



**EITA RESOURCES BERHAD**

[199601026396 (398748-T)]



ANNUAL REPORT 2023

**DRIVING GROWTH THROUGH  
SUSTAINABILITY**

# DRIVING GROWTH THROUGH SUSTAINABILITY



Sustainability is a strategic imperative. We need to embrace and embed a sustainability mindset within our staff and operations. EITA aims to achieve our mission of robust growth by contributing meaningfully through conscientious business best practices.

**Mr. Lim Joo Swee**





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**DATO' SIOW KIM LUN**

Non-Independent  
Non-Executive Chairman  
(Re-designated on 31 May 2023)

**LIM JOO SWEE**

Group Managing Director  
(Re-designated on 30 August 2023)

**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

**FU JIA LIK**

Alternate Director to Fu Mun Win

**HO LEE CHEN**

Independent Non-Executive Director

**IR. HAJI OMAR BIN MAT PIAH**

Independent Non-Executive Director

**KOW POH GEK**

Independent Non-Executive Director  
(Appointed on 30 August 2023)

#### AUDIT COMMITTEE

Ho Lee Chen (*Chairperson*)  
Chia Mak Hooi  
Ir. Haji Omar Bin Mat Piah  
Kow Poh Gek

#### NOMINATION AND REMUNERATION COMMITTEE

Kow Poh Gek (*Chairperson*)  
Chia Mak Hooi  
Ho Lee Chen  
Ir. Haji Omar Bin Mat Piah

#### COMPANY SECRETARY

Lau An Nin (*MAICSA 7066763 &  
SSM PC No. 201908002089*)

Tea Sor Hua (*MACS 01324 & SSM  
PC NO. 201908001272*)

Loo Hui Yan (*MAICSA 7069314 &  
SSM PC No. 202308000290*)

#### 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  
Email : cms\_cospec@yahoo.com

#### 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

#### 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  
Wilayah Persekutuan  
Tel : 03-2783 9299  
Fax : 03-2783 9222  
Email : is.enquiry@  
my.tricorglobal.com.

#### 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)





## BOARD OF DIRECTORS



Front row from left to right

- 1 CHIA SEONG POW**  
*Alternate Director to Chia Mak Hooi*
- 2 CHIA MAK HOOI**  
*Non-Independent Non-Executive Director*
- 3 DATO' SIOW KIM LUN**  
*Non-Independent Non-Executive Chairman*
- 4 LIM JOO SWEE**  
*Group Managing Director and Key Senior Management*
- 5 LEE PENG SIAN**  
*Executive Director and Key Senior Management*
- 6 CHONG YOKE PENG**  
*Alternate Director to Lee Peng Sian and Key Senior Management*

Back row from left to right

- 7 KOW POH GEK**  
*Independent Non-Executive Director*
- 8 FU JIA LIK**  
*Alternate Director to Fu Mun Win*
- 9 FU MUN WIN**  
*Non-Independent Non-Executive Director*
- 10 IR. HAJI OMAR BIN MAT PIAH**  
*Independent Non-Executive Director*
- 11 HO LEE CHEN**  
*Independent Non-Executive Director*

## DIRECTORS' PROFILE



### DATO' SIOW KIM LUN

*Non-Independent Non-Executive Chairman*



Age : 74 years old



Gender : Male



Nationality : Malaysian

Dato' Siow Kim Lun first joined the Board on 1 April 2011 as Independent Non-Executive Director and was re-designated as our Independent Non-Executive Chairman on 15 March 2012. Subsequently, he was re-designated as our Non-Independent Non-Executive Chairman on 31 May 2023.

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 five (5) Board Meetings held during the financial year ended 30 September 2023 ("FY2023").



### LIM JOO SWEE

*Group Managing Director and Key Senior Management*



Age : 64 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 on 31 October 2022 to lead the business and operations of EITA Group. Subsequently, he was re-designated as our Group Managing Director on 30 August 2023.

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 and he was a committee of MALEA (Malaysian Lift & Escalator Association) from 2014 to 2023.

He is also the Assistant Secretary of Chempaka Buddhist Lodge, the Chairman of the school board of SJK(C) Damansara, the Board member of SJK(C) Yuk Chai, a committee member of the United Chinese School Committees Association of Selangor and Wilayah Persekutuan Kuala Lumpur, the Vice Chairman of Jabatan Kerja Kemajuan Sekolah-sekolah China Petaling and the advisor of Persatuan Penganut Guang Shou Jin She, Kuala Lumpur and Selangor.

He does not hold directorship in other public companies and listed issuers but holds directorships in several private limited companies. He attended all five (5) Board Meetings held during the FY2023.

## DIRECTORS' PROFILE

cont'd



### LEE PENG SIAN

*Executive Director and Key Senior Management*



Age : 54 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 May 2023.

He does not hold directorship in other public companies and listed issuers but holds directorships in several private limited companies. He attended all five (5) Board Meetings held during the FY2023.



### CHONG YOKE PENG

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



Age : 65 years old



Gender : Male



Nationality : Malaysian

Mr. Chong Yoke Peng was appointed to the Board as 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 directorships in other public companies and listed issuers but holds directorships in several private limited companies. He attended all five (5) Board Meetings held during the FY2023.



## DIRECTORS' PROFILE

cont'd



### CHIA MAK HOOI

*Non-Independent Non-Executive Director*



Age : 59 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 and he was appointed as Alternate Director to Chia Song Swa on 1 April 2023. Currently, 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 five (5) Board Meetings held during the FY2023.



### CHIA SEONG POW

*Alternate Director to Chia Mak Hooi*



Age : 69 years old



Gender : Male



Nationality : Malaysian

Mr. Chia Seong Pow was first appointed to the Board as 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 in 1982.

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 forty (40) 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 five (5) Board Meetings held during the FY2023.

## DIRECTORS' PROFILE

cont'd



### FU MUN WIN

*Non-Independent Non-Executive Director*



Age : 32 years old



Gender : Male



Nationality : Malaysian

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

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

He is currently the Managing Director and Principal Product Consultant of Dunda Sdn. Bhd. He has over 5 years of Fiat and Crypto Payment Product Management experience with Shopee Singapore and TripleA Technologies. Prior to that, he was consulting in the fields of finance and technology since starting his career in 2014.

He does not hold directorship in other public companies and listed issuers. He attended all four (4) Board Meetings held during the FY2023 since his appointment to the Board on 1 December 2022.



### FU JIA LIK

*Alternate Director to Fu Mun Win*



Age : 33 years old



Gender : Female



Nationality : Malaysian

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

She obtained her Bachelors in Human Genetics (BSc) from Newcastle University in 2012 and holds a Masters in International Business Management (MA) from Newcastle University in 2013. She also obtained her Certificate in Sustainable Business Strategy from Harvard Business School Online in 2019.

She started her career in 2014 as a CSR Business Development at People Systems Consultancy Sdn. Bhd. Subsequently, she was promoted to the position of Business Consultant in 2016, Senior Business Consultant in 2017, and Senior Manager, Corporate Advisory Services in 2019. Thereafter, she joined Easy Consulting Sdn. Bhd. as Managing Consultant in 2020. She is currently the Chief Executive Officer of Easy Consulting Sdn. Bhd. since February 2023.

She does not hold directorship in other public companies and listed issuers. She attended two (2) out of four (4) Board Meetings held during the FY2023 since her appointment to the Board on 1 December 2022.

## DIRECTORS' PROFILE

cont'd



### HO LEE CHEN

Independent Non-Executive Director



Age : 62 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 the 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 five (5) Board Meetings held during the FY2023.



### IR. HAJI OMAR BIN MAT PIAH

Independent Non-Executive Director



Age : 64 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 the 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 of reducing the rate of accident and inculcating a preventive culture that contributes towards enhancing the quality of working life.

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

He does not hold directorship in other public companies and listed issuers. He attended all five (5) Board Meetings held during the FY2023.



## DIRECTORS' PROFILE

cont'd



### KOW POH GEK

Independent Non-Executive Director



Age : 67 years old



Gender : Female



Nationality : Malaysian

Ms. Kow Poh Gek was appointed to the Board on 30 August 2023. She is also the Chairperson of the NRC and a member of the AC.

She graduated with a Diploma in Commerce (Cost & Management Accounting) from Kolej Tunku Abdul Rahman, Malaysia in May 1982. She has been a Chartered Accountant of the Malaysian Institute of Accountants since June 1988 and a Fellow of The Chartered Institute of Management Accountants since March 1993.

She has more than forty (40) years of experience in accounting and finance, and has served in various sectors such as investment holding, banking, hotels and resorts, direct selling, manufacturing and trading/services. She was the Chief Financial Officer of EITA Resources Berhad from January 2012 to December 2017, where she was responsible for EITA Group's finance and accounts, investor relations functions and risk management.

She is also an Independent Non-Executive Director of GDB Holdings Berhad and QL Resources Berhad.

She was appointed to the Board on 30 August 2023, hence, she did not attend any Board Meetings held during the FY2023.

#### Notes:-

- 1) None of the Directors have family relationships 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 siblings and they are the siblings to Ms. Fu Jia Wen, a major shareholder of the Company.
- 2) None of the Directors have any conflict of interests with the Company except as disclosed in Note 35 of the Financial Statements on page 201 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 FY2023.

## KEY SENIOR MANAGEMENT'S PROFILE

### SIA CHING HWEI

Sia Ching Hwei, a Malaysian, aged 39, 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 obtained a Master in Business Administration in year 2023 from the University of Sunderland, United Kingdom.

He has more than fourteen (14) 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 EITA Resources Berhad was Deputy Director of RHBIB's corporate finance department.

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



*Elevator System Assembly*



*REFAS Centralised - Dimming System*

### LU KHENG CHUN

Lu Kheng Chun, a Malaysian, aged 55, 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 49, 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.

### SHAK SUN FATT

Shak Sun Fatt, a Malaysian, aged 62, 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.

## KEY SENIOR MANAGEMENT'S PROFILE

cont'd



EITA-Schneider - Escalator

### WEE FOOK SANG

Wee Fook Sang, a Malaysian, aged 61, 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.

### WONG CHIN TIM

Wong Chin Tim, a Malaysian, aged 56, 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 Air Circuit Breaker



Furutec Electrical at Penang

#### 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 FY2023.



# CHAIRMAN'S STATEMENT



**Dear Shareholders,**

I have the pleasure of presenting to you the 2023 Annual Report for the financial year ended September 30, 2023 (“FY2023”).

**DATO' SIOW KIM LUN**

Non-Independent Non-Executive Chairman

## BUSINESS RESULTS

While the challenges of the FY2023 business landscape persist as the world emerges from the pandemic, we are heartened by the return to normalcy and the prospects of economic recovery, globally and within Malaysia. However, we must still remain vigilant and adaptive to the uncertainties ahead.

For FY2023, the EITA Group achieved a consolidated revenue of RM316.9 million, as compared to RM363.6 million for FY2022. Segmentally, the Manufacturing business was our largest contributor with RM118.3 million (37.3%) of the Group's revenue. The Marketing & Distribution segment followed as the second-largest revenue source with RM92.8 million (29.3%), while the High Voltage System segment recorded RM64.1 million (20.2%), and Services contributed RM41.7 million (13.2%).

Our Profit After Tax (PAT) for FY2023 amounted to RM7.3 million, which was a 61.4% reduction from our FY2022 PAT of RM18.9 million. The decrease in profit was mainly contributed by the cost overrun incurred by our High Voltage System division and the provision for liquidated ascertained damages.

As of 30 September 2023, the Group Shareholder's Fund stood at RM213.6 million.

## CHAIRMAN'S STATEMENT

cont'd

### ACHIEVEMENTS

For our **Manufacturing segment**, we maintained a strong focus on enhancing the brand image of our products, namely EITA-Schneider® for Elevator Systems and Furutec® for Busduct Systems, in both the domestic and international markets.

Despite the initial setbacks caused by the COVID-19 pandemic, the Manufacturing and Construction sectors rebounded as businesses returned to normal operations. We continued to secure significant projects in commercial complexes, residential properties and power infrastructure, with ongoing efforts to deliver elevator systems for important transportation infrastructure projects.



EITA-Schneider brand



EITA Elevator HQ at Bukit Raja

EITA Elevator (Malaysia) Sdn. Bhd. (“EITA Elevator”) and its related companies have now been operating for more than a year now at our new headquarters in Bukit Raja, Klang, with increased productivity and efficiency.

Our Elevator Test Tower, certified as the “Tallest Elevator Test Tower in Malaysia,” stands as a landmark in the Bukit Raja area. We have also taken steps to embrace sustainability when we installed a Solar PV system at our Bukit Raja location in 2022, substantially reducing our carbon footprint.

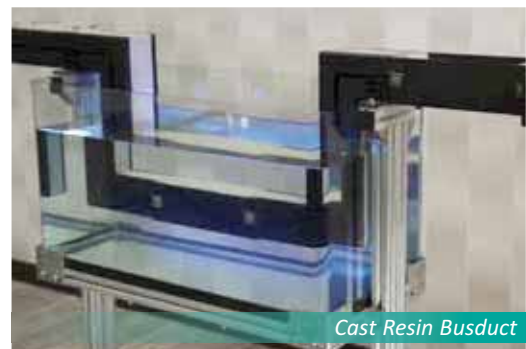
Furutec Electrical Sdn. Bhd. (“Furutec Electrical”) faced some challenges during the year due to the pandemic, but remains committed to growing our busduct business, especially in the international markets. We responded to market demands by developing the i-DC busduct model for data-center power distribution within the ASEAN region and sales have so far been promising.

Our **Marketing and Distribution segment** remained a steady revenue contributor to the Group. We continue to provide our suite of internationally renowned Electrical and Electronic (“E&E”) brands and products such as Fuji Electric, Kyoritsu, and Novaris to our customers. I would like to take this opportunity to express our gratitude to our key overseas principals for their unwavering support.

The Group’s marketing and support teams have over the years cultivated strong relationships with our business partners and customers. This has enabled us to navigate these challenging times together successfully.



Fuji Electric - Inverter



Cast Resin Busduct

## CHAIRMAN'S STATEMENT

cont'd



Elevator Maintenance

The **Service division** continues to provide timely repair and maintenance services for elevator and escalator systems to our customers. This division is a significant contributor of recurring revenue to the Group. To enhance customer satisfaction, we consistently invest in upskilling our service personnel and improving service quality.

In May 2023, ETC Training Sdn. Bhd. ("ETC"), our training entity based in our Bukit Raja headquarters, launched a training and certification programme to upskill local elevator servicemen and for them to gain recognition for their technical work experience and skills. ETC's ultimate aim is to become the leading training centre in the elevator industry in Malaysia.

TransSystem Continental Sdn. Bhd. ("TSC"), our **High Voltage System division**, specializes in the Engineering, Procurement, Construction, and Commissioning of cabling works and high-voltage substations.

With a growing population and increased industrialization, the need for more energy usage is always in high demand that augurs well for the EITA Group. As such, TSC will be busy in fulfilling our contracts with Tenaga Nasional Berhad and Sarawak Energy Berhad whilst we seek to bid and secure more projects to strengthen our positioning in the market.



Substation Installation

### OUTLOOK

Despite coming out of a global pandemic for the first time in 3 years, the future for most businesses is still fraught with challenges. The ongoing Russia-Ukraine and Israel-Palestine conflicts, protracted trade war between the United States of America and China, and the lingering after-effects of the pandemic will lead to worldwide geopolitical, economic, and social uncertainties. The global GDP fell from 3.4% in 2022 to 2.8% in 2023, while the baseline is forecast to settle at around 3.0% for 2024. <sup>1</sup>

Despite the unstable global outlook, Malaysia's economy is expected to grow from 4.7% to a modest 4.9% in 2024, buoyed by strong domestic consumption and a rebound in services and ongoing infrastructure projects, as borders reopened and economic activities normalised. <sup>2</sup>



Pyrotec – FRMI cables

<sup>1</sup> <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

<sup>2</sup> <https://theedgemaalaysia.com/node/662015>



## CHAIRMAN'S STATEMENT

cont'd



Embracing the Environmental, Social, and Governance (“ESG”) principles has grown from being a global trend influencing businesses to becoming a Bursa Malaysia requirement for Malaysian Public-Listed Companies to adhere to the ESG and Sustainability Reporting guidelines in their annual reports.

The Group is progressing well in this regard as sustainable practices and ESG initiatives have consistently been our practice as evidenced in the “Sustainability Statement” section of this report. We are committed to comply with the ESG requirements set forth by BURSA Malaysia as well as going beyond what we can and conscientiously should do for the betterment of our planet.

### DIVIDEND

For FY2023, the Group has declared and paid two interim dividends. The first interim dividend of 1.00 sen per ordinary share equivalent to RM2.6 million was paid to our shareholders on 7 July 2023. The second interim dividend of 1.00 sen per ordinary share equivalent to RM2.6 million was paid to our shareholders on 15 January 2024. The total dividend payment of 2.00 sen per ordinary share is equivalent to RM5.2 million representing a payout ratio of 71.2% of the Group’s net profits for FY2023.

### APPRECIATION

FY2023 was undoubtedly a challenging year, but I believe it has made us stronger. Hence, on behalf of the Board, I would like to extend my sincere appreciation to our customers, suppliers, business partners, government officials, and bankers for their support. To our shareholders, our heartfelt thanks for your continued faith and trust in EITA.

Mr. Steven Chong Lee Chang, our Non-Independent Non-Executive Director, resigned on 30 August 2023 after serving the Board for over 12 years. On behalf of the Board, I would like to express our sincere gratitude and appreciation for his valuable contribution.

We would like to welcome Ms. Kow Poh Gek, who joined us as an Independent Non-Executive Director on 30 August 2023. We look forward to her contribution to the Board.

To our Board members, EITA Management team, and staff, I thank you for your perseverance, contribution, adaptability, diligence, and commitment which have been invaluable throughout the years. May we continue to be creative, resilient, and nimble in navigating our path forward whilst embodying our EITA Group tagline, “Brings Good Feel to Life,” throughout the journey.

With my sincere thanks to all,

### DATO' SIOW KIM LUN

Non-Independent Non-Executive Chairman



# MANAGEMENT DISCUSSION AND ANALYSIS



## LIM JOO SWEE

Group Managing Director  
and Key Senior Management

### GROUP BUSINESS OBJECTIVES AND STRATEGIES

EITA remains dedicated to enhancing its key business segments in Manufacturing, Marketing & Distribution, Services, and High Voltage Systems. The Group is firmly committed to broadening its horizons by delivering value-added products and solutions to the Construction, Manufacturing, and Power industries.

The Group's primary objective is to secure sustained growth and long-term business resilience.

- **Manufacturing mission.** EITA continues on its mission to establish itself as a reputable manufacturer of its home-grown brands. Our brands, EITA-Schneider® for Elevator Systems, and Furutec® for Busduct Systems have gained greater market awareness and wider acceptance both locally and internationally.
- **Overseas ambition.** A key part of EITA's growth strategy is to expand its overseas business. EITA's ambition is to achieve broader and deeper market penetration in the ASEAN and Middle-East markets.



EITA HQ at Subang

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- Focusing on special strategic projects.** Our focus on special strategic projects such as MRT 1, MRT 2, LRT 3, East Coast Rail Link (“ECRL”), high-end commercial buildings and residential projects, have helped build an enviable clientele base and, therefore, strengthened EITA’s reputation. This has reinforced the market’s confidence in EITA’s credibility and competency to deliver high-value and complex projects with excellence. To date, we have completed several projects above 60 floors and installed elevators that can travel at 6 meters per second.
- Meeting greater demand for energy and green energy.** Our subsidiary, TransSystem Continental Sdn. Bhd. (“TSC”), is a specialist in the Engineering, Procurement, Construction, and Commissioning of cabling works and high-voltage substations up to 500kV. It has vast experience in the field of electricity transmission, distribution, and utilisation. Additionally, TSC locally manufactures Control Protection Relay Panels, Marshalling Kiosk, Metering Panels, and related equipment. This is also to support and complement its primary substation implementation business.



As Malaysia moves forward to be an industrialised nation, with a growing population, and with the mission of being carbon neutral, there will be greater demand for electricity and this bodes well for TSC. Presently, it is in the midst of executing numerous projects for Tenaga Nasional Berhad (“TNB”) and Sarawak Energy Berhad (“Sarawak Energy”).

- Optimising service maintenance revenue.** Since our very first elevator project in 1998, EITA has progressively handed over nearly 4,000 units of elevators and escalator systems. Eventually, these units transition into the service maintenance stage which would then provide a steady and stable revenue stream for EITA. As such, 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 a total revenue of RM316.9 million for the financial year ended 30 September 2023 (“FY2023”) as compared to RM363.6 million for the financial year ended 30 September 2022 (“FY2022”). The Manufacturing segment was the main driver for the growth in the Group’s revenue due to the higher number of elevator systems that were handed over in FY2023.

The Group’s Profit Before Tax for FY2023 decreased by RM11.8 million or 47.4% to RM13.1 million compared to RM24.9 million for FY2022. The decrease in our Group’s Profit Before Tax was mainly due to the High Voltage System segment which registered a loss before tax of RM8.1 million. This was a result of lower revenues, higher project costs, especially for the underground cable projects, and a higher provision for liquidated ascertain damages.

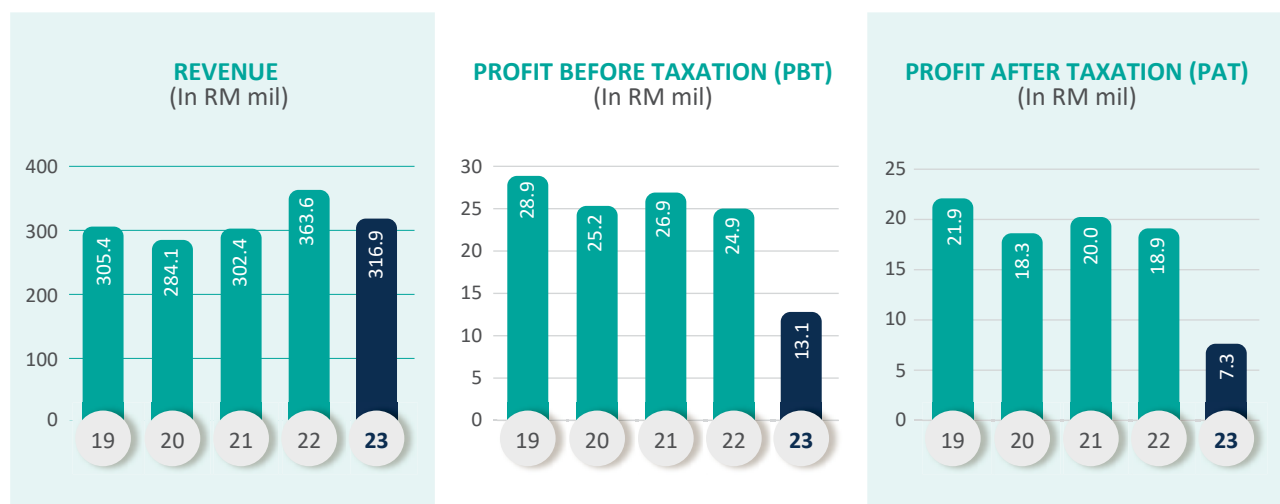
In FY2023, our domestic market recorded revenue of RM260.3 million compared to RM309.6 million in FY2022. The decrease was mainly due to the completion and lower execution of transmission substation projects in Peninsular Malaysia.



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

As for our overseas market, we registered revenue of RM56.5 million in FY2023 compared to RM54.0 million achieved in FY2022. The increase in revenue was mainly due to higher overseas sales of busducts and cables.



	Audited					
		FY 30 Sept 2019	FY 30 Sept 2020	FY 30 Sept 2021	FY 30 Sept 2022	FY 30 Sept 2023
Revenue	RM'000	305,386	284,128	302,451	363,602	316,870
Profit Before Taxation (PBT)	RM'000	28,921	25,229	26,906	24,912	13,146
PBT Margin	%	9.47	8.88	8.90	6.85	4.15
Profit After Taxation (PAT)	RM'000	21,881	18,321	20,025	18,863	7,335
PAT Margin	%	7.17	6.45	6.62	5.19	2.31
Basic EPS**	sen	8.01	6.65	7.65	7.19	4.03
Gearing Ratio (including lease liabilities)	times	0.17	0.19	0.21	0.23	0.34

**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 2019 to FYE 30 September 2020 has been adjusted to reflect the bonus issue of one (1) new ordinary share for every one (1) existing ordinary share held which was completed on 2 February 2021.

### OPERATIONS REVIEW

- Manufacturing**

In FY2023, the Manufacturing segment achieved RM118.3 million accounting for 37.3% of the Group's revenue, compared to FY2022 when it accounted for RM98.7 million, representing 27.1% of the Group's revenue. The increase was mainly due to a higher number of elevator systems being handed over coupled with higher demand for our Group's busducts and ballasts.

The Manufacturing segment remains a key revenue contributor to the Group. Its mission is to enhance 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 Systems.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Despite the lingering after-effects of the COVID-19 pandemic, businesses are striving steadily to regain their pre-pandemic operations and to reach their optimal capacities.

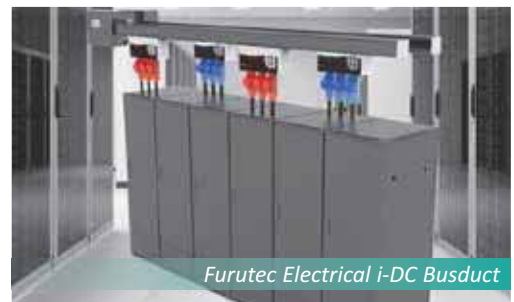


EITA-Schneider - Escalator

One of our major transport infrastructure projects; MRT2 (Sungai Buloh – Serdang – Putrajaya) was handed over and opened to the public on 16 March 2023. As for LRT 3 (Bandar Utama – Johan Setia), installation and testing are currently underway and progress is well past the halfway point of completion. The LRT 3 project is expected to be operational by Q1 2025. Moreover, the Group successfully obtained two high-value projects, namely the Johor-Singapore Rapid Transit System and Genting project in Gohtong Jaya, with a total worth of RM15 million and RM25 million, respectively.

EITA also secured its inaugural modernisation project from Saudi Arabia and several additional projects in the pipeline. In view of our expansion, we are currently enhancing our client service experience with the objective of promoting and advertising our EITA-Schneider brand on a global scale.

Furutec Electrical Sdn. Bhd. (“Furutec Electrical”) rebounded in FY2022 and recorded improved performance for FY2023 due to its marketing efforts and new product offering. Its overseas sales for busduct increased to RM29.5 million in FY2023 compared to RM25.6 million in FY2022.



Furutec Electrical i-DC Busduct

The i-DC DCIB (Data Centre Intelligent Busduct) model is specifically designed for data hall power distribution to capitalize on the growing data-centre demand in the ASEAN markets. This i-DC busduct model has made commendable inroads in Malaysia, Singapore, Indonesia, and the Philippines. Two big orders from government data-centre projects in Singapore were secured in 2023 worth RM28.0 million in total.



Automation at Furutec factory

Furutec Electrical continues to improve productivity on its factory floor. At its Production Unit, it has installed a robotic welding machine using the Metal Inert Gas welding method to weld copper and aluminium conductors. The overall benefits include cost savings, better quality, and increased productivity when compared to the existing manual method.

To meet the changing market demands and higher customer expectations, Furutec Electrical continues to develop new and improved busduct products and solutions:

- AH-ES and AH-AL busduct models – These models are more competitively priced and designed to optimize current capacity. The in-house busduct R&D team has completed full-type certification for these models.
- Intelligent Monitoring System – This system has two (2) key components; Temperature Monitoring System (TMS) and Energy Monitoring System (EMS). For the clients, the benefits of this solution are to provide real-time and historical data analysis in order to reduce and prevent unplanned downtime, and ultimately reduce additional overhead costs.

Currently, Furutec Electrical offers four (4) busduct models, namely, HP-ES, AH, CR, and i-DC to cater to a wider range of customers’ requirements.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

### • Marketing & Distribution

The Marketing & Distribution segment maintains its track record as a consistent revenue contributor. For FY2023, it recorded RM92.8 million or 29.3% of the Group's revenue, compared to FY2022 when it achieved RM91.4 million, representing 25.1% of the Group's revenue. The increase was due to the higher demand for the Electrical and Electronics ("E&E") market. However, this was offset by lower demand for cables and Extra Low Voltage ("ELV") products.

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 is often used in our projects. In FY2023 we focused on expanding our efforts by utilizing various digital marketing platforms to increase visibility and brand awareness in the global market, as well as exploring new markets in the African and South American regions.



Fuji Electric – our E&E partner

The diligent collaboration between our Sales and Marketing technical consultants and Service engineers has been instrumental in fostering trust and cultivating enduring business relationships with our partners. This concerted effort has enabled EITA to create a robust business network across Malaysia. The Marketing & Distribution segment remains committed to its focused marketing strategies, complemented by its valuable technical consultation and support services.

### • Services

The Services segment primarily consists of the provision of maintenance and repair services for our EITA Elevator customers. Other services include ELV projects and training.



Service Technician at work

In FY2023, the Services segment achieved RM41.7 million or 13.2% of the Group's revenue, compared to FY2022 when it achieved RM44.6 million, representing 12.3% of the Group's revenue. The decrease was mainly due to the lower revenue from servicing elevator.

By the end of FY2023, EITA had installed close to 3,900 units of elevator and escalator systems, with over 580 units in various stages of work-in-progress. In our pursuit to deliver service excellence, EITA continues to expand, train, and develop our service teams in order to meet the ever-demanding customers' expectations, ensuring maximum uptime and more importantly, safety. This is directly aligned with EITA Elevator's tagline "We Transport People Safely."

EITA Elevator is one of several training providers approved by the relevant authorities to conduct Lift Competency Person training and certification courses. It has set up a subsidiary specifically to manage this training. Therefore, ETC Training Sdn. Bhd. ("ETC"), formerly known as EITA Training Centre, was formed in April 2021 with the charter to provide industrial-based training for the elevator industry.



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

ETC is a certified training provider for the Human Resource Development Corporation and Jabatan Pembangunan Kemahiran (“JPK”). It holds the distinction of being the first centre authorized to offer hands-on training in the realm of elevators and escalators and also offers a comprehensive range of courses encompassing technical, soft skills, management, and various other subjects. In May 2023, ETC launched its CP3 Training Course and SKM-PPT Level 2 in order to upskill and certify more local workers. ETC’s ultimate ambition is to become the leading training centre in the elevator industry in Malaysia.



ETC Training

- **High Voltage System**

In FY2023, the High Voltage System segment recorded RM64.1 million or 20.2% of the Group’s revenue, compared to FY2022 when it recorded RM128.9 million, or 35.5% of the Group’s revenue. The decrease was due to the advance completion stage of the project, with most the revenue recognised, and lower execution of transmission substation projects in Peninsular Malaysia.

TSC continues to work hard to fulfill its project deliverables for its key clients, Tenaga Nasional Berhad (“TNB”) and Sarawak Energy.

In FY2023, TSC secured several contracts with an aggregate contract value of more than RM60.0 million.



Substation up to 500 kV

### RISKS AND CHALLENGES

With the cost-of-living crisis and tightening financial conditions in most regions, the ongoing Russia-Ukraine war, and the recent Israel-Palestinian conflict, these geo-social-political issues combined have affected energy prices, supply chain disruptions, inflation, currency fluctuations, and others.

- **Safety**

Safety remains a priority for EITA. This includes safety for all stakeholders; staff, business associates, customers, and the public. In line with regulatory requirements, the EITA Group Safety Committee is expressly tasked with the overall implementation of safety and health for the entire Group.

Frequent safety training programmes are conducted for all staff including, motorcycle safety sessions, hands-on first-aid/CPR/AED courses, fire drills, and regular safety service briefings.

Our service technicians ride their motorcycles to clients’ premises to carry out their service maintenance and repair duties. Therefore, an annual Motorbike Audit is conducted to inspect their vehicles and ensure compliance with safety guidelines.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- **Foreign Exchange**

EITA conducts business internationally with its suppliers and customers. As such, the Management is vigilant of currency fluctuations. Our hedging position is reviewed periodically in anticipation of the dynamic business environment in order to mitigate foreign exchange risk exposure.

- **Human Capital**

At the end of FY2023, EITA's headcount stands at over 650. Managing human capital is a constant challenge, whether it is for improving operational productivity, hiring for business expansion, staff retention, or succession planning.

Over 75,000 hours and nearly 100 courses for training were conducted in FY2023 for almost every staff. The range of training programs encompasses technical, theoretical, practical, soft skills, and management training, to mention a few. This is done with the goal of advancing the careers of our employees and positioning EITA as a preferred employer.

EITA emphasizes the hiring of suitable individuals, enhancing the skills of our workforce, and pinpointing potential leaders as part of our succession planning. This is to ensure that we have the right and sufficient manpower for the sustainability of the business.



Strategic Planning Workshop

### OUTLOOK AND PROSPECTS

The global economy continues to traverse an environment filled with challenges since the COVID-19 pandemic. Deepened geo-political tensions and persistent tightening of monetary policies to address inflation, have increased the risk of a worldwide slowdown. The circumstances are aggravated by uncertainties in major economies, mainly impacting developing nations as well as weakening trade dynamism against a backdrop of supply chain disruptions and ongoing trade tensions.<sup>1</sup>

The global economy is projected to grow by 3% in 2024. This moderate growth pace is projected to persist across most regions in the upcoming years.<sup>2</sup> The ASEAN-5 region is expected to experience a Gross Domestic Product ("GDP") growth rate of 4.6%, driven by increased domestic investment and improved net exports resulting from the easing of lockdown policies.<sup>3</sup>

In 2024, global inflation is anticipated to reach 6.8% attributed to easing food and energy prices as well as weakening global economic activities. GDP growth in developed economies is projected to moderate to 1.5% as a result of sluggish manufacturing activities in these economies, despite the robust performance of the services sector. Emerging and Developing Economies ("EMDEs") are anticipated to achieve a stronger economic growth rate of 4%, surpassing that of advanced economies. Nevertheless, the growth rates within EMDEs may vary among different regions.<sup>4</sup>



E&E – Marketing & Distribution

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

The Malaysian economy remains resilient and is projected to grow at a rate of 4% to 5% in 2024 due to robust domestic demand and several state-run initiatives. The Government's efforts are anchored towards prudent fiscal management, quality investment, digital economy, and food security.<sup>5</sup> The nation's manageable inflation, favourable labour market conditions, healthy foreign reserves, current account surplus and high national savings, robust financial sector, and well-developed capital market, continue to sustain the economic momentum.

As the nation enters the post-pandemic recovery phase and confronts demanding global circumstances, the Malaysian government remains committed to offering appropriate assistance to both the rakyat and businesses. The Budget 2024 aims to put the country on the right path towards sustainable economic growth. Experts say the budget reflected the government's commitment to fiscal consolidation without straining the vulnerable groups. The proposed expansionary fiscal policy with Budget 2024 has a total allocation of RM393.8 billion or 19.9% of the GDP. Of this total, RM89.2 billion will be for development expenditure.<sup>6</sup>



The Manufacturing sector is forecast to expand by 4.2% in 2024 driven by better performance in both export- and domestic-oriented industries. The export-oriented industries are expected to benefit from the recovery of external demand with the E&E segment projected to surge, primarily driven by memory products. This is in line with the rebound in demand for technologically advanced products. Similarly, domestic-oriented industries are anticipated to grow steadily backed by higher output in transport- and construction-related segments, in tandem with better consumer spending and business activities.<sup>7</sup>

The Construction sector plays a significant role in Malaysia's economy, especially in its connections with various other sectors. It is expected to record better performance supported by the acceleration of ongoing infrastructure and utilities projects. During the first half of 2023, the construction sector showed consistent growth, registering a 6.8% increase, primarily attributed to the civil engineering and special construction activities subsectors. It is anticipated that the construction sector will continue to expand by 6.8% in 2024, building on improved performance across all subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include ECRL and Large-Scale Solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities. The growth of the construction sector is further fuelled by the rising demand for renewable and clean energy, as well as efforts towards decarbonization, aligning with the goals of the green economy agenda.<sup>8,9</sup>

The proposed initiatives in Budget 2024 aimed at achieving sustainable economic growth, along with the generally positive prospects in key sectors such as Manufacturing and Construction, offer a hopeful outlook for EITA.

<sup>1</sup> Ministry of Finance: Budget 2024 - Economic Outlook 2024 (page iii)

<sup>2</sup> Ministry of Finance: Budget 2024 - Economic Outlook 2024 (page 9)

<sup>3</sup> Ministry of Finance: Budget 2024 - Economic Outlook 2024 (page 60)

<sup>4</sup> Ministry of Finance: Budget 2024 - Economic Outlook 2024 (page 60)

<sup>5</sup> Ministry of Finance: Budget 2024 - Economic Outlook 2024 (page 10, 16)

<sup>6</sup> The Edge Malaysia, October 16 – October 22, 2023 (page 66-67)

<sup>7</sup> Ministry of Finance: Budget 2024 - Economic Outlook 2024 (page 99)

<sup>8</sup> Ministry of Finance: Budget 2024 - Economic Outlook 2024 (page 10, 69-71, 100)

<sup>9</sup> Malay Mail, 14 October 2023



## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- **Focusing on high-value projects**



Now, having completed several elevator installations over 60 storeys high and running at 6 meters per second, EITA can now confidently tender for high-value, high-end residential and commercial complexes. With our track record of successfully installing elevators and escalators for major infrastructure transportation projects, EITA will continue to tender for future projects such as MRT 3 and Bayan Lepas LRT.

The ripple effect from the construction and property development industry would spur the whole supply chain such as subcontractors and suppliers in the E&E sectors. These positive multiplier effects augur well for EITA. Our suite of offerings from the elevator to busduct systems, and E&E equipment to cabling are well suited to address the needs of these upcoming projects.

- **Expanding our overseas market**

Overseas growth is paramount for EITA's business growth and sustainability. With borders reopened, this offers a favorable outlook for expanding our footprint in the international markets of ASEAN and the Middle East region. We remain committed to building a greater brand presence for our in-house brands, EITA-Schneider® Elevator systems, Furutec® Busduct systems and PYROTEC® cables.

Furutec Electrical with its i-DC busduct system is optimistic about meeting the demand of the growing data-centre market. ASEAN has become a major hub for data-centres due to accelerated digitalization, and accommodative policies, with content providers focusing on the region's population demographics and appetite for social media.

Our main focus for market expansion continues to be the ASEAN and Middle-East regions, including the world market for the Furutec Busduct System. EITA has already devised strategies to establish a more direct presence in specific countries, aiming to achieve a more substantial market penetration and foster business growth with our partners.



- **Showcasing EITA at Bukit Raja**

The ground floor at Bukit Raja 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.

It is also the centralised headquarters for EITA Elevator Group of Companies. The Elevator Test Tower is a landmark structure that stands tall at over 87 meters in height. It has been certified by the Malaysia Book of Records as the tallest elevator test tower in the country.

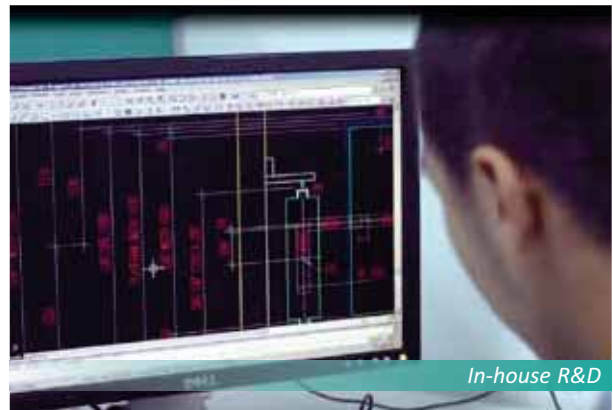
## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

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

EITA has its very own in-house R&D facilities, including the aforementioned Elevator Test Tower at Bukit Raja and its Busduct R&D Lab at Penang. EITA strives to create a sustainable innovative edge through its own R&D initiatives in order to gain a competitive advantage. We are committed to improving, developing, and innovating quality products and solutions that are able to address the market’s needs.

The in-house elevator R&D facilities are all self-contained at Bukit Raja with its R&D lab, Elevator Test Tower, glass lift, home lift, cargo lift, and escalator. This enhances the productivity and efficiency of the elevator R&D team in conducting a range of internal research and development tasks. At present, there are numerous ongoing R&D projects, including those related to cost-effective elevator controller systems, Internet-of-Things (IoT) to enhance preventive maintenance, smart glass systems for better elevator aesthetics, sanitizers and sterilizer solutions to improve ride safety, among others.



In-house R&D

The Elevator Test Tower, combined with our array of elevator and escalator facilities, functions as a training facility for enhancing the skills of our technical staff.

In 2023, Furutec Electrical in Penang completed an R&D project in collaboration with a local university in Penang. This R&D project was funded under the Collaborative Research in Engineering, Science and Technology (“CREST”) grant. As mentioned earlier, the in-house busduct R&D team developed the Intelligent Monitoring System and continues with their effort to optimize current capacity for the various busduct models while still offering competitively priced products. Product type testing and certification are ongoing to ensure that these busduct products meet international standards.

- ### Adopting ESG principles

The global focus on sustainability and climate change has grown significantly in the last decade. The principles of Environmental, Social, and Governance (“ESG”) are increasingly embraced by industry leaders and recognized by investors. So much so that it has now become a Bursa Malaysia requirement for publicly listed companies. EITA has been proactive in this aspect, having adhered to sustainable practices and CSR initiatives, as evidenced in the “Sustainability Statement” section of this annual report.



Solar PV at Bukit Raja

EITA’s corporate tagline, “Brings Good Feel to Life” encapsulates our approach to business sustainability. It underscores the need for excellence and mindfulness in fulfilling our responsibilities to all stakeholders, including the environment. This ethos is exemplified by our Sustainability Compass, which guides us in incorporating ESG values and best practices into our business operations, our workforce, and our products.

## MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Both at EITA Elevator in Bukit Raja and Furutec Electrical in Penang, we have introduced a range of environmentally friendly solutions. These include the use of skylights to harness natural light in our warehouse and factory, energy-efficient LED lighting in office spaces, a rainwater harvesting system, and the establishment of a dedicated Recycling Centre. Our most substantial investment, totaling over RM1 million, has been the installation of a Solar PV system in Bukit Raja.

Regarding the Social component of ESG, EITA endeavours to cultivate a culture of compassion and care. We achieve this by encouraging our staff to embrace the “spirit of volunteerism” and actively contribute to their community. Currently, our Annual Performance Appraisal includes a “volunteerism” Key Performance Indicator, accounting for 10% of the assessment, to monitor and acknowledge our staff’s social and community engagements.

EITA is dedicated to achieving complete compliance with the ESG requirements established by Bursa Malaysia, and we are also committed to meeting these requirements wherever feasible and ethically appropriate for the betterment of our planet.

- **Increasing energy demand**

According to current projections, Malaysia’s electricity demand is expected to grow from 18,808MW in 2020 to 24,050MW by 2039. The energy sector, which acts as the main driver of growth for the Malaysian economy, and energy-intensive industries contribute 28% GDP and account for 25 percent of the total workforce.<sup>10, 11</sup>

In terms of domestic developments, the energy sector will need to be aligned and strongly positioned to support the Wawasan Kemakmuran Bersama 2030 (“WKB 2030”) and the Twelfth Malaysia Plan, 2021-2025 (Twelfth Plan). The primary goal of the WKB 2030 is to provide a decent standard of living to all Malaysians through development for all, addressing wealth and income disparities, and by making Malaysia a united, prosperous, and dignified nation. As such, two of the five goals of the Twelfth Plan include the improvement of rural electricity supply to achieve 99% coverage and to improve the reliability of Sabah’s power supply.<sup>12</sup>



Substation installation

TNB also aims to modernise and digitalise its transmission and distribution grid infrastructures to support increased integration of distributed generations and renewables. Hence, TNB plans to invest a total of RM21 billion in Capital Expenditure (CAPEX) over a period of three (3) years from 2022 until 2024 to strengthen the grid and ensure the reliability of energy supply.<sup>13</sup>

TSC is well-positioned to capitalise on these opportunities in the energy infrastructure sector.

<sup>10</sup> *energywatch.com.my – Planning for Malaysia’s Future Demand*

<sup>11</sup> *National Energy Policy 2022-2040 (DTN) (page 10)*

<sup>12</sup> *National Energy Policy 2022-2040 (DTN) (page 11-12, 28-29)*

<sup>13</sup> *TNB Sustainability Report 2022 (page 37)*



## MANAGEMENT DISCUSSION AND ANALYSIS

*cont'd*

### ACKNOWLEDGMENT

EITA is no newcomer to facing difficult challenges. Since its establishment in 1996 up to the present day, EITA has encountered and triumphed over numerous obstacles. Navigating the exceptional global COVID-19 pandemic for the past three years is another testament to EITA's ability to prevail through determination and resilience, culminating in another impressive performance for FY2023.

On behalf of the Management team, I want to extend our heartfelt thanks to the Board of Directors for their trust and valuable guidance. I would also like to express my wholehearted gratitude to our shareholders, customers, and business associates for their unwavering support. Lastly, I want to give a big, enthusiastic thank you to my colleagues at EITA across the entire Group for their ongoing dedication and contributions.

During this moment, let us reflect on the memory of our dear late brother Fu, marking over a year since he departed from our midst. For those fortunate enough to have known and collaborated with him, his enduring presence and spirit lives on. We pay tribute to his memory and uphold his legacy by steadfastly pursuing the vision he held dear for the EITA Group.

I am confident that the upcoming year will be even more fruitful and rewarding so long as we persevere by exemplifying our EITA Group motto, "Brings Good Feel to Life," and driving growth through sustainability for all our stakeholders.

**LIM JOO SWEE**

*Group Managing Director*

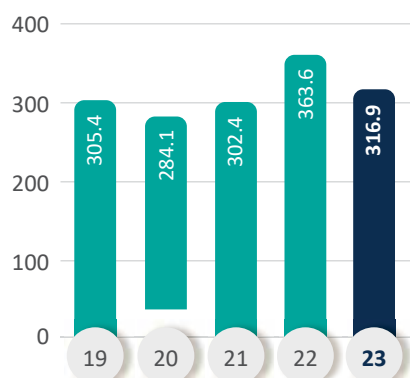
## FINANCIAL HIGHLIGHTS

GROUP PROFITABILITY					
For the Financial Year (RM' Mil)	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue	305.4	284.1	302.4	363.6	316.9
Profit Before Tax	28.9	25.2	26.9	24.9	13.1
Net Profit	21.9	18.3	20.0	18.9	7.3
GROUP FINANCIAL POSITION					
As at 30 September (RM' Mil)	FY2019	FY2020	FY2021	FY2022	FY2023
Total Non-Current Assets	54.2	60.6	67.4	69.1	70.6
Total Current Assets	249.6	242.5	259.8	278.8	292.6
Total Assets	303.8	303.1	327.2	347.9	363.2
Shareholders' Equity	173.5	185.3	198.1	208.9	213.6
Non-controlling interest	2.7	3.7	3.8	3.9	0.8
Total Equity	176.2	189.0	201.9	212.8	214.4
Total Non-Current Liabilities	15.8	19.1	18.8	16.9	14.3
Total Current Liabilities	111.8	95.0	106.5	118.2	134.5
Total Equity & Liabilities	303.8	303.1	327.2	347.9	363.2
FINANCIAL ANALYSIS					
	FY2019	FY2020	FY2021	FY2022	FY2023
Profit Before Tax Margin	9.5%	8.9%	8.9%	6.8%	4.1%
Net Profit Margin	7.2%	6.5%	6.6%	5.2%	2.3%

### REVENUE

(In RM mil)

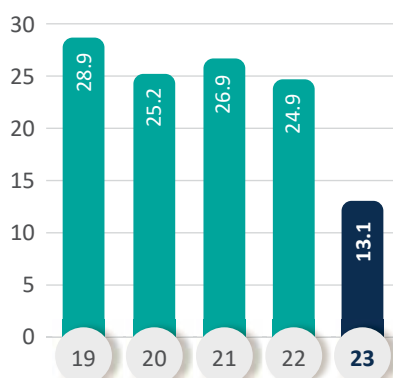
4-year CAGR\*  $\uparrow$   
+0.9% p.a.



### PROFIT BEFORE TAXATION (PBT)

(In RM mil)

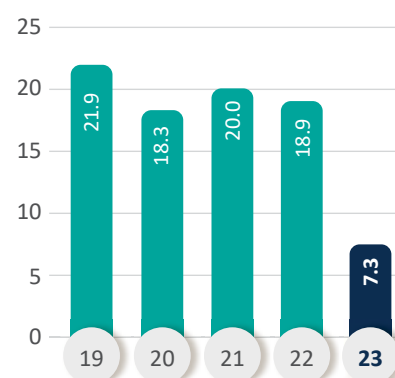
4-year CAGR\*  $\downarrow$   
-17.9% p.a.



### PROFIT AFTER TAXATION (PAT)

(In RM mil)

4-year CAGR\*  $\downarrow$   
-24.0% p.a.



\* CAGR = Compounded Annual Growth Rate.

# SUSTAINABILITY STATEMENT

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# SUSTAINABILITY STATEMENT

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## Elevating EITA towards Excellence in Sustainable Innovation

EITA Resources Berhad (“EITA” or the “Group”) stands at the forefront of sustainable innovation, epitomising a steadfast commitment to building a better, greener future. In tandem with our business diversification progress, we have made significant advancements in response to the growing global focus on sustainability and climate change. We are therefore pleased to present our Sustainability Statement for the financial year ended 30th September 2023 (“FY2023”) which articulates our current Environmental, Social and Governance (“ESG”) performance and our aspirations for the future.

Sustainability is integral to our business and defines how we operate. This is exemplified in EITA’s corporate slogan, “Brings Good Feel to Life” which is also about bringing value to our stakeholders. Our adoption of 9 United Nations Sustainable Development Goals (“UN SDGs”) demonstrates our commitment to the global sustainable agenda.

This year, we started tracking our procurement budget to local suppliers as part of our move towards supporting the local economy. We also reported zero cases of bribery, corruption and whistle blowing and zero cases of breaches in customer privacy and loss of customer data for FY2023. We are pleased to report that we sponsored 4,939 “meatless meals” advocating healthy lifestyle choices for our employees.

We embraced decarbonisation as a central tenet of our sustainability agenda by reporting our Scope 1, Scope 2, and Scope 3 greenhouse gas (“GHG”) emissions. In our on-going efforts to address climate change, we also included the early phase elements of the Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations in this year’s statement.

From utilising skylights for natural lighting, energy-efficient LED lighting, installation of solar panels to rainwater harvesting and a dedicated recycling centre, EITA leads by example in minimising its ecological impact.

By aligning our operations with ESG principles, EITA strives to create a lasting positive impact on society while ensuring a prosperous and resilient economy for future generations.

## Reporting Scope and Boundary

EITA’s Sustainability Statement covers the Group’s sustainability performance from 1st October 2022 to 30th September 2023 (“FY2023”) and includes a minimum of three years data, where applicable.

The disclosures within this statement encompass the following entities:

- EITA Resources Berhad
- EITA Elevator (Malaysia) Sdn. Bhd. (“EITA Elevator”)
- EITA-Schneider (MFG) Sdn. Bhd. (“EITA-Schneider”)
- EITA Electric Sdn. Bhd. (“EITA Electric”)
- Furutec Electrical Sdn. Bhd. (“Furutec”)
- EITA Power System Sdn. Bhd. (“EITA Power System”)
- EITA Technologies (Malaysia) Sdn. Bhd. (“EITA Technologies”)
- EITA Research and Development Sdn. Bhd. (“ERD”)
- TransSystem Continental Sdn. Bhd. (“TSC”)
- ETC Training Sdn. Bhd. (“ETC”)

# SUSTAINABILITY STATEMENT

cont'd

## Reporting Approach

The Group's Sustainability Statement was prepared with reference to Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") and the Sustainability Reporting Guide (3rd edition) issued by Bursa Malaysia Securities Berhad. Our statement references the Global Reporting Initiative ("GRI") Standards, the UN SDGs and the TCFD recommendations. These guidelines ensure transparent and reliable reporting regarding our sustainability performance and goals.



## Assurance Statement

The accuracy of the data provided in our FY2023 Sustainability Statement has been verified internally by the relevant business divisions within the Group. We uphold the integrity and reliability of the information disclosed, ensuring its adherence to the highest standards of transparency and accountability.

## Feedback

As part of our commitment to continuous improvement, we strive to enhance our sustainability reporting progressively. We value the input of our stakeholders and welcome any questions, feedback or suggestions. Please feel free to contact:

**EITA Resources Berhad**  
Lot 4, Block A, Jalan SS 13/7, Subang Jaya Industrial Estate,  
47500 Subang Jaya, Selangor, Malaysia.  
Tel No: +603-5637 8099  
Email: enquiry@eita.com.my


# SUSTAINABILITY STATEMENT

cont'd


## Memberships and Associations

EITA stays up-to-date with industry best practices through active participation in the relevant industry associations. This support helps us stay informed and at the forefront of our field.


### EITA's Memberships and Associations




The Malaysian Lift and Escalator Association ("MALEA")




The Electrical and Electronics Association of Malaysia ("TEEAM")




Penang Electrical Merchants Association ("PEMA")



Department of Occupational Safety and Health ("DOSH")




Construction Industry Development Board ("CIDB")



Collaborative Research in Engineering, Science and Technology ("CREST")



Human Resources Development Fund ("HRDF")



Selangor Human Resource Development Centre ("SHRDC")

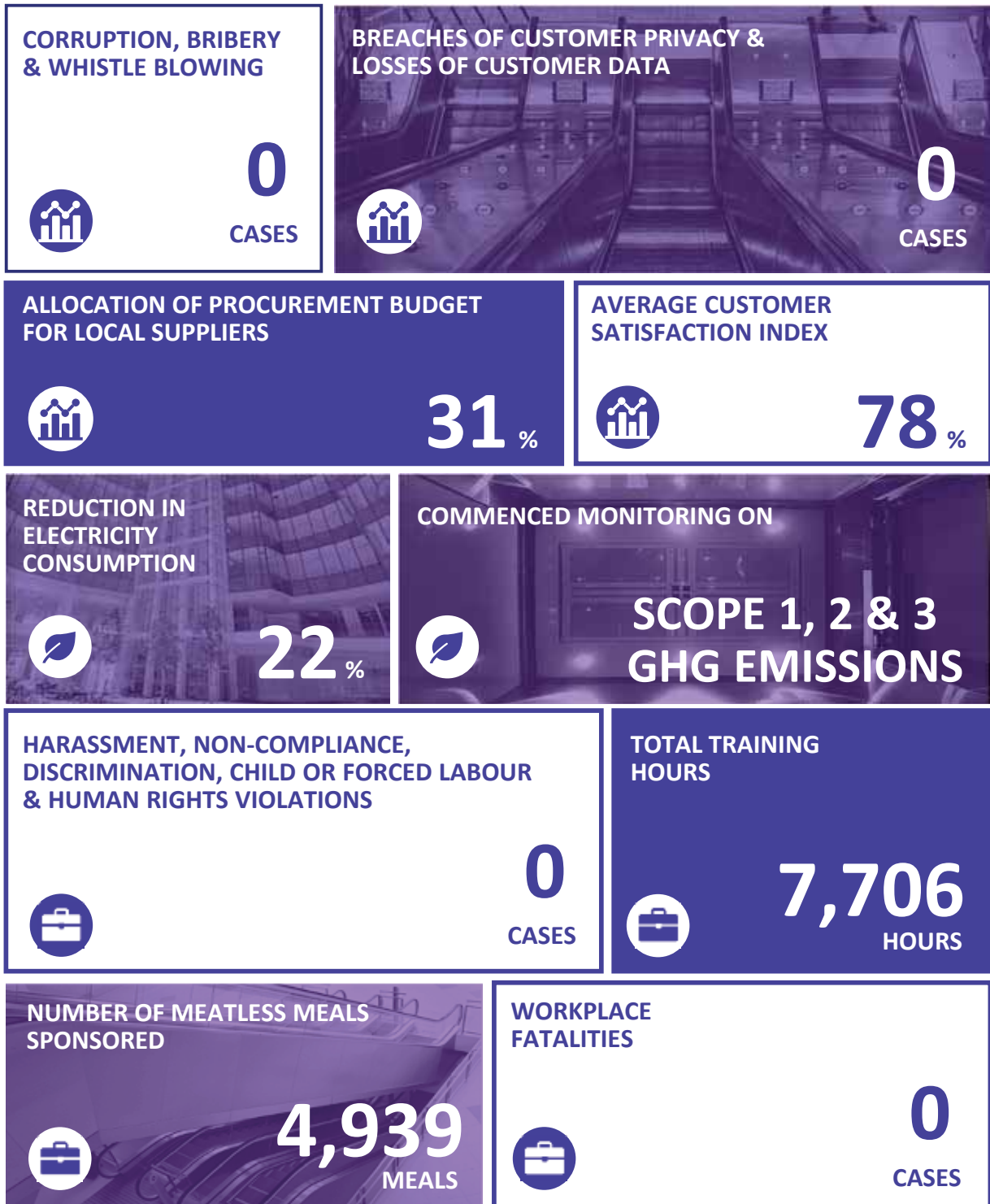


# SUSTAINABILITY STATEMENT

cont'd

## Our Sustainability Accomplishments

FY2023 was a year marked by numerous highlights for EITA. Our comprehensive approach to enhancing our ESG performance is evident in our achievements and our pursuit of sustainable development. As we progress, we aim to strengthen our sustainable practices across our business operations.



 Economic

 Nature

 Workplace

## SUSTAINABILITY STATEMENT

cont'd

### EITA's Sustainability Journey at a Glance

Since our first Sustainability Statement in 2017, our sustainability journey has been marked by numerous noteworthy milestones. In FY2023, we established a Sustainability Policy and adopted the early phase TCFD recommendations signifying our commitment to achieving net zero and decarbonisation across our value chain.

# 2023

- Adopted Bursa Malaysia's Sustainability Framework (3rd edition)
- Maintained 4 Pillars: Economy, Nature, Workplace, Society
- Re-assessed and adopted 9 UN SDGs
- Established **Terms of Reference** for Sustainability Committee
- Established **Sustainability Policy**
- Adopted Phase 1 **TCFD Recommendations**
- Maintained 7 Stakeholder Groups
- Conducted Materiality Reassessment
- Incorporated **13 Materiality Matters** in total



# 2018

- Adopted Bursa Malaysia's Sustainability Framework (2nd edition)
- Established **4 Pillars: Economy, Nature, Workplace, Society**
- Adopted **11 UN SDGs**
- Established **Sustainability Governance Structure**
- Identified **7 Stakeholder Groups & included Stakeholder Engagement Table**
- Identified **12 Materiality Matters** & conducted **1st Materiality Assessment**
- Formalised Corporate **Disclosure & Whistle Blowing Policy**



# 2019-2022

- Maintained 4 Pillars: Economy, Nature, Workplace, Society
- Maintained 11 UN SDGs
- Maintained 7 Stakeholder Groups
- Maintained 12 Materiality Matters
- Implemented **Anti-Bribery & Anti-Corruption Policy**



# 2017

- Reported **1st Sustainability Statement**
- General statement on 4 aspects: **Marketplace, Environmental, Workplace & Community**



# SUSTAINABILITY STATEMENT

cont'd

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- Mission **02**
- Core Values **03**
- ESG Pillars **04**
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## How We Approach Sustainability

### ESG Framework

EITA's ESG framework is the foundation of our sustainability initiatives, guiding us in furthering our sustainability agenda. The framework inextricably links our overall vision and mission with our four ESG pillars, our material sustainability matters and our contribution to the UN SDGs.

**Vision**  
Brings Good Feel to Life

**Mission**  
To strive for long-term business sustainability through conducting ethical business while embracing social and environmental best practices.

**E - Excellence**  
Pursuing excellence drives our endeavour to achieve consistent and strategic business growth, empowering both the company and its employees, while also maximising returns for our shareholders.

**I - Integrity**  
Guided by unwavering moral and ethical principles, we commit to upholding integrity in every aspect of our duties and operations.

**T - Trust and Respect**  
Building strong working relationships and fostering teamwork are the outcomes of nurturing an environment based on trust and mutual respect.

**A - Accountability**  
We take pride in demonstrating complete accountability, assuming responsibility for all our actions, decisions and conduct.

Economic	Nature	Workplace	Society
 1. Corporate Governance & Anti-Corruption 2. Product Quality & Innovation 3. Data Privacy & Cybersecurity 4. Supply Chain Management	 1. Emissions Management 2. Energy Management 3. Waste Management 4. Water Consumption	 1. Occupational Health & Safety 2. Labour Practices & Standards 3. Talent Attraction & Development 4. Workforce Diversity & Inclusivity	 1. Community Engagement

 Shareholders/ Investors	 Government/ Regulatory Bodies	 Employees	 Suppliers/ Contractors/ Consultants	 Customers/ Distributors	 Local Communities	 Media/ Analysts
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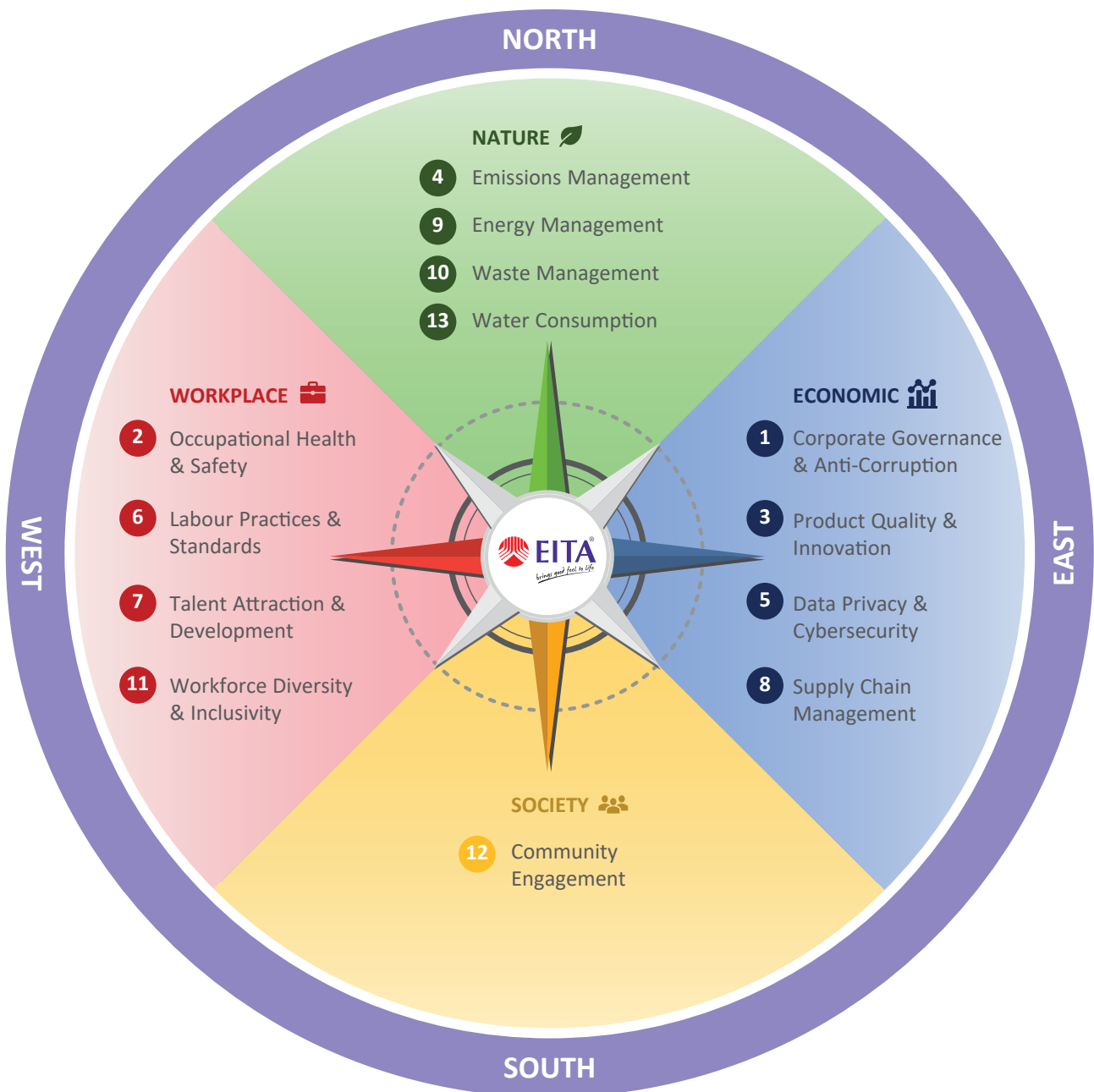


# SUSTAINABILITY STATEMENT

cont'd

## Our Guiding Compass

EITA's Sustainability Compass depicts our ESG direction and focus areas via four strategic points: North for Nature, East for Economic, South for Society and West for Workplace. This comprehensive approach enables us to steer ourselves in the direction of sustainable development.



# SUSTAINABILITY STATEMENT

cont'd

## Sustainability Policy

Our Sustainability Policy embodies our core principles, reflects our ESG aspirations, guides our initiatives and strategies, and drives us towards a more sustainable future. The Sustainability Policy has been approved by the Board and communicated across the Group.

### Our Commitments to Sustainability

#### Economic

- Adopt a sustainable business model that emphasises quality products, value-added services and ethical practices.
- Actively seek strategic partnerships to enhance our capabilities and create shared value.
- Continuous innovation of sustainable products and services.
- Prioritise suppliers with strong sustainability practices.
- Conduct regular assessments to identify and mitigate any potential risks with our supply chain, ensuring compliance with ethical and responsible sourcing practices.
- Prioritise delivering superior returns to our shareholders while considering the long-term impacts of our actions.

#### Nature

- Continuously improve energy efficiency, monitor and reduce our carbon footprint across operations.
- Enhance recycling, waste reduction and responsible disposal methods and contribute towards a circular economy.
- Monitor and reduce water consumption and implement water conservation practices in our facilities.

#### Workplace

- Foster a culture of diversity and inclusion by implementing policies and practices that promote equal opportunities and eliminate discrimination.
- Prioritise employee health and safety through comprehensive occupational health and safety programmes and regular safety training.
- Support the well-being and growth of our employees by fostering a workplace culture that encourages their development.
- Encourage employee development and growth through training programmes, career advancement opportunities and performance recognition.

#### Society

- Engage in community development initiatives.
- Promote volunteerism among employees by recognising and providing benefits for volunteer activities.
- Provide internship and mentorship programmes to support the development of local talents.

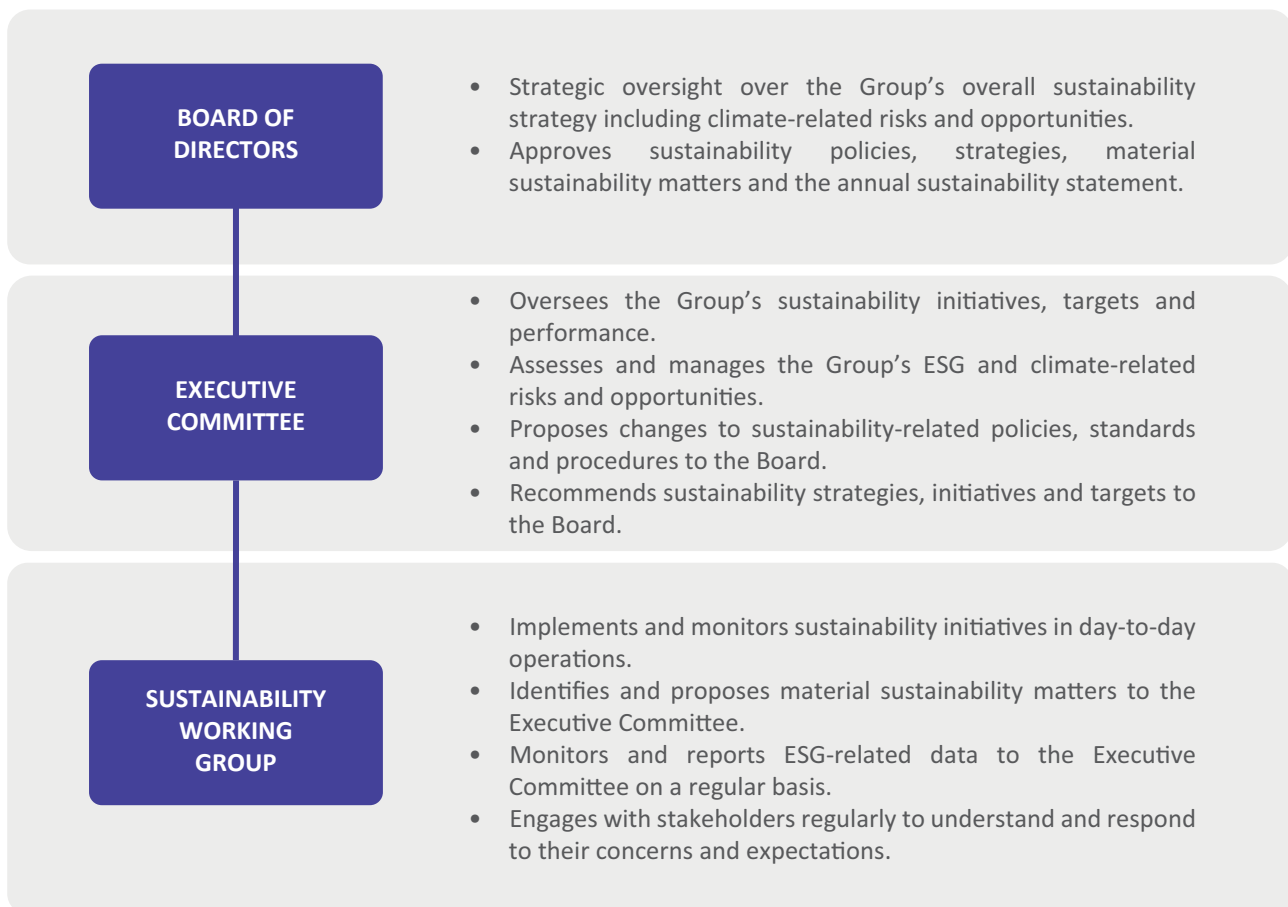
# SUSTAINABILITY STATEMENT

*cont'd*

## How We are Governed

EITA has established a comprehensive and effective sustainability governance structure that positions our management philosophy at the heart of our operations and guides our approach, addressing risks and opportunities. We define the policies, roles and responsibilities at each level within this structure to control and assure the Group's sustainability across our business activities.

### EITA's Sustainability Governance Structure



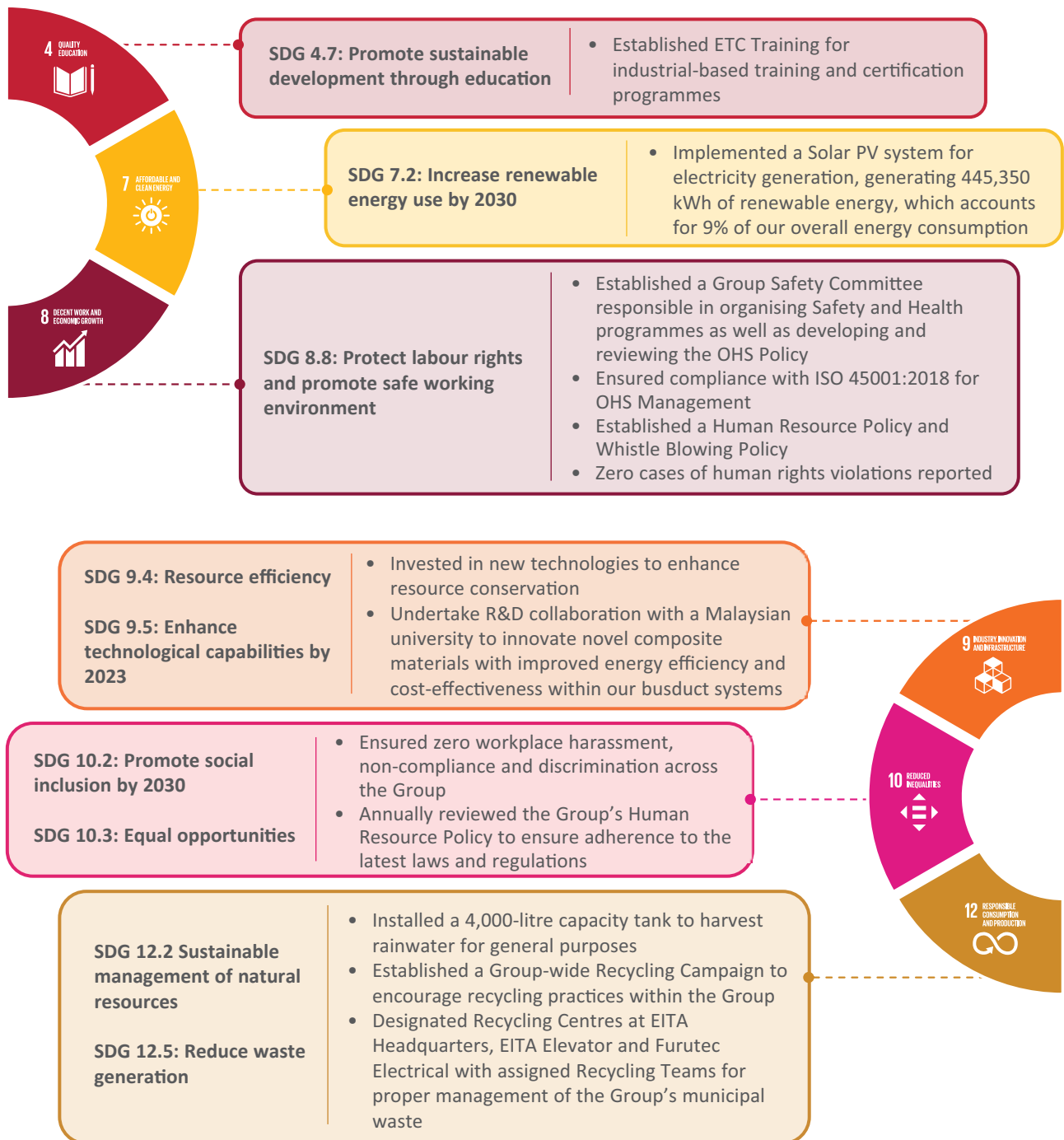


# SUSTAINABILITY STATEMENT

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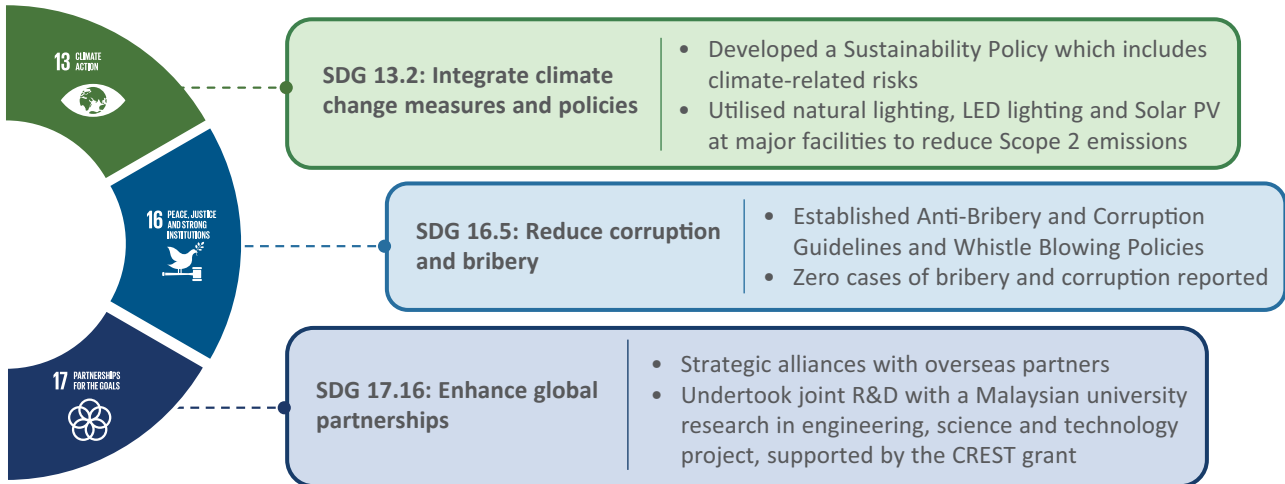
## Our UN SDG Contributions

In line with the 2030 Agenda for Sustainable Development, EITA has adopted 9 UN SDGs and specific targets that are most relevant to our business and where we can make the greatest impact. Through this, we affirm our commitment to the global agenda of promoting peace and prosperity for people as well as the planet.



# SUSTAINABILITY STATEMENT

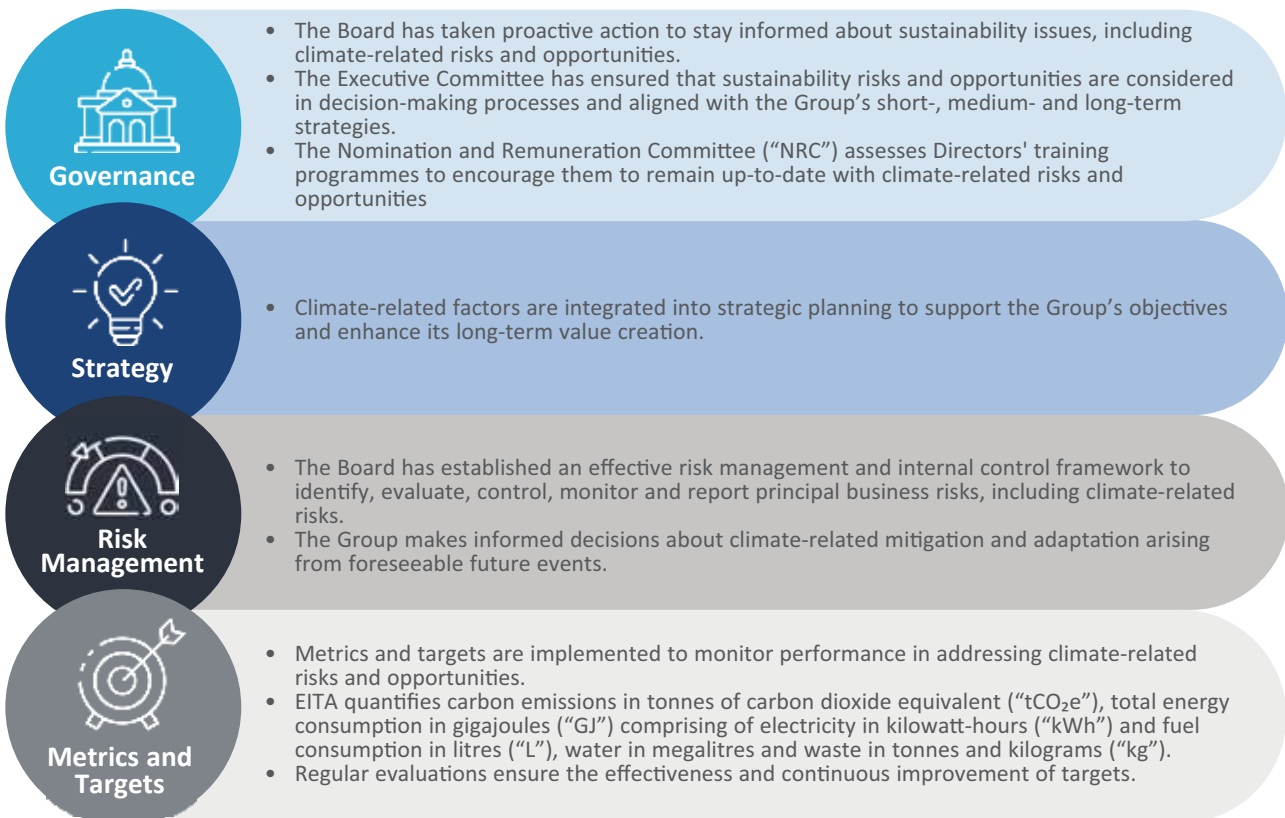
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## Our Path to Decarbonisation: Embracing Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations for Climate Action

Through the implementation of the TCFD recommendations, EITA fortifies its risk management practices and bolsters its capacity to tackle climate-related challenges. EITA’s climate action plan is aligned with the four core elements of governance, strategy, risk management, metrics and targets.

### EITA’s Alignment to the Four Pillars of TCFD Recommendations



# SUSTAINABILITY STATEMENT

cont'd

## Key Performance Indicators

EITA's Sustainability KPIs have been established to provide clear, specific and measurable goals that track our ESG performance, aiming for continuous improvement and achieving tangible outcomes.




Our Goals	Material Matters	Key Performance Indicators	Our Progress as of FYE2023
Promote Sustainable Environmental Practices	Emissions Management	Achieve at least <b>10%</b> reduction of Scope 2 emissions compared to baseline year of <b>2021</b> (1,008 tCO <sub>2</sub> e).	<ul style="list-style-type: none"> <li>• <b>16%</b> reduction of Scope 2 GHG emissions compared to baseline.</li> </ul>
	Waste Management	Reduce at least <b>5%</b> of overall scheduled waste generation at Furutec with a baseline year of <b>2022</b> (400 kg)	<ul style="list-style-type: none"> <li>• <b>55%</b> reduction in scheduled waste generated at Furutec operations.</li> </ul>
Deliver Excellence in Product Quality and Services	Product Quality and Innovation	Attain Internal Customer Satisfaction of above <b>80%</b> for EITA Elevator, EITA-Schneider and Furutec.	<ul style="list-style-type: none"> <li>• EITA Elevator: <b>86%</b></li> <li>• EITA-Schneider: <b>67%</b></li> <li>• Furutec: <b>82%</b></li> </ul>
Enhance Supply Chain Sustainability	Supply Chain Management	Increase local procurement to a target of <b>50%</b> by <b>2025</b> .	<ul style="list-style-type: none"> <li>• <b>31%</b> expenditure allocated to local suppliers.</li> </ul>
Foster a Safe and Inclusive Workplace Environment	Occupational Health and Safety	Achieve <b>zero</b> fatal accidents and serious injuries.	<ul style="list-style-type: none"> <li>• <b>Zero</b> fatal injuries recorded.</li> <li>• Lost Time Injury Rate = <b>123.4</b> at EITA Elevator and <b>14.8</b> at Furutec</li> </ul>
	Workforce Diversity and Inclusivity	Achieve a target of <b>25%</b> in women representation in executive positions.	<ul style="list-style-type: none"> <li>• <b>34%</b> of executive-level positions are held by women.</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

## Engaging with Our Stakeholders

Our stakeholders' feedback is valuable in shaping EITA's corporate strategies, business operations, and ESG practices. We ensure that their concerns are addressed by engaging with them on a continuous basis through various communication methods.



Stakeholder Groups	Mode of Engagement	Areas of Concern	EITA's Response
<b>Shareholders / Investors</b> 	<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>Dividends</li> <li>Business strategies and plans</li> <li>Corporate governance</li> <li>Corporate activities</li> </ul>	<ul style="list-style-type: none"> <li>Reported on economic and financial performance on a quarterly and annual basis</li> <li>Timely updates on Group's strategy via investor briefings and announcements</li> <li>Implemented Anti-Bribery and Anti-Corruption guidelines</li> <li>Established a comprehensive governance structure</li> <li>Developed robust corporate governance policies</li> </ul>
<b>Government/ Regulatory Authorities</b> 	<ul style="list-style-type: none"> <li>Participation in programmes</li> <li>On-site inspections</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Conducted external certifications and audits by accredited third parties</li> <li>Ensured compliance with relevant laws and regulations: Employment Act 1995, Minimum Wages Act 2018, Environment Quality Act 1974</li> </ul>
<b>Customers/ Distributors</b> 	<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>Quality of product and services</li> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Conducted periodically survey on customer satisfaction</li> <li>Developed a customer satisfaction index</li> <li>Conducted quality assurance evaluation</li> <li>Conducted evaluation and screening of suppliers to ensure high-quality standards</li> </ul>





# SUSTAINABILITY STATEMENT



cont'd

Stakeholder Groups	Mode of Engagement	Areas of Concern	EITA's Response
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Training and development programmes</li> <li>• Employee engagement survey</li> <li>• Performance appraisal</li> <li>• Company activities (sports club, annual dinner, birthdays)</li> </ul>	<ul style="list-style-type: none"> <li>• Career development and advancement</li> <li>• Fair employment practices</li> <li>• Workplace conduciveness</li> <li>• Safety, health and welfare</li> <li>• Balanced lifestyle</li> </ul>	<ul style="list-style-type: none"> <li>• Provided both virtual and physical industrial trainings related to technical, skills and development topics</li> <li>• Conducted annual review on the Human Resource Policy</li> <li>• Established a Group Safety Committee</li> <li>• Implemented ISO 45001:2018 for Occupational Health and Safety Management</li> <li>• Provided comprehensive benefits to employees</li> <li>• Established EITA Sports Club to promote balanced lifestyle</li> </ul>
<b>Suppliers/ Contractors/ Consultants</b> 	<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 products and services</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted regular communication with partners</li> <li>• Conducted evaluation and screening of suppliers for quality assurance</li> <li>• Allocated procurement of raw materials from local suppliers</li> <li>• Conducted quality assurance evaluation</li> <li>• Established a Group Safety Committee</li> <li>• Implemented ISO 45001:2018 for Occupational Health and Safety Management</li> </ul>



# SUSTAINABILITY STATEMENT

cont'd

Stakeholder Groups	Mode of Engagement	Areas of Concern	EITA's Response
<p><b>Local Communities</b></p> 	<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> </ul> <hr/> <ul style="list-style-type: none"> <li>• Environmental practices</li> <li>• Safety practices</li> </ul>	<ul style="list-style-type: none"> <li>• Engaged in regular charity activities</li> <li>• Established long-term collaboration with local charity foundation</li> <li>• Incorporated KPIs to promote employee volunteerism and involvement in CSR projects</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Established Group-wide Recycling Campaign</li> <li>• Established a Group Safety Committee</li> <li>• Implemented ISO 45001:2018 for Occupational Health and Safety Management</li> </ul>
<p><b>Media/Analysts</b></p> 	<ul style="list-style-type: none"> <li>• Media interviews and releases</li> <li>• Analyst briefings</li> <li>• Advertisements</li> </ul>	<ul style="list-style-type: none"> <li>• Timely communications</li> </ul>	<ul style="list-style-type: none"> <li>• Provided updates on the latest news and announcements on EITA's Latest Highlights</li> <li>• Developed communication portal on EITA's corporate website</li> </ul>

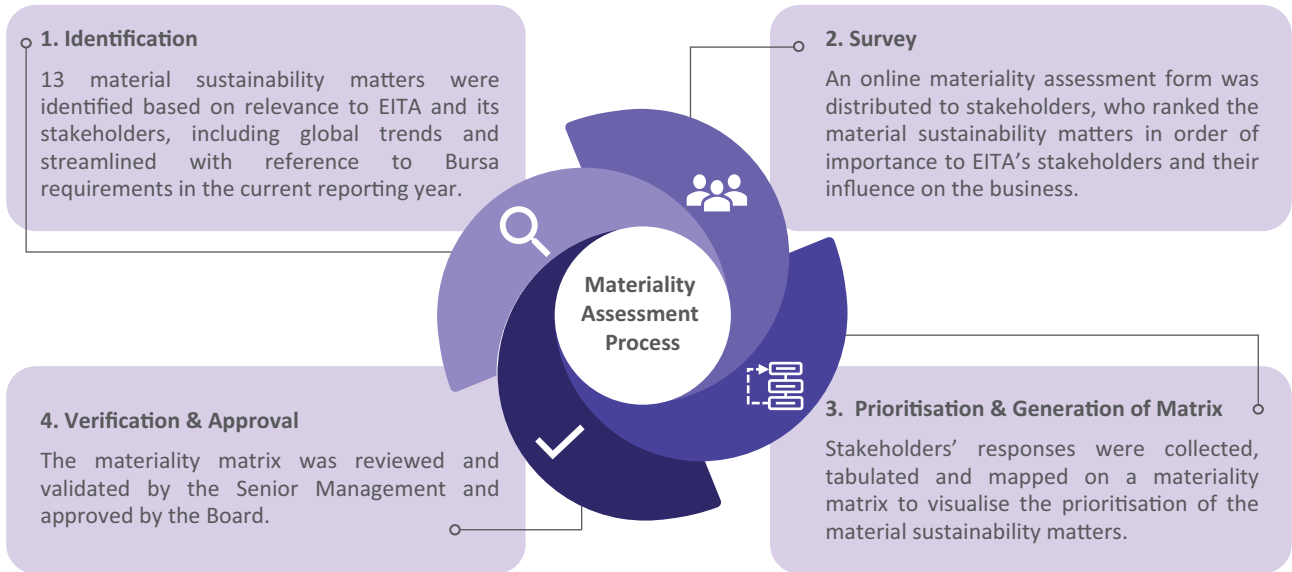


# SUSTAINABILITY STATEMENT

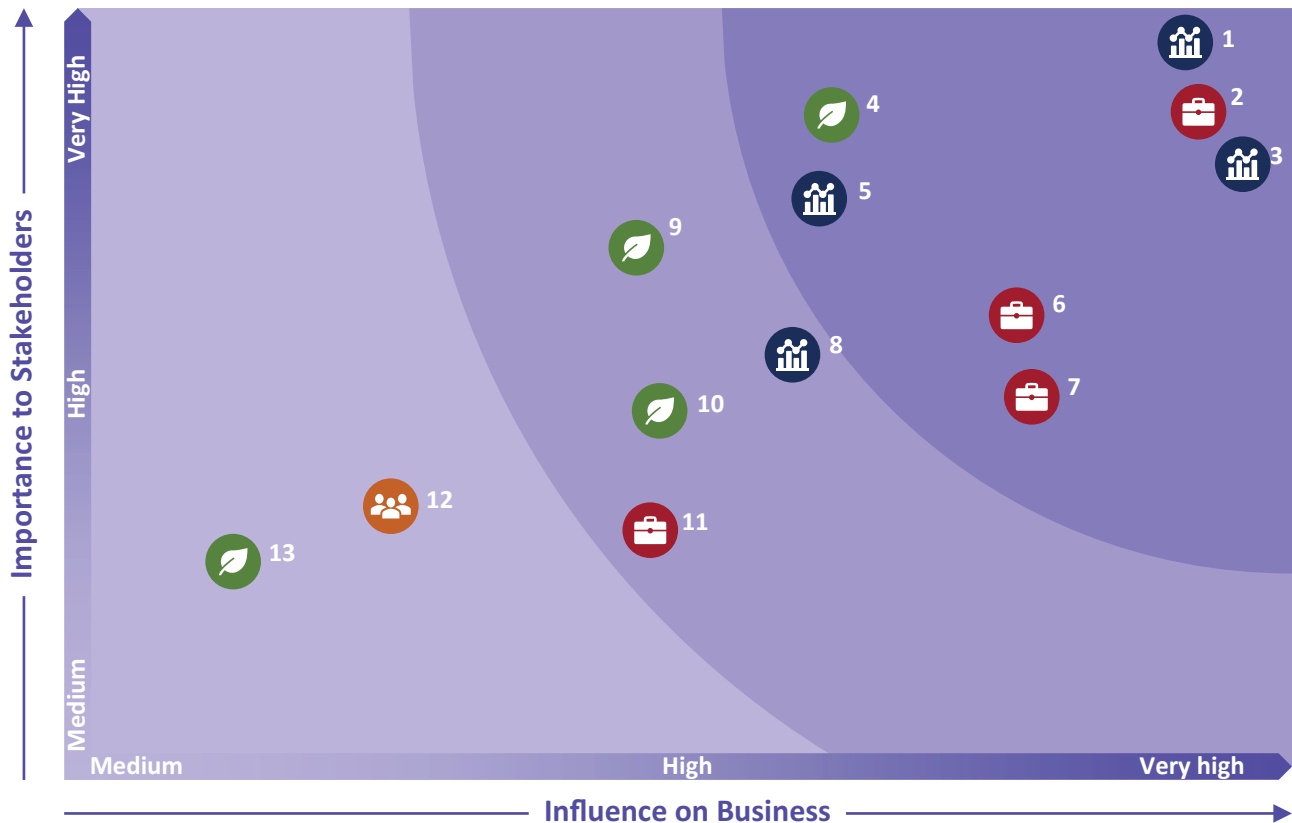
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## Our Materiality Matters

In FY2023, we conducted a materiality reassessment to identify, assess and prioritise our latest material sustainability matters in alignment with the latest Bursa Listing Requirements. This enables us to make strategic decisions regarding the most significant ESG issues for the Group and our stakeholders.

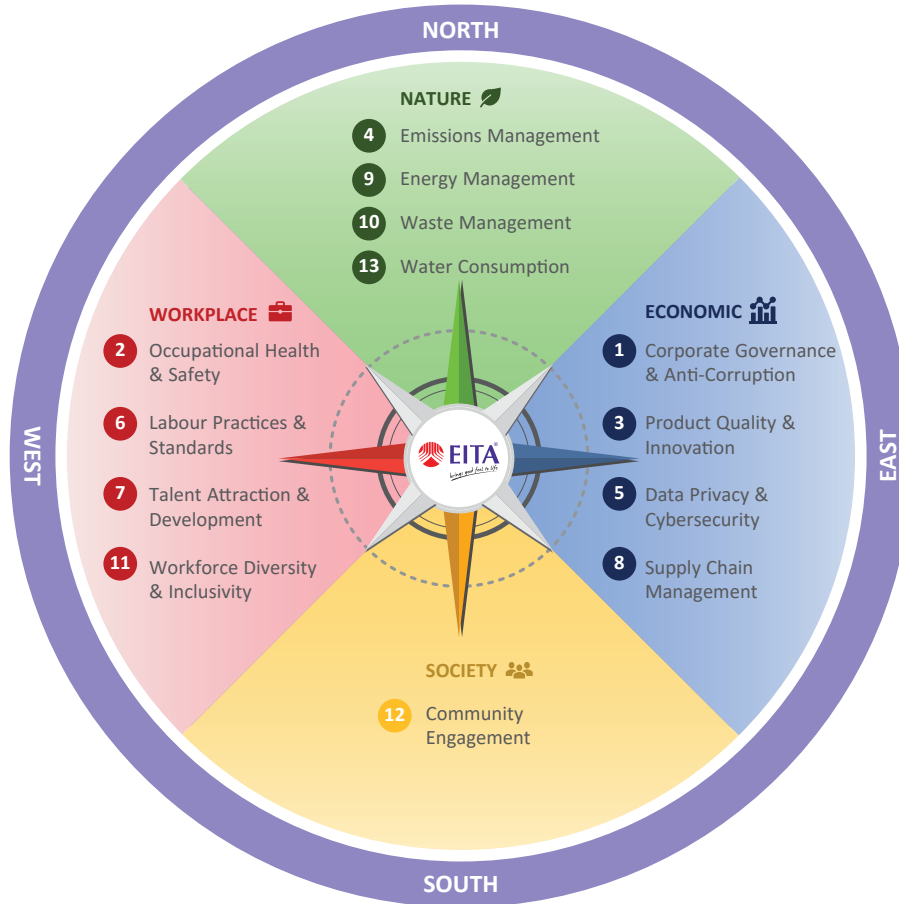


## Materiality Matrix



# SUSTAINABILITY STATEMENT

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The findings of the assessment revealed stakeholder perceptions regarding the relative importance and influence of these issues on EITA as well as EITA's impact on these issues. Based on this analysis, Corporate Governance & Anti-Corruption, Occupational Health & Safety, Product Quality & Innovation, Emissions Management, and Data Privacy & Cybersecurity were the top five material sustainability matters for FY2023.



# SUSTAINABILITY STATEMENT

cont'd

## Mapping of Our Material Matters







The Group’s material sustainability matters are linked with global initiatives such as the UN SDGs and GRI Indicators. We have carefully aligned each material matter with the concerns and interests of the relevant stakeholder groups. This ensures that the Group’s sustainability efforts address specific areas of importance for our stakeholders while contributing to the global sustainability landscape.

ECONOMIC			
Material Matter	GRI Indicators	UN SDGs	Stakeholder Groups
Corporate Governance and Anti-Corruption	2: General Disclosures 3: Material Topics 205: Anti-Corruption		<ul style="list-style-type: none"> <li>Shareholders/Investors</li> <li>Government/Regulatory Authorities</li> <li>Customers/Distributors</li> <li>Employees</li> <li>Suppliers/Contractors/Consultants</li> </ul>
Product Quality and Innovation	3: Material Topics 416: Customer Health and Safety 417: Marketing and Labelling	  	<ul style="list-style-type: none"> <li>Shareholders/Investors</li> <li>Customers/Distributors</li> </ul>
Data Privacy and Cybersecurity	2: General Disclosures 3: Material Topics 418: Customer Privacy		<ul style="list-style-type: none"> <li>Customers/Distributors</li> <li>Employees</li> </ul>
Supply Chain Management	2: General Disclosures 3: Material Topics 204: Procurement Practices		<ul style="list-style-type: none"> <li>Customers/Distributors</li> <li>Suppliers/Contractors/Consultants</li> </ul>

NATURE			
Material Matter	GRI Indicators	UN SDGs	Stakeholder Groups
Emissions Management	2: General Disclosures 3: Material Topics 305: Emissions		<ul style="list-style-type: none"> <li>Shareholders/Investors</li> <li>Government/Regulatory Authorities</li> <li>Media/Analysts</li> <li>Local Communities</li> </ul>
Energy Management	2: General Disclosures 3: Material Topics 302: Energy		<ul style="list-style-type: none"> <li>Shareholders/Investors</li> <li>Government/Regulatory Authorities</li> <li>Media/Analysts</li> <li>Local Communities</li> </ul>
Waste Management	2: General Disclosures 3: Material Topics 306: Waste		<ul style="list-style-type: none"> <li>Shareholders/Investors</li> <li>Government/Regulatory Authorities</li> <li>Media/Analysts</li> <li>Local Communities</li> </ul>
Water Consumption	3: Material Topics 303: Water and Effluents		<ul style="list-style-type: none"> <li>Shareholders/Investors</li> <li>Government/Regulatory Authorities</li> <li>Media/Analysts</li> <li>Local Communities</li> </ul>

# SUSTAINABILITY STATEMENT

cont'd

WORKPLACE			
Material Matter	GRI Indicators	UN SDGs	Stakeholder Groups
Occupational Health and Safety	2: General Disclosures 3: Material Topics 403: Occupational Health and Safety		<ul style="list-style-type: none"> <li>Government/Regulatory Authorities</li> <li>Employees</li> </ul>
Labour Practices and Standards	2: General Disclosures 3: Material Topics 408: Child Labour 409: Forced or Compulsory Labour		<ul style="list-style-type: none"> <li>Government/Regulatory Authorities</li> <li>Employees</li> </ul>
Talent Attraction and Development	2: General Disclosures 3: Material Topics 401: Employment 404: Training and Education		<ul style="list-style-type: none"> <li>Employees</li> </ul>
Workforce Diversity and Inclusivity	2: General Disclosures 3: Material Topics 405: Diversity and Equal Opportunities 406: Non-discrimination	 	<ul style="list-style-type: none"> <li>Employees</li> </ul>
SOCIAL			
Material Matter	GRI Indicators	UN SDGs	Stakeholder Groups
Community Engagement	3: Material Topics 413: Local Communities		<ul style="list-style-type: none"> <li>Media/Analysts</li> <li>Local Communities</li> </ul>

## SUSTAINABILITY STATEMENT

cont'd

### Economic

Corporate Governance and Anti-Corruption

Product Quality and Innovation

Data Privacy and Cybersecurity

Supply Chain Management



We strive to uphold a sustainable business model that offers quality products and value-added services, embraces ethical business practices and delivers superior returns to our shareholders.

### Corporate Governance and Anti-Corruption

The EITA Board steers the Group towards ensuring accountability and transparency throughout our value chain via the implementation of best-practice internal mechanisms and procedures, where policies and practices are in place to uphold the most stringent ethical standards. The Board Charter incorporates the principles of the Malaysian Code on Corporate Governance (“MCCG”) and defines the Board members’ roles and responsibilities.

EITA Policies and Practices	Description
Anti-Bribery and Anti-Corruption Policy	EITA upholds laws against bribery and corruption, and report non-compliance to the Malaysian Anti-Corruption Commission (“MACC”).
Whistle Blowing Policy	Provides a channel for employees and the public to report misconduct, aiming to address concerns effectively while protecting individuals who report in good faith.
Code of Ethics and Conduct	Incorporated in the Board Charter, this Code guides the behaviour of Directors and employees, including anti-bribery and anti-corruption provisions. The Board regularly reviews and updates the Code.
Sustainability Policy	Sets out EITA’s commitment to responsible business practices, driving positive impact through enhanced ESG practices.
Directors’ Fit and Proper Policy	Outlines the transparent and merit-based process of appointing and re-electing Directors.
Remuneration Policy	Transparent and independent processes determine remuneration for Directors and Senior Management, aligning with the Group’s long-term objectives.
Gender Diversity Policy	Supports diversity at the Board and Senior Management levels, ensuring suitability based on competency, skills and character.
Corporate Disclosure Policy	Promotes comprehensive, accurate and timely disclosure through various channels, such as reports, announcements and the company’s website. Active dialogue and effective communication with shareholders and investors are maintained.

# SUSTAINABILITY STATEMENT


cont'd

The policies are reviewed periodically to ensure their relevance and applicability.

## ZERO

reported cases of

- **Corruption**
- **Bribery**
- **Whistleblowing**

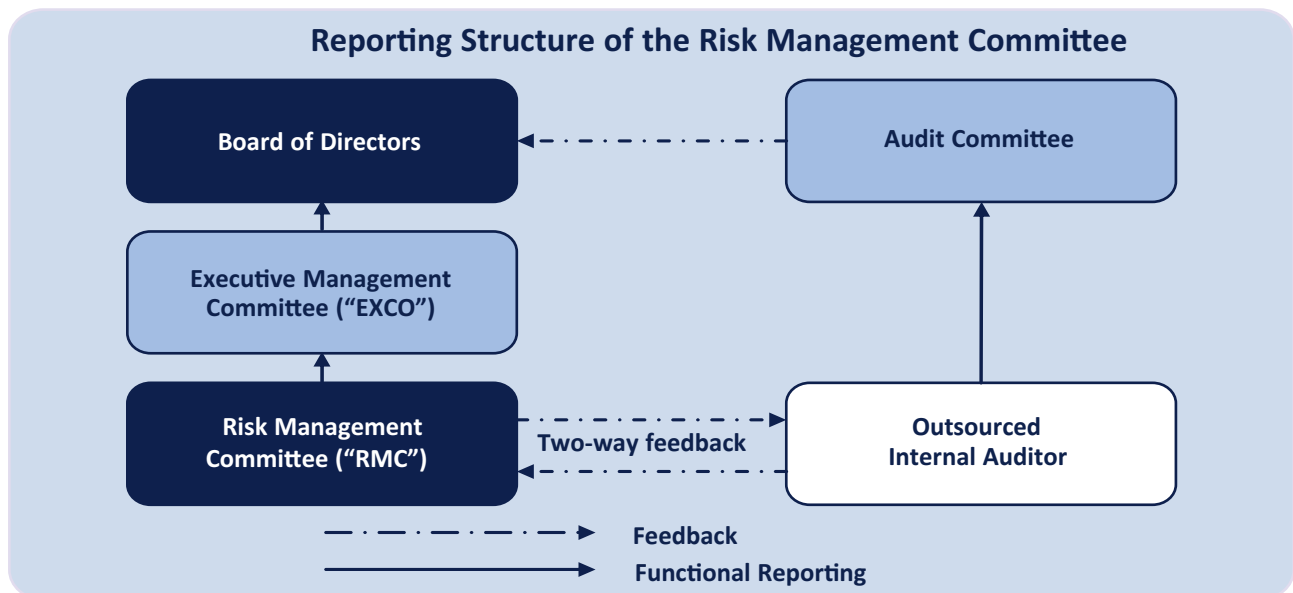


100% of our employees underwent anti-corruption training through induction programmes and online courses. We are proud to report that in FY2023, there were zero reported cases of corruption and bribery, as well as zero reported cases of whistleblowing.

### Group Risk Management

The Group employs a third-party internal auditor (“IA”) to assess the effectiveness of our internal controls, a key part of our risk management system. The IA utilises the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) Internal Control-Integrated Framework as a foundation for this assessment.

Additionally, our Risk Management Handbook establishes a clear reporting structure for the Risk Management Committee, delineating the roles and responsibilities of key positions within this framework.





## SUSTAINABILITY STATEMENT

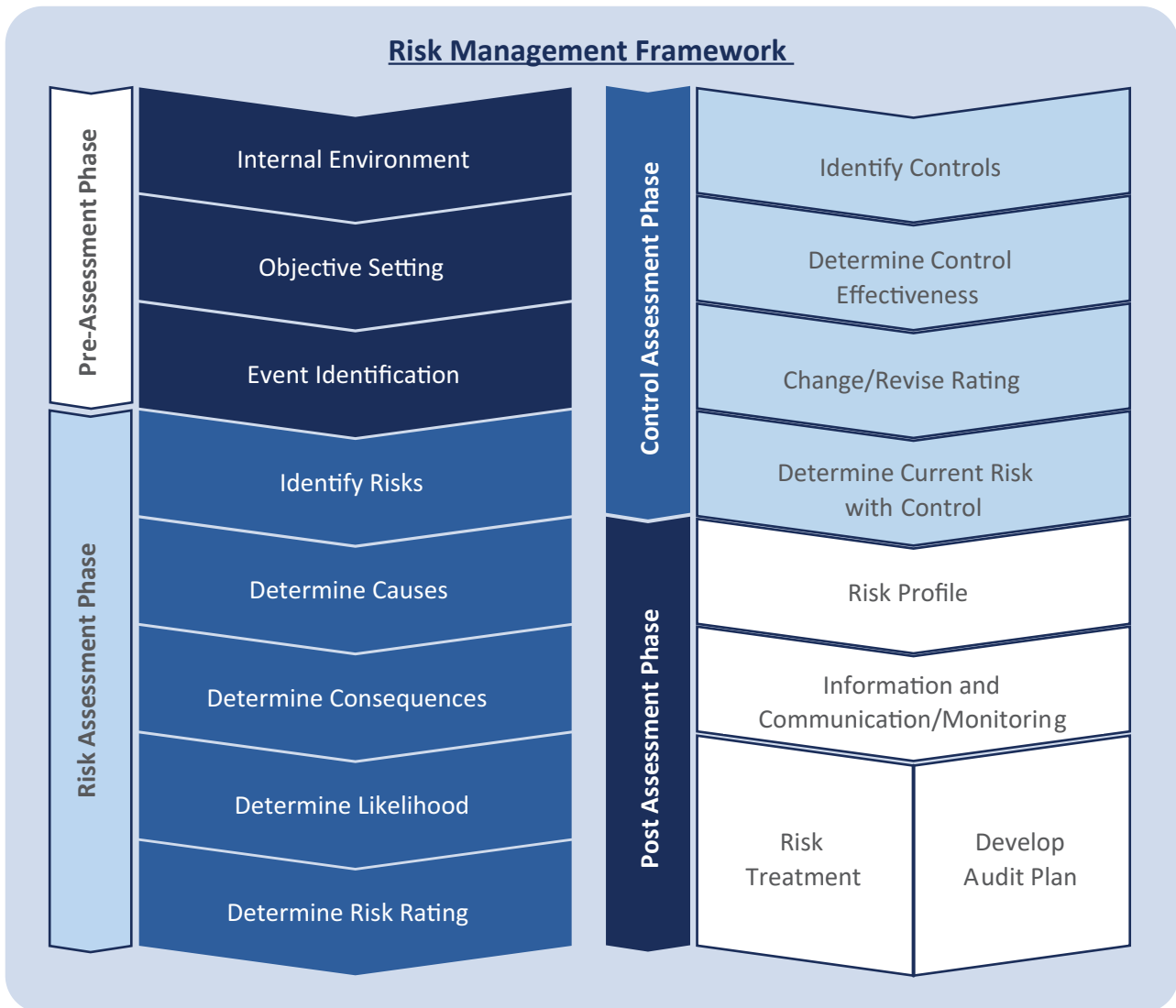
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Position	Roles and Responsibilities
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Align and approve corporate objectives and policies.</li> <li>Review the adequacy and integrity of the Group's internal control system, risk management and management information systems.</li> <li>Identify principal risks and ensure the implementation of appropriate systems to manage and monitor significant financial and non-financial risks.</li> </ul>
<b>Executive Management Committee ("EXCO")</b>	<ul style="list-style-type: none"> <li>Make decisions and review proposals on policies, procedures and strategic direction.</li> <li>Delegate authority in accordance with the policies.</li> <li>Review and approve corporate objectives and operational policies, annual budget, corporation plan and capital expenditure.</li> <li>Identify, assess, and review significant risks.</li> </ul>
<b>Risk Management Committee ("RMC")</b>	<ul style="list-style-type: none"> <li>Implement Risk Management Control framework and measurements.</li> <li>Continuously review and assess risks.</li> <li>Report to the EXCO on any material changes to the risk profile of the Group.</li> <li>Highlight significant risks to EXCO.</li> </ul>
<b>Audit Committee (Independent)</b>	<ul style="list-style-type: none"> <li>Review the adequacy of the scope, functions, competency, and resources of internal audit functions.</li> <li>Review and assess the performance of internal audit functions.</li> <li>Review the adequacy and effectiveness of the Group's internal control system, risk management, administrative, operating and accounting policies.</li> <li>Provide feedback on significant risks reported to the Board of Directors, if necessary.</li> <li>Review any related-party transactions and conflicts-of-interest situations.</li> </ul>
<b>Internal Audit (Outsourced)</b>	<ul style="list-style-type: none"> <li>Assist the Audit Committee in discharging the required Internal Control and Risk Management Functions.</li> <li>Review the risk profile and report to the Audit Committee on the effectiveness of the risk management system.</li> <li>Highlight significant risks to the Audit Committee.</li> <li>Provide feedback on significant risks identified during internal audit reviews to the RMC.</li> <li>Develop a Risk-Based Internal Audit Plan for internal audit reviews.</li> </ul>

## SUSTAINABILITY STATEMENT

cont'd

Additionally, through our comprehensive risk management framework, we appropriately manage our risks and monitor our overall risk management performance.



# SUSTAINABILITY STATEMENT

cont'd

## Product Quality and Innovation

### Quality Commitment

EITA consistently delivers high-quality products and superior services, solidifying our position in the industry. Our brands, including EITA-Schneider® Elevator systems, Furutec® Busduct systems, REFAS® Lighting solutions and PYROTEC® Fire-Resistant cables adhere to the latest international and local standards such as the International Electrotechnical Commission (“IEC”), British Standards (“BS”), Chinese National Standards (“CNS”), European Lift Standards (“EN81”), Standards & Industrial Research Institute of Malaysia (“SIRIM”) and others. EITA also complies with the ISO 9001:2015 Quality Management System.

### Furutec Busduct System



- Compliant with IEC 61439-6 and UL857
- Compact Sandwich Type
- Electro-Galvanised Steel Housing
- Corrosion Resistant
- Double-Bolt Joint Design
- Seismic Zone 4 Protection
- IK10 Mechanical Impact
- Complete IP65



- Compliant with IEC 61439-6 and UL857
- Compact Sandwich Type
- Extruded Aluminium Alloy Housing
- Excellent Heat Dissipation
- Corrosion Resistant
- 100% Integral Ground System
- Seismic Zone 4 Protection
- IK10 Mechanical Impact
- Complete IP65



- Compliant with IEC 61439-6
- Cast Resin Type
- Excellent Heat Dissipation
- Resistant to Fire, Corrosion and Chemical
- Robust and Heavy Duty
- Seismic Zone 4 Protection
- IK10 Mechanical Impact
- Complete IP68



- Modular and Compact Design for Lesser Space Utilisation
- Foolproof Design for Product Safety
- Turn & Lock TOU Installation
- Flexibility for Future Expansion
- Fast Installation and Lower Installation Cost
- Maintenance-free
- Reusable and Environmentally Friendly
- Ready for Intelligent Monitoring System

## SUSTAINABILITY STATEMENT

cont'd

### ZERO

reported cases of

- Product mislabelling
- Product non-compliance

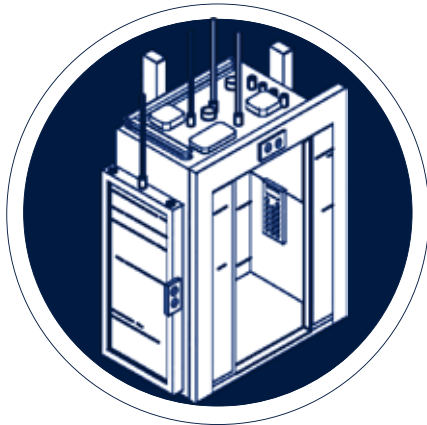


In FY2023, we recorded zero incidents of product mislabelling and zero non-compliances concerning the safety of our products.

#### Innovation and Advancement

We are proud to share the latest advancements and innovations in our elevator and busduct products, underlining our pursuit of technological excellence and sustainability.

#### Elevator



1

Leveraging the power of the Internet of Things (“IoT”), we have implemented predictive and preventive maintenance strategies, enhancing the reliability and longevity of our elevators.

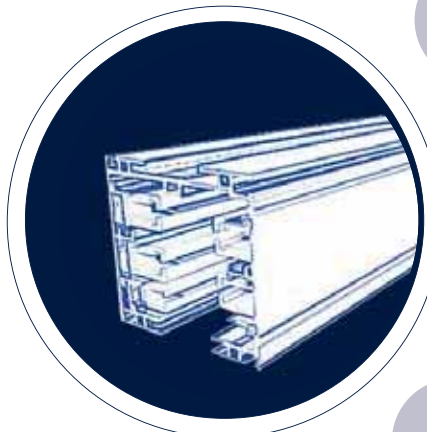
2

To address COVID-19 challenges, we have integrated touchless solutions and UV sanitizers in our elevators, actively reducing cross-contamination and enhancing passenger safety and hygiene.

3

Our controller re-design initiative has yielded a more compact design that utilises fewer materials, streamlining troubleshooting and maintenance processes.

#### Busduct



1

Our new i-DC busduct model is tailor-made to cater specifically to the dynamic demands of the Data-Centre industry.

2

The incorporation of IoT technology allows us to closely monitor power distribution throughput and temperature rise within our busduct systems, ensuring optimal performance of our system.

3

Our re-designed busduct system maintains power distribution efficiency, while simultaneously embracing a more compact and sustainable design that optimises material usage.

4

In line with the paradigm shift of Industry 4.0, our busduct division now employs cradle-to-gate monitoring of the production life-cycle.



# SUSTAINABILITY STATEMENT

cont'd

## Sustainability in Design

One of our standout achievements in the realm of sustainability is our research and development (“R&D”) in the field of ‘Green Technology.’ We are continuously innovating a comprehensive range of energy-saving elevators, escalators and travellers contributing to energy efficiency. EITA’s adherence to the Restriction of Hazardous Substances Directives (“RoHS”) for raw materials also ensures that our products meet rigorous environmental standards, resulting in safer and more eco-friendly end-products.

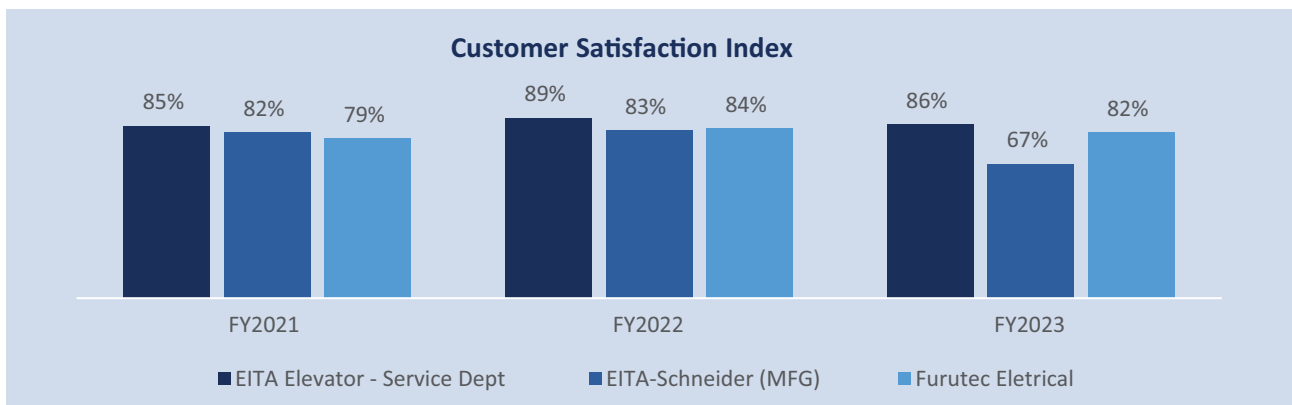
The Group’s efforts to improve energy efficiency extend to solar photovoltaic (“PV”) solutions. With our in-house team of Institute for Sustainable Power Quality (“ISPQ”)-certified professionals, EITA is a reliable partner throughout the solar PV project integration process. Our services encompass project design, management, system installation and maintenance, while also assisting with Tenaga Nasional Berhad (“TNB”) and Sustainable Energy Development Authority (“SEDA”).

## Customer Satisfaction

EITA Elevator consistently gauges customer satisfaction through quarterly surveys, assessing aspects such as delivery promptness, product quality, customer communication and price competitiveness. Our internal benchmark for customer satisfaction is set at 80% and in FY2023, we surpassed this target with an achievement of 86%.

Meanwhile, our elevator manufacturing subsidiary for local and overseas sales, EITA-Schneider, attained a 67% customer satisfaction index in the same fiscal year. This decrease was attributed to challenges related to cost/pricing competitiveness and extended delivery lead times, which we have taken corrective measures to rectify.

Furutec, specialising in product design, quality and technical support, exceeded expectations with a score of 82% in FY2023 against an 80% satisfaction target.



## Strategic Partnership for Innovation

Through strategic partnerships, EITA synergises our collective strengths and resources to make a significant impact on our business and the industry. These partnerships involve customised project specification, product design collaborations with principals, technical knowledge transfer and joint R&D initiatives with local universities. Expanding our distribution network in ASEAN and the Middle East remains crucial for our business growth as we actively seek strategic alliances in these locations.

# SUSTAINABILITY STATEMENT

cont'd


## Data Privacy and Cybersecurity

Digitalisation plays a crucial role in improving operational processes and expediting the shift towards a low-carbon economy. To safeguard against cybersecurity hazards, we strictly comply with Malaysia’s Personal Data Protection Act 2010 (“PDPA”) to ensure the secure storage of all relevant information. In line with our data protection measures, all employees are required to sign and adhere to our Computer Network Services Policy. During the fiscal year 2023, we maintained a record free of customer privacy breaches and customer data loss.

### ZERO

reported cases of

- Customer privacy breaches
- Customer data loss

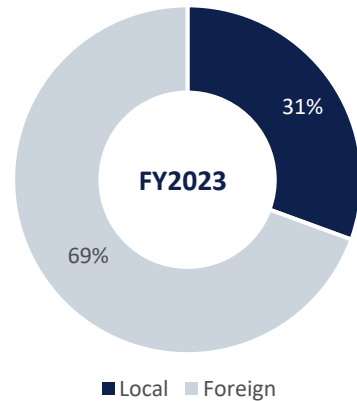


## Supply Chain Management

We are dedicated to responsible sourcing practices that contribute to sustainable supply chains. Since Q3 FY2023, EITA began tracking our procurement budget allocation and we are proud to report that 31% of our procurement budget was directed towards local suppliers. We have a clear objective of further elevating this percentage to support the growth of our local economy. Additionally, we acknowledge that this effort will not only reduce transportation emissions but also contribute to the decarbonisation of our entire value chain.

We assess our suppliers in line with the ISO 9001 (Quality Management System) standards for quality, reliability and traceability. Our New Vendor Evaluation Form provides us with background information on the prospective supplier or vendor before engaging with them. Moving forward, we aim to enhance our assessment processes by integrating ESG criteria into our evaluation forms.

Allocation of Procurement Budget



# SUSTAINABILITY STATEMENT

cont'd

## Nature

**Energy Management**

**Emissions Management**

**Waste Management**

**Water Consumption**

7 AFFORDABLE AND CLEAN ENERGY

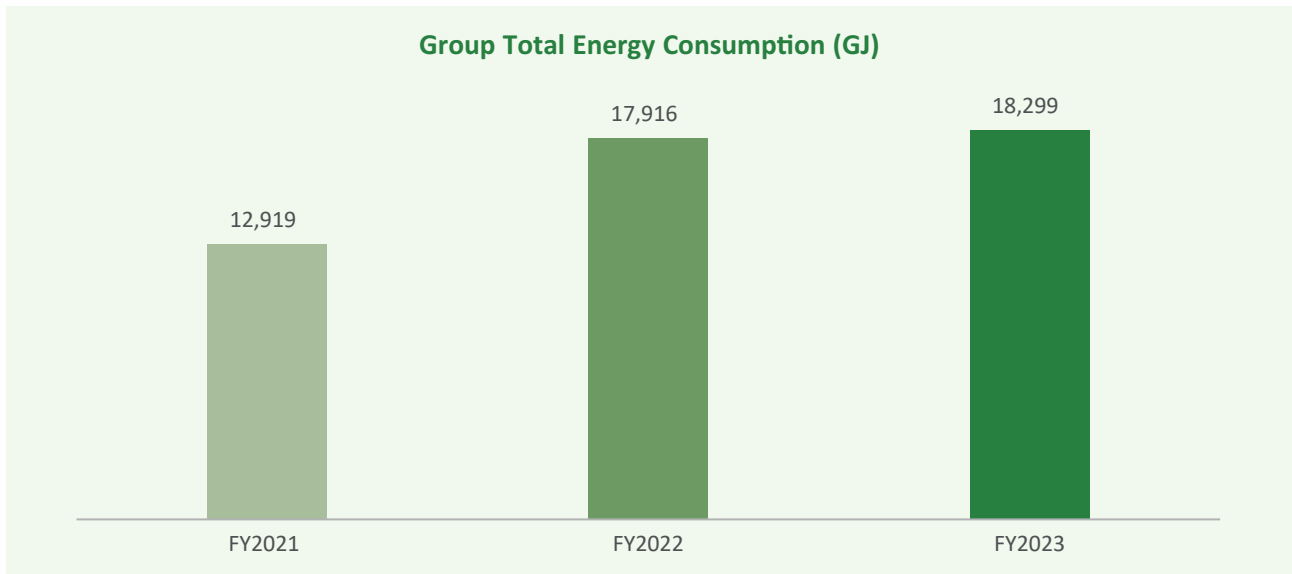
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

We strive to conserve the planet and promote a greener environment in which we operate. Consequently, in response to the global drive for environmental sustainability, we champion eco-friendly initiatives in our products and processes.

## Energy Management

The Group acknowledges that effective energy management is not only crucial for reducing operational costs but also plays a pivotal role in mitigating climate change. We actively contribute to a low-carbon future by optimising our energy consumption, employing renewable energy sources and implementing sustainable practices.



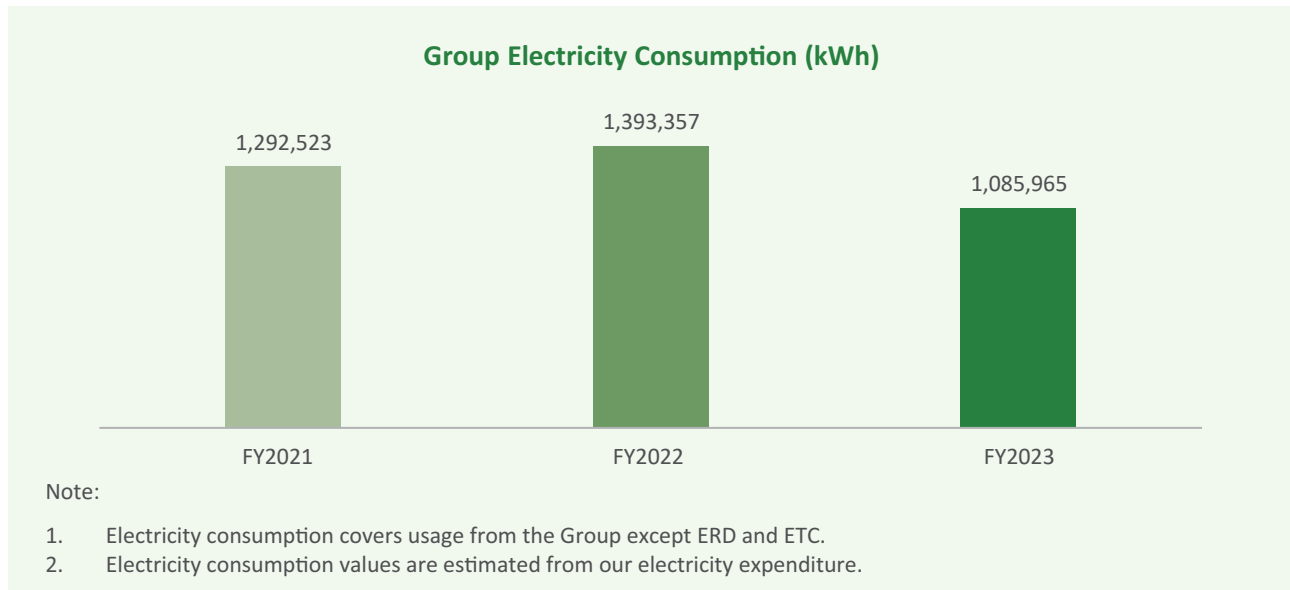
The Group’s total energy consumption encompasses purchased electricity, fuel consumption and self-generated electricity from renewable energy. In FY2023, the total energy consumption recorded was 18,299 GJ. In our drive to reduce our reliance on fossil fuels, we invested in the installation of solar panels which are currently in full operation at two of our key facilities: Furutec in Penang since FY2019 and EITA Elevator in Bukit Raja since FY2022. In FY2023, solar power accounted for 9% of our Group’s total energy consumption.

## SUSTAINABILITY STATEMENT

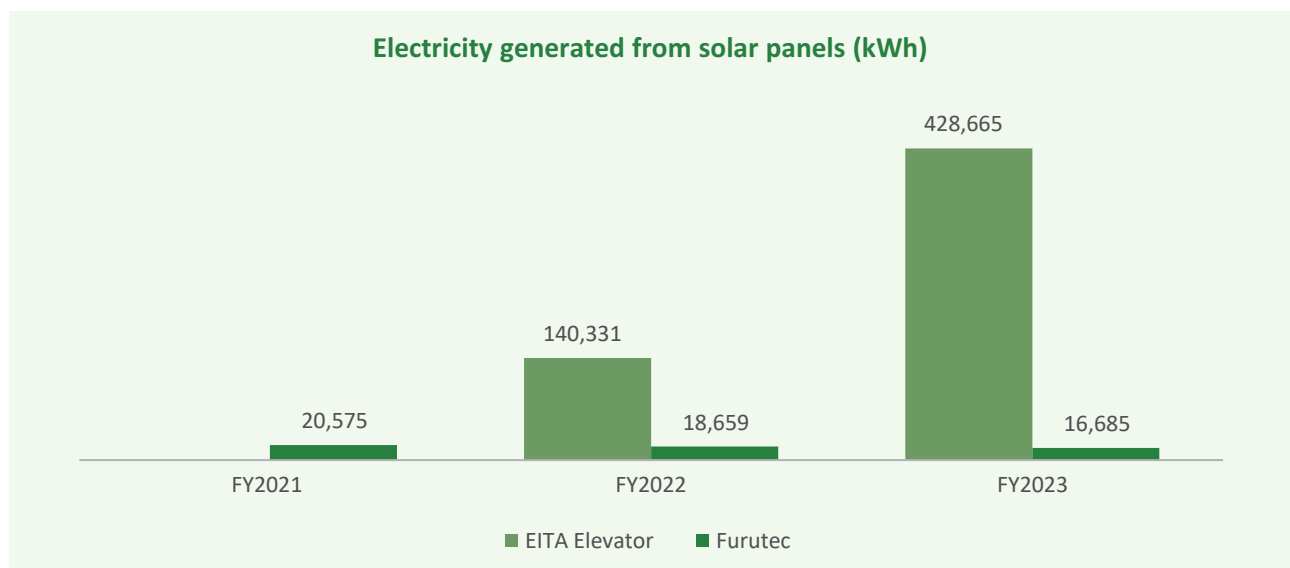
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### Electricity Consumption

The Group's electricity consumption is primarily attributable to factory production, office lighting, and air conditioning.



During this fiscal year, our electricity consumption amounted to 1,085,965 kWh, a 22% reduction compared to the previous year. Simultaneously, our utilisation of solar power surged, experiencing a remarkable 180% increase during the same period.



At Bukit Raja, our solar panels have the capacity to generate an average of 38,000 kWh per month, which reduces our monthly electricity costs by approximately RM15,000 to RM16,000. In FY2023, our Bukit Raja solar panels generated a total of 428,665 kWh and 16,685 kWh at Furutec Penang.

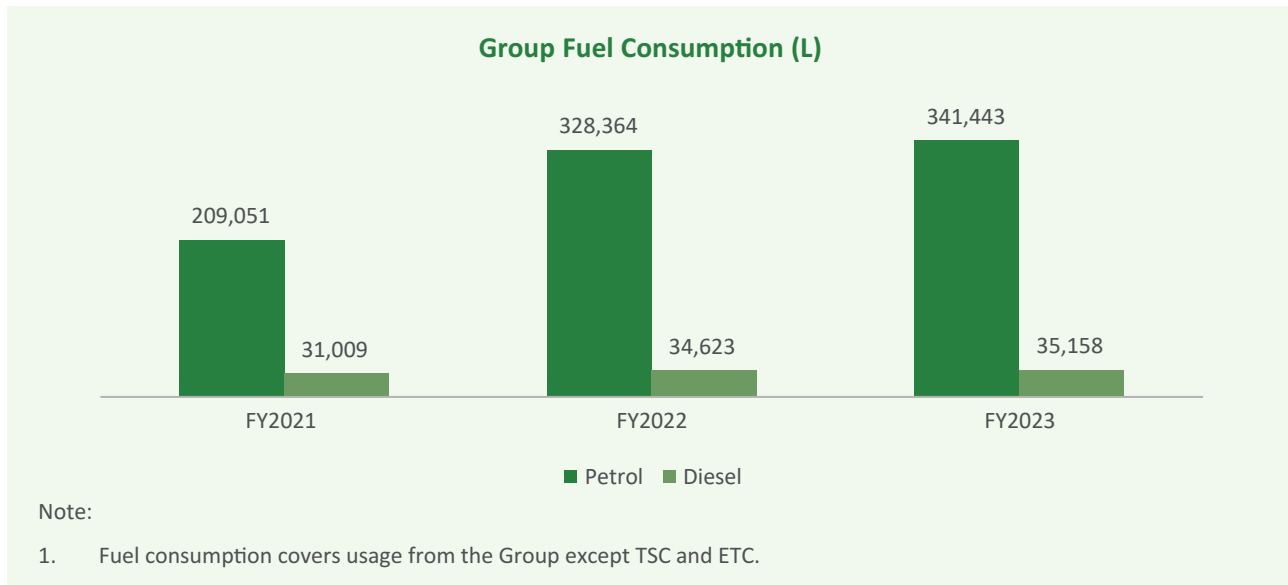
Our offices are also fitted with energy-efficient LED lighting, and our warehouse utilises natural skylights which further reduces our energy consumption.

## SUSTAINABILITY STATEMENT

cont'd

### Fuel Consumption

Transportation-related activities, specifically the use of company vehicles for product deliveries and service-related travel, are the primary contributors to EITA's fuel consumption.



Our Group primarily relies on petrol to power our fleet of 39 vehicles. In FY2023, a total of 341,443 litres of petrol was consumed, representing a 4% increase compared to previous years. Additionally, our lorries contributed to our diesel consumption, amounting to 35,158 litres in FY2023.

### Emissions Management

We conducted a comprehensive assessment of our Scope 1, Scope 2 and Scope 3 GHG emissions in FY2023. This information enabled us to identify areas where emissions can be reduced and allocate our efforts effectively to mitigate our environmental impact. Our endeavours in energy management are in line with global climate action objectives such as UN SDG 13 (Climate Action).

#### Greenhouse Gas ("GHG") Emissions

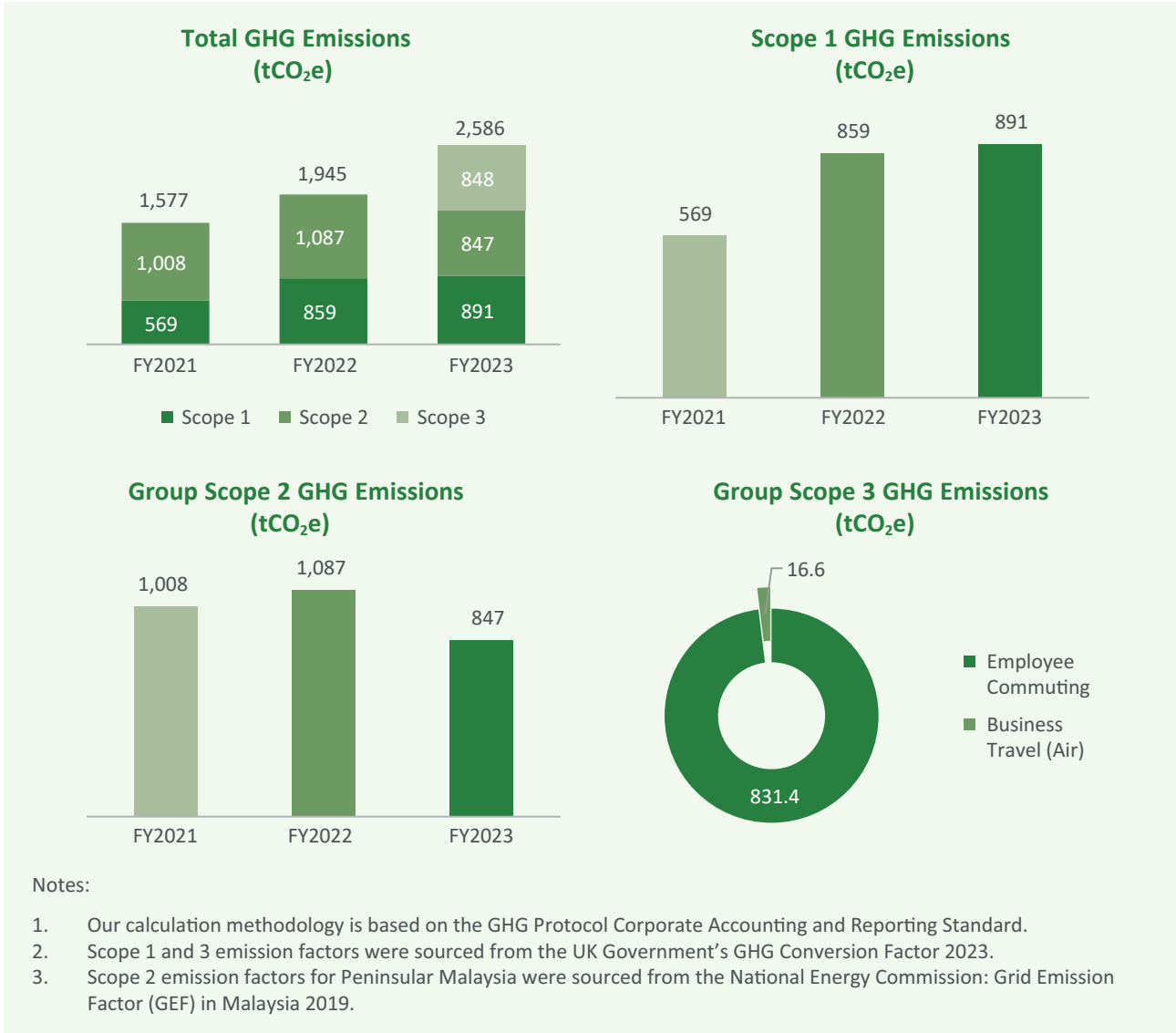
By tracking our GHG emissions, we can set science-based reduction targets to progress towards net zero. This data also serves as a basis for developing robust strategies to address climate change systematically.

Our Scope 1 GHG emissions include direct emissions from diesel and petrol combustion within our operations, while Scope 2 accounts for indirect emissions from purchased electricity consumption. In FY2023, we expanded our tracking efforts to partial Scope 3 emissions, addressing sources related to our activities but not directly owned by us, such as business air travel and employee commuting.



# SUSTAINABILITY STATEMENT

cont'd



When excluding Scope 3 emissions from our overall total, our GHG emissions demonstrated a noteworthy reduction of 10.6% compared to the figures recorded in FY2022. This is attributable to the 22% reduction in Scope 2 emissions due to the increased utilisation of solar power and reduction in purchased electricity.

# SUSTAINABILITY STATEMENT

cont'd

## Waste Management

As an electronic and electrical (“E&E”) manufacturer, waste generated from our operations can be broadly classified into three categories: municipal waste, scheduled waste and electronic waste (“e-waste”).

### Municipal Waste

### Our Sources of Municipal Waste



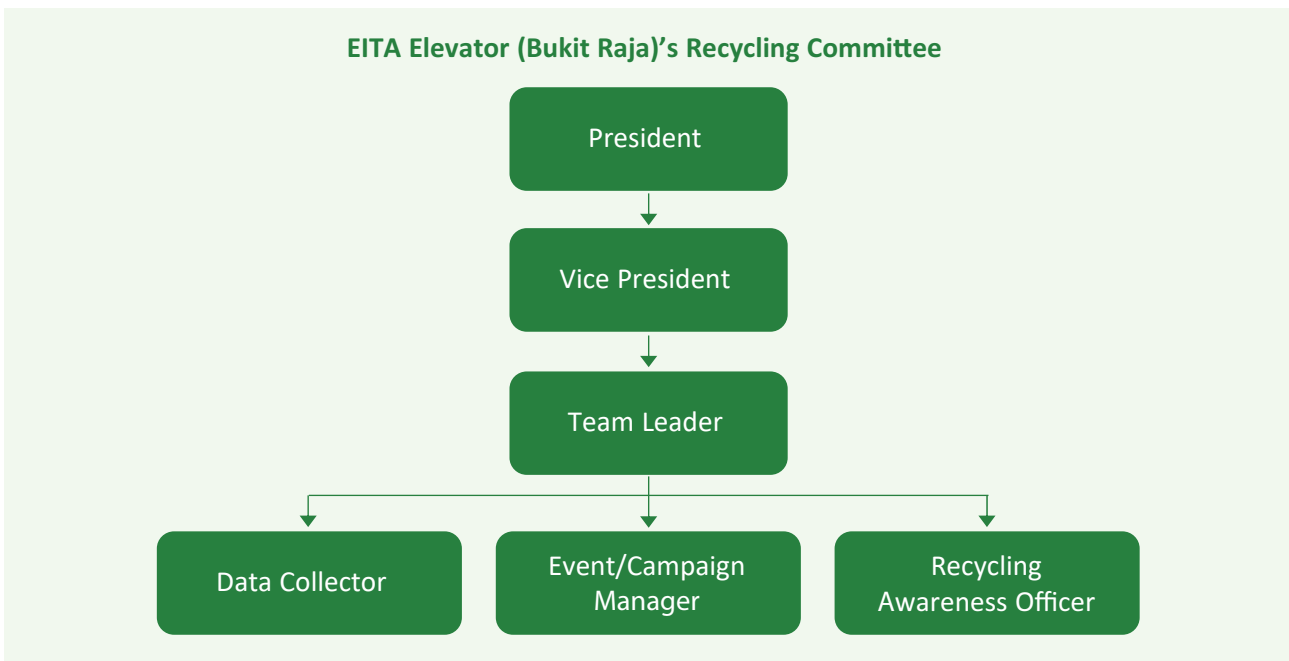
**Packaging Wastes**  
Packaging materials from incoming components and raw materials such as plastic, cardboard, wooden pallets and drums.



**Non-Scheduled Metal Wastes**  
Steel and other non-scheduled metal waste generated from the replacement of old lifts.

EITA launched a Group-wide Recycling Campaign in 2016, and this practice has since become deeply ingrained in our company culture. Across the Group, we practise recycling by sorting at the source, making it easier to divert waste from landfills.

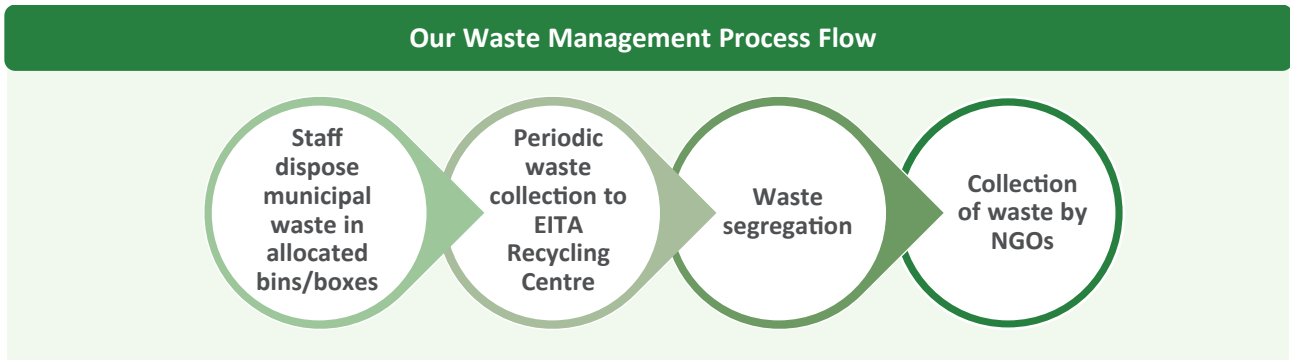
We have also begun providing staff members with password-protected photocopiers and printers, enabling them to effectively monitor and manage paper usage. Local authorities have awarded us the “Green Office” and “AquaSave” certificates in recognition of our efforts.



# SUSTAINABILITY STATEMENT

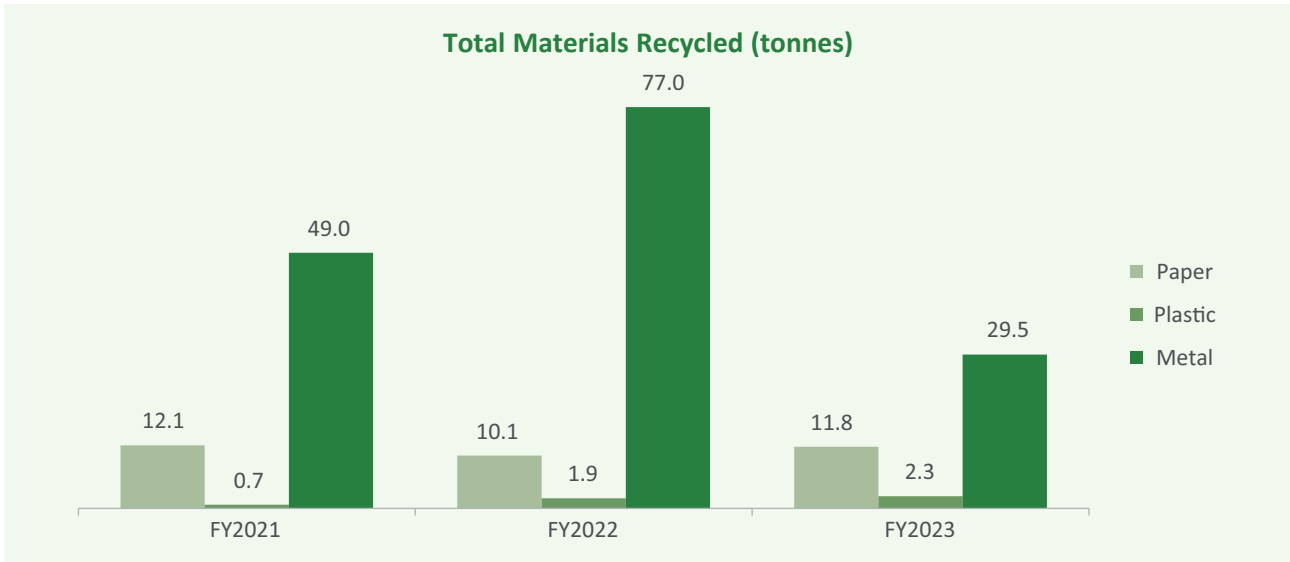
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Our Recycling Committee oversees waste recycling at EITA Elevator’s Bukit Raja facility. In place of individual wastebaskets at workstations, each floor now has three recycling bins for paper, plastic and metal waste.



EITA has forged enduring partnerships with local non-governmental organisations (“NGOs”) that share our vision of effective waste management. One notable example is our partnership with the Tzu Chi Foundation Malaysia. Over the years, we have entrusted them with the collection of recyclables, which they convert into monetary proceeds for their charitable and welfare activities.

### Our Waste Recycling Performance in FY2023



In FY2023, we are pleased to report that we collected a total of 43.6 tonnes of recycled material. This demonstrates the effectiveness of our waste management efforts and propels our Group towards a greener future by diverting a significant amount of waste from landfills.

## SUSTAINABILITY STATEMENT


cont'd

### Scheduled Waste

#### Our Sources of Scheduled Waste



**Contaminated Materials**  
Waste generated during the manufacturing process of busducts such as contaminated cloth resulting from the application of isopropyl alcohol ("IPA").



**Waste Hydraulic Oil**  
Used hydraulic oil removed from machines as well as materials used for oil clean-up.



**Chemical Waste**  
Disposal of discarded chemical containers and drums.


At Furutec, the Safety & Health Officer oversees scheduled waste. Additionally, by implementing the Department of Environment's Electronic Scheduled Waste Information System ("eSWIS"), we streamline the disposal of scheduled waste.

In our continuous efforts to improve waste management, we have set specific targets to reduce waste generation. Furutec aims to reduce its overall waste generation by at least 5%. Initiatives are in place to reduce the application of IPA chemical during certain manufacturing processes. In FY2023, Furutec reduced its scheduled waste generation by 55%.

Furutec Scheduled Waste	Unit	FY2021	FY2022	FY2023
SW 306 Spent Hydraulic Oil	kg	0.0	200.0	0.0
SW 409 Contaminated equipment	kg	15.1	40.5	8.0
SW 410 Contaminated rags	kg	212.6	159.5	173.0
<b>Total</b>	<b>kg</b>	<b>227.7</b>	<b>400.0</b>	<b>181.0</b>

### E-Waste

#### Our Source of E-Waste



**E-Waste**  
Electrical and electronic components generated from the replacement of old lifts.

While upgrading our lifts enhances energy efficiency and safety, we remain committed to the responsible disposal of e-waste generated during the replacement of old lift components.

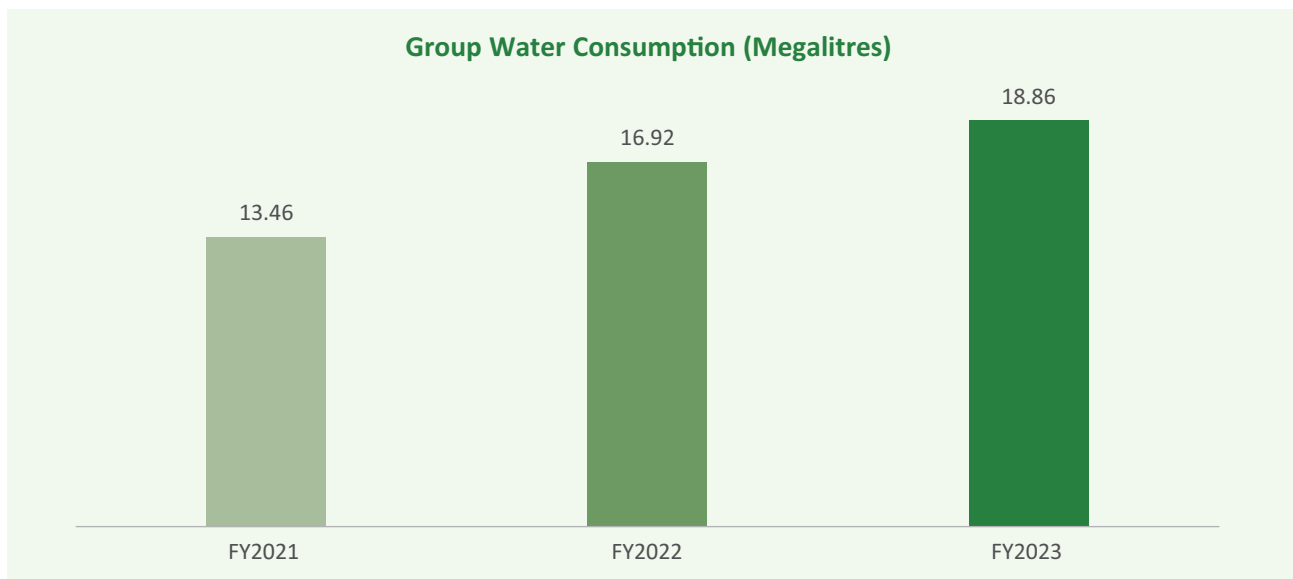
## SUSTAINABILITY STATEMENT

*cont'd*

### Water Consumption

We actively implement measures to minimise water consumption. The installation of a 4,000-litre capacity rainwater harvesting tank at Bukit Raja and a smaller system at Furutec Penang proved beneficial for our daily operations including watering plants, washing vehicles, cleaning driveways and lavatories. To further enhance our water management practices, we plan to track the amount of rainwater we harvest and utilise.

In FY2023, EITA's operational water usage reached 18.86 megalitres, reflecting an 11% increase compared to the previous year. This increase is attributed to the phased return of the workforce to full operations post-pandemic.





# SUSTAINABILITY STATEMENT

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## Workplace

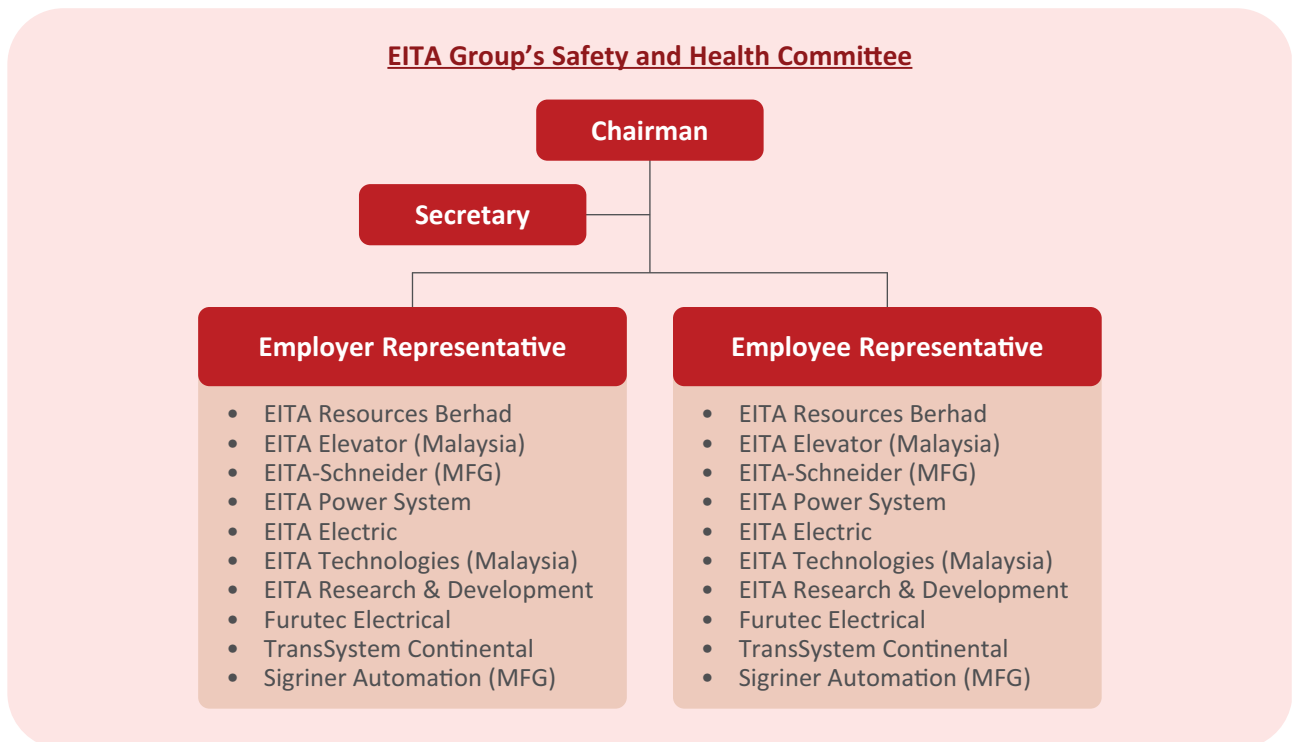
- Occupational Health and Safety
- Labour Practices and Standards
- Talent Attraction and Development
- Workforce Diversity and Inclusivity



We strive to create a conducive workplace where our employees can perform to their fullest potential, resulting in high performance and productivity.

## Occupational Health and Safety

At EITA, the health and safety of our employees is one of our most important concerns. In FY2022, we formed the Group Safety and Health Committee, a designated body responsible for establishing Group-wide health and safety standards, guidelines and activities. The Committee comprises representatives from all subsidiaries, including management and employees at other levels of the Group.



The Safety and Health Committee is responsible for the development and periodic review of our Safety and Health Policy. Additionally, our Environmental, Health and Safety (“EHS”) practices reflect our mission to foster a healthy workplace, preventing accidents and occupational ailments to the best of our capacity.

# SUSTAINABILITY STATEMENT

cont'd

## Our Commitments to Safeguarding Workplace Health and Safety



- 1 Adherence to the Occupational Safety and Health Act (Section 30 & 31)
- 2 Implementation of the ISO 45001:2018 Occupational Health and Safety Management System
- 3 Compliance with the Occupational Safety and Health (Safety and Health Committee) Regulations 1996

We regularly organise safety and health initiatives including fire drills, first-aid, cardiopulmonary resuscitation (“CPR”), automated external defibrillator (“AED”) and emergency response team (“ERT”) training as well as safety briefings for new staff. This supports our shared vision of achieving ‘ZERO ACCIDENTS’ at our workplaces.

### Health and Safety Training at EITA Elevator

<p><b>Accident Prevention Awareness Training for Lift Industries</b></p>		<p>Equipping staff with skills to prevent accidents during lift operations.</p> <p>No. of attendees: 150</p>
<p><b>Tools Safety Briefing and Audit</b></p>		<p>Annual audit to ensure tool safety compliance and briefing on proper usage.</p> <p>No. of attendees: 150</p>
<p><b>Essential First Aid, CPR and AED Training</b></p>		<p>A comprehensive refresher course covering First Aid, CPR and AED procedures.</p> <p>No. of attendees: 25</p>
<p><b>Crane Inspection Awareness Training</b></p>		<p>Training staff with knowledge of proper crane inspection procedures.</p> <p>No. of attendees: 10</p>

# SUSTAINABILITY STATEMENT

cont'd

<p><b>OSH Explorace and HIRARC Workshop by DOSH Selangor</b></p>		<p>Training staff in Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”)</p> <p>No. of attendees: 5</p>
<p><u>Health and Safety training at Furutec</u></p>		
<p><b>First Aid at Workplace</b></p>		<p>Training and certification for workplace emergency medical response.</p> <p>No. of attendees: 3</p>
<p><b>Emergency Response Team</b></p>		<p>Competency training by Fire and Rescue Department of Malaysia Headquarters, Kuala Lumpur for ERT members.</p> <p>No. of attendees: 4</p>
<p><b>Safe Handling of MHE Trucks (Forklift)</b></p>		<p>Ensuring safe forklift operation through proper training.</p> <p>No. of attendees: 20</p>
<p><b>Forklift Safety Briefing</b></p>		<p>Briefing on essential forklift safety guidelines and maintenance.</p> <p>No. of attendees: 11</p>
<p><b>PPE Awareness &amp; Hearing Conservation Programme</b></p>		<p>Promoting awareness of PPE and hearing protection.</p> <p>No. of attendees: 75</p>
<p><b>STOP 5 Awareness</b></p>		<p>Raising awareness about electrical safety.</p> <p>No. of attendees: 14</p>

## SUSTAINABILITY STATEMENT

cont'd

<p><b>STOP 8 Awareness</b></p>		<p>Creating awareness about chemical management.</p> <p>No. of attendees: 9</p>
<p><b>Fire Drill</b></p>		<p>Evacuation preparedness during emergencies.</p> <p>No. of attendees: 110</p>
<p><b>Management of Sharps at Work</b></p>		<p>Safe handling and disposal of sharps in the workplace.</p> <p>No. of attendees: 68</p>
<p><b>Workplace Related Road Safety for Motorcyclists</b></p>		<p>Road safety training for workplace motorcyclists by the Modenas Safety Riding Academy.</p> <p>No. of attendees: 20</p>
<p><b>Dangers of Horseplay while Working</b></p>		<p>Highlighting the risks of improper workplace behaviour during operations.</p> <p>No. of attendees: 76</p>
<p><b>General Health Talk</b></p>		<p>Informative talk on general health and well-being.</p> <p>No. of attendees: 25</p>
<p><b>Healthy Diet for Quality Life</b></p>		<p>Promoting a healthy diet for an improved quality of life.</p> <p>No. of attendees: 19</p>

# SUSTAINABILITY STATEMENT

cont'd

## Our Health and Safety Performance

	EITA Elevator			Furutec		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Total work-hours recorded	597,088	587,912	596,600	251,680	246,064	270,816
Total no. of work-related fatalities	0	0	0	0	0	0
Total no. of recordable work-related injuries	2	5	2	0	3	6
Total no. of recordable work-related ill health	0	0	0	0	0	0
Total no. of lost time injuries	968	184	368	0	40	20
Lost time incident rate* ("LTIR")	324.2	62.6	123.4	0	32.5	14.8

\* LTIR was calculated based on Bursa Malaysia Sustainability Reporting Guide of per 200,000 hours worked.

## ZERO

reported cases of

- Workplace fatalities
- Workplace accidents



For this reporting year, we are pleased to report zero fatalities and accidents across the Group. With a cumulative work duration of 867,416 hours, our lost-time incident rate stands at 123.4 at EITA Elevator and 14.8 at Furutec, underscoring our determination to ensure a secure operational environment.

## Labour Practices and Standards

At EITA, we maintain exemplary labour practices and adhere to stringent standards. Our dedication to ethical employment extends to equitable wages, safe working conditions and equal opportunities for our workforce. We are motivated by our belief in creating a workplace that promotes respect and dignity for all.

EITA has crafted an all-encompassing employee handbook that outlines the terms and conditions of employment which is subjected to regular reviews. Our periodic assessments are conducted in alignment with International Labour Organisation ("ILO") indicators to systematically evaluate various aspects of labour practices, working conditions and employment standards.

### Our Commitments to Safeguarding Labour Rights

- |   |   |   |  |
|---|---|---|--|
| <div style="background-color: #c00000; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">1</div> | Ensuring compliance with all applicable labour laws and regulations.                                      | <div style="background-color: #c00000; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">2</div> | Maintaining zero tolerance for any form of discrimination and harassment of any kind.                            |
| <div style="background-color: #c00000; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">3</div> | Ensuring fair and equitable compensation based on qualifications, experience, merit and work performance. | <div style="background-color: #c00000; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">4</div> | Prohibiting child labour, forced labour, bonded labour, debt bondage and any manifestation of human trafficking. |



## SUSTAINABILITY STATEMENT

cont'd

# ZERO

reported cases of

- Harassment
- Non-compliance
- Discrimination
- Human rights violation
- Child/forced labour



In the event of a grievance, EITA practises open communication where employees can raise their concerns with either their immediate superiors or the Human Resource Department. Our handbook outlines a well-defined grievance procedure to ensure a supportive and transparent environment for addressing any important issue.

In FY2023, there were zero reported cases involving harassment, non-compliance, whistle blowing, discrimination, human rights violations, child labour, or forced labour.

### Employee Benefits

Beyond our adherence to labour laws and regulations, our dedication to employee well-being is evident through the extensive array of benefits we offer:

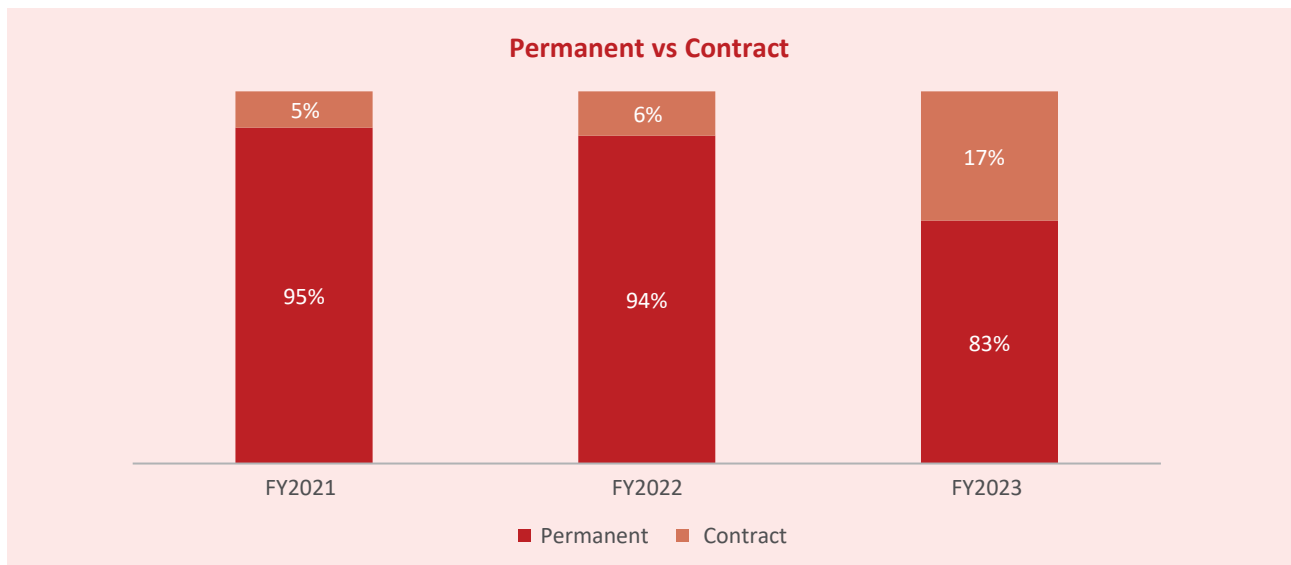
Employee Benefits	Description
<b>Employees Provident Fund ("EPF")</b>	Additional contributions are based on service duration: 5 years, 10 years and 15 years and above.
<b>Social Security Organisation ("SOCSO")</b>	We ensure social security protection through contributions to SOCSO, providing a safety net in the event of unexpected situations.
<b>Leave Benefits</b>	Our leave policy includes annual leave, public holidays, maternity leave (after 90 days of service), sick leave, hospitalisation sick leave, marriage leave, compassionate leave and study and exam leave.
<b>Medical Benefits</b>	Coverage for medical expenses is up to a defined limit per visit and specialist consultations with a referral letter.
<b>Insurance Benefits</b>	We offer group personal accident coverage, Group Term Life insurance and Critical Illness Insurance based on service duration.
<b>Other Benefits</b>	Participation in the Sports Club and health screening subsidies to promote employee well-being.
<b>Allowances</b>	Car allowance, petrol subsidy, subsistence allowance, hotel & lodging allowance, handphone subsidy and replacements based on job requirements

## SUSTAINABILITY STATEMENT

cont'd

In FY2023, the utilisation of our parental leave options by 32 parents serves as an indicator of our family-friendly workplace culture.

	Gender	FY2021	FY2022	FY2023
No. of Employees that took Parental Leave	Men	25	26	27
	Women	6	7	5
No. of Employees that returned after Parental Leave	Men	25	26	27
	Women	6	7	5
No. of Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Men	21	25	24
	Women	5	6	5



At EITA, we provide flexibility in employment opportunities, allowing individuals to join our workforce either as permanent staff or on a contract basis. As of FY2023, 83% of our team holds permanent roles, while 17% contribute through contract engagements. The rise in contract workers compared to previous years is attributed to an influx of foreign labour joining EITA Elevator after the lifting of the COVID-19 Movement Control Order (“MCO”).

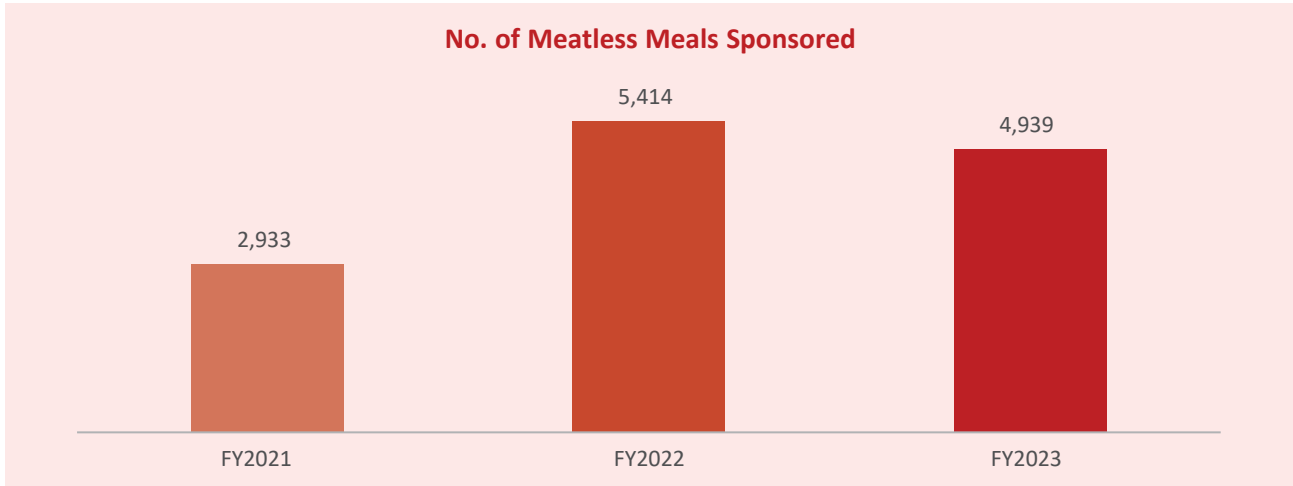
### Balanced Lifestyle/Employee Engagement

To promote a balanced lifestyle, we established the EITA Sports Club aimed at encouraging a healthier lifestyle among our employees. Throughout FY2023, we orchestrated a series of events including quarterly birthday parties, our annual dinner, bowling tournaments, movie days, and long service award celebrations.

At EITA, we constantly engage in environmentally-friendly initiatives that inspire our employees to do their part. We sponsor weekly meatless luncheons and deliver educational presentations on topics such as healthy living, recycling and environmental protection. In FY2023, we sponsored a total of 4,939 meatless meals for our valued employees.

## SUSTAINABILITY STATEMENT

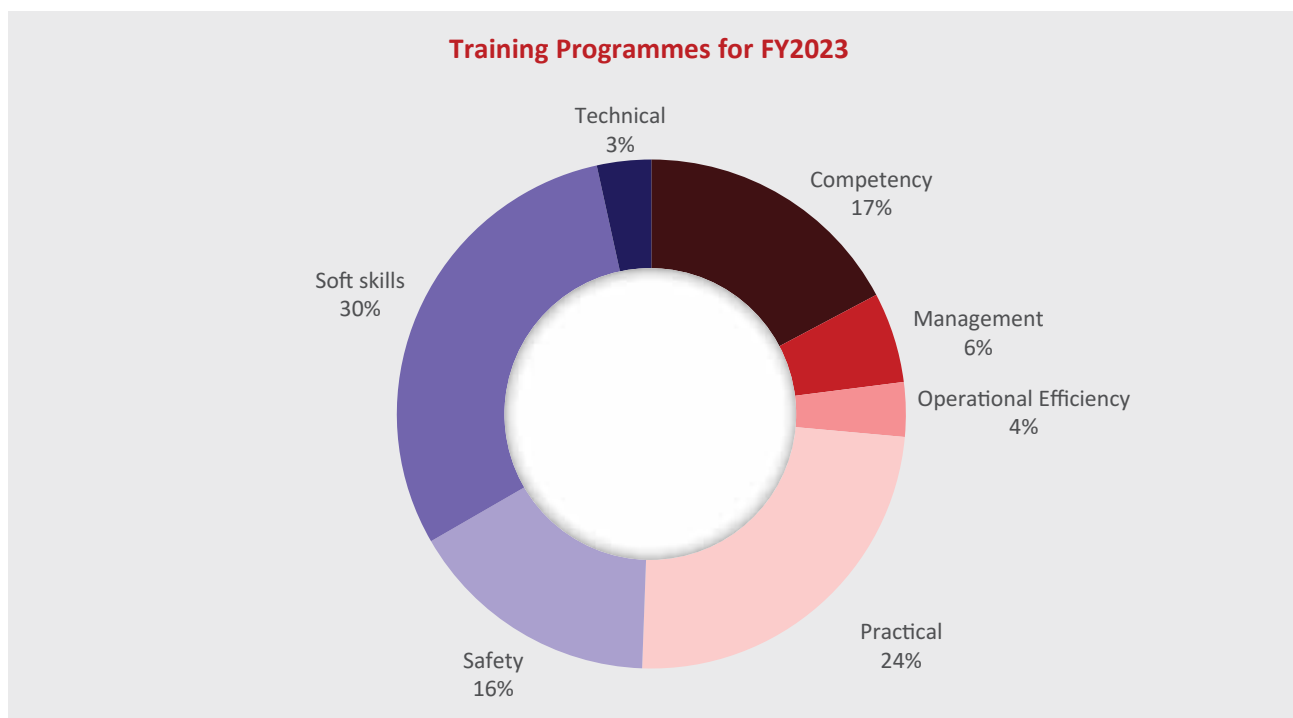
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### Talent Attraction and Development

EITA cultivates a culture of continuous learning by equipping our workforce with relevant skills, knowledge and practical experience. ETC specialises in delivering technical industrial-based training tailored to the elevator industry, complemented by management and soft skill development programmes.

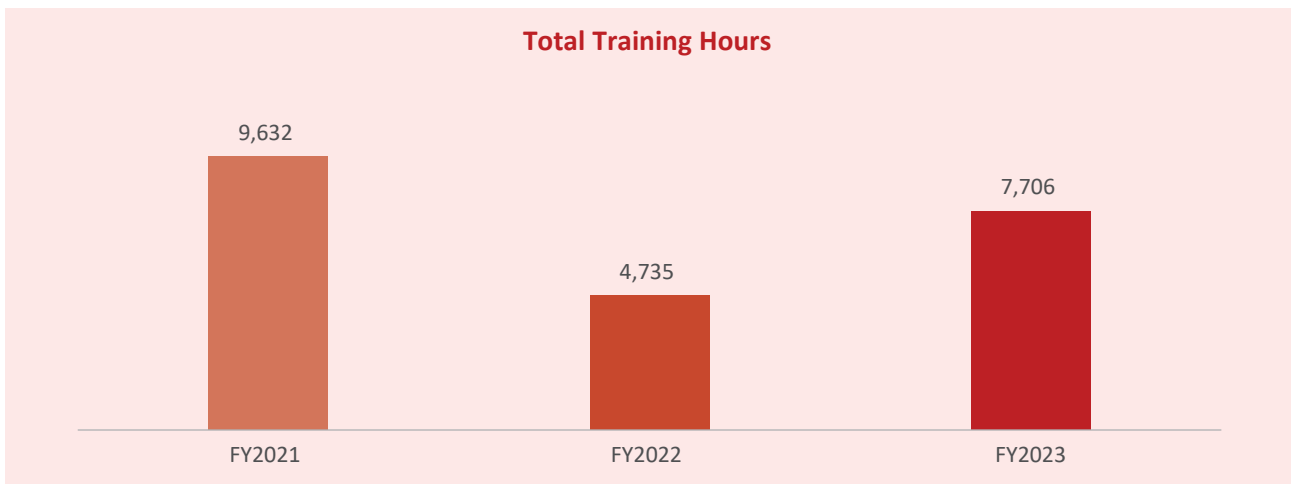
ETC is an approved training provider under the Human Resource Development Corporation (“HRD Corp”) and the Department of Skills Development (Jabatan Pembangunan Kemahiran) within the Ministry of Human Resources. This recognition qualifies ETC to deliver Lift Competent Person training and certification programmes, alongside a range of HRDF-claimable training courses.



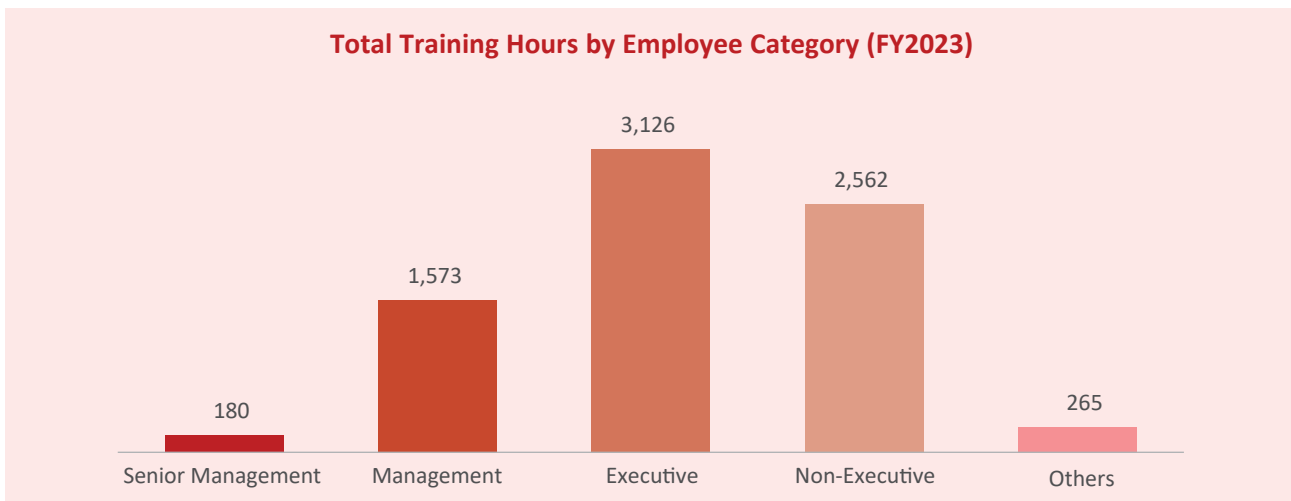
## SUSTAINABILITY STATEMENT

cont'd

In FY2023, we offered a comprehensive range of 95 training programmes covering a variety of topics including technical, management, safety, and soft skills. Our holistic approach ensures that our workforce possesses the relevant skill sets necessary to excel in various aspects of their duties.



In FY2023, the Group's total training hours surged to 7,706 hours, marking a significant 63% increase from the previous year. This notable rise is credited to ETC's intensified in-house training initiatives aimed at enhancing the skills of both new and existing service technicians, thereby contributing to the continuous improvement of our service delivery.

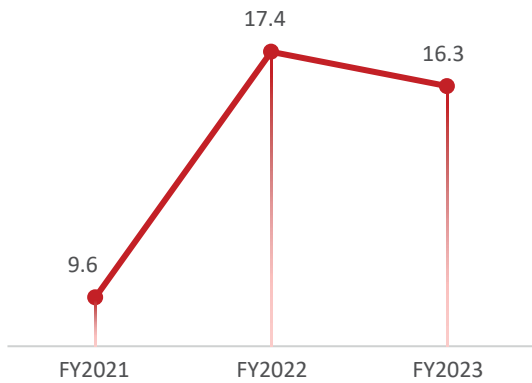


In FY2023, the distribution of training hours was as follows: non-executive employees received 2,562 hours, executives received 3,126 hours, management personnel received 1,573 hours, senior management received 180 hours and others received 265 hours. This distribution demonstrates our progressive approach to skill management across various employee categories.

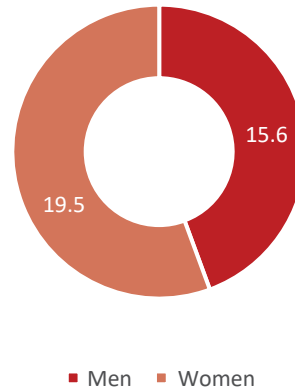
# SUSTAINABILITY STATEMENT

cont'd

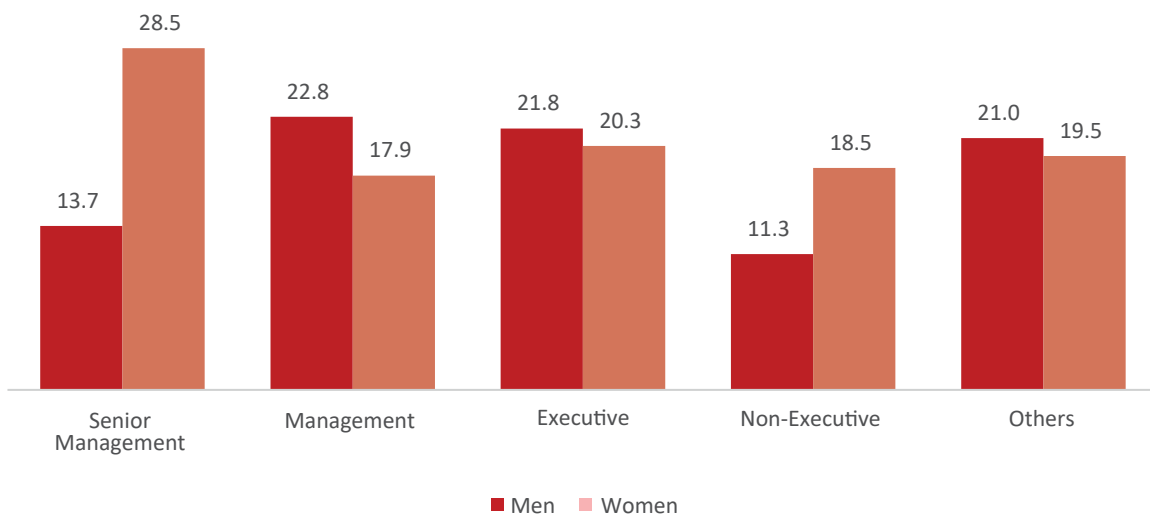
**Average Training Hours per Employee**



**Average Training Hours by Gender**



**Average Training Hours by Employee Category**



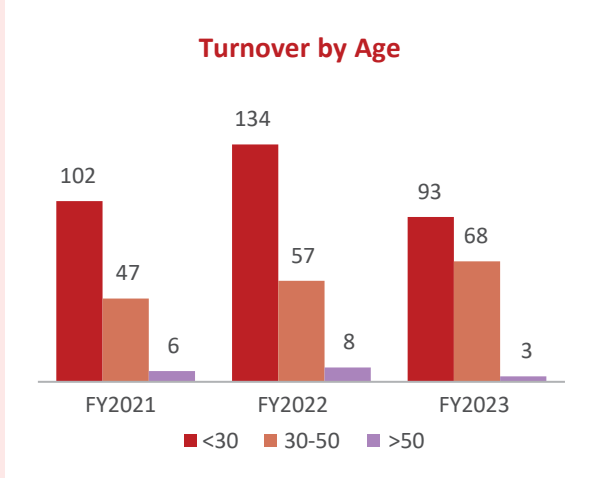
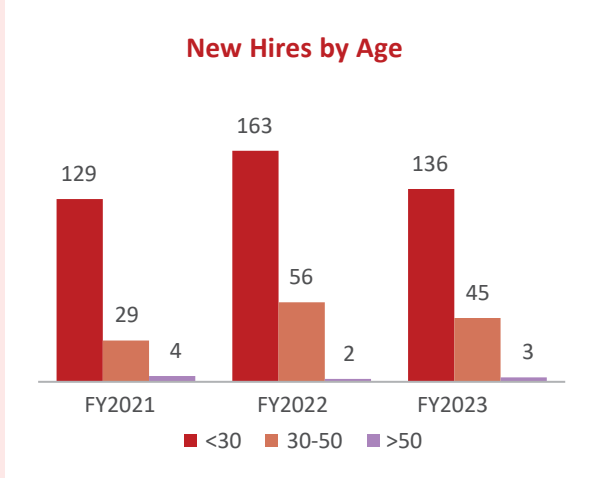
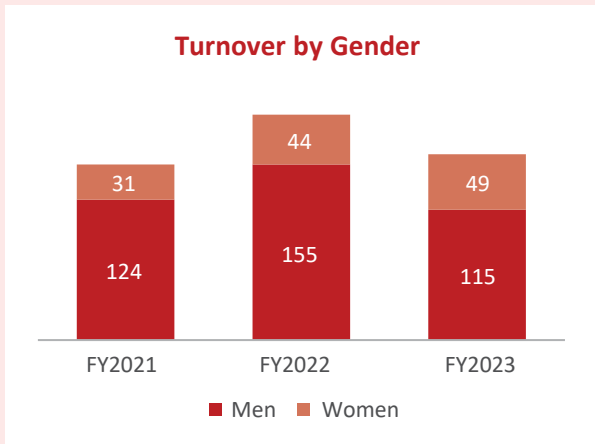
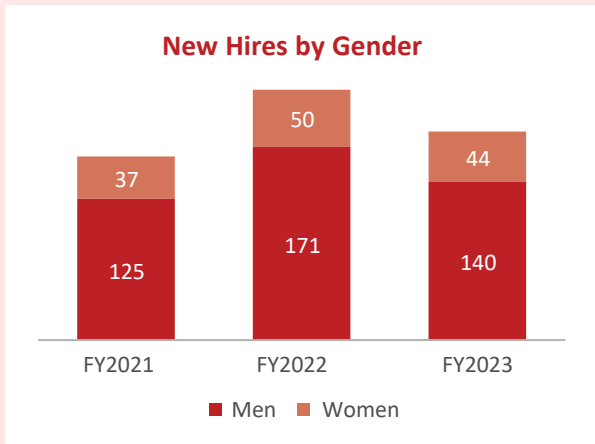
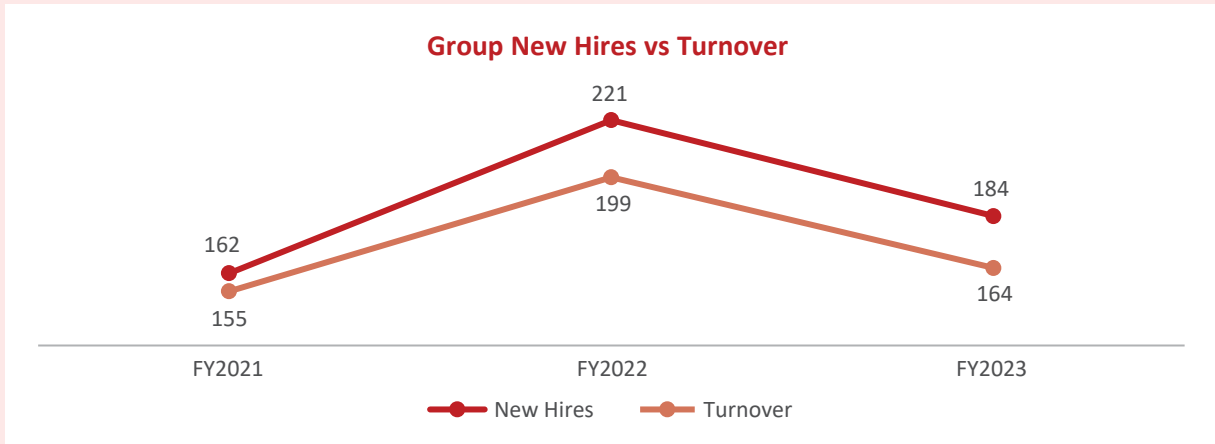
In FY2023, each employee who attended training received an average of 16.3 hours of training. This underscores our commitment to equitable growth and professional development in an environment where employees have access to opportunities for advancement and skill enrichment.



# SUSTAINABILITY STATEMENT

cont'd

## Employee New Hire and Turnover



Turnover by Employee Category	FY2021	FY2022	FY2023
Senior Management	1	0	0
Management	9	11	14
Executive	57	83	66
Non-Executive	88	105	84

# SUSTAINABILITY STATEMENT

cont'd

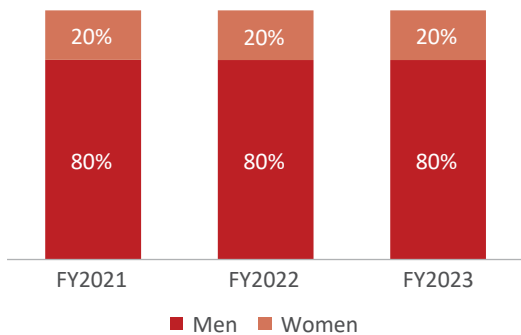
Long Service	No. of Employees
25 Years	5
20 Years	0
15 Years	2
10 Years	8
5 Years	28
<b>Total</b>	<b>43</b>

In FY2023, a total of 43 individuals received Long Service Awards, spanning from 5 to 20 years of dedicated service. A special ceremony was organised to honour these employees, acknowledging their loyalty and valuable contributions throughout the years.

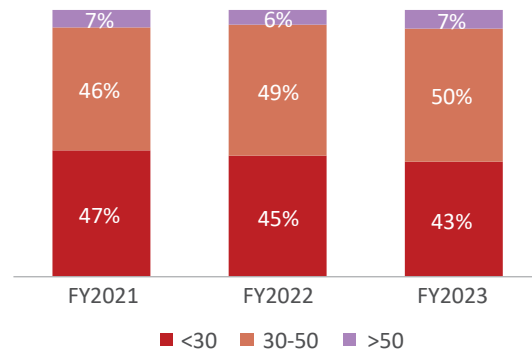
## Workforce Diversity and Inclusivity

Gender diversity is an important factor across our organisational levels, with varying representations of men and women in senior management, management, executive, and non-executive roles. This diversity enriches our workforce, bringing a wide range of perspectives and experiences to contribute to our collective growth and success.

**Gender Diversity in Workplace**



**Age Diversity in Workplace**



**Gender Diversity by Employee Category**

	Senior Management		Management		Executive		Non-Executive	
	Men	Women	Men	Women	Men	Women	Men	Women
FY2023	14	2	63	23	132	68	316	38
FY2022	15	2	68	25	136	59	289	41
FY2021	13	2	61	23	142	59	274	38

Our Group’s workforce composition has demonstrated consistent patterns over the past three years. Across this span, men have constituted 80% of our workforce, while women have accounted for the remaining 20%. In FY2023, the trend in age distribution was also similar to the past two years, with 43% of employees falling under the age of 30, 50% between 30 and 50 years old and 7% aged 50 and above.

# SUSTAINABILITY STATEMENT

cont'd

## Social

### Community Engagement



EITA embraces its role as a responsible corporate citizen by promoting a culture of volunteerism among its staff. We strive to build meaningful relationships and become positive contributors to the community.

### Community Engagement

We believe that sustainability goes beyond technology and extends into every aspect of the communities we serve. Our contribution to society is reflected not only in our innovative elevator designs but also in our continuous efforts to engage and uplift the communities within which we operate.

#### Corporate Social Responsibility (“CSR”) Highlights

#### EITA Charity Fund Raising for Türkiye Earthquake

23<sup>rd</sup> February 2023

In response to the recent devastating earthquake in Türkiye, EITA orchestrated a donation drive in collaboration with the Tzu Chi Foundation Malaysia to support the earthquake victims.



#### Blood Donation Campaign 2023

23<sup>rd</sup> February 2023

The Blood Donation Campaign stands as a pivotal component of EITA’s CSR initiative. After a three-year hiatus, we are delighted to announce the successful relaunch of this CSR effort on 23 February 2023. The EITA Sports Club, in collaboration with Hospital Tengku Ampuan Rahimah and the Ministry of Health Malaysia, took charge of organising and hosting the blood donation event at EITA Bukit Raja.



We are pleased to report that a total of 49 participants generously donated their blood for this noble cause.

# SUSTAINABILITY STATEMENT

cont'd

## Junior Elevator Ambassador Programme

23<sup>rd</sup> September 2023

EITA took pride in orchestrating the “Junior Elevator Ambassador Programme,” a notable initiative within our CSR safety campaign. This programme was designed to impart essential knowledge to children and families, emphasising the importance of safety when using lifts and escalators.



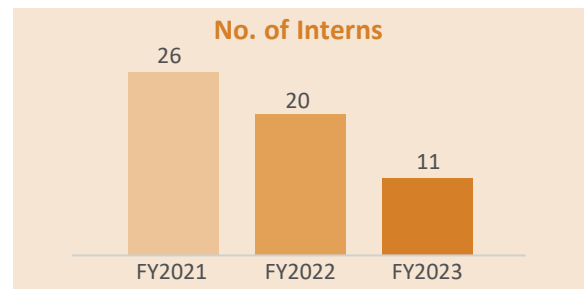
For detailed insights into our CSR initiatives, including upcoming and past events, kindly explore the “Events” page on our corporate website: <http://www.eita.com.my/html/events.aspx?ID=8&PID=71>

## Fostering Corporate Social Responsibility through Employee Volunteerism

At EITA, we believe in embedding sustainability into every level of our operations. In light of this, we have incorporated a new criterion in our annual performance appraisal focused on employee volunteerism. This criterion holds a weightage of 10% in the employees’ overall performance. Through this inclusion, we encourage taking responsibility towards sustainability beyond the organisational level. This also extends to shared values and tangible impact, illustrating that sustainability is not only a corporate endeavour but a collaborative journey.

## Providing Quality Education

EITA believes in developing industry-ready graduates through our internship programme, offering them a head-start in their careers and a chance to positively impact society. The Group annually provides internships to final-year students across the Construction and Manufacturing sectors. In FY2023, 11 interns joined our team in diverse functional capacities.



## Closing Statement

At EITA, our eco-friendly practices extend from the drawing board to the manufacturing floor, ensuring that every product we create leaves a lighter footprint on our planet. Additionally, our commitment to environmental stewardship and societal well-being remains constant throughout the years. Through our vision, mission and core values, we endeavour to face today’s challenges resiliently while laying the foundation for a more sustainable and brighter tomorrow.

## SUSTAINABILITY STATEMENT

cont'd

### Performance Data Table

#### Economic

Indicator	Unit	FY2021	FY2022	FY2023
<b>Corporate Governance and Anti-Corruption</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
• Senior Management	%	-	-	100
• Management	%	-	-	100
• Executive	%	-	-	100
• Non-Executive	%	-	-	100
Bursa C1(b) Percentage of operations assessed for corruption related risks	%	-	-	-
Bursa C1(c) Confirmed incidents of corruption and actions taken	Number	0	0	0
<b>Data Privacy and Cybersecurity</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0
<b>Supply Chain Management</b>				
Bursa C7(a) Proportion of spending on local suppliers	%	-	-	31 (Tracking started from Q3 FY2023)

#### Nature

Indicator	Unit	FY2021	FY2022	FY2023
<b>Energy Management</b>				
Bursa C4(a) Total energy consumption	GJ	12,919	17,916	18,299
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	tCO2e	569	859	891
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	tCO2e	1,008	1,087	847
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (business travel and employee commuting)	tCO2e	-	-	848
<b>Waste Management</b>				
Bursa C10(a) Total waste generated	Metric tonnes	62.0	89.4	43.8
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	61.8	89.0	43.6
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.2	0.4	0.2
<b>Water Consumption</b>				
Bursa C9(a) Total volume of water used	Mega-litres	13.46	16.92	18.86



## SUSTAINABILITY STATEMENT

cont'd

### Workplace

Indicator	Unit	FY2021	FY2022	FY2023
<b>Occupational Health and Safety</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")				
• EITA Elevator	Rate	324.2	62.6	123.4
• Furutec	Rate	0	32.5	14.8
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	794
<b>Labour Practices and Standards</b>				
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	0	0	0
<b>Talent Attraction and Development</b>				
Bursa C6(a) Total hours of training by employee category				
• Senior Management	Hours	-	-	180
• Management	Hours	-	-	1,573
• Executive	Hours	-	-	3,126
• Non-Executive	Hours	-	-	2,562
• Others	Hours	-	-	265
Bursa C6(c) Total number of employee turnover by employee category				
• Senior Management	Number	1	0	0
• Management	Number	9	11	14
• Executive	Number	57	83	66
• Non-Executive	Number	88	105	84
<b>Diversity and Inclusion</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Gender group by employee category				
• Senior Management (Male)	%	87	88	87
• Senior Management (Female)	%	13	12	13
• Management (Male)	%	73	73	73
• Management (Female)	%	27	27	27
• Executive (Male)	%	71	70	66
• Executive (Female)	%	29	30	34
• Non-Executive (Male)	%	88	88	89
• Non-Executive (Female)	%	12	12	11

## SUSTAINABILITY STATEMENT

cont'd

### Workplace (cont'd)

Indicator	Unit	FY2021	FY2022	FY2023
<b>Diversity and Inclusion (cont'd)</b>				
Bursa C3(b) Percentage of directors by gender and age				
Male	%	90	82	73
Female	%	10	18	27
<30	%	0	0	0
30-50	%	0	18	18
>50	%	100	82	82
Bursa C6(b) Percentage of employees that are contractors or temporary staff				
• Permanent	%	95	94	83
• Contract	%	5	6	17

### Social

Indicator	Unit	FY2021	FY2022	FY2023
<b>Community Engagement</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	-	-	-
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	-

# SUSTAINABILITY STATEMENT

cont'd

## GRI Content Index

GRI Standard	Disclosure Title		Page References
<b>GRI 2: General Disclosures 2021</b>	2-1	Organisational details	31-32
	2-2	Entities included in the organisation's sustainability reporting	31
	2-3	Reporting period, frequency and contact point	32
	2-5	External assurance	32
	2-6	Activities, value chain and other business relationships	Throughout
	2-7	Employees	72, 77
	2-9	Governance structure and composition	39
	2-10	Nomination and selection of the highest governance body	50-51
	2-11	Chair of the highest governance body	39
	2-12	Role of the highest governance body in overseeing the management of impacts	39, 41, 50-52
	2-13	Delegation of responsibility for managing impacts	51-53
	2-14	Role of the highest governance body in sustainability reporting	39, 41
	2-16	Communication of critical concerns	51
	2-18	Evaluation of the performance of the highest governance body	50-51
	2-19	Remuneration policies	50-51
	2-20	Process to determine remuneration	50-51
	2-22	Statement on sustainable development strategy	36-37
	2-23	Policy commitments	38, 50-51
	2-24	Embedding policy commitments	38
	2-25	Processes to remediate negative impacts	51
2-26	Mechanisms for seeking advice and raising concerns	51	
2-27	Compliance with laws and regulations	50-51	
2-28	Membership associations	33	
2-29	Approach to stakeholder engagement	43-45	
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	46-47
	3-2	List of material topics	47
	3-3	Management of material topics	Throughout
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	57
<b>GRI 205: Anti-Corruption 2016</b>	205-1	Operations assessed for risks related to corruption	51
	205-2	Communication and training about anti-corruption policies and procedures	51
	205-3	Confirmed incidents of corruption and actions taken	51

## SUSTAINABILITY STATEMENT

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GRI Standard	Disclosure Title		Page References
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation	58-60
	302-2	Energy consumption outside of the organisation	61
	302-4	Reduction of energy consumption	59
<b>GRI 303: Water and Effluents 2018</b>	303-5	Water consumption	65
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	61
	305-2	Energy indirect (Scope 2) GHG emissions	61
	305-3	Other indirect (Scope 3) GHG emissions	61
	305-5	Reduction of GHG emissions	61
<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts	62-64
	306-2	Management of significant waste-related impacts	62-64
	306-3	Waste generated	64
	306-4	Waste diverted from disposal	63
	306-5	Waste directed to disposal	64
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	76
	410-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	71
	401-3	Parental leave	72
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	Occupational health and safety management system	66-67
	403-2	Hazard identification, risk assessment, and incident investigation	66-67
	403-4	Worker participation, consultation, and communication on occupational health and safety	67-69
	403-5	Worker training on occupational health and safety	67-69
	403-6	Promotion of worker health	72
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66-69
	403-9	Work-related injuries	70
	403-10	Work-related ill health	70
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	75
	404-2	Programmes for upgrading employee skills and transition assistance programmes	73
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	77
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	70-71

## SUSTAINABILITY STATEMENT

*cont'd*

GRI Standard	Disclosure Title		Page References
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programmes	78-79
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	57

### TCFD Content Index

TCFD Recommendation	References/ Location
<b>Governance</b>	Sustainability Statement FY2023, Page 41
<b>Strategy</b>	Sustainability Statement FY2023, Page 41
<b>Risk Management</b>	Sustainability Statement FY2023, Page 41
<b>Metrics and Targets</b>	Sustainability Statement FY2023, Page 41



# 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 2023 (“FY2023”).

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 chairmen 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 Group Managing Director, Mr. Lim Joo Swee, manages the business operations and day-to-day management of the Group and implements the Board’s policies and decisions. This is to ensure that there is a balance of power and authority to promote accountability and unfettered powers in decision making.

The Board is supported by one (1) in-house and two (2) outsourced Company Secretaries who have the requisite credentials and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. All Directors have access to the advice and support from the Company Secretaries. The Company Secretaries, who are 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.

Overall, the Board is satisfied with the performance and support of the Company Secretaries and their team to the Board in the discharge of their duties and functions.

The Board has formalised and adopted a Board Charter which sets out the functions, authority, roles and responsibilities of the Board as well as the various internal processes and principles governing the Board. The Board Charter also serves as a source of reference and primary induction literature, providing insights to new Board members.

The Board Charter entails the following:-

- Composition and balance of the Board;
- Roles and responsibilities;
- Board processes;
- Indemnification and Directors' and Officers' insurance;
- Anti-Bribery and Anti-Corruption Policy;
- Whistle Blowing Policy; 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 has adopted both Whistle Blowing Policy and Anti-Bribery and Anti-Corruption Policy to promote a culture of integrity and transparency in all of the Group's activities, which will be reviewed at least once every three (3) years and in accordance with the needs of the Company. Both policies have been reviewed, revised and approved by the Board on 22 November 2023 which are available on the Company's corporate website at [www.eita.com.my](http://www.eita.com.my).

In line with the 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 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 has been reviewed, revised and approved by the Board on 25 April 2023.

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 recognises 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

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

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 reviewed, revised, and approved the relevant amendments 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. The Board remains committed to continuously reviewing and enhancing its sustainability practices to ensure alignment with best practices and to create long-term value for all stakeholders.

### PART II - BOARD COMPOSITION

The Board currently consists of eight (8) Directors and three (3) Alternate Directors. Two (2) of the eight (8) Directors are female Board members, namely Ms. Ho Lee Chen and Ms. Kow Poh Gek, 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.

The Board acknowledges the amendments to the Listing Requirements of Bursa Securities on 19 January 2022, which include, among others, the tenure of an Independent Non-Executive Director shall not exceed a cumulative period of twelve (12) years effective from 1 June 2023.

Furthermore, as recommended by the MCCG, if the Board intends to retain an Independent Non-Executive Director who has served the Board for a cumulative term of more than nine (9) years, it must justify its decision and seek annual shareholders' approval through a two-tier voting process at the AGM.

During the financial year under review, Mr. Chong Lee Chang and Dato' Siow Kim Lun were re-designated as the Non-Independent Non-Executive Director and Non-Independent Non-Executive Chairman respectively on 31 May 2023 to be in line with the Listing Requirements of Bursa Securities which took effect on 1 June 2023. Subsequently, Mr. Chong Lee Chang resigned on 30 August 2023 due to limited board seats and corporate governance best practices.

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 MCCG. 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 or independent search firms.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

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

The Company had 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 NRC of the Company comprises the following members:-

Name	Designation
Chong Lee Chang, Chairman <i>(Resigned on 30 August 2023)</i>	Non-Independent Non-Executive Director
Kow Poh Gek, Chairperson <i>(Appointed on 30 August 2023)</i>	Independent Non-Executive Director
Ho Lee Chen, Member	Independent Non-Executive Director
Ir. Haji Omar Bin Mat Piah, Member	Independent Non-Executive Director
Chia Mak Hooi, Member	Non-Independent Non-Executive Director

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

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

During the FY2023, 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 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.
- Reviewed and recommended to the Board for approval, the re-designation of Mr. Lim Joo Swee from Acting Group Managing Director to Group Managing Director.
- Reviewed and recommended to the Board for approval, the nomination of Ms. Kow Poh Gek for appointment as an Independent Non-Executive Director and her remuneration package.
- Reviewed and recommended to the Board for approval, the changes in the composition of the NRC, AC and the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

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

The Board recognises the importance of assessing the effectiveness of individual directors, the Board as a whole and its Board Committees. Facilitated by the NRC, the Company conducted an annual evaluation to determine the effectiveness of the Board and Board Committees as a whole as well as the contribution of each Director. The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board 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 Secretaries and conducted on a peer and self-evaluation basis through questionnaires circulated to the Directors.

The Directors and the Committee Members have discharged their duties and roles by attending their respective meetings. The number of meetings held and attended by each member of the Board and Board Committees during FY2023 are as follows:-

Type of Meetings	Board	AC	NRC
Name of Directors	No. of Meetings Attended		
Dato' Siow Kim Lun	5/5	N/A	N/A
Lim Joo Swee	5/5	N/A	N/A
Lee Peng Sian	5/5	N/A	N/A
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	5/5	N/A	N/A
Chia Mak Hooi	5/5	5/5	2/2
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	5/5	N/A	N/A
Fu Mun Win (Appointed on 1 December 2022)	4/4	N/A	N/A
Fu Jia Lik (Alternate Director to Fu Mun Win) (Appointed on 1 December 2022)	2/4	N/A	N/A
Ho Lee Chen	5/5	5/5	2/2
Ir. Haji Omar Bin Mat Piah	5/5	5/5	2/2
Kow Poh Gek (Appointed on 30 August 2023)	N/A	N/A	N/A
Chong Lee Chang (Resigned on 30 August 2023)	5/5	4/5	1/2

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 FY2023 and complied with the requirement on attendance at Board meetings as stipulated in the Listing Requirements of Bursa Securities.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

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

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

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

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

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

The Directors have attended the following training, seminars and conferences during the FY2023:-

Name of Directors	Title of Seminars/Training attended
Dato' Siow Kim Lun	<ul style="list-style-type: none"> <li>- Audit Oversight Board's Conversation with Audit Committees</li> <li>- Can America Stop China's Rise? Will ASEAN be Damaged?</li> <li>- Keeping the Board Out of Trouble</li> <li>- Key Updates on Malaysian Taxation</li> <li>- Cyber Resilience – Boards' Top 3 Must Knows</li> <li>- Bond &amp; Sukuk Trustees Forum 2023</li> <li>- SC Guidelines on Conduct for Capital Markets Intermediaries for Good Business Conduct and Corporate Culture</li> <li>- ASB CEO Fireside Chat Series</li> <li>- Governance &amp; Risk Management</li> <li>- The recent amendments to the Main Market Listing Requirements of Bursa Securities to Sustainability Training for Directors, Conflict of Interest and other Amendments</li> <li>- Top &amp; Emerging Risks – Training for Board Members</li> <li>- Audit Committee Conference 2023</li> </ul>
Lim Joo Swee	<ul style="list-style-type: none"> <li>- Strategic Planning &amp; Business Modal Workshop</li> <li>- MAP Part II – Leading for Impact (LIP)</li> </ul>
Lee Peng Sian	<ul style="list-style-type: none"> <li>- Strategic Planning &amp; Business Modal Workshop</li> </ul>
Chong Yoke Peng	<ul style="list-style-type: none"> <li>- Strategic Planning &amp; Business Modal Workshop</li> </ul>
Chia Seong Pow	<ul style="list-style-type: none"> <li>- Safety Leadership Training</li> <li>- 7th Layer Conference</li> <li>- Artificial Intelligence (AI) for Company Directors and Executives</li> <li>- Advocacy Session for Directors &amp; Chief Executive Officers of Main Market Listed Issuers</li> </ul>
Fu Mun Win	<ul style="list-style-type: none"> <li>- Bursa Malaysia Mandatory Accreditation Programme (MAP)</li> </ul>
Fu Jia Lik	<ul style="list-style-type: none"> <li>- Bursa Malaysia Mandatory Accreditation Programme (MAP)</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

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

Name of Directors	Title of Seminars/Training attended
Ho Lee Chen	<ul style="list-style-type: none"> <li>- PLC Transformation (PLCT) Programme - Guidebook 3 Highlights</li> <li>- How the Audit Committees and Auditors can work together towards reliable audited financial statements</li> <li>- Updates on Indirect Taxes</li> <li>- Carbon Pricing (coordinated by Climate Governance Malaysia)</li> <li>- Advocacy Session for Directors</li> </ul>
Kow Poh Gek	<ul style="list-style-type: none"> <li>- Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in relation to Enhanced Sustainability Reporting Framework.</li> <li>- Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees</li> <li>- PLC Transformation (PLCT) Programme - Guidebook 3 Highlights</li> </ul>

During the financial year under review, all Directors of the Company (save for Ms. Kow Poh Gek) attended the following in-house training session conducted by the outsourced Company Secretaries, to keep the Board abreast of the latest developments on the governance matters and provisions under the Listing Requirements and Bursa Securities:-

- Key Amendments to the Listing Requirements of Bursa Securities relating to sustainability training for Directors, conflict of interest and other amendments.

### 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).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

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

The remuneration of the Directors of the Company and the Group for the FY2023 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	1.5	-	-	-	-	74.7
Fu Wing Hoong <i>(Demised on 29 October 2022)</i>	-	5.4	136.8	136.8	2.8	738.5	1,020.3
Lim Joo Swee	-	36.0	719.5	99.2	-	194.1	1,048.8
Lee Peng Sian	-	-	-	-	-	-	-
Chong Yoke Peng <i>(Alternate Director to Lee Peng Sian)</i>	-	-	-	-	-	-	-
Chia Mak Hooi	59.4	-	-	-	-	-	59.4
Chia Seong Pow <i>(Alternate Director to Chia Mak Hooi)</i>	-	-	-	-	-	-	-
Ho Lee Chen	66.3	1.5	-	-	-	-	67.8
Ir. Haji Omar Bin Mat Piah	66.3	1.5	-	-	-	-	67.8
Fu Mun Win <i>(Appointed on 1 December 2022)</i>	49.5	-	-	-	-	-	49.5
Fu Jia Lik <i>(Alternate Director to Fu Mun Win) (Appointed on 1 December 2022)</i>	-	-	-	-	-	-	-
Kow Poh Gek <i>(Appointed on 30 August 2023)</i>	5.9	-	-	-	-	-	5.9
Chong Lee Chang <i>(Resigned on 30 August 2023)</i>	60.6	1.5	-	-	-	-	62.1
<b>Total</b>	<b>381.2</b>	<b>47.4</b>	<b>856.3</b>	<b>236.0</b>	<b>2.8</b>	<b>932.6</b>	<b>2,456.3</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	1.5	-	-	-	-	74.7
Fu Wing Hoong (Demised on 29 October 2022)	5.9	5.4	136.8	136.8	2.8	1,052.1	1,339.8
Lim Joo Swee	58.0	50.4	719.5	99.2	35.2	470.3	1,432.6
Lee Peng Sian	47.0	12.0	534.3	27.6	35.2	155.5	811.6
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	16.5	12.0	551.8	61.6	31.2	325.9	999.0
Chia Mak Hooi	77.4	-	-	-	-	-	77.4
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	24.0	-	-	-	-	-	24.0
Ho Lee Chen	66.3	1.5	-	-	-	-	67.8
Ir. Haji Omar Bin Mat Piah	66.3	1.5	-	-	-	-	67.8
Fu Mun Win (Appointed on 1 December 2022)	49.5	-	-	-	-	-	49.5
Fu Jia Lik (Alternate Director to Fu Mun Win) (Appointed on 1 December 2022)	-	-	-	-	-	-	-
Kow Poh Gek (Appointed on 30 August 2023)	5.9	-	-	-	-	-	5.9
Chong Lee Chang (Resigned on 30 August 2023)	60.6	1.5	-	-	-	-	62.1
<b>Total</b>	<b>550.6</b>	<b>85.8</b>	<b>1,942.4</b>	<b>325.2</b>	<b>104.4</b>	<b>2,003.8</b>	<b>5,012.2</b>

The remuneration of the Senior Management of the Group for the FY2023 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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

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

#### (B) The Group (cont'd)

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.

## 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. All members of the AC are financially literate, whilst the Chairman of the AC is a member of the Malaysian Institute of Accountants (MIA) and a fellow member of CPA Australia. The AC has full access to both Internal and External Auditors who, in turn, have access at all times to the Chairman of the AC.

None of the members of AC were a former partner of the external audit firm of the Company and in order to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the AC.

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 FY2023 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. The factors considered by the AC in its assessment include the adequacy of professionalism and experience of the staff, the resources of the External Auditors, fees, independence, and the level of non-audit services rendered to the Group.



## **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

*cont'd*

### **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**

#### **PART I – AUDIT COMMITTEE (CONT'D)**

Overall, the Board is satisfied with the performance, suitability and independence of the External Auditors of the Company, KMPG PLT and had recommended their re-appointment to the shareholders for approval at the forthcoming AGM of the Company.

In addition, the External Auditors are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and contents of the Audited Financial Statement.

The External Auditors have declared their independence to the Group and their compliance with current By-Laws (on professional ethics, conduct and practice) of the MIA – Section 290.

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

The Board acknowledges its overall responsibilities for maintaining a sound system of internal controls in the Company and the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The 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 are in place. Furthermore, the Group has formalised Standard Operating Procedures which take into consideration the adequacy and integrity of the system of internal control.

The Group has outsourced its internal audit functions to an independent professional firm, Sterling Business Alignment Sdn. Bhd. ("Sterling" or "Internal Auditors"). The findings of the Internal Auditors are reported directly to the AC which provides the Board with the required assurance in relation to the adequacy, efficiency, effectiveness and integrity of the Group's risk management and internal control system and processes.

Sterling is free from any relationship or conflict of interest, which could impair their objectivity and independence.

The AC had obtained assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The information on the Group's Risk Management and Internal Control is presented in the Statement on Risk Management and Internal Control set out in this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

*cont'd*

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

### PART I - 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, such as the Board Charter, policies and the Company's Annual Report may be accessed. The Company's corporate website acts as a key communication channel for the Company to reach its shareholders and the general public.

The Investor Relations sections on the Company's corporate website enhance the investor relations function, shareholders and the general public may direct their enquiries by contacting the Company's Investor Relations which is available at [www.eita.irplc.com](http://www.eita.irplc.com).

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 encouraged 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.

The members of the Board and the Senior 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-Seventh AGM ("27<sup>th</sup> AGM") of the Company held on 24 February 2023 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 27<sup>th</sup> AGM held on 24 February 2023 and be accountable to the shareholders for their stewardship of the Company. The Board welcomes questions and feedback from the shareholders during the 27<sup>th</sup> AGM and ensures that their questions are responded to in a proper and systematic manner.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 27<sup>th</sup> AGM and meaningful engagement with the shareholders. The minutes of the 27<sup>th</sup> AGM and the summary of the key matters discussed at the 27<sup>th</sup> AGM were also published on the Company's corporate website for the shareholders' information.

## **CORPORATE GOVERNANCE OVERVIEW STATEMENT**

*cont'd*

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

The Board has deliberated, reviewed and approved this statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FY2023, except for those departures set out in the CG Report.

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.

## 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 members of the AC are as follows, all being Non-Executive Directors with a majority of them being Independent Directors:-

Name	Designation
Ho Lee Chen, Chairperson	Independent Non-Executive Director
Chia Mak Hooi, Member	Non-Independent Non-Executive Director
Ir. Haji Omar Bin Mat Piah, Member	Independent Non-Executive Director
Kow Poh Gek, Member (Appointed on 30 August 2023)	Independent Non-Executive Director
Chong Lee Chang, Member (Resigned on 30 August 2023)	Non-Independent Non-Executive Director

The Company complies with Paragraph 15.09 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) where all the members are Non-Executive Directors with a majority of them being Independent Non-Executive Directors, and Practice 9.1 of the Malaysian Code of Corporate Governance where the Chairperson of the AC is not the chairman of the Board.

In addition, Ms. Ho Lee Chen is a member of the Malaysian Institute of Accountants (MIA) and a fellow member of CPA Australia. In this respect, the composition of the AC complies with Paragraphs 15.09(1)(c) and 15.10 of the Listing Requirements of Bursa Securities.

### TERMS OF REFERENCE OF THE AC

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 [www.eita.com.my](http://www.eita.com.my). The AC has effectively discharged its duties pursuant to its Terms of Reference.

# AUDIT COMMITTEE REPORT

cont'd

## MEETINGS AND ATTENDANCES

During the financial year under review, the AC convened five (5) meetings. Details of attendance of the AC members are set out as follows:

AC Members	Attendance
Ho Lee Chen	5/5
Chong Lee Chang	4/5
Chia Mak Hooi	5/5
Ir. Haji Omar Bin Mat Piah	5/5
Kow Poh Gek <sup>(1)</sup> (Appointed on 30 August 2023)	N/A

Notes:

(1) No AC Meetings were held after the appointment of Ms. Kow Poh Gek as a member of the AC on 30 August 2023.

The presence of the External Auditors, Internal Auditors, and/or the Management of the Company at the AC meetings, if required, will be requested by the AC. They are invited to the AC meetings to provide clarification on audit issues, the operations of the Company and its subsidiaries ("the Group") and any other matters of interests. Other members of the Board may attend the AC meetings upon invitation of the AC.

## 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 2023 ("FY2023") 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 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 FY2023 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.

## AUDIT COMMITTEE REPORT

*cont'd*

### SUMMARY OF WORKS DURING THE FINANCIAL YEAR UNDER REVIEW (CONT'D)

- 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 ensured 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 the 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, Sustainability Statement, and Additional Compliance Information to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report.
- x. Reviewed the Corporate Governance Report before recommending it to the Board for approval.
- xi. Self-appraised the performance of the AC and submitted the evaluation form to the Nomination and Remuneration Committee for assessment.
- xii. Evaluated the performance of the External and Internal Auditors.

### INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional consulting company, Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling" or Internal Auditors") to assist the AC in discharging its duties and responsibilities in reviewing and assessing the adequacy and effectiveness of the Group's internal control system.

The Internal Auditors shall present its risk-based Internal Audit Plan for the AC's review annually. Scheduled audits are carried out on various departments and/or subsidiaries of the Group in accordance 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 total cost incurred for the outsourced internal audit function of the Group for the FY2023 is amounted to RM51,200.

The AC is of the view that the internal audit function is independent and the Internal Auditors have performed their audit assignments with impartiality, proficiency and due professional care.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors ("the Board") of EITA Resources Berhad ("the Company") is pleased to present the Statement on Risk Management and Internal Control of the Company and its subsidiaries ("the Group") which outlines the nature and scope of risk management and the internal control systems of the Group for the financial year ended 30 September 2023 ("FY2023") pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, 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 the 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 Group Managing Director and one (1) Executive Director and one (1) Alternate Director. The 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 Group has outsourced its internal audit function to an independent professional firm ("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 the 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 FY2023, the total costs incurred for the outsourced internal audit function was RM51,200.

For the FY2023, 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 2022 – December 2022)	February 2023	EITA Elevator (M) Sdn Bhd	<ul style="list-style-type: none"> <li>• Sales and Marketing</li> <li>• Tender and Costing</li> <li>• Order Processing, Delivery, Billing and Collection</li> </ul>
2 <sup>nd</sup> Quarter (January 2023 – March 2023)	May 2023	TransSystem Continental Sdn Bhd	<ul style="list-style-type: none"> <li>• Tender and Costing</li> <li>• Project Management</li> <li>• Procurement</li> </ul>
3 <sup>rd</sup> Quarter (April 2023 – June 2023)	August 2023	EITA Electric Sdn. Bhd.	<ul style="list-style-type: none"> <li>• Inventory Management</li> <li>• Sales and Marketing</li> <li>• Procurement and Supplies Quality Assurance</li> <li>• Sales Collection</li> </ul>
4 <sup>th</sup> Quarter (July 2023 – September 2023)	November 2023	EITA-Schneider (MFG) Sdn. Bhd.	<ul style="list-style-type: none"> <li>• Business Development (Overseas Sales)</li> <li>• Procurement and Supplies Quality Assurance</li> <li>• Inventory Management</li> </ul>

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

## INTERNAL AUDIT FUNCTION (CONT'D)

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

Name of Entities audited by the Internal Auditors	Date of Follow up Status Report
EITA Elevator (M) Sdn. Bhd.	24 February 2023
Furutec Electrical Sdn. Bhd.	24 February 2023
EITA Elevator (M) Sdn Bhd.	26 May 2023
TransSystem Continental Sdn. Bhd.	24 August 2023
EITA Electric Sdn. Bhd.	22 November 2023
TransSystem Continental Sdn Bhd	22 November 2023

## 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 FY2023, and up to 17 January 2024, 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.

- **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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

*cont'd*

## ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and internal control system were operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group, for FY2023, and up to 17 January 2024, being the date of this Statement.

## CONCLUSION

For the financial year under review and up to 17 January 2024, 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 2023, 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 2023 (“FY2023”):-

### (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	38,000	230,866
Non - Audit Fee	10,000	10,000

### (II) STATUS OF UTILISATION OF PROCEEDS

The Company did not raise any funds through any corporate proposals during the FY2023.

### (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.

### (IV) RECURRENT RELATED PARTY TRANSACTION

Significant recurrent related party transactions of revenue or trading nature entered into by the Group are disclosed in Note 35 of the Notes to the Financial Statements for the FY2023 on page 201 of this Annual Report.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 ("CA 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 the financial statements, the Directors have:-

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

The Directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy, at any time, the financial position of the Group and of the Company and are in compliance with the provisions of the CA 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 2023

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 2023.

### 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 these activities during the financial year.

### SUBSIDIARIES

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

### RESULTS

	<b>Group</b>	<b>Company</b>
	<b>RM'000</b>	<b>RM'000</b>
<hr/>		
Profit for the year attributable to:		
Owners of the Company	10,495	9,380
Non-controlling interest	(3,160)	-
	7,335	9,380
	7,335	9,380

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

### 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 RM3,901,702 in respect of the financial year ended 30 September 2022 on 12 January 2023; and
- (ii) a first interim dividend of 1.00 sen per ordinary share totalling RM2,601,135 in respect of the financial year ended 30 September 2023 on 7 July 2023.

On 22 November 2023, the Directors declared a second interim dividend of 1.00 sen per ordinary share in respect of the financial year ended 30 September 2023 and paid on 15 January 2024. Based on the total number of issued shares of the Company at the entitlement date of 18 December 2023, the second interim dividend amounted to RM2,633,989. This dividend will be recognised in the subsequent financial year.

The Directors do not recommend any final dividend to be paid for the financial year ended 30 September 2023.

## DIRECTORS' REPORT

For the Year Ended 30 September 2023

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*)  
 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*)  
 Kow Poh Gek (*Appointed on 30 August 2023*)  
 Chong Lee Chang (*Resigned on 30 August 2023*)  
 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:

Azizee Bin Ismail  
 Leong Kee Chan  
 Lim Joo Chuan  
 Dato' IR Mohtar bin Musri  
 Datuk Said Anuar Bin Said Ahmad  
 Wong Chin Tim  
 Datuk Ir. Haji Wan Nazri Bin Haji Wan Aria (*Resigned on 4 October 2023*)

### 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:

Name of Directors	Number of ordinary shares			At 30.9.2023
	At 1.10.2022/ Date of appointment	Acquired	Sold	
Lim Joo Swee				
Direct interest in the Company:				
- own	3,296,682	20,000	-	3,316,682
Indirect interest in the Company#				
- others	37,130,706	-	-	37,130,706

## DIRECTORS' REPORT

For the Year Ended 30 September 2023  
cont'd

### DIRECTORS' INTERESTS (CONT'D)

Name of Directors	Number of ordinary shares			At 30.9.2023
	At 1.10.2022/ Date of appointment	Acquired	Sold	
<b>Chong Yoke Peng</b>				
Direct interest in the Company:				
- own	8,838,472	-	-	8,838,472
Indirect interest in the Company <sup>β</sup>				
- others	300,000	-	-	300,000
<b>Lee Peng Sian</b>				
Direct interest in the Company:				
- own	12,886,016	-	-	12,886,016
Indirect interest in the Company <sup>α</sup>				
- others	87,000	-	-	87,000
<b>Dato' Siow Kim Lun @ Siow Kim Lin</b>				
Direct interest in the Company:				
- own	400,000	-	-	400,000
<b>Chia Mak Hooi</b>				
Direct interest in the Company:				
- own	520,000	-	-	520,000
<b>Chia Seong Pow</b>				
Direct interest in the Company:				
- own	400,000	-	-	400,000
Indirect interest in the Company <sup>*</sup>				
- others	60,146,518	-	-	60,146,518
<b>Ho Lee Chen</b>				
Indirect interest in the Company <sup>δ</sup>				
- others	10,666	-	-	10,666
<b>Fu Mun Win</b>				
Indirect interest in the Company <sup>∞</sup>				
- others	-	43,003,066	-	43,003,066
<b>Fu Jia Lik</b>				
Direct interest in the Company:				
- own	42,000	-	-	42,000
Indirect interest in the Company <sup>Δ</sup>				
- others	-	43,003,066	-	43,003,066
<b>Kow Poh Gek</b>				
Indirect interest in the Company <sup>α</sup>				
- others	4,000	-	-	4,000

**DIRECTORS' REPORT**

For the Year Ended 30 September 2023

cont'd

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

	At 1.10.2022/ Date of appointment	Warrants in the Company		At 30.9.2023
		Acquired	Sold	
<b>Warrant holdings in which Directors have direct interests in the Company</b>				
<b>Name of Directors</b>				
Lim Joo Swee				
Direct interest in the Company:				
- own	1,078,894	-	-	1,078,894
Indirect interest in the Company <sup>#</sup>				
- others	12,361,233	-	-	12,361,233
Chong Yoke Peng				
Direct interest in the Company:				
- own	2,832,824	-	(962,300)	1,870,524
Indirect interest in the Company <sup>β</sup>				
- others	100,000	-	(49,000)	51,000
Lee Peng Sian				
Direct interest in the Company:				
- own	4,295,338	-	-	4,295,338
Indirect interest in the Company <sup>Ω</sup>				
- others	29,000	-	-	29,000
Dato' Siow Kim Lun @ Siow Kim Lin				
Direct interest in the Company:				
- own	133,333	-	(133,333)	-
Chia Seong Pow				
Direct interest in the Company:				
- own	133,333	-	(133,333)	-
Indirect interest in the Company <sup>*</sup>				
- others	20,048,838	-	(133,332)	19,915,506
Fu Mun Win				
Indirect interest in the Company <sup>∞</sup>				
- others	-	14,334,355	(640,000)	13,694,355

**DIRECTORS' REPORT**For the Year Ended 30 September 2023  
cont'd**DIRECTORS' INTERESTS (CONT'D)**

	Warrants in the Company			At 30.9.2023
	At 1.10.2022/ Date of appointment	Acquired	Sold	
Fu Jia Lik				
Direct interest in the Company:				
- own	33	-	-	33
Indirect interest in the Company <sup>Δ</sup>				
- others	-	14,334,355	(640,000)	13,694,355
Kow Poh Gek				
Indirect interest in the Company <sup>α</sup>				
- others	1,333	-	-	1,333

# Deemed interested by virtue of the shares/warrants 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.

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

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

\* 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.

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

∞ Deemed interested by virtue of the shares held by him in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act") due to transmission of shares in Sudut Kreatif Sdn. Bhd. in accordance to the Grant of Probate.

Δ Deemed interested by virtue of the shares held by her in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act") due to transmission of shares in Sudut Kreatif Sdn. Bhd. in accordance to the Grant of Probate.

α Deemed interested by virtue of the shares/warrants held by her daughter-in-law, Ang Yee Von.

None of the other Director holding office at 30 September 2023 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 2023

*cont'd*

### DIRECTORS' BENEFITS (CONT'D)

The directors' benefits paid to or receivable by directors in respect of the financial year ended 30 September 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	381	170
Remunerations	2,072	2,285
Estimated money value of any other benefits	3	101
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	5	(11)
	2,461	2,545

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

There were no 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 2023  
*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 no warrants exercised during the financial year. Subsequent to the financial year, there were 7,969,170 warrants exercised. As at the date of this report, the Company completed the conversion of 8,082,636 warrants into 8,082,636 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 2023  
*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 2023 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 RM230,866 and RM38,000 respectively. Details of auditors' remuneration are set out in Note 25 to the financial statements.

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

**Lim Joo Swee**  
Director

Petaling Jaya

Date: 17 January 2024

**Lee Peng Sian**  
Director

## STATEMENTS OF FINANCIAL POSITION

As at 30 September 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Property, plant and equipment	3	44,447	44,042	603	1,176
Right-of-use assets	4	8,946	8,420	3,173	2,196
Intangible assets	5	225	278	-	-
Investment properties	6	9,482	9,604	-	-
Investments in subsidiaries	7	-	-	25,946	25,946
Investment in joint venture	8	1,223	1,535	-	-
Other investments	9	-	10	-	-
Deferred tax assets	10	6,305	5,243	41	109
<b>Total non-current assets</b>		<b>70,628</b>	<b>69,132</b>	<b>29,763</b>	<b>29,427</b>
Inventories	11	49,868	43,219	-	-
Contract assets	12	93,537	82,860	-	-
Trade and other receivables	13	70,681	61,234	63,916	43,595
Current tax assets		3,122	3,058	-	68
Deposits and prepayments	14	11,212	10,094	740	531
Derivative financial assets	15	2,599	71	-	-
Other investments	9	1,096	1,029	1,096	1,029
Cash and cash equivalents	16	60,534	77,230	8,334	20,700
<b>Total current assets</b>		<b>292,649</b>	<b>278,795</b>	<b>74,086</b>	<b>65,923</b>
<b>Total assets</b>		<b>363,277</b>	<b>347,927</b>	<b>103,849</b>	<b>95,350</b>
<b>Equity</b>					
Share capital	17	69,382	69,382	69,382	69,382
Reserves	18	144,247	139,575	11,541	8,664
<b>Total equity attributable to owners of the Company</b>		<b>213,629</b>	<b>208,957</b>	<b>80,923</b>	<b>78,046</b>
Non-controlling interest	19	770	3,917	-	-
<b>Total equity</b>		<b>214,399</b>	<b>212,874</b>	<b>80,923</b>	<b>78,046</b>

## STATEMENTS OF FINANCIAL POSITION

As at 30 September 2023

*cont'd*

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Liabilities</b>					
Loans and borrowings	20	10,542	13,389	10	438
Lease liabilities		2,566	2,266	2,165	1,549
Deferred income	21	222	93	-	-
Deferred tax liabilities	10	1,023	1,238	-	-
<b>Total non-current liabilities</b>		<b>14,353</b>	<b>16,986</b>	<b>2,175</b>	<b>1,987</b>
Loans and borrowings	20	56,899	31,791	16,314	12,716
Lease liabilities		1,944	1,588	1,070	683
Deferred income	21	59	-	-	-
Provision for warranties	22	671	408	-	-
Trade and other payables	23	47,683	53,874	2,988	1,918
Contract liabilities	12	26,114	28,790	-	-
Current tax payable		968	1,004	379	-
Derivative financial liabilities	15	187	612	-	-
<b>Total current liabilities</b>		<b>134,525</b>	<b>118,067</b>	<b>20,751</b>	<b>15,317</b>
<b>Total liabilities</b>		<b>148,878</b>	<b>135,053</b>	<b>22,926</b>	<b>17,304</b>
<b>Total equity and liabilities</b>		<b>363,277</b>	<b>347,927</b>	<b>103,849</b>	<b>95,350</b>

The notes on pages 129 to 203 are an integral part of these financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 September 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Revenue</b>	24	316,870	363,602	17,342	13,333
Contract costs recognised as an expense		(126,698)	(171,230)	-	-
Cost of sales		(113,895)	(110,024)	-	-
<b>Gross profit</b>		76,277	82,348	17,342	13,333
Other operating income		7,297	7,816	1,270	1,189
Distribution expenses		(7,529)	(6,082)	-	-
Administrative expenses		(55,939)	(53,658)	(8,494)	(8,098)
Other operating expenses		(2,563)	(3,621)	(7)	(9)
Net (loss)/gain on impairment of financial instruments and contract assets		(1,590)	558	(965)	(8)
<b>Results from operating activities</b>	25	15,953	27,361	9,146	6,407
Finance costs	26	(2,968)	(2,554)	(218)	(247)
Finance income		473	338	1,544	1,197
<b>Net finance (costs)/income</b>		(2,495)	(2,216)	1,326	950
Share of loss of equity-accounted joint venture, net of tax		(312)	(233)	-	-
<b>Profit before tax</b>		13,146	24,912	10,472	7,357
Tax expense	27	(5,811)	(6,049)	(1,092)	(593)
<b>Profit for the year</b>		7,335	18,863	9,380	6,764
<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	-	-
Foreign currency translation differences for foreign operations		712	579	-	-
<b>Other comprehensive income for the year</b>		712	616	-	-
<b>Total comprehensive income for the year</b>		8,047	19,479	9,380	6,764



## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 September 2023

*cont'd*

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Profit attributable to:</b>					
Owners of the Company		10,495	18,703	9,380	6,764
Non-controlling interest		(3,160)	160	-	-
<b>Profit for the year</b>		<b>7,335</b>	<b>18,863</b>	<b>9,380</b>	<b>6,764</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		11,136	19,261	9,380	6,764
Non-controlling interest		(3,089)	218	-	-
<b>Total comprehensive income for the year</b>		<b>8,047</b>	<b>19,479</b>	<b>9,380</b>	<b>6,764</b>
<b>Basic earnings per ordinary share (sen):</b>	28	4.03	7.19		
<b>Diluted earnings per ordinary share (sen):</b>	28	3.99	6.84		

The notes on pages 129 to 203 are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2023

Group	Note	← Attributable to owners of the Company →				Total	Non-controlling interests	Total equity
		Share capital	Translation reserve	Hedging reserve	Retained profits			
		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	29	-	-	-	(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	

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 September 2023

cont'd

← *Attributable to owners of the Company* →

← *Non-distributable* → *Distributable*

Group (cont'd)	Note	← <i>Attributable to owners of the Company</i> →		Retained profits	Total	Non-controlling interests		Total equity
		Share capital	Translation reserve			RM'000	RM'000	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 October 2022</b>		69,382	1,608	137,967	208,957	3,917		212,874
Foreign currency translation differences for foreign operations		-	641	-	641	71		712
Total other comprehensive income for the year		-	641	-	641	71		712
Profit for the year		-	-	10,495	10,495	(3,160)		7,335
Total comprehensive income for the year		-	641	10,495	11,136	(3,089)		8,047
<i>Distributions to owners of the Company</i>								
- Dividends to owners of the Company	29	-	-	(6,503)	(6,503)	-		(6,503)
- Dividends to non-controlling interests		-	-	-	-	(141)		(141)
		-	-	(6,503)	(6,503)	(141)		(6,644)
Change in ownership interests in a subsidiary		-	-	39	39	83		122
Total transactions with owners of the Company		-	-	(6,464)	(6,464)	(58)		(6,522)
<b>At 30 September 2023</b>		69,382	2,249	141,998	213,629	770		214,399
		Note 17	Note 18.1			Note 19		

**STATEMENT OF CHANGES IN EQUITY**For the Year Ended 30 September 2023  
*cont'd*

	Note	Attributable to owners of the Company		Total RM'000
		Non- distributable Share capital RM'000	Distributable Retained profits RM'000	
<b>Company</b>				
<b>At 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	29	-	(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 2022/1 October 2022</b>		69,382	8,664	78,046
Total comprehensive income for the year		-	9,380	9,380
<i>Distributions to owners of the Company</i>				
- Dividends to owners of the Company	29	-	(6,503)	(6,503)
Total transactions with owners of the Company		-	(6,503)	(6,503)
<b>At 30 September 2023</b>		69,382	11,541	80,923

Note 17

## STATEMENTS OF CASH FLOWS

For the Year Ended 30 September 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		13,146	24,912	10,472	7,357
Adjustments for:					
Amortisation of development costs	5	63	59	-	-
Amortisation of investment properties	6	128	118	-	-
Bad debts written off		358	92	-	-
Depreciation of property, plant and equipment	3	3,117	2,732	175	213
Depreciation of right-of-use assets	4	2,466	2,365	1,101	1,066
Dividend income	24	-	-	(8,975)	(5,966)
Fair value (gain)/loss on liquid investments, net		(117)	(17)	(117)	2
Fair value (gain)/loss on forward exchange contracts, net		(2,953)	1,688	-	-
Finance costs	26	2,968	2,554	218	247
Finance income		(473)	(338)	(1,544)	(1,197)
Gain on derecognition of right-of-use assets		(6)	(10)	(4)	-
Inventories written off	11	1,225	1,436	-	-
Net loss/(gain) on disposal of property, plant and equipment		656	(192)	659	(87)
Property, plant and equipment written off		3	10	-	-
Provision for liquidated and ascertained damages, net		1,013	671	-	-
Provision for warranties, net		406	264	-	-
Provision for/(Reversal of) impairment loss on:					
- amount due from a subsidiary		-	-	965	8
- contract assets		282	(540)	-	-
- goodwill	5	-	481	-	-
- trade receivables		950	(110)	-	-
(Reversal of)/Allowance for foreseeable losses		(226)	391	-	-
Reversal of inventories written down to net realisable value	11	(371)	(666)	-	-
Share of loss of equity-accounted joint venture, net of tax	8	312	233	-	-
Unit trust income		(407)	(184)	(232)	(142)
Unrealised foreign exchange loss/(gain)		276	(403)	-	-
<b>Operating profit before changes in working capital</b>		<b>22,816</b>	<b>35,546</b>	<b>2,718</b>	<b>1,501</b>

**STATEMENTS OF CASH FLOWS**For the Year Ended 30 September 2023  
*cont'd*

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from operating activities (cont'd)</b>					
Inventories		(7,410)	(898)	-	-
Contract assets		(11,746)	1,800	-	-
Trade and other receivables, deposits and prepayments and other financial assets		(11,756)	(4,462)	(21,562)	11,987
Contract liabilities		(2,697)	18,241	-	-
Trade and other payables and derivative finance liabilities		(6,394)	(14,797)	1,070	(36)
Warranties paid	22	(143)	(136)	-	-
<b>Net cash (used in)/generated from operating activities</b>		<b>(17,330)</b>	<b>35,294</b>	<b>(17,774)</b>	<b>13,452</b>
Net income tax paid		(7,198)	(7,982)	(577)	(588)
Interest paid		(291)	(479)	(65)	(150)
Interest received/distribution from liquid investment		930	539	1,893	1,337
<b>Net cash (used in)/generated from operating activities</b>		<b>(23,889)</b>	<b>27,372</b>	<b>(16,523)</b>	<b>14,051</b>
<b>Cash flows from investing activities</b>					
Acquisition of investment properties	6	(6)	(1,698)	-	-
Acquisition of intangible assets	5	(10)	(34)	-	-
Acquisition of property, plant and equipment	(i)	(3,891)	(3,813)	(261)	(34)
Dividend income received	24	-	-	8,975	5,966
Disposal of other investment		10	-	-	-
Proceeds from disposal of property, plant and equipment		4	192	-	87
<b>Net cash (used in)/generate from investing activities</b>		<b>(3,893)</b>	<b>(5,353)</b>	<b>8,714</b>	<b>6,019</b>



## STATEMENTS OF CASH FLOWS

For the Year Ended 30 September 2023

cont'd

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash flows from financing activities</b>					
Change in ownership interests in a subsidiary		122	-	-	-
Dividend paid to owners of the Company	29	(6,503)	(8,452)	(6,503)	(8,452)
Dividend paid to non-controlling interest		(141)	(129)	-	-
Interest paid		(2,513)	(1,912)	(52)	(10)
Interest paid in relation to lease liabilities		(164)	(163)	(101)	(87)
Proceeds from bill payables, net		24,376	7,733	3,700	5,350
Net repayment of hire purchase liabilities		(860)	(249)	(530)	(285)
Proceeds from term loans		275	650	-	-
Repayment of term loans		(2,405)	(2,373)	-	-
Net payment of lease liabilities		(2,330)	(2,173)	(1,071)	(1,040)
Proceeds from issue of new shares upon warrants exercised	17	-	77	-	77
<b>Net cash generated from/(used in) financing activities</b>		<b>9,857</b>	<b>(6,991)</b>	<b>(4,557)</b>	<b>(4,447)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(17,925)</b>	<b>15,028</b>	<b>(12,366)</b>	<b>15,623</b>
<b>Foreign exchange differences on cash held</b>		<b>643</b>	<b>965</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents as at beginning of the year</b>		<b>76,950</b>	<b>60,957</b>	<b>20,700</b>	<b>5,077</b>
<b>Cash and cash equivalents as at end of the year</b>	(ii)	<b>59,668</b>	<b>76,950</b>	<b>8,334</b>	<b>20,700</b>

### (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 RM4,180,000 (2022: RM4,665,000) and RM261,000 (2022: RM824,000) of which RM289,000 (2022: RM852,000) and nil (2022: RM790,000) was acquired by means of hire purchase arrangement.

## STATEMENTS OF CASH FLOWS

For the Year Ended 30 September 2023  
cont'd

### (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	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	16	49,393	60,471	3,086	9,659
Liquid investments	16	11,141	16,759	5,248	11,041
Bank overdrafts	20	(866)	(280)	-	-
		59,668	76,950	8,334	20,700

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

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Included in net cash from operating activities:</b>					
Payment relating to short-term leases	25	500	693	-	-
Payment relating to leases of low value assets	25	44	42	5	5
<b>Included in net cash from financing activities:</b>					
Interest paid in relation to lease liabilities	26	164	163	101	87
Net payment of lease liabilities		2,330	2,173	1,071	1,040
<b>Total cash outflows for leases</b>		<b>3,038</b>	<b>3,071</b>	<b>1,177</b>	<b>1,132</b>

## STATEMENTS OF CASH FLOWS

For the Year Ended 30 September 2023

cont'd

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

	At 1 October 2021	Net changes from financing cash flows	Acquisition of new lease	Termination of lease contract	At 1 October 2022	Net changes from financing cash flows	Acquisition of new lease	Modification/ Termination/ of lease contract	At 30 September 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>									
Term loans	16,380	(1,723)	-	-	14,657	(2,130)	-	-	12,527
Bill payables	21,015	7,733	-	-	28,748	24,376	-	-	53,124
Hire purchase liabilities	892	(249)	852	-	1,495	(860)	289	-	924
Lease liabilities	4,797	(2,173)	1,573	(343)	3,854	(2,330)	3,181	(195)	4,510
Total liabilities from financing activities	43,084	3,588	2,425	(343)	48,754	19,056	3,470	(195)	71,085
<b>Company</b>									
Bill payables	7,250	5,350	-	-	12,600	3,700	-	-	16,300
Hire purchase liabilities	49	(285)	790	-	554	(530)	-	-	24
Lease liabilities	3,272	(1,040)	-	-	2,232	(1,071)	2,129	(55)	3,235
Total liabilities from financing activities	10,571	4,025	790	-	15,386	2,099	2,129	(55)	19,559

The notes on pages 129 to 203 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 2023 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 2023 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 17 January 2024.

## 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 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 and International Tax Reform – Pillar Two Model Rules*

# 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 2024***

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

#### ***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 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023, except for those 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; and
- from the annual period beginning on 1 October 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards and amendments is 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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

### (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 10 - recognition of deferred tax assets

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

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

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

- Note 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.



# NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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

- Note 24 - 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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

##### (ii) Business combinations (cont'd)

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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

##### (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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

#### (b) Foreign currency (cont'd)

##### (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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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

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

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

###### (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)).

###### *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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

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

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

The categories of financial liabilities at initial recognition are as follows: (cont'd)

###### (a) *Fair value through profit or loss (cont'd)*

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.

##### (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.



## 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 (cont'd)

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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

#### (e) Leases

##### (i) Definition of a lease

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

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

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

##### (ii) Recognition and initial measurement

###### (a) 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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

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

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

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

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.

###### (b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

##### (iii) Subsequent measurement

###### (a) 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.



## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

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

##### (iii) Subsequent measurement (cont'd)

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

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.

###### (b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other operating income".

#### (f) Intangible assets

##### (i) Goodwill

Goodwill arising 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/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.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

#### (n) Provisions (cont'd)

##### *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.

##### (iv) Interest income

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

##### (v) Rental income

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

##### (vi) Government grants

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

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

#### (p) Borrowing costs

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

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

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

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

#### (q) Income tax

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

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

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

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax 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.



## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

#### (r) Earnings per ordinary share

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

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

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

#### (s) Operating segments

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

#### (t) Contingencies

##### Contingent liabilities

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

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

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

#### (u) Fair value measurements (cont'd)

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

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

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

Level 3: unobservable inputs for the asset or liability.

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

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Renovation, electrical installation and furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Construction work-in- progress RM'000	Total RM'000
<b>Cost</b>									
At 1 October 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
<b>At 30 September 2022/</b>									
1 October 2022	5,579	28,403	7,881	3,345	4,755	4,212	9,905	136	64,216
Additions	-	149	75	148	1,026	438	360	1,984	4,180
Disposals	-	-	-	(3)	-	(833)	-	-	(836)
Written off	-	-	(10)	(1)	(91)	-	-	-	(102)
Reclassification	-	-	-	86	675	-	75	(836)	-
Foreign exchange adjustment	-	-	-	4	5	10	5	-	24
<b>At 30 September 2023</b>	<b>5,579</b>	<b>28,552</b>	<b>7,946</b>	<b>3,579</b>	<b>6,370</b>	<b>3,827</b>	<b>10,345</b>	<b>1,284</b>	<b>67,482</b>

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

Group	Freehold land RM'000	Buildings RM'000	Renovation, electrical installation and furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Construction work-in- progress RM'000	Total RM'000
<b>Accumulated depreciation</b>									
At 1 October 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/ 1 October 2022	-	2,363	3,781	1,562	3,782	1,911	6,775	-	20,174
Depreciation for the year	-	592	570	260	538	590	567	-	3,117
Disposals	-	-	-	(2)	-	(174)	-	-	(176)
Written off	-	-	(7)	(1)	(91)	-	-	-	(99)
Foreign exchange adjustment	-	-	-	3	5	8	3	-	19
At 30 September 2023	-	2,955	4,344	1,822	4,234	2,335	7,345	-	23,035
<b>Carrying amounts</b>									
At 1 October 2021	5,579	26,373	3,170	1,848	942	1,531	2,660	10	42,113
At 30 September 2022/ 1 October 2022	5,579	26,040	4,100	1,783	973	2,301	3,130	136	44,042
At 30 September 2023	5,579	25,597	3,602	1,757	2,136	1,492	3,000	1,284	44,447

## 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	Capital work-in- progress RM'000	Total RM'000
<b>Cost</b>							
At 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 October 2022	1,206	587	924	1,341	1	-	4,059
Additions	-	30	35	-	-	196	261
Disposals	-	-	-	(791)	-	-	(791)
Written off	-	-	(20)	-	-	-	(20)
At 30 September 2023	1,206	617	939	550	1	196	3,509
<b>Accumulated depreciation</b>							
At 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 October 2022	1,011	455	855	561	1	-	2,883
Depreciation for the year	32	28	28	87	-	-	175
Disposals	-	-	-	(132)	-	-	(132)
Written off	-	-	(20)	-	-	-	(20)
At 30 September 2023	1,043	483	863	516	1	-	2,906
<b>Carrying amounts</b>							
At 1 October 2021	238	166	84	77	-	-	565
At 30 September 2022/ 1 October 2022	195	132	69	780	-	-	1,176
At 30 September 2023	163	134	76	34	-	196	603

#### 3.1 Leased motor vehicles

At 30 September 2023, the net carrying amount of motor vehicles of the Group and of the Company acquired under hire purchase arrangements were RM1,249,000 (2022: RM2,100,000) and RM34,000 (2022: RM780,000) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

#### 3.2 Security

At 30 September 2023, freehold land and buildings with carrying amounts of RM31,176,000 (2022: RM31,619,000) 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 2021	4,730	4,133	71	617	9,551
Additions	-	1,573	-	-	1,573
Depreciation for the year	(130)	(1,906)	(35)	(294)	(2,365)
Termination of lease contract	-	(336)	-	-	(336)
Foreign exchange adjustment	-	(3)	-	-	(3)
At 30 September 2022/ 1 October 2022	4,600	3,461	36	323	8,420
Additions	-	3,181	-	-	3,181
Depreciation for the year	(130)	(2,041)	(36)	(259)	(2,466)
Modification	-	(51)	-	-	(51)
Termination of lease contract	-	(144)	-	-	(144)
Foreign exchange adjustment	-	6	-	-	6
At 30 September 2023	4,470	4,412	-	64	8,946
<b>Company</b>					
At 1 October 2021	-	3,141	-	121	3,262
Depreciation for the year	-	(997)	-	(69)	(1,066)
At 30 September 2022/ 1 October 2022	-	2,144	-	52	2,196
Additions	-	2,129	-	-	2,129
Modification	-	(51)	-	-	(51)
Depreciation for the year	-	(1,049)	-	(52)	(1,101)
At 30 September 2023	-	3,173	-	-	3,173

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 2021	2,566	2,335	4,901
Additions	-	34	34
At 30 September 2022/1 October 2022	2,566	2,369	4,935
Additions	-	10	10
At 30 September 2023	2,566	2,379	4,945
<b>Amortisation and impairment loss</b>			
At 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 2022/1 October 2022			
Accumulated amortisation	-	2,091	2,091
Accumulated impairment loss	2,566	-	2,566
	2,566	2,091	4,657
Amortisation for the year	-	63	63
At 30 September 2023			
Accumulated amortisation	-	2,154	2,154
Accumulated impairment loss	2,566	-	2,566
	2,566	2,154	4,720
<b>Carrying amounts</b>			
At 1 October 2021	481	303	784
At 30 September 2022/1 October 2022	-	278	278
At 30 September 2023	-	225	225

5.1 Goodwill of the Group arose from acquisitions of subsidiaries and has been fully impaired in previous financial years.



## 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 2021	116	5,922	2,482	8,520
Additions	-	1,577	121	1,698
At 30 September 2022/1 October 2022	116	7,499	2,603	10,218
Additions	-	-	6	6
At 30 September 2023	116	7,499	2,609	10,224
<b>Accumulated amortisation</b>				
At 1 October 2021	-	496	-	496
Amortisation for the year	-	118	-	118
At 30 September 2022/1 October 2022	-	614	-	614
Amortisation for the year	-	128	-	128
At 30 September 2023	-	742	-	742
<b>Carrying amounts</b>				
At 1 October 2021	116	5,426	2,482	8,024
At 30 September 2022/1 October 2022	116	6,885	2,603	9,604
At 30 September 2023	116	6,757	2,609	9,482

Investment properties of a subsidiary amounting to RM1,918,000 (2022: RM1,961,000) have been charged to secure banking facilities granted to a subsidiary (see Note 20.2).

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

	Group	
	2023 RM'000	2022 RM'000
Rental income	(39)	(15)
Direct operating expenses:		
- income generating investment properties	10	6
- non-income generating investment properties	52	43

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 6. INVESTMENT PROPERTIES (CONT'D)

#### Fair value information

Fair value of investment properties are categorised as follows:

Group	Level 3	
	2023 RM'000	2022 RM'000
Freehold land and buildings	11,240	11,051

#### 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	
	2023 RM'000	2022 RM'000
Cost of investment	25,946	25,946

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	
			2023 %	2022 %
EITA Power System Sdn. Bhd.	Malaysia	Marketing and distribution of fire resistant cables, marketing, distribution and leasing of electrical and electronic components and equipment and provision of electrical and security system solutions.	100	100

## 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	
			2023 %	2022 %
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. <sup>(#)</sup>	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
EITA Training Sdn. Bhd. (Formerly known as 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

## 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	
			2023 %	2022 %
<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.	51	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.

During the financial year, the Group and non-controlling interest subscribed for additional 249,900 ordinary shares at RM1.00 each in EITA KOP Sdn. Bhd., in which the subscription resulted a dilution of ownership interest to the Group from 70% to 51%.

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 8. INVESTMENT IN JOINT VENTURE

	Group	
	2023	2022
	RM'000	RM'000
Investment in shares	500	500
Share of post-acquisition reserves	723	1,035
	1,223	1,535

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	
			2023	2022
			%	%
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	
	2023	2022
	RM'000	RM'000
<b>Summarised financial information</b>		
<b>As at 30 September</b>		
Non-current assets	1,070	1,146
Current assets	2,569	3,351
Current liabilities	(1,193)	(1,427)
Net assets	2,446	3,070
<b>Year ended 30 September</b>		
Loss for the financial year	(624)	(466)

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

	Group	
	2023	2022
	RM'000	RM'000
<i>Included in the total comprehensive income:</i>		
Revenue	3,854	4,766
Depreciation for the year	(8)	(8)
<hr/>		
Reconciliation of net assets to carrying amount as at 30 September		
Group's share of net assets	1,223	1,535
<hr/>		
Group's share of results for the year ended 30 September		
Group's share of loss, net of tax	(312)	(233)

### 9. OTHER INVESTMENTS

	Unit trusts	Others	Total
	RM'000	RM'000	RM'000
<hr/>			
<b>Group</b>			
<b>2023</b>			
<b>Current</b>			
Fair value through profit or loss	1,096	-	1,096
<hr/>			
<b>2022</b>			
<b>Non-current</b>			
Fair value through profit or loss	-	10	10
<hr/>			
<b>Current</b>			
Fair value through profit or loss	1,029	-	1,029
<hr/>			
<b>Company</b>			
<b>2023</b>			
<b>Current</b>			
Fair value through profit or loss	1,096	-	1,096
<hr/>			
<b>2022</b>			
<b>Current</b>			
Fair value through profit or loss	1,029	-	1,029
<hr/>			

## 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Group</b>						
Property, plant and equipment	-	-	(2,520)	(2,149)	(2,520)	(2,149)
Right-of-use assets, net of lease liabilities	2	2	-	-	2	2
Provisions	5,396	4,605	-	-	5,396	4,605
Other items	2,218	1,969	(160)	(422)	2,058	1,547
Unutilised tax losses	83	-	-	-	83	-
Unabsorbed capital allowances	263	-	-	-	263	-
Tax assets/(liabilities)	7,962	6,576	(2,680)	(2,571)	5,282	4,005
Set off of tax	(1,657)	(1,333)	1,657	1,333	-	-
Net tax assets/(liabilities)	6,305	5,243	(1,023)	(1,238)	5,282	4,005
<b>Company</b>						
Plant and equipment	-	-	(121)	(38)	(121)	(38)
Provisions	162	147	-	-	162	147
	162	147	(121)	(38)	41	109



## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

#### Movement in temporary differences during the year

	At 1.10.2021 RM'000	Recognised in profit or loss (Note 27) RM'000	Recognised in other comprehensive income RM'000	At 30.9.2022/ 1.10.2022 RM'000	Recognised in profit or loss (Note 27) RM'000	At 30.9.2023 RM'000
<b>Group</b>						
Property, plant and equipment	(2,018)	(131)	-	(2,149)	(371)	(2,520)
Right-of-use assets, net of lease liabilities	2	-	-	2	-	2
Provisions	4,312	293	-	4,605	791	5,396
Other items	1,756	(209)	-	1,547	511	2,058
Cash flow hedge	(31)	-	31	-	-	-
Unutilised tax losses	-	-	-	-	83	83
Unabsorbed capital allowances	-	-	-	-	263	263
	4,021	(47)	31	4,005	1,277	5,282
<b>Company</b>						
Plant and equipment	(55)	17	-	(38)	(83)	(121)
Provisions	189	(42)	-	147	15	162
	134	(25)	-	109	(68)	41

#### Unrecognised deferred tax assets

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

	Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment	(36)	-
Provisions	1	39
Unutilised tax losses	8,218	1,366
Unabsorbed capital allowances	41	-
	8,224	1,405

Deferred tax assets have not been recognised in respect of the above items 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.

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

The unutilised tax losses 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	
	2023	2022
	RM'000	RM'000
<b>Utilisation period</b>		
Expire in YA 2029	933	933
Expire in YA 2033	433	433
Expire in YA 2034	6,852	-
	8,218	1,366

### 11. INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
Raw materials	14,334	11,833
Work-in-progress	1,549	1,263
Manufactured inventories and trading goods	28,230	25,842
Equipment and parts	5,755	4,281
	49,868	43,219
Recognised in profit or loss:		
Inventories recognised as cost of sales	99,316	94,221
Reversal of inventories written down to net realisable value	(371)	(666)
Written off	1,225	1,436

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023 RM'000	2022 RM'000
Contract assets	93,537	82,860
Contract liabilities	(26,114)	(28,790)

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	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Trade</b>					
Trade receivables	13.1	73,524	63,459	-	-
Less: Impairment loss		(6,903)	(5,953)	-	-
		66,621	57,506	-	-
<b>Non-trade</b>					
Other receivables	13.2	4,150	3,818	66	75
Less: Impairment loss		(90)	(90)	-	-
		4,060	3,728	66	75
Amounts due from subsidiaries	13.3	-	-	66,035	44,740
Less: Impairment loss		-	-	(2,185)	(1,220)
		-	-	63,850	43,520
		70,681	61,234	63,916	43,595

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

13.1 Included in trade receivables are the following:

- RM55,000 (2022: RM779,000) 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;
- RM99,000 (2022: RM178,000) owing by joint venture. The amounts are interest-free, unsecured and repayable based on normal credit terms; and
- Retention sum amounting to RM11,478,000 (2022: RM12,200,000) relating to project contracts.

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

	Group	
	2023 RM'000	2022 RM'000
Within 1 year	5,061	2,811
1 - 2 years	1,674	1,679
2 - 3 years	-	650
3 - 4 years	4,743	7,060
	11,478	12,200

13.2 Included in the Group's other receivables are advances paid to suppliers amounting to RM438,000 (2022: RM617,000).

13.3 The non-trade amounts due from subsidiaries are unsecured, subject to interest at 1% per annum above OPR (2022: 1% per annum above KLIBOR) and repayable on demand.

### 14. DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits	5,092	4,724	297	303
Prepayments	6,120	5,370	443	228
	11,212	10,094	740	531

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 15. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	Nominal value RM'000	Assets RM'000	Liabilities RM'000
<b>2023</b>			
Forward foreign exchange contracts:			
- Fair value through profit or loss	95,932	2,599	(187)
<b>2022</b>			
Forward foreign exchange contracts:			
- Fair value through profit or loss	74,060	71	(612)

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	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances		49,393	60,471	3,086	9,659
Liquid investments	16.1	11,141	16,759	5,248	11,041
		60,534	77,230	8,334	20,700

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
	2023	2023	2022	2022
	'000	RM'000	'000	RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 October	260,114	69,382	260,004	69,305
Issuance of new shares upon warrants exercised	-	-	110	77
At 30 September	260,114	69,382	260,114	69,382

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:

- (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.

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 18. RESERVES (CONT'D)

#### 18.3 Warrants (cont'd)

The main features of the Warrants are as follows: (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 no warrants exercised during the financial year. Subsequent to the financial year, there were 7,969,170 warrants exercised. As at the date of this report, the Company completed the conversion of 8,082,636 warrants into 8,082,636 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	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>					
Hire purchase liabilities	20.1	640	1,158	10	438
Term loans - secured	20.2	9,902	12,231	-	-
		10,542	13,389	10	438
<b>Current</b>					
Hire purchase liabilities	20.1	284	337	14	116
Term loans - secured	20.2	2,625	2,426	-	-
Bill payables - secured	20.3	53,124	28,748	16,300	12,600
Bank overdrafts - secured	20.3	866	280	-	-
		56,899	31,791	16,314	12,716
		67,441	45,180	16,324	13,154



## 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 2023 RM'000	Interest 2023 RM'000	Present value of minimum lease payments 2023 RM'000	Future minimum lease payments 2022 RM'000	Interest 2022 RM'000	Present value of minimum lease payments 2022 RM'000
<b>Group</b>						
Less than one year	315	31	284	389	52	337
Between one and five years	669	29	640	1,231	73	1,158
	984	60	924	1,620	125	1,495
<b>Company</b>						
Less than one year	15	1	14	136	20	116
Between one and five years	10	-	10	468	30	438
	25	1	24	604	50	554

#### 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. DEFERRED INCOME

	Group	
	2023	2022
	RM'000	RM'000
<b>Non-current</b>		
Government grant	222	93
<b>Current</b>		
Government grant	59	-

The Group received a government grant which was conditional upon the fulfilment of conditions attached to the grant. The software commenced its use during the financial year. The grant is amortised over the useful life of the software. During the financial year, RM15,000 (2022: nil) has been amortised and recognised as other income in profit or loss.

### 22. PROVISION FOR WARRANTIES

	Group	
	2023	2022
	RM'000	RM'000
At beginning of financial year	408	280
Provision made during the year	542	334
Provision reversed during the year	(136)	(70)
Warranty claimed during the year	(143)	(136)
At end of financial year	671	408

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.

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 23. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Trade</b>					
Trade payables	23.1	33,329	38,392	-	-
<b>Non-trade</b>					
Other payables		3,576	4,865	104	253
Accrued expenses		10,778	10,617	1,848	1,665
Amount due to a subsidiary	23.2	-	-	1,036	-
		14,354	15,482	2,988	1,918
		47,683	53,874	2,988	1,918

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

- Retention sum amounting to RM768,000 (2022: RM681,000);
- Amounts payable to companies in which certain Directors of the Group and persons connected to the Directors have interests of RM8,000 (2022: RM43,000). The amounts are interest-free, unsecured and repayable based on the normal credit terms; and
- Amount payable to the joint venture of RM250,000 (2022: RM634,000). The amount is interest-free, unsecured and repayable based on the normal credit terms.

23.2 The non-trade amount due to a subsidiary is unsecured, subject to interest at 1% per annum above OPR (2022: nil) and repayable on demand.

### 24. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers	316,870	363,602	8,367	7,367
<b>Other revenue</b>				
- Dividend income	-	-	8,975	5,966
<b>Total revenue</b>	316,870	363,602	17,342	13,333

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 24. REVENUE (CONT'D)

#### 24.1 Disaggregation of revenue

	Design and manufacturing		Marketing and distribution		Services		High voltage system		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
<b>Major products and services lines</b>										
Construction contracts	71,414	59,265	-	-	227	256	64,061	128,926	135,702	188,447
Sales of goods	46,883	39,467	92,794	91,372	-	-	-	-	139,677	130,839
Maintenance and repair services	-	-	-	-	41,264	44,079	-	-	41,264	44,079
Training	-	-	-	-	227	237	-	-	227	237
	118,297	98,732	92,794	91,372	41,718	44,572	64,061	128,926	316,870	363,602
<b>Timing and recognition</b>										
At a point in time	17,002	13,066	92,794	91,372	41,264	44,079	-	-	151,060	148,517
Over time	101,295	85,666	-	-	454	493	64,061	128,926	165,810	215,085
	118,297	98,732	92,794	91,372	41,718	44,572	64,061	128,926	316,870	363,602
<b>Revenue from contracts with customers</b>	118,297	98,732	92,794	91,372	41,718	44,572	64,061	128,926	316,870	363,602
<b>Company</b>										
Management fees	-	-	-	-	8,367	7,367	-	-	8,367	7,367

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 24. REVENUE (CONT'D)

#### 24.2 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	<ul style="list-style-type: none"> <li>Revenue is recognised at the point in time when the goods are delivered 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 over time as the customer simultaneously receives and consumes the benefits provided by the Company.	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*

### 24. REVENUE (CONT'D)

#### 24.3 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	
	2023 RM'000	2022 RM'000
Construction contracts	371,021	292,644

The above revenue does not include variable consideration.

### 25. RESULTS FROM OPERATING ACTIVITIES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Results from operating activities are arrived at after charging:</b>					
<b>Auditors' remunerations</b>					
Audit fees:					
- KPMG Malaysia		218	196	38	35
- other auditors		13	9	-	-
Non-audit fees to KPMG		10	9	10	9
<b>Material expenses</b>					
Allowance for foreseeable losses, net		-	391	-	-
Amortisation of development costs	5	63	59	-	-
Amortisation of investment properties	6	128	118	-	-
Depreciation of property, plant and equipment	3	3,117	2,732	175	213
Depreciation of right-of-use assets	4	2,466	2,365	1,101	1,066
Fair value loss on forward exchange contracts, net		-	1,688	-	-
Fair value loss on liquid investments, net		-	-	-	2
Foreign exchange loss, net - unrealised		276	-	-	-
Inventories written off		1,225	1,436	-	-
Loss on disposal of property, plant and equipment		656	-	659	-
Property, plant and equipment written off	3	-	10	-	-

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

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

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Material expenses (cont'd)</b>					
Provision for impairment loss on goodwill		-	481	-	-
Provision for liquidated and ascertained damages, net		1,013	671	-	-
Provision for warranties, net		406	264	-	-
Staff costs:					
- contribution to state plans		5,473	5,337	537	570
- wages, salaries and others		44,119	42,149	3,888	4,197
<b>Expenses arising from leases</b>					
Expenses relating to short-term leases	a	500	693	-	-
Expenses relating to leases of low-value assets	a	44	42	5	5
<b>and after crediting:</b>					
<b>Material income</b>					
Fair value gain on forward exchange contracts, net		2,953	-	-	-
Fair value gain on liquid investments, net		117	17	117	-
Foreign exchange gain, net					
- realised		1,112	3,084	1	-
- unrealised		-	403	-	-
Gain on derecognition of right-of-use assets		6	10	4	-
Gain on disposal of property, plant and equipment, net		-	192	-	87
Government grant on wages subsidy	b	47	666	-	-
Rental income on premises		227	35	877	833
Reversal of allowance for foreseeable losses, net		226	-	-	-
Reversal of inventories written down to net realisable value		371	666	-	-
Unit trust income		407	184	232	142



## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

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

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b><i>Net (loss)/gain on impairment of financial instruments and contract assets</i></b>				
Bad debts written off	(358)	(92)	-	-
Provision for impairment loss on amount due from a subsidiary	-	-	(965)	(8)
Provision of impairment loss, net				
- trade receivables	(950)	110	-	-
- contract assets	(282)	540	-	-

#### Note a

The Group and the Company lease 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 the 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 2023/2022.

### 26. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not fair value through profit or loss:				
- bank overdrafts	26	5	-	-
- bills payable	1,867	1,372	2	-
- hire purchase	88	49	50	10
- lease liabilities	164	163	101	87
- term loans	558	491	-	-
Other finance costs	265	474	65	150
Recognised in profit or loss	2,968	2,554	218	247

## NOTES TO THE FINANCIAL STATEMENTS

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### 27. TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current tax expense</b>				
- current year	6,757	6,700	1,056	585
- prior year	331	(698)	(32)	(17)
	7,088	6,002	1,024	568
<b>Deferred tax expense</b>				
- origination and reversal of temporary differences	(1,243)	(103)	(30)	(23)
- prior year	(34)	150	98	48
	(1,277)	47	68	25
	5,811	6,049	1,092	593
Share of tax of equity-accounted joint venture	37	(56)	-	-
Total tax expense	5,848	5,993	1,092	593
<b>Reconciliation of tax expense</b>				
Profit for the year	7,335	18,863	9,380	6,764
Total tax expense	5,848	5,993	1,092	593
Profit excluding tax	13,183	24,856	10,472	7,357
Income tax calculated using Malaysian tax rate at 24% (2022: 24%)	3,164	5,965	2,513	1,766
Effect of different tax rate in foreign jurisdiction	(71)	(81)	-	-
Non-deductible expenses	1,218	963	723	262
Deferred tax assets not recognised	1,637	113	-	-
Tax exempt income	(72)	(51)	(2,210)	(1,466)
Tax incentives	(325)	(368)	-	-
	5,551	6,541	1,026	562
Under/(Over) provision in prior year	297	(548)	66	31
Total tax expense	5,848	5,993	1,092	593

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 28. EARNINGS PER ORDINARY SHARE

#### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 30 September 2023 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	
	2023	2022
	RM'000	RM'000
Profit for the year attributable to the owners	10,495	18,703
Issued ordinary shares at beginning of the financial year	260,114	260,004
Effect of new ordinary shares issued	-	27
Weighted average number of shares (basic)	260,114	260,031
Basic earnings per ordinary share (sen)	4.03	7.19

#### Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 30 September 2023 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	
	2023	2022
	RM'000	RM'000
Profit for the year attributable to the owners	10,495	18,703
Weighted average number of shares (basic)	260,114	260,031
Effect of warrants on issue	2,739	13,537
Weighted average number of shares (diluted)	262,853	273,568
Diluted earnings per ordinary share (sen)	3.99	6.84

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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### 29. DIVIDENDS

Dividends recognised by the Company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2023</b>			
First interim 2023 ordinary	1.00	2,601	7 July 2023
Second interim 2022 ordinary	1.50	3,902	12 January 2023
		<u>6,503</u>	
<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>	

On 22 November 2023, the following dividend was declared by the Directors and paid on 15 January 2024. This dividend will be recognised in the subsequent financial period.

	Sen per share	Total amount RM'000
Second interim 2023 ordinary	1.00	<u>2,634</u>

### 30. 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

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### 30. OPERATING SEGMENTS (CONT'D)

#### Segment assets and liabilities

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence, no disclosures are made on segment assets and liabilities.

	Design and manufacturing		Marketing and distribution		Services		High voltage system		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	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	118,297	98,732	92,794	91,372	41,718	44,572	64,061	128,926	316,870	363,602
Segment EBITDA	3,174	1,558	9,813	11,250	14,064	17,491	(5,636)	2,103	21,415	32,402
Depreciation and amortisation	(3,280)	(2,460)	(1,087)	(1,134)	(574)	(1,175)	(833)	(505)	(5,774)	(5,274)
Finance costs	(1,137)	(998)	(161)	(206)	(47)	(184)	(1,623)	(1,166)	(2,968)	(2,554)
Finance income	243	152	98	105	95	55	37	26	473	338
Tax expense	(927)	(190)	(2,627)	(2,495)	(2,631)	(3,128)	374	(236)	(5,811)	(6,049)
Segment (loss)/profit	(1,927)	(1,938)	6,036	7,520	10,907	13,059	(7,681)	222	7,335	18,863

#### 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>										
Revenue	260,337	309,550	54,518	48,973	854	3,544	1,161	1,535	316,870	363,602

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS

#### 31.1 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
<b>2023</b>			
<b>Financial assets</b>			
Other investments	1,096	1,096	-
Trade and other receivables excluding advances paid to suppliers	70,243	-	70,243
Deposits	5,092	-	5,092
Derivative financial assets	2,599	2,599	-
Cash and cash equivalents	60,534	11,141	49,393
	<b>139,564</b>	<b>14,836</b>	<b>124,728</b>
<b>Financial liabilities</b>			
Loans and borrowings	(67,441)	-	(67,441)
Trade and other payables	(47,683)	-	(47,683)
Derivative financial liabilities	(187)	(187)	-
	<b>(115,311)</b>	<b>(187)</b>	<b>(115,124)</b>
<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
	<b>143,681</b>	<b>17,869</b>	<b>125,812</b>
<b>Financial liabilities</b>			
Loans and borrowings	(45,180)	-	(45,180)
Trade and other payables	(53,874)	-	(53,874)
Derivative financial liabilities	(612)	(612)	-
	<b>(99,666)</b>	<b>(612)</b>	<b>(99,054)</b>

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.1 Categories of financial instruments (cont'd)

Company	Carrying amount RM'000	FVTPL RM'000	AC RM'000
<b>2023</b>			
<b>Financial assets</b>			
Other investments	1,096	1,096	-
Trade and other receivables	63,916	-	63,916
Deposits	297	-	297
Cash and cash equivalents	8,334	5,248	3,086
	<b>73,643</b>	<b>6,344</b>	<b>67,299</b>
<b>Financial liabilities</b>			
Loans and borrowings	(16,324)	-	(16,324)
Trade and other payables	(2,988)	-	(2,988)
	<b>(19,312)</b>	<b>-</b>	<b>(19,312)</b>
<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
	<b>65,627</b>	<b>12,070</b>	<b>53,557</b>
<b>Financial liabilities</b>			
Loans and borrowings	(13,154)	-	(13,154)
Trade and other payables	(1,918)	-	(1,918)
	<b>(15,072)</b>	<b>-</b>	<b>(15,072)</b>

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS (CONT'D)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) arising on:				
Financial asset measured at amortised cost	(792)	2,538	579	1,189
Financial liabilities measured at amortised cost	(3,080)	(1,608)	(117)	(160)
Fair value through profit or loss	3,477	(1,487)	349	140
	(395)	(557)	811	1,169

#### 31.3 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

#### 31.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

##### Trade receivables and contract assets

##### *Risk management objectives, policies and processes for managing the risk*

Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount to mitigate the exposure to credit risk. The Group and the Company do not have any significant exposure to any individual counterparty.

There are no significant changes as compared to previous year.



## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.4 Credit risk (cont'd)

##### Trade receivables and contract assets (cont'd)

##### Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their recoverable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

##### Recognition and measurement of impairment loss

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.

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
<b>Group</b>			
<b>2023</b>			
Current (not past due)	37,520	(131)	37,389
1 – 30 days past due	7,428	(65)	7,363
31 – 60 days past due	7,490	(57)	7,433
61 – 90 days past due	1,997	(59)	1,938
More than 90 days past due	14,857	(2,359)	12,498
	69,292	(2,671)	66,621
Credit impaired	4,232	(4,232)	-
Trade receivables	73,524	(6,903)	66,621
Contract assets	94,553	(1,016)	93,537
	168,077	(7,919)	160,158

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.4 Credit risk (cont'd)

##### Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

	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

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 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 October 2022	1,638	4,315	734	6,687
Net remeasurement of loss allowance	1,033	(83)	282	1,232
Balance at 30 September 2023	2,671	4,232	1,016	7,919

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.4 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	
	2023 RM'000	2022 RM'000
At beginning of financial year	90	90
Reversal of impairment loss	-	-
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 RM68,692,000 (2022: RM31,234,000) 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

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.4 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	
	2023 RM'000	2022 RM'000
At beginning of financial year	1,220	1,212
Impairment loss recognised	965	8
At end of financial year	2,185	1,220

#### 31.5 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*

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.5 Liquidity risk (*cont'd*)

##### *Maturity analysis*

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate/ Discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
		%				
<b>2023</b>						
<i>Non-derivative financial liabilities</i>						
Term loans - secured	12,527	4.15 – 4.90	13,576	2,977	2,097	8,502
Hire purchase liabilities	924	3.78 – 6.39	984	315	310	359
Lease liabilities	4,510	2.86 – 6.00	4,716	2,064	1,472	1,180
Bill payables - secured	53,124	4.24 – 7.82	55,692	55,692	-	-
Bank overdrafts	866	6.70 – 8.14	933	933	-	-
Trade and other payables	47,683	-	47,683	47,683	-	-
	119,634		123,584	109,664	3,879	10,041
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled):						
Outflow	187		56,195	56,195	-	-
Inflow	-		(56,008)	(56,008)	-	-
	119,821		123,771	109,851	3,879	10,041

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.5 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	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	53,874	-	53,874	53,874	-	-	-
	<u>102,908</u>		<u>104,985</u>	<u>89,034</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	-	-	-
Inflow	-		(69,650)	(69,650)	-	-	-
	<u>103,520</u>		<u>105,597</u>	<u>89,646</u>	<u>13,205</u>	<u>2,735</u>	<u>11</u>

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.5 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>2023</b>						
<i>Non-derivative financial liabilities</i>						
Hire purchase liabilities	24	6.39	25	15	10	-
Lease liabilities	3,235	2.86 – 3.75	3,404	1,161	1,161	1,082
Bills payable - secured	16,300	5.08	17,128	17,128	-	-
Trade and other payables	2,988	-	2,988	2,988	-	-
Financial guarantees	-	-	68,692	68,692	-	-
	22,547		92,237	89,984	1,171	1,082
<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	-	-
	17,304		49,245	47,138	554	1,553

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.6 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.

#### *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>2023</b>			
Trade and other receivables	2,295	4,963	183
Cash and cash equivalents	-	4,254	-
Trade and other payables	(30)	(6,075)	(2,450)
<b>Net exposure in the statements of financial position</b>	<b>2,265</b>	<b>3,142</b>	<b>(2,267)</b>
<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>



## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.6 Market risk (cont'd)

##### Foreign currency risk (cont'd)

##### *Foreign currency risk sensitivity analysis*

A 10% (2022: 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.

	Equity		Profit or (loss)	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
SGD	(891)	(872)	(172)	(133)
USD	-	-	(239)	(702)
CNY	-	-	172	272

A 10% (2022: 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.

##### 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.

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.6 Market risk (cont'd)

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

##### 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Fixed rate instruments</b>				
Financial liabilities	(5,434)	(5,349)	(3,259)	(2,786)
<b>Floating rate instruments</b>				
Financial assets	11,141	16,759	5,248	11,041
Financial liabilities	(66,517)	(43,685)	(16,300)	(12,600)
	(55,376)	(26,926)	(11,052)	(1,559)

##### 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>2023</b>				
Floating rate instruments	(421)	421	(84)	84
<b>2022</b>				
Floating rate instruments	(205)	205	(12)	12

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.7 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 nil (2022: net gain of RM37,000) in other comprehensive income.

#### 31.8 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.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>2023</b>										
<b>Group</b>										
<b>Financial assets</b>										
Forward exchange contract	-	2,599	-	2,599	-	-	-	-	2,599	2,599
Other investments										
- unit trusts	1,096	-	-	1,096	-	-	-	-	1,096	1,096
Liquid investments										
- unit trusts	11,141	-	-	11,141	-	-	-	-	11,141	11,141
	12,237	2,599	-	14,836	-	-	-	-	14,836	14,836
<b>Financial liabilities</b>										
Forward exchange contract	-	(187)	-	(187)	-	-	-	-	(187)	(187)
Hire purchase liabilities										
- fixed rate	-	-	-	-	-	-	(851)	(851)	(851)	(924)
	-	(187)	-	(187)	-	-	(851)	(851)	(1,038)	(1,111)

# NOTES TO THE FINANCIAL STATEMENTS

cont'd

## 31. FINANCIAL INSTRUMENTS (CONT'D)

### 31.8 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>2023</b>										
<b>Company</b>										
<b>Financial assets</b>										
Other investments										
- unit trusts	1,096	-	-	1,096	-	-	-	-	1,096	1,096
Liquid investments										
- unit trusts	5,248	-	-	5,248	-	-	-	-	5,248	5,248
	6,344	-	-	6,344	-	-	-	-	6,344	6,344
<b>Financial liabilities</b>										
Hire purchase liabilities										
- fixed rate	-	-	-	-	-	-	(22)	(22)	(22)	(24)
<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)

## NOTES TO THE FINANCIAL STATEMENTS

*cont'd*

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.8 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		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	fair value	Carrying amount	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>2022</b>											
<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)	

#### 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 (2022: 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.

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 31. FINANCIAL INSTRUMENTS (CONT'D)

#### 31.8 Fair value information (cont'd)

##### Level 3 fair value (cont'd)

Interest rates used to determine fair value

	2023	2022
<b>Group and Company</b>		
Hire purchase liabilities		
- fixed rate	3.78% - 6.39%	1.98% - 6.39%

### 32. 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.

### 33. 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	
	2023	2022
	RM'000	RM'000
Guarantees issued to third parties for performance of contract by Group entities	61,307	50,854

### 34. CAPITAL COMMITMENTS

	Group	
	2023	2022
	RM'000	RM'000
<b>Capital expenditure commitments</b>		
Property, plant and equipment		
Contracted but not provided for		
- Within one year	848	1,794

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 35. 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.

#### 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 23.

Group	Transaction value	
	2023 RM'000	2022 RM'000
<b>With companies in which the Directors and persons connected to the Directors have interests</b>		
Sales		
QL Foods Sdn. Bhd.	(304)	(322)
QL Figo (Johor) Sdn. Bhd.	-	(108)
Tenaga Semesta (M) Sdn. Bhd.	(176)	(826)
Platinum Victory Property Sdn. Bhd.	-	(30)
CTL Automation Sdn. Bhd.	(42)	(56)
QL Agroventures Sdn. Bhd.	(21)	(4)
Platinum Victory Development Sdn. Bhd.	(15)	(1)
Chingsan Development Sdn. Bhd.	(11)	(9)
Platinum Victory (Setapak) Sdn. Bhd.	(9)	-
Purchases		
CTL Automation Sdn. Bhd.	566	825
Tenaga Semesta (M) Sdn. Bhd.	6	15

## NOTES TO THE FINANCIAL STATEMENTS

cont'd

### 35. RELATED PARTIES (CONT'D)

#### Related party transactions (cont'd)

Group	Transaction value	
	2023 RM'000	2022 RM'000
<b>Joint venture</b>		
Sigriner Automation (MFG) Sdn. Bhd.		
Sales	(257)	(488)
Purchases	3,574	4,669
<b>Key management personnel</b>		
<b>Directors</b>		
- Fees	551	582
- Remunerations	4,357	4,692
<b>Directors of the subsidiaries</b>		
- Fees	40	70
- Remunerations	952	895
<b>Other key management personnel</b>		
- Remunerations	1,428	1,370
- Contribution to state plans	197	190

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*

### 35. RELATED PARTIES (CONT'D)

#### Related party transactions (cont'd)

Company	Transaction value	
	2023 RM'000	2022 RM'000
<b>Subsidiaries</b>		
Gross dividends receivable	(8,975)	(5,966)
Management fees receivable	(8,367)	(7,367)
Interest income	(1,520)	(1,135)
Rental income	(877)	(833)
<b>With companies in which the Directors and persons connected to the Directors have interests</b>		
Purchases		
Tenaga Semesta (M) Sdn. Bhd.	5	9
<b>Key management personnel</b>		
<b>Directors</b>		
- Fees	381	332
- Remunerations	2,072	2,446

The estimated monetary value of key management personnel's benefit-in-kind of the Group and of the Company are RM128,000 (2022: RM156,000) and RM3,000 (2022: RM31,000) respectively.

## 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 117 to 203 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 of 30 September 2023 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: 17 January 2024

## 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 117 to 203 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed, Sia Ching Hwee, I/C No. 850928-10-6365, MIA CA 35006, at Subang Jaya, Selangor Darul Ehsan on 17 January 2024.

**Sia Ching Hwee**  
Chief Financial Officer

Before me:

**FADZILAH BINTI HUSSAIN**

# INDEPENDENT AUDITORS' REPORT

To the Members of EITA Resources berhad  
(Registration No. 199601026396 (398748-T)) (Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of EITA Resources Berhad, which comprise the statements of financial position as at 30 September 2023 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 117 to 203.

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 2023, 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 24 - Revenue.

#### The key audit matter

Construction contracts revenue of RM135,702,000 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 2023, the Group has significant inventory balance of RM49,868,000. 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 31.4 – Credit Risk.

#### The key audit matter

As at 30 September 2023, the Group has significant trade receivables balance of RM66,621,000 and contract assets balance of RM93,537,000. There is high degree of management's judgement involved in assessing the recoverability of trade receivables and contract assets; and the adequacy of impairment made, therefore, there is a risk that the Group's assessment of the level of these impairment loss is insufficient or inaccurate.

#### How the matter was addressed in our audit

Our audit procedures performed in this area included, among others:

- We obtained understanding on the Group's process in determining the level of impairment required in accordance with MFRS 9;
- We evaluated the design and implementation of the controls over management review of adequacy of impairment made;
- We assessed the exposures to liquidated damages for late delivery of the construction works by making enquiries and where available, reading correspondences and minutes of meetings with contract customers on the expected delivery date and the ability of the Group to deliver on time based on historical progress of the construction works;
- We compared the forecast costs of individual contract against the corresponding income to determine whether provision for foreseeable losses, if any, has been adequately made for loss making contracts; and
- We reviewed the appropriateness of Expected Credit Loss ("ECL") calculation prepared by management and assessed the adequacy of impairment on trade receivables and contract assets. We have tested the accuracy of the trade receivables ageing report used for this purpose.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT

To the Members of EITA Resources berhad

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

cont'd

### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

## INDEPENDENT AUDITORS' REPORT

To the Members of EITA Resources berhad  
(Registration No. 199601026396 (398748-T)) (Incorporated in Malaysia)  
cont'd

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

### OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 17 January 2024

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

**TOP 10 LIST OF PROPERTIES**

As at 30 September 2023

Owner Company	Location	Date of acquisition	Tenure	Description/ use	Land & built-up Area (Acres/ Sq. meter/ 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	2.9 acres (126,411 sq. ft.)	5,579,588	Not applicable
				Factory and warehouse	Build-up approx. 93,177 sq. ft.	19,673,269	4
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.	10,394,721	21
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.)	#999,557	9
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 (9,365 sq. ft.)	#990,000	5
EITA Elevator (Malaysia) Sdn Bhd	Quay West Residence Tower B, Unit B-19-26, No.120, Pesisiran Bayan Indah, 11900, Penang	8 September 2020	Freehold	SOHO	94 sq. meter (1,012 sq. ft.)	#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 (1,116 sq. ft.)	#802,434	5



## TOP 10 LIST OF PROPERTIES

As at 30 September 2023

*cont'd*

Owner Company	Location	Date of acquisition	Tenure	Description/ use	Land & built-up Area (Acres/ Sq. meter/ Sq. ft.)	Net book value	Age of the building
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.	#755,707	9
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.	#694,367	4
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 (606 sq. ft.)	#573,053	2
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.	#568,322	10

**Note:**

# These are "investment properties" held by our Group.

## ANALYSIS OF SHAREHOLDINGS

As at 29 December 2023

Class of equity securities	:	Ordinary Shares ("Shares")
Total number of issued shares	:	263,585,904 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	20	0.64	428	#
100 - 1,000 Shares	361	11.47	221,400	0.08
1,001 - 10,000 Shares	1,681	53.43	9,035,300	3.43
10,001 - 100,000 Shares	929	29.53	29,607,370	11.23
100,001 - 13,179,294 *	151	4.80	84,948,116	32.23
13,179,295 and above **	4	0.13	139,773,290	53.03
<b>Total</b>	<b>3,146</b>	<b>100.00</b>	<b>263,585,904</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	3,316,682	1.26	37,130,706 <sup>(1)</sup>	14.09
Lee Peng Sian	13,024,454	4.94	87,000 <sup>(2)</sup>	0.03
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	8,838,472	3.35	300,000 <sup>(3)</sup>	0.11
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>	22.82
Ho Lee Chen	-	-	10,666 <sup>(5)</sup>	#
Ir. Haji Omar Bin Mat Piah	-	-	-	-
Fu Mun Win	-	-	43,003,066 <sup>(6)</sup>	16.31
Fu Jia Lik (Alternate Director to Fu Mun Win)	42,000	0.02	43,003,066 <sup>(6)</sup>	16.31
Kow Poh Gek	-	-	4,000 <sup>(7)</sup>	#

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.

(6) Deemed interested by virtue of the shares held by him/her in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Act.

(7) Deemed interested by virtue of the shares held by her daughter-in-law, Ang Yee Von.

**ANALYSIS OF SHAREHOLDINGS**As at 29 December 2023  
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	22.67	-	-
Sudut Kreatif Sdn. Bhd.	43,003,066	16.31	-	-
Jasa Simbolik Sdn. Bhd.	23,787,148	9.02	-	-
Goh Kin Bee	13,236,558	5.02	27,103,830 <sup>(1)</sup>	10.28
Lim Joo Swee	3,316,682	1.26	37,130,706 <sup>(2)</sup>	14.09
Fu Mun Win	-	-	43,003,066 <sup>(3)</sup>	16.31
Fu Jia Lik	42,000	0.02	43,003,066 <sup>(3)</sup>	16.31
Fu Jia Wen	-	-	43,003,066 <sup>(3)</sup>	16.31
CBG Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(4)</sup>	22.67
Farsathy Holdings Sdn. Bhd.	-	-	59,746,518 <sup>(4)</sup>	22.67
Chia Seong Pow	400,000	0.15	60,146,518 <sup>(5)</sup>	22.82
Chia Seong Fatt	-	-	59,746,518 <sup>(6)</sup>	22.67

*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, Goh Kin Bee, his children and both his and his spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of the shares held him/ her in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of its shareholdings in Ruby Technique Sdn. Bhd. pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of the shares held by his children and his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of 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 29 December 2023

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	22.67
2	Sudut Kreatif Sdn. Bhd.	43,003,066	16.31
3	Jasa Simbolik Sdn. Bhd.	23,787,148	9.02
4	Goh Kin Bee	13,236,558	5.02
5	Lee Peng Sian	13,024,454	4.94
6	Lee Pek See	8,919,308	3.38
7	Chong Yoke Peng	8,838,472	3.35
8	Citigroup Nominees (Tempatan) Sdn. Bhd. - <i>Employees Provident Fund Board</i>	5,690,900	2.16
9	Lim Joo Swee	3,316,682	1.26
10	Wong Chin Tim	2,713,100	1.03
11	Wong Jiann Shyong	1,560,000	0.59
12	Public Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Phua Kiap Wite (E-KTN)</i>	1,029,000	0.39
13	Amsec Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Leong Kee Chan</i>	1,000,000	0.38
14	Public Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Au Kwan Seng (E-KLC)</i>	962,000	0.36
15	Maybank Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Au Kwan Seng</i>	888,900	0.34
16	Lee Boon Giap	857,000	0.33
17	Tang Wey Shing	800,000	0.30
18	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Chong Lee Chang</i>	760,000	0.29
19	Tang Wey Shing	700,000	0.27
20	Maybank Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Lee Yong Chia</i>	680,000	0.26
21	Kok Chang Chee	660,000	0.25
22	Migan Sdn. Bhd.	577,600	0.22
23	Phua Kai Yan	576,000	0.22
24	HLB Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Ng Sin Guan</i>	557,700	0.21
25	Hoo Chee Keong	554,000	0.21
26	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
27	Thee Woei Cherng	551,500	0.21
28	Chia Mak Hooi	520,000	0.20
29	Koh Kwee Hooi	504,800	0.19
30	Andrew Lim Cheong Seng	500,000	0.19

## ANALYSIS OF WARRANT HOLDINGS

As at 29 December 2023

Type of Convertible Securities	:	Warrants 2021/2024 ("Warrants")
No. of Outstanding Warrants	:	83,080,047
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	472	28.50	23,474	0.03
100 - 1,000 Warrants	213	12.86	114,778	0.14
1,001 - 10,000 Warrants	473	28.57	2,128,852	2.56
10,001 - 100,000 Warrants	390	23.55	15,408,311	18.55
100,001 - 4,154,001*	106	6.40	37,560,077	45.21
4,154,002 and above **	2	0.12	27,844,555	33.51
<b>Total</b>	<b>1,656</b>	<b>100.00</b>	<b>83,080,047</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 per the Register of Directors' Warrant Holdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Dato' Siow Kim Lun @ Siow Kim Lin	-	-	-	-
Lim Joo Swee	-	-	7,929,049 <sup>(1)</sup>	9.54
Lee Peng Sian	-	-	29,000 <sup>(2)</sup>	0.03
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	1,170,524	1.41	-	-
Chia Mak Hooi	-	-	-	-
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	-	-	19,915,506 <sup>(3)</sup>	23.97
Ho Lee Chen	-	-	-	-
Ir. Haji Omar Bin Mat Piah	-	-	-	-
Fu Mun Win	-	-	980,055 <sup>(4)</sup>	1.18
Fu Jia Lik (Alternate Director to Fu Mun Win)	33	#	980,055 <sup>(4)</sup>	1.18
Kow Poh Gek	-	-	1,333 <sup>(5)</sup>	#

Notes:

# Negligible.

(1) Deemed interested by virtue of the Shares held by him and his spouse, Goh Kin Bee 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 his beneficial interests in Farsathy Holdings Sdn. Bhd. held via trust arrangement with TMF Trustees Malaysia Berhad pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of the Shares held by him/her in Sudut Kreatif Sdn. Bhd. pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of the Warrants held by her daughter-in-law, Ang Yee Von.

## ANALYSIS OF WARRANTHOLDINGS

As at 29 December 2023

*cont'd*

### 30 LARGEST WARRANT HOLDERS

(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	23.97
2	Jasa Simbolik Sdn. Bhd.	7,929,049	9.54
3	Lok Wei Seong	2,520,000	3.03
4	Kok Chang Chee	2,038,000	2.45
5	Lee Boon Giap	1,501,000	1.81
6	Chong Yoke Peng	1,170,524	1.41
7	Sudut Kreatif Sdn. Bhd.	980,055	1.18
8	Lee Li Li	973,700	1.17
9	Lim Pan Kiat	838,000	1.01
10	Wong Chin Tim	804,366	0.97
11	Chia Kah Moon	800,500	0.96
12	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Liew Swee Kong (MY2466)	800,000	0.96
13	Hishamudin Bin Mostawi	680,000	0.82
14	Tharmen Anantha A/L Subramanian	666,000	0.80
15	Mohamad Alias Bin Zainol Abdin	574,600	0.69
16	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Simon Li Tze Wenn	500,000	0.60
17	Lew Chin Keng	500,000	0.60
18	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Heng Book Kheng (REM 166)	500,000	0.60
19	Ng Kok Yu	500,000	0.60
20	Sanusi Bin Hamat	500,000	0.60
21	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Naresh Nair A/L Narayanan	485,200	0.58
22	CIMB Group Nominees (Asing) Sdn. Bhd. - Exempt An for DBS Bank Ltd (SFS)	477,867	0.58
23	Kaisawan A/L Lachiapi	460,000	0.55
24	Teh Teong Poh	450,000	0.54
25	Chin Soon Hing	416,000	0.50
26	Cheok Juie Cheng	410,000	0.49
27	Seah Pei Chin	400,066	0.48
28	Rosli Bin Idris	400,000	0.48
29	Haryati Binti Mohd Sarkawi	399,400	0.48
30	Bhanumathi Sankarapandian	380,000	0.46

## NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Eighth Annual General Meeting (“28th AGM” or “the 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://tjih.online> or <https://tjih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on Monday, 26 February 2024 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 2023 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 RM887,850.00 for the period from 1 October 2023 until the next Annual General Meeting (“AGM”) of the Company. *(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. Lee Peng Sian *(Ordinary Resolution 2)*
  - ii. Ir. Haji Omar Bin Mat Piah *(Ordinary Resolution 3)*
4. To re-elect Ms. Kow Poh Gek 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 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. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)** *(Ordinary Resolution 6)*

“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 percent (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time (“Mandate”) AND 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 the Mandate shall continue in force until the conclusion of the next AGM 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.

## NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

*cont'd*

AND 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 the Board of Directors 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 may be declared, made or paid before the date of allotment of such new Shares."

7. **PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** *(Ordinary Resolution 7)*

"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 number 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 do not exceed ten percent (10%) of the total number of issued shares of the Company subject to a restriction that the issued share capital of the Company does not fall below the public shareholding spread requirement of the Listing Requirements of Bursa Securities;
- (ii) the maximum funds to be allocated for the share buy-back shall not exceed the aggregate of the retained earnings of the Company; and
- (iii) the EITA Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority are to be treated in any of the following manners:
  - (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 resell through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; or
  - (c) retain part of the purchased EITA Shares as treasury shares and cancel the remainder.



## NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

*cont'd*

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force 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 will lapse unless by ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions; 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.”

8. 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)**  
**LAU AN NIN (MAICSA 7066763) (CCM PC NO. 201908002089)**  
**LOO HUI YAN (MAICSA 7069314) (CCM PC NO. 202308000290)**

Company Secretaries

Petaling Jaya, Selangor Darul Ehsan  
 26 January 2024

**Notes:**

- (a) *A member who is entitled to attend, participate, speak and vote at the 28<sup>th</sup> AGM 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.*

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

cont'd

- (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://tiih.online>. Please refer to the Administrative Guide on the procedures 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 19 February 2024. Only members whose names appear in the General Meeting Record of Depositors as at 19 February 2024 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://tiih.online>. Please refer to the Administrative Guide of the Meeting as enclosed for further information in relation thereto.
- (k) 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 2023

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. Ordinary Resolution 1 proposed under item 2 of the Agenda is to facilitate payment of Directors' fees and benefits for the period from 1 October 2023 until the next AGM. 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.

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

*cont'd*

### 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 Ms. Kow Poh Gek 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. Lee Peng Sian and Ir. Haji Omar Bin Mat Piah will retire by rotation pursuant to Clause 85 of the Company's Constitution whereas Ms. Kow Poh Gek 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 28th 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 2023.

### 4. Item 6 of the Agenda - General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act

The Company had at its 27<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 ten percent (10%) 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 6 proposed under item 6 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 issue and allot new shares speedily in the Company up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company for the purpose of investments in capital expenditure, working capital purposes, potential business expansion and/or acquisition(s). 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.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the general mandate granted to the Directors at the 27<sup>th</sup> AGM which will lapse at the conclusion of the Meeting.

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 6, if passed, will exclude the shareholders' pre-emptive right to be offered new shares to be issued by the Company.

### 5. Item 7 of the Agenda – Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution 7 proposed under item 7 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 percent (10%) of the Company's total number of issued shares at any point in 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.

## 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.

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### DEFINITIONS

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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 2023</b>	:	Annual Report of EITA for the financial year ended 30 September 2023
<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>	:	29 December 2023, 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: <ul style="list-style-type: none"> <li>(a) Ten per centum (10%) or more of the total number of voting shares in the Company; or</li> <li>(b) Five per centum (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</li> </ul> <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-Seventh (27<sup>th</sup>) AGM held on 24 February 2023, 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-Eighth (28<sup>th</sup>) AGM scheduled to be held on 26 February 2024.

On 17 January 2024, 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 28<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 28<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 28<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 ten per centum (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 263,585,904 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 26,358,590 Shares based on the total number of issued shares as at LPD.

As at LPD, our Company has 83,080,047 Warrants. Assuming full exercise of the Warrants, a total of 83,080,047 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 2023 (being the latest available audited financial statements of the Company) was RM11,541,000.

#### 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	263,585,904	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>	(26,358,590)	(34,666,595)
<b>Resultant total number of issued shares of our Company</b>	<b>237,227,314</b>	<b>311,999,356</b>

Note:-

<sup>(1)</sup> Comprising the entire ten per centum (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 would 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 EITA Share at the relevant point in time, and vice-versa.

### 6.4 Working Capital

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the cash flow of our Group if it is wholly and/or partly financed by internally generated funds and result in a lower amount of cash reserves available for working capital of EITA Group, the quantum of which will depend on, among others, the prices paid and the number of Purchased Shares.

### 6.5 Dividends

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Renewal of Share Buy-Back Authority may have an effect of increasing the dividend rate per ordinary share of our Company as a result of the reduction in the total number of issued shares of our Company.

## SHARE BUY-BACK STATEMENT

cont'd

### 6.6 Substantial Shareholders' Shareholdings

Based on our Company's Register of Substantial Shareholders as at LPD and assuming that the maximum number of EITA Shares (of up to ten per centum (10%) of the total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased from shareholders other than the existing substantial shareholders of EITA, and all such shares purchased are cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the existing substantial shareholders of EITA are set out below:

Substantial Shareholders	As at LPD			After the Proposed Renewal of Share Buy-Back Authority		
	Direct Interest No. of Shares	Indirect Interest No. of Shares	%	Direct Interest No. of Shares	Indirect Interest No. of Shares	%
Ruby Technique Sdn. Bhd.	59,746,518	-	22.67	59,746,518	-	25.19
Sudut Kreatif Sdn. Bhd.	43,003,066	-	16.31	43,003,066	-	18.13
Jasa Simbolik Sdn. Bhd.	23,787,148	-	9.02	23,787,148	-	10.03
Goh Kin Bee	13,236,558	27,103,830 <sup>(1)</sup>	5.02	13,236,558	27,103,830 <sup>(1)</sup>	5.58
Lim Joo Swee	3,316,682	37,130,706 <sup>(2)</sup>	1.26	3,316,682	37,130,706 <sup>(2)</sup>	1.40
CBG Holdings Sdn. Bhd.	-	59,746,518 <sup>(3)</sup>	-	-	59,746,518 <sup>(3)</sup>	-
Farsathy Holdings Sdn. Bhd.	-	59,746,518 <sup>(3)</sup>	-	-	59,746,518 <sup>(3)</sup>	-
Chia Seong Pow	400,000	60,146,518 <sup>(4)</sup>	0.15	400,000	60,146,518 <sup>(4)</sup>	0.17
Chia Seong Fatt	-	59,746,518 <sup>(5)</sup>	-	-	59,746,518 <sup>(5)</sup>	-
Fu Mun Win	-	43,003,066 <sup>(6)</sup>	-	-	43,003,066 <sup>(6)</sup>	-
Fu Jia Lik	42,000	43,003,066 <sup>(6)</sup>	0.02	42,000	43,003,066 <sup>(6)</sup>	0.17
Fu Jia Wen	-	43,003,066 <sup>(6)</sup>	-	-	43,003,066 <sup>(6)</sup>	-

# 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.	43,983,121	12.69	-	43,983,121	14.10	-
Jasa Simbolik Sdn. Bhd.	31,716,197	9.15	-	31,716,197	10.17	-
Goh Kin Bee	13,236,558	3.82	35,032,879 <sup>(1)</sup>	13,236,558	4.24	35,032,879 <sup>(1)</sup>
Lim Joo Swee	3,316,682	0.96	45,059,755 <sup>(2)</sup>	3,316,682	1.06	45,059,755 <sup>(2)</sup>
CBG Holdings Sdn. Bhd.	-	-	79,662,024 <sup>(3)</sup>	-	-	79,662,024 <sup>(3)</sup>
Farsathy Holdings Sdn. Bhd.	-	-	79,662,024 <sup>(3)</sup>	-	-	79,662,024 <sup>(3)</sup>
Chia Seong Pow	400,000	0.12	80,062,024 <sup>(4)</sup>	400,000	0.13	80,062,024 <sup>(4)</sup>
Chia Seong Fatt	-	-	79,662,024 <sup>(5)</sup>	-	-	79,662,024 <sup>(5)</sup>
Fu Mun Win	-	-	43,983,121 <sup>(6)</sup>	-	-	43,983,121 <sup>(6)</sup>
Fu Jia Lik	42,000	0.01	43,983,121 <sup>(6)</sup>	42,000	0.01	43,983,121 <sup>(6)</sup>
Fu Jia Wen	-	-	43,983,121 <sup>(6)</sup>	-	-	43,983,121 <sup>(6)</sup>

### 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, 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>(3)</sup> Deemed interested by virtue of its shareholdings in Ruby Technique Sdn. Bhd. pursuant to Section 8 of the Act.
- <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 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>(6)</sup> Deemed interested by virtue of the shares held by him/her in Sudut Kreatif Sdn. Bhd. 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 No. of Shares	Indirect Interest No. of Shares	%	Direct Interest No. of Shares	Indirect Interest No. of Shares	%
Dato' Siow Kim Lun	400,000	-	0.15	400,000	-	0.17
Lim Joo Swee	3,316,682	37,130,706 <sup>(1)</sup>	1.26	3,316,682	37,130,706 <sup>(1)</sup>	1.40
Lee Peng Sian	13,024,454	87,000 <sup>(2)</sup>	4.94	13,024,454	87,000 <sup>(2)</sup>	5.49
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	8,838,472	300,000 <sup>(3)</sup>	3.35	8,838,472	300,000 <sup>(3)</sup>	3.73
Chia Mak Hooi	520,000	-	0.20	520,000	-	0.22
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	400,000	60,146,518 <sup>(4)</sup>	0.15	400,000	60,146,518 <sup>(4)</sup>	0.17
Ho Lee Chen	-	10,666 <sup>(5)</sup>	-	-	10,666 <sup>(5)</sup>	#
Ir. Haji Omar Bin Mat Piah	-	-	-	-	-	-
Fu Mun Win	-	43,003,066 <sup>(6)</sup>	-	-	43,003,066 <sup>(6)</sup>	18.13
Fu Jia Lik (Alternate Director to Fu Mun Win)	42,000	43,003,066 <sup>(6)</sup>	0.02	42,000	43,003,066 <sup>(6)</sup>	0.02
Kow Poh Gek	-	4,000 <sup>(7)</sup>	-	-	4,000 <sup>(7)</sup>	#

# 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	400,000	0.12	-	-	400,000	0.13	-	-
Lim Joo Swee	3,316,682	0.96	45,059,755 <sup>(1)</sup>	13.00	3,316,682	1.06	45,059,755 <sup>(1)</sup>	14.44
Lee Peng Sian	13,024,454	3.76	116,000 <sup>(2)</sup>	0.03	13,024,454	4.17	116,000 <sup>(2)</sup>	0.04
Chong Yoke Peng (Alternate Director to Lee Peng Sian)	10,008,996	2.89	300,000 <sup>(3)</sup>	0.09	10,008,996	3.21	300,000 <sup>(3)</sup>	0.10
Chia Mak Hooi	520,000	0.15	-	-	520,000	0.17	-	-
Chia Seong Pow (Alternate Director to Chia Mak Hooi)	400,000	0.12	80,062,024 <sup>(4)</sup>	23.09	400,000	0.16	80,062,024 <sup>(4)</sup>	25.66
Ho Lee Chen	-	-	10,666 <sup>(5)</sup>	#	-	-	10,666 <sup>(5)</sup>	#
Ir. Haji Omar Bin Mat Piah	-	-	-	-	-	-	-	-
Fu Mun Win	-	-	43,983,121 <sup>(6)</sup>	12.69	-	-	45,934,421 <sup>(6)</sup>	14.72
Fu Jia Lik (Alternate Director to Fu Mun Win)	42,033	0.01	43,983,121 <sup>(6)</sup>	12.69	33	#	45,934,421 <sup>(6)</sup>	14.72
Kow Poh Gek	-	-	5,333 <sup>(7)</sup>	#	-	-	5,333 <sup>(7)</sup>	#

### 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.
  - <sup>(6)</sup> Deemed interested by virtue of the shares held by him/her in Sudut Kreatif pursuant to Section 8 of the Act.
  - <sup>(7)</sup> Deemed interested by virtue of the shares held by her daughter-in-law, Ang Yee Von.
- # 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 31.59%. 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 cancellation of 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 28th AGM of the Company to be convened on 26 February 2024.

### 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 2023 to December 2023 are as follows:

	Low RM	High RM
2023		
January	0.750	0.820
February	0.740	0.775
March	0.680	0.755
April	0.685	0.770
May	0.680	0.820
June	0.665	0.765
July	0.680	0.745
August	0.680	0.780
September	0.690	0.720
October	0.680	0.805
November	0.700	0.935
December	0.735	0.870

The last transacted price of EITA Shares on LPD : RM0.750

*(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.

## SHARE BUY-BACK STATEMENT

*cont'd*

### 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 28th AGM of our Company.

### 15. AGM

The forthcoming 28th AGM, the Notice and Proxy Form of which are available on the corporate website of the Company at <http://www.eita.com.my>. will be held on a fully virtual basis through an online meeting platform via TIIH 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 on Monday, 26 February 2024 at 11:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing, inter alia, the ordinary resolution set out in the Notice of 28th AGM, to give effect to the Proposed Renewal of Share Buy-Back Authority.

A Proxy Form for the forthcoming 28th AGM is enclosed in the Annual Report 2023. If you are unable to attend and vote at the 28th AGM and wish to appoint proxy(ies), you should complete, sign and return the Proxy Form in accordance with the instructions printed therein as soon as possible so as to arrive at the share registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not later than forty-eight (48) hours before the time set for holding the 28th AGM or at any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting at the 28th AGM should you subsequently wish to do so.



# 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 holidays) 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 28th AGM:-

- (i) The Constitution of EITA; and
- (ii) The audited financial statements of EITA for the past two (2) financial years ended 30 September 2022 and 30 September 2023.

## ADMINISTRATIVE GUIDE

For the Twenty-Eighth (28th) Annual General Meeting (“AGM”)



### EITA RESOURCES BERHAD

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

Date : Monday, 26 February 2024  
Time : 11:00 a.m. or at any adjournment thereof  
Online Meeting Platform : TIIH online website at <https://tjih.online> or <https://tjih.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”)

- The 28th AGM of EITA Resources Berhad (“the Company”) will be conducted virtually in accordance with the revised ‘*Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers*’ issued by the Securities Commission Malaysia (“SC’s Guidance”) on 7 April 2022, as the country entered into the “Transition to Endemic” phase. In this respect, the Company will continue to leverage technology, to ensure that the 28th AGM supports meaningful engagement between the Board/Management and Shareholders of the Company.
- The virtual 28th AGM will be conducted online, and shareholders will participate via the RPV facilities with audio and/or video capabilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.
- 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 **TIIH Online** website at <https://tjih.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-Eighth (28th) 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://tjih.online">https://tjih.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 Friday, 26 January 2024 until the day of AGM on Monday, 26 February 2024. 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 28TH 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 19 February 2024, the system will send you an <b>e-mail on or after 24 February 2024 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 Monday, 26 February 2024.</li> </ul>
ii. Participate through Live Streaming	<ul style="list-style-type: none"> <li>Select the corporate event: “<b>(LIVE STREAM MEETING) EITA 28TH AGM</b>” to engage in the proceedings of the AGM remotely. 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-Eighth (28th) 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 Monday, 26 February 2024 until a time when the Chairman announces the end of the session.</li> <li>• Select the corporate event: “<b>(REMOTE VOTING) EITA 28TH 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:

1. 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.
2. 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.
3. 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 19 February 2024 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 Saturday, 24 February 2024 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-Eighth (28th) 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 28TH 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 28TH 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 28TH 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-Eighth (28th) 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://tiah.online>, by selecting “e-Services” to login, post your questions and submit it electronically no later than Saturday, 24 February 2024 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).

**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/or

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-Eighth Annual General Meeting (“Meeting”) of the Company to 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 Monday, 26 February 2024 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 RM887,850.00 for the period from 1 October 2023 until the next Annual General Meeting of the Company.		
2.	To re-elect Mr. Lee Peng Sian as a Director of the Company.		
3.	To re-elect Ir. Haji Omar Bin Mat Piah as a Director of the Company.		
4.	To re-elect Ms. Kow Poh Gek as a Director of the Company.		
5.	To re-appoint KPMG PLT as Auditors of the Company.		
6.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
7.	To approve the Proposed Renewal of Share Buy-Back Authority.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\* Strike out whichever is not applicable

\_\_\_\_\_  
 Signature of Member(s) / Common Seal

**Notes:**

- (a) A member who is entitled to attend, participate, speak and vote at the 28<sup>th</sup> AGM 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://tiih.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 19 February 2024. Only members whose names appear in the General Meeting Record of Depositors as at 19 February 2024 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://tiih.online>. Please refer to the Administrative Guide of the Meeting as enclosed for further information in relation thereto.
- (k) 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)]

Lot 4, Block A, Jalan SS13/7  
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