September 2022	Freehold	Serviced Apartment	870 Sq meter	#990,000	4
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	#958,800	WIP
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	#821,478	4
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	#772,495	8
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 ft	#709,167	3

## TOP 10 LIST OF PROPERTIES

As at 30 September 2022

*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	Ativo Suites Tower B, Unit B-35-5, Bandar Sri Damansara, 52200 Kuala Lumpur Federal Territory of Kuala Lumpur	21 January 2021	Freehold	Serviced Apartment	56.34 sq meter	#584,788	1
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	#581,998	9

**Note:**

# These are "Investment Properties" held by our Group.

# ANALYSIS OF SHAREHOLDINGS

As at 30 December 2022

Class of equity securities	:	Ordinary Shares ("Shares")
Total number of issued shares	:	260,113,466 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	17	0.52	328	#
100 - 1,000 Shares	391	12.02	246,800	0.09
1,001 - 10,000 Shares	1,736	53.35	9,147,700	3.52
10,001 - 100,000 Shares	974	29.93	30,877,570	11.87
100,001 - 13,005,672 *	132	4.06	80,067,778	30.78
13,005,673 and above **	4	0.12	139,773,290	53.74
<b>Total</b>	<b>3,254</b>	<b>100.00</b>	<b>260,113,466</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	-	-
Lim Joo Swee	3,296,682	1.27	37,130,706 <sup>(1)</sup>	14.27
Lee Peng Sian	12,886,016	4.95	87,000 <sup>(2)</sup>	0.03
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	8,838,472	3.40	300,000 <sup>(3)</sup>	0.12
Chia Mak Hooi	520,000	0.20	-	-
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	400,000	0.15	60,146,518 <sup>(4)</sup>	23.12
Chong Lee Chang	760,000	0.29	-	-
Ho Lee Chen	-	-	10,666 <sup>(5)</sup>	#
Ir. Haji Omar Bin Mat Piah	-	-	-	-
Fu Mun Win	-	-	-	-
Fu Jia Lik (Alternate Director to Fu Mun Win)	42,000	0.02	-	-

Notes:

(1) 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 Companies Act 2016 ("the Act").

(2) Deemed interested by virtue of the shares held by his spouse, Looi Lin Poh.

(3) Deemed interested by virtue of the shares held by his spouse, Jane Chew Yin Sum.

(4) 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.

(5) Deemed interested by virtue of the shares held by her son, Jeric Lam Zhen Xiang.

# ANALYSIS OF SHAREHOLDINGS

As at 30 December 2022

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	22.97	-	-
Sudut Kreatif Sdn. Bhd.	43,003,066	16.53	-	-
Jasa Simbolik Sdn. Bhd.	23,787,148	9.14	-	-
Goh Kin Bee	13,236,558	5.09	27,083,830 <sup>(1)</sup>	10.41
Estate of Fu Wing Hoong	2,197,382	0.84	49,766,992 <sup>(2)</sup>	19.13
Lim Joo Swee	3,296,682	1.27	37,130,706 <sup>(3)</sup>	14.27
Lee Pek See	6,721,926	2.58	45,200,448 <sup>(4)</sup>	17.38
CBG Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(5)</sup>	22.97
Farsathy Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(5)</sup>	22.97
Chia Seong Pow	400,000	0.15	60,146,518 <sup>(6)</sup>	23.12
Chia Seong Fatt	-	-	59,746,518 <sup>(7)</sup>	22.97

## 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 30 December 2022

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	22.97
2	Sudut Kreatif Sdn. Bhd.	43,003,066	16.53
3	Jasa Simbolik Sdn. Bhd.	23,787,148	9.14
4	Goh Kin Bee	13,236,558	5.09
5	Lee Peng Sian	12,886,016	4.95
6	Chong Yoke Peng	8,838,472	3.40
7	Lee Pek See	6,721,926	2.58
8	Citigroup Nominees (Tempatan) Sdn. Bhd. - <i>Employees Provident Fund Board</i>	6,255,700	2.40
9	Lim Joo Swee	3,070,482	1.18
10	Wong Chin Tim	2,713,100	1.04
11	Fu Wing Hoong	2,197,382	0.84
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	Amsec Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Leong Kee Chan</i>	1,000,000	0.38
15	Public Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Phua Kiap Wite (E-KTN)</i>	913,100	0.35
16	Tang Wey Shing	800,000	0.31
17	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Chong Lee Chang (7004154)</i>	760,000	0.29
18	Thian Yook Chin	705,800	0.27
19	Tang Wey Shing	650,000	0.25
20	Migan Sdn. Bhd.	577,600	0.22
21	Phua Kai Yan	576,000	0.22
22	Koh Kwee Hooi	562,700	0.22
23	Hoo Chee Keong	560,000	0.22
24	UOB Kay Hian Nominees (Asing) Sdn. Bhd. - <i>Exempt AN for UOB Kay Hian (Hong Kong) Limited (A/C clients)</i>	553,900	0.21
25	HLB Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Teh Chee Tong</i>	545,000	0.21
26	Chia Mak Hooi	520,000	0.20
27	HLIB Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Ng Sin Guan</i>	507,700	0.20
28	Andrew Lim Cheong Seng	500,000	0.19
29	Chin Ewe Beng	500,000	0.19
30	Thee Woei Cherng	467,000	0.18

# ANALYSIS OF WARRANT HOLDINGS

As at 30 December 2022

Type of Convertible Securities	:	Warrants 2021/2024 ("Warrants")
No. of Outstanding Warrants	:	86,552,485
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	416	24.79	20,976	0.02
100 - 1,000 Warrants	226	13.47	127,711	0.15
1,001 - 10,000 Warrants	616	36.71	2,662,283	3.08
10,001 - 100,000 Warrants	346	20.62	11,744,932	13.57
100,001 - 4,327,623 *	70	4.17	25,405,487	29.35
4,327,624 and above **	4	0.24	46,591,096	53.83
<b>Total</b>	<b>1,678</b>	<b>100.00</b>	<b>86,552,485</b>	<b>100.00</b>

Notes:

\* Less than 5% of the number of outstanding Warrants.

\*\* 5% and above of the number of outstanding Warrants.

## DIRECTORS' WARRANT HOLDINGS AS AT 30 DECEMBER 2022 (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	133,333	0.15	-	-
Lim Joo Swee	1,078,894	1.25	12,361,233 <sup>(1)</sup>	14.28
Lee Peng Sian	4,295,338	4.96	29,000 <sup>(2)</sup>	0.03
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	2,801,024	3.24	100,000 <sup>(3)</sup>	0.12
Chia Mak Hooi	-	-	-	-
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	133,333	0.15	20,048,838 <sup>(4)</sup>	23.16
Chong Lee Chang	253,333	0.29	-	-
Ho Lee Chen	-	-	-	-
Ir. Haji Omar Bin Mat Piah	-	-	-	-
Fu Mun Win	-	-	-	-
Fu Jia Lik (Alternate Director to Fu Mun Win)	33	#	-	-

Notes:

# Negligible.

(1) 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 Companies Act 2016 ("the Act").

(2) Deemed interested by virtue of the Warrants held by his spouse, Looi Lin Poh.

(3) Deemed interested by virtue of the Warrants held by his spouse, Jane Chew Yin Sum.

(4) 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 30 December 2022

cont'd

## 30 LARGEST WARRANT HOLDERS AS AT 30 DECEMBER 2022

(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	23.01
2	Sudut Kreatif Sdn. Bhd.	14,334,355	16.56
3	Jasa Simbolik Sdn. Bhd.	7,929,049	9.16
4	Goh Kin Bee	4,412,186	5.10
5	Lee Peng Sian	4,295,338	4.96
6	Chong Yoke Peng	2,801,024	3.24
7	Lee Pek See	2,240,642	2.59
8	Ong Keng Seng	1,080,000	1.25
9	Lim Joo Swee	1,023,494	1.18
10	Wong Chin Tim	904,366	1.04
11	Gan Wee Meng	515,300	0.60
12	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Vincent Phua Chee Ee	500,000	0.58
13	CIMB Group Nominees (Asing) Sdn. Bhd. - Exempt AN for DBS Bank Ltd (SFS)	477,867	0.55
14	Wong Jiann Shyong	470,000	0.54
15	Fu Wing Hoong	458,027	0.53
16	Koh Kwee Hooi	453,400	0.52
17	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Heng Book Kheng (REM 166)	400,000	0.46
18	Li HaiQuan	319,400	0.37
19	Tee Yong	300,400	0.35
20	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Leong Kee Chan	300,000	0.35
21	Muhammad Hafiz Bin Mohd Nasarudin	276,700	0.32
22	Kek Shuang Yin	270,000	0.31
23	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Razali Bin Mohammad	270,000	0.31
24	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Puvanathan A/L M Sabaratnam	267,700	0.31
25	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chong Lee Chang (7004154)	253,333	0.29
26	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Sun Ping	250,000	0.29
27	Thian Yook Chin	235,266	0.27
28	Wong Chui Sing	211,500	0.24
29	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Wong Chin Ann (E-KLG)	205,400	0.24
30	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Freddy Lim Yong Cheng (MY1687)	204,000	0.24



# NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Seventh 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, 24 February 2023 at 11:00 a.m. or at any adjournment thereof, to transact the following businesses:-

## A G E N D A

### AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2022 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 RM522,600.00 for the financial year ending 30 September 2023. *(Ordinary Resolution 1)*
3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company’s Constitution:-
  - i. Mr. Chia Mak Hooi *(Ordinary Resolution 2)*
  - ii. Ms. Ho Lee Chen *(Ordinary Resolution 3)*
4. To re-elect Mr. Fu Mun Win as a Director who retires pursuant to Clause 91 of the Company’s Constitution. *(Ordinary Resolution 4)*
5. 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:-

6. **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.”
7. **RETENTION OF THE INDEPENDENT NON-EXECUTIVE CHAIRMAN** *(Ordinary Resolution 7)*

“THAT Dato’ Siow Kim Lun who has served as the Independent Non-Executive Chairman of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as the Independent Non-Executive Chairman of the Company.”

# NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

cont'd

## 8. GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT *(Ordinary Resolution 8)* TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")

"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 new ordinary shares in the Company ("Shares") 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 ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("Mandate") 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 the Mandate 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 the earlier.

THAT pursuant to Section 85 of the Act read together with the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND THAT the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Shares pursuant to the Mandate.

AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank *pari passu* in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

## 9. PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS *(Ordinary Resolution 9)* OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"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

## NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

*cont'd*

(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.

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."

# NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

cont'd

## 10. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

*(Special Resolution)*

"THAT the proposed amendments to the Constitution of the Company as set out in "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."

11. 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

19 January 2023

### Notes:

- (a) A member who is entitled to attend, participate, speak and vote at the 27<sup>th</sup> 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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: -
  - (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 Guide on the procedure for electronic lodgement of proxy form via TIIH Online.

# NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

cont'd

- (g) 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 16 February 2023. Only members whose names appear in the General Meeting Record of Depositors as at 16 February 2023 shall be entitled to attend, participate, speak and vote at the Meeting.
- (h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- (i) The members are advised to refer to the Administrative Guide on the registration process for the Meeting.
- (j) 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 TIH Online website at <https://tiah.online>. Please refer to the Administrative Guide of the Meeting as enclosed for further information in relation thereto.
- (k) 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.

## EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

### 1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 30 September 2022

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 an enlarged Board size, approval will be sought at the next AGM for the shortfall.

### 3. Items 3 and 4 of the Agenda - Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS THAT all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of seven (7) Directors of the Company (excluding Mr. Fu Mun Win who will be retiring pursuant to Clause 91 of the Company's Constitution) are to retire pursuant to Clause 85 of the Company's Constitution.

Clause 91 of the Company's Constitution provides that any Director appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next AGM, but shall then be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting.

Mr. Chia Mak Hooi and Ms. Ho Lee Chen will retire by rotation pursuant to Clause 85 of the Company's Constitution whereas Mr. Fu Mun Win will retire pursuant to Clause 91 of the Company's Constitution. All these retiring Directors being eligible, have offered themselves for re-election at the 27<sup>th</sup> AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek the shareholders' approval to re-elect the said retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The said retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the said retiring Directors are provided in the Directors' Profile on Pages 5 to 10 of the Company's Annual Report 2022.

# NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

*cont'd*

## 4. Items 6 and 7 of the Agenda - Retention of an Independent Non-Executive Director and the Independent Non-Executive Chairman

The Board had assessed the independence of Mr. Chong Lee Chang and Dato' Siow Kim Lun, who have served as an Independent Non-Executive Director and the Independent Non-Executive Chairman of the Company respectively for a cumulative term of more than nine (9) years. The Board is satisfied that they have met the independence and recommended them to continue to act as an Independent Non-Executive Director and the 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 Paragraph 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.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the retention of Mr. Chong Lee Chang and Dato' Siow Kim Lun as an Independent Non-Executive Director and the Independent Non-Executive Chairman of the Company respectively are subject to the shareholders' approval through a two-tier voting process.

## 5. Item 8 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-Sixth AGM held on 25 February 2022 ("26<sup>th</sup> 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. As at the date of the notice, the Company did not issue any shares pursuant to the said mandate.

The Ordinary Resolution 8 proposed under item 8 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company for the purpose of investments in capital expenditure, working capital purposes and potential business expansion. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

Pursuant to Section 85 of the Act and the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company. This Ordinary Resolution 8, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

## 6. Item 9 of the Agenda - Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution 9 proposed under item 9 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 ten per centum (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.

## 7. Item 10 of the Agenda - Proposed Amendments to the Constitution of the Company ("Proposed Amendments")

The Proposed Amendments are mainly to streamline the Constitution with the relevant regulatory requirements as well as to enhance administrative efficiency.

The Proposed Amendments 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 10 of the Notice of Twenty-Seventh Annual General Meeting of the Company dated 19 January 2023.

Clause No.	Existing Clause	Proposed Clause
54  <i><b>Offer of new Shares</b></i>	Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.	<p>Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.</p> <p><b>For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.</b></p> <p><b>In any case and in respect of any issuance of shares or convertible securities, the preemptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply.</b></p>



# APPENDIX A

*cont'd*

Clause No.	Existing Clause	Proposed Clause
125A  <i>Validity of Electronic / Digital Signature</i>	New provision	<p>For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature of any of the following persons:</p> <ul style="list-style-type: none"> <li>(a) a holder of Shares;</li> <li>(b) a Director (including Alternate Director);</li> <li>(c) a committee member;</li> <li>(d) in the case of a corporation, which is a holder of shares, its director or secretary or a duly appointed attorney or duly authorised representative,</li> </ul> <p>shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.</p>



# 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 2022</b>	: Annual Report of EITA for the financial year ended 30 September 2022
<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>	: 30 December 2022, being the latest practicable date
<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: <div style="margin-left: 20px;"> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> </div> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act</p>
<b>NA</b>	: Net assets

# SHARE BUY-BACK STATEMENT

*cont'd*

<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-Sixth (26<sup>th</sup>) AGM held on 25 February 2022, 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-Seventh (27<sup>th</sup>) AGM scheduled to be held on 24 February 2023.

On 13 January 2023, our Board 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 27<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 27<sup>th</sup> AGM of our Company.

# SHARE BUY-BACK STATEMENT

*cont'd*

## 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 27<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 260,113,466 Shares. For illustration purposes, the maximum number of EITA Shares which may be purchased and/or held by our Company shall not be more than 26,011,346 Shares based on the total number of issued shares as at LPD.

As at LPD, our Company has 86,552,485 Warrants. Assuming full exercise of the Warrants, a total of 86,552,485 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 which 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.

## 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.

# SHARE BUY-BACK STATEMENT

*cont'd*

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 2022 (being the latest available audited financial statements of the Company) was RM8,664,000.

## 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.

# SHARE BUY-BACK STATEMENT

cont'd

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 shares of our Company as at LPD	260,113,466	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>	(26,011,346)	(34,666,595)
<b>Resultant total number of issued shares of our Company</b>	<b>234,102,120</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.

# SHARE BUY-BACK STATEMENT

cont'd

## 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.

## 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	No. of Shares	%	Direct Interest	Indirect Interest	No. of Shares	%
Ruby Technique Sdn. Bhd.	59,746,518	22.97	-	-	59,746,518	25.52	-	-
Sudut Kreatif Sdn. Bhd.	43,003,066	16.53	-	-	43,003,066	18.37	-	-
Jasa Simbolik Sdn. Bhd.	23,787,148	9.14	-	-	23,787,148	10.16	-	-
Goh Kin Bee	13,236,558	5.09	27,083,830 <sup>(1)</sup>	10.41	13,236,558	5.65	27,083,830 <sup>(1)</sup>	11.57
Estate of Fu Wing Hoong	2,197,382	0.84	49,766,992 <sup>(2)</sup>	19.13	2,197,382	0.94	49,766,992 <sup>(2)</sup>	21.26
Lim Joo Swee	3,296,682	1.27	37,130,706 <sup>(3)</sup>	14.27	3,296,682	1.41	37,130,706 <sup>(3)</sup>	15.86
Lee Pek See	6,721,926	2.58	45,200,448 <sup>(4)</sup>	17.38	6,721,926	2.87	45,200,448 <sup>(4)</sup>	19.31
CBG Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(5)</sup>	22.97	-	-	59,746,518 <sup>(5)</sup>	25.52
Farsathy Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(5)</sup>	22.97	-	-	59,746,518 <sup>(5)</sup>	25.52
Chia Seong Pow	400,000	0.15	60,146,518 <sup>(6)</sup>	23.12	400,000	0.17	60,146,518 <sup>(6)</sup>	25.69
Chia Seong Fatt	-	-	59,746,518 <sup>(7)</sup>	22.97	-	-	59,746,518 <sup>(7)</sup>	25.52

# 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	36,091,773 <sup>(1)</sup>	10.41	17,648,744	5.66	36,091,773 <sup>(1)</sup>	11.57
Estate of Fu Wing Hoong	2,655,409	0.77	66,342,022 <sup>(2)</sup>	19.14	2,655,409	0.85	66,342,022 <sup>(2)</sup>	21.26
Lim Joo Swee	4,375,576	1.26	49,491,939 <sup>(3)</sup>	14.28	4,375,576	1.40	49,491,939 <sup>(3)</sup>	15.86
Lee Pek See	8,962,568	2.59	59,992,830 <sup>(4)</sup>	17.31	8,962,568	2.87	59,992,830 <sup>(4)</sup>	19.32
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:

- <sup>(1)</sup> 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.
- <sup>(2)</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 Act.
- <sup>(3)</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>(4)</sup> 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.
- <sup>(5)</sup> Deemed interested by virtue of its shareholdings in Ruby Technique Sdn. Bhd. pursuant to Section 8 of the Act.
- <sup>(6)</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.
- <sup>(7)</sup> 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

cont'd

## 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	Indirect Interest		Direct Interest	Indirect Interest	
	No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Dato' Siow Kim Lun	400,000	-	-	400,000	-	-
Lim Joo Swee	3,296,682	37,130,706 <sup>(1)</sup>	14.27	3,296,682	37,130,706 <sup>(1)</sup>	15.86
Lee Peng Sian	12,886,016	87,000 <sup>(2)</sup>	0.03	12,886,016	87,000 <sup>(2)</sup>	0.04
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	8,838,472	300,000 <sup>(3)</sup>	0.12	8,838,472	300,000 <sup>(3)</sup>	0.13
Chia Mak Hooi	520,000	-	-	520,000	-	-
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	400,000	60,146,518 <sup>(4)</sup>	23.13	400,000	60,146,518 <sup>(4)</sup>	25.69
Chong Lee Chang	760,000	-	-	760,000	-	-
Ho Lee Chen	-	10,666 <sup>(5)</sup>	#	-	10,666 <sup>(5)</sup>	#
Ir. Haji Omar Bin Mat Piah	-	-	-	-	-	-
Fu Mun Win	-	-	-	-	-	-
Fu Jia Lik (Alternate Director to Fu Mun Win)	42,000	-	-	42,000	-	-
			0.02			0.02

# 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
Lim Joo Swee	4,375,576	49,491,939 <sup>(1)</sup>	1.26	4,375,576	49,491,939 <sup>(1)</sup>	1.40
Lee Peng Sian	17,181,354	116,000 <sup>(2)</sup>	4.96	17,181,354	116,000 <sup>(2)</sup>	5.51
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	11,639,496	400,000 <sup>(3)</sup>	3.36	11,639,496	400,000 <sup>(3)</sup>	3.73
Chia Mak Hooi	520,000	-	0.15	520,000	-	0.17
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	533,333	80,195,356 <sup>(4)</sup>	0.15	533,333	80,195,356 <sup>(4)</sup>	0.17
Chong Lee Chang	1,013,333	-	0.29	1,013,333	-	0.32
Ho Lee Chen	-	10,666 <sup>(5)</sup>	-	-	10,666 <sup>(5)</sup>	-
Ir. Haji Omar Bin Mat Piah	-	-	-	-	-	-
Fu Mun Win	-	-	-	-	-	-
Fu Jia Lik (Alternate Director to Fu Mun Win)	42,033	-	0.01	42,033	-	0.01

### Notes:

- <sup>(1)</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>(2)</sup> Deemed interested by virtue of the shares held by his spouse, Looi Lin Poh.
- <sup>(3)</sup> Deemed interested by virtue of the shares held by his spouse, Jane Chew Yin Sum.
- <sup>(4)</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.
- <sup>(5)</sup> 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 30.43%. 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 not made any purchase, resale or cancel any Shares from the open market in the preceding twelve (12) months up to the LPD. As at LPD, no Shares were held by our Company as Treasury Shares. There was no resale, transfer or cancellation of Treasury Shares in the preceding twelve (12) months up to the LPD.

## 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 it 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 27th AGM of the Company to be convened on 24 February 2023.

## 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 2022 to December 2022 are as follows:

	Low RM	High RM
<b>2022</b>		
January	0.835	0.885
February	0.820	0.870
March	0.795	0.870
April	0.825	0.875
May	0.800	0.835
June	0.740	0.820
July	0.730	0.775
August	0.755	0.810
September	0.725	0.800
October	0.730	0.760
November	0.735	0.765
December	0.750	0.800

The last transacted price of EITA Shares on LPD : RM0.775

*(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 27th 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 27<sup>th</sup> AGM:-

- (i) The Constitution of EITA; and
- (ii) The audited financial statements of EITA for the past two financial years ended 30 September 2021 and 30 September 2022.

# ADMINISTRATIVE GUIDE

## For the Twenty-Seventh (27th) Annual General Meeting (“AGM”)



### EITA RESOURCES BERHAD

[Registration No. 199601026396 (398748-T)]  
(Incorporated in Malaysia)

Date : Friday, 24 February 2023  
Time : 11:00 a.m. or at any adjournment thereof  
Online Meeting Platform : TIH online website at <https://tiah.online> or <https://tiah.com.my> (Domain registration number with MYNIC: D1A282781) 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://tiah.online> or <https://tiah.com.my> (Domain registration number with MYNIC: D1A282781) 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.
- 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 corporate website at [www.eita.com.my](http://www.eita.com.my) 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://tiah.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-Seventh (27th) Annual General Meeting (“AGM”)

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, 19 January 2023 until the day of AGM on Friday, 24 February 2023. 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 27TH 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 16 February 2023, the system will send you an <b>e-mail on or after 22 February 2023 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, 24 February 2023.</li> </ul>
ii. Participate through Live Streaming	<ul style="list-style-type: none"> <li>Select the corporate event: “<b>(LIVE STREAM MEETING) EITA 27TH 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-Seventh (27th) Annual General Meeting ("AGM")

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, 24 February 2023 until a time when the Chairman announces the end of the session.</li> <li>Select the corporate event: <b>"(REMOTE VOTING) EITA 27TH 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 16 February 2023 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, 22 February 2023 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-Seventh (27th) Annual General Meeting (“AGM”)

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 27TH 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 27TH 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 27TH 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-Seventh (27th) Annual General Meeting (“AGM”)  
*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 online voting.
- 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, 22 February 2023 at 11:00 a.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-Seventh 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://tihi.online> or <https://tihi.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on Friday, 24 February 2023 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 RM522,600.00 for the financial year ending 30 September 2023.		
2.	To re-elect Mr. Chia Mak Hooi as a Director of the Company.		
3.	To re-elect Ms. Ho Lee Chen as a Director of the Company.		
4.	To re-elect Mr. Fu Mun Win 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 issue and allot 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 \_\_\_\_\_ 2023

Signature of Member(s) / Common Seal

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**Notes:**

- (a) A member who is entitled to attend, participate, speak and vote at the 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.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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: -
  - (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.

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AFFIX  
STAMP

The Share Registrar

**EITA RESOURCES BERHAD**

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

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- (ii) By electronic form  
The proxy form can be electronically lodged via TIIH Online website at <https://tiah.online>. Please refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.
- (g) 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 16 February 2023. Only members whose names appear in the General Meeting Record of Depositors as at 16 February 2023 shall be entitled to attend, participate, speak and vote at the Meeting.
- (h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- (i) The members are advised to refer to the Administrative Guide on the registration process for the Meeting.
- (j) 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.
- (k) 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.



[www.eita.com.my](http://www.eita.com.my)

**EITA RESOURCES BERHAD**

[199601026396 (398748-T)]

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