4. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Type of Licence	Authority	Effective Date/ Date of Expiry	Major Conditions	Compliance Status
3.	Certificates of Conformity issued pursuant to the Singapore Consumer Protection (Safety Requirements) Registration Scheme REFAS Electronic Ballast for fluorescent lamp Model No. ST2-236B	Singapore Safety Authority	15.1.2007/ 14.01.2013	(a) The registration is valid only for the product identified in the registration. The registration is not transferable. (b) The product to which the registration applies must meet the relevant safety standards. The registered supplier shall ensure that the registered model is manufactured according to the approved design (type). (c) The registered supplier and the manufacturer are expected to implement their own quality control system to ensure the continuous compliance with the safety standards for their mass production; (d) The registered supplier shall keep a technical file for a period of not less than ten (10) years after the registration of the registered controlled goods expires or is deemed to be withdrawn under regulation 24 of the Consumer Protection (Safety Requirements) Regulations 2002. (e) The technical description of the product in the Certificate of Conformity which serves as a basis for registration must be identical to those documents in the technical file. Otherwise, the registration shall be considered as invalid. (f) A registered supplier shall maintain a technical file on each of the controlled goods which it registers with the Safety Authority, which shall include documents and information such as Certificate of Conformity, Test Reports, Test Certificates, Photographs and Instruction Manual, and shall make available the said technical file to the Safety Authority within seven (7) days of receipt by the Registered Supplier of a request from the Safety Authority for such technical file. (g) The registered supplier shall print or affix the Safety Mark on the registered controlled goods. If, however, the registered controlled goods are of such nature as to prevent the goods from being so marked, the Safety Mark may be affixed on the packaging of the registered controlled goods.	Met

No.	Type of Licence	Authority	Effective Date/ Date of Expiry	Major Conditions	Compliance Status
				(h) The Safety Authority may require the registered supplier of the registered controlled goods to provide to it, free of charge, samples of the registered controlled goods and if deemed necessary by the Safety Authority. to have the registered controlled goods tested, at the registered supplier's expense, to check compliance to the relevant safety standards. (i) The registered supplier shall indemnify the Safety Authority fully against any loss or damages suffered by the Safety Authority arising from or as a result of registering the product of the registered supplier. (j) The registered supplier shall notify the Safety Authority of any change to the name of the registered supplier and any change to such of its particulars as the Safety Authority may require not less than two (2) weeks before such change.	
4.	Certificates of Conformity issued pursuant to the Singapore Consumer Protection (Safety Requirements) Registration Scheme REFAS Electronic Ballast for fluorescent lamp Model No. R02-114-21B	Singapore Safety Authority	13.03.2007/ 12.03.2013	(a) The registration is valid only for the product identified in the registration. The registration is not transferable. (b) The product to which the registration applies must meet the relevant safety standards. The registered supplier shall ensure that the registered model is manufactured according to the approved design (type). (c) The registered supplier and the manufacturer are expected to implement their own quality control system to ensure the continuous compliance with the safety standards for their mass production; (d) The registered supplier shall keep a technical file for a period of not less than ten (10) years after the registration of the registered controlled goods expires or is deemed to be withdrawn under regulation 24 of the Consumer Protection (Safety Requirements) Regulations 2002. (e) The technical description of the product in the Certificate of Conformity which serves as a basis for registration must be identical to those documents in the technical file. Otherwise, the registration shall be considered as invalid.	Met

4. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Type of Licence	Authority	Effective Date/ Date of Expiry	Major Conditions	Compliance Status
				(f) A registered supplier shall maintain a technical file on each of the controlled goods which it registers with the Safety Authority, which shall include documents and information such as Certificate of Conformity, Test Reports, Test Certificates, Photographs and Instruction Manual, and shall make available the said technical file to the Safety Authority within seven (7) days of receipt by the Registered Supplier of a request from the Safety Authority for such technical file. (g) The registered supplier shall print or affix the Safety Mark on the registered controlled goods. If, however, the registered controlled goods are of such nature as to prevent the goods from being so marked, the Safety Mark may be affixed on the packaging of the registered controlled goods. (h) The Safety Authority may require the registered supplier of the registered controlled goods to provide to it, free of charge, samples of the registered controlled goods, and if deemed necessary by the Safety Authority, to have the registered controlled goods tested, at the registered supplier's expense, to check compliance to the relevant safety standards. (i) The registered supplier shall indemnify the Safety Authority fully against any loss or damages suffered by the Safety Authority arising from or as a result of registering the product of the registered supplier. (j) The registered supplier shall notify the Safety Authority of any change to the name of the registered supplier and any change to such of its particulars as the Safety Authority may require not less than two (2) weeks before such change.	

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4. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Type of Licence	Authority	Effective Date/ Date of Expiry	Major Conditions	Compliance Status
5.	Certificates of Conformity issued pursuant to the Singapore Consumer Protection (Safety Requirements) Registration Scheme REFAS Electronic Ballast for fluorescent lamp Model No. R02-121-35B	Singapore Safety Authority	13.03.2007/ 12.03.2013	(a) The registration is valid only for the product identified in the registration. The registration is not transferable. (b) The product to which the registration applies must meet the relevant safety standards. The registered supplier shall ensure that the registered model is manufactured according to the approved design (type). (c) The registered supplier and the manufacturer are expected to implement their own quality control system to ensure the continuous compliance with the safety standards for their mass production; (d) The registered supplier shall keep a technical file for a period of not less than ten (10) years after the registration of the registered controlled goods expires or is deemed to be withdrawn under regulation 24 of the Consumer Protection (Safety Requirements) Regulations 2002. (e) The technical description of the product in the Certificate of Conformity which serves as a basis for registration must be identical to those documents in the technical file. Otherwise, the registration shall be considered as invalid. (f) A registered supplier shall maintain a technical file on each of the controlled goods which it registers with the Safety Authority, which shall include documents and information such as Certificate of Conformity. Test Reports, Test Certificates, Photographs and Instruction Manual, and shall make available the said technical file to the Safety Authority within seven (7) days of receipt by the Registered Supplier of a request from the Safety Authority for such technical file. (g) The registered supplier shall print or affix the Safety Mark on the registered controlled goods. If, however, the registered controlled goods are of such nature as to prevent the goods from being so marked, the Safety Mark may be affixed on the packaging of the registered controlled goods.	Met

4. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Type of Licence	Authority	Effective Date/ Date of Expiry	Major Conditions	Compliance Status
				(h) The Safety Authority may require the registered supplier of the registered controlled goods to provide to it, free of charge, samples of the registered controlled goods and if deemed necessary by the Safety Authority, to have the registered controlled goods tested, at the registered supplier's expense, to check compliance to the relevant safety standards. (i) The registered supplier shall indemnify the Safety Authority fully against any loss or damages suffered by the Safety Authority arising from or as a result of registering the product of the registered supplier. (j) The registered supplier shall notify the Safety Authority of any change to the name of the registered supplier and any change to such of its particulars as the Safety Authority may require not less than two (2) weeks before such change.	
6.	Certificates of Conformity issued pursuant to the Singapore Consumer Protection (Safety Requirements) Registration Scheme REFAS Magnetic Ballast for fluorescent lamp Model No. AIL 18 EL3AA	Singapore Safety Authority	23.01.2009/ 22.01.2015	Nil.	Not applicable
7.	Certificates of Conformity issued pursuant to the Singapore Consumer Protection (Safety Requirements) Registration Scheme REFAS Magnetic Ballast for fluorescent lamp Model No. AIL 36 EL3AA	Singapore Safety Authority	23.01.2009/ 22.01.2015	Nil.	Not applicable
8.	Certificates of Conformity issued pursuant to the Singapore Consumer Protection (Safety Requirements) Registration Scheme REFAS Magnetic Ballast for fluorescent lamp Model No. R18-L3A	Singapore Safety Authority	16.12.2011/ 15.12.2014	Nil.	Not applicable

4.16 DEPENDENCY ON CONTRACTS/ ARRANGEMENTS/ LICENCES/ PATENTS

Save for the following, our Group is not dependent on any other contracts/ arrangements/ licences/ patents:-

(a) approvals, major licences and permits as set out in Section 4.15 of this Prospectus;

(b) registered trade marks, licence agreement and technical collaboration agreement as set out in Section 4.13 of this Prospectus; and

(c) the authorised distributorships for LEONI Studer AG, ADC Communications (SEA) Pte Ltd, Fuji Electric Asia Pacific Pte Ltd and Fuji Electric FA (Asia) Co Ltd as disclosed in the ensuing paragraph and in Section 4.5.1(a) of this Prospectus.

The salient terms of the authorised distributorships are as follows:-

(i) **Leoni Studer AG**;

By way of a Distribution Agreement dated 4 March 2011, Leoni Studer AG appointed EITA as its reseller of its products under the trade names BETAflam, ROFLEX and BETAfixss in the territory of Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Laos, Philippines, Singapore, Thailand and Vietnam. The quantity of products to be purchased by EITA and delivered by Leoni Studer AG shall be agreed upon annually based upon a year to year business plan. The prices to be paid to Leoni Studer AG for products purchased by EITA shall be as per the specified price lists of Leoni Studer AG, but EITA shall be entitled to solely determine the prices for the resale of such products to its customers.

(ii) **ADC Communications (SEA) Pte Ltd**

By way of a letter dated 3 November 2010 which amends the terms and conditions of an International Non-Exclusive Distributor Contract dated 21 June 2006, the non-exclusive distributorship status of EITA Power System in respect of ADC Krone Enterprise products ("**Material**") for the territory of Malaysia ("**Territory**"), was renewed for a term from 1 October 2010 to 30 September 2011. Under the terms of the distributorship, ADC Communication (SEA) Pte Ltd shall:-

(a) supply the Material on a direct basis to EITA Power System for resale within the Territory; and

(b) license the standard software for the Material for sub-license by EITA Power System to its customers.

For purchase of the Material, EITA Power System shall be entitled to price rebates which shall be a specific percentage of the fully paid up and invoiced price of the Material.

ADC Communication (SEA) Pte Ltd has, via its letter dated 2 February 2012, confirmed that the distributorship contract which expired on 30 September 2011 is currently in the process of being renewed and that the official contract for 2012 will be furnished to EITA Power System in due course.

(iii) **Fuji Electric Asia Pacific Pte Ltd**

By way of a Distributorship Certificate dated 1 April 2009 issued by Fuji Electric Asia Pacific Pte Ltd, EITA Electric is appointed as an Authorised Distributor for drive and automation products of Fuji Electric System Co., Ltd.

(iv) **Fuji Electric FA (Asia) Co. Ltd**

By way of a Distributorship Certificate dated 1 April 2011 issued by Fuji Electric FA (Asia) Co. Ltd, EITA Electric is appointed as an Authorised Distributor for electrical distribution and control products of Fuji Electric FA (Asia) Co. Ltd.

Notwithstanding our dependency on the authorised distributorships as disclosed above, in the event that any of the authorised distributorships is discontinued, terminated or cancelled, our Directors are of the opinion that we will be able to source for alternative distributorships if necessary.

4.17 INTERRUPTIONS IN BUSINESS OPERATIONS

Our Group did not experience any interruption in our Group's business which had a significant effect on our operations during the past twelve (12) months prior to the date of this Prospectus.

4.18 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our competitive advantages and key strengths are important in sustaining our business as well as providing us with future business growth.

(a) **We Are Authorised Distributors for A Number of E&E Brands of Components and Equipment**

We are currently authorised distributors for a range of E&E components and equipment of, among others, the following companies:-

- ADC Communications Pte Ltd;
- Benalla Ltd;
- Fuji Electric Asia Pacific Pte Ltd;
- Fuji Electric FA (Asia) Co Ltd;
- Kyoritsu Keiki Co Ltd;
- Larsen & Toubro Limited;
- LEONI Studer AG; and
- Panasonic Electric Works Asia Pacific Pte Ltd.

As we represent a number of brands in the market for E&E, we are able to meet most of our customers' requirements in power distribution, Control Equipment and network and security equipment.

(b) **We Have A Wide Distribution Network**

We have a wide distribution network of wholesalers, dealers, agents and distributors in Malaysia and overseas for our own brands as well as third party brands of products that we represent. As at the LPD, we distribute through approximately 200 intermediaries consisting of wholesalers, dealers, agents and distributors.

Our distribution network covers overseas markets such as United Arab Emirates, Saudi Arabia, Bangladesh, Singapore, Philippines, Thailand, Vietnam, Indonesia, Hong Kong and Taiwan.

(c) We Have Our Own Brands of Elevator Systems, Centralised Dimming Systems, Ballasts and Busduct Systems

Our Elevators are marketed under our own brand names of "EITA" and "EITA-Schneider". As at the LPD, we have an installed base of 1,489 units under the "EITA" and "EITA-Schneider" brands of Elevators. This has helped us build brand equity synonymous with quality and safe Elevators.

Our Group use the "EITA-Schneider" brand name to leverage on the Continuous Collaboration Agreement with our technical partner, Schneider Steuerungstechnik GmbH as disclosed in Section 4.13.3 of this Prospectus. Our Group believe that the "EITA-Schneider" brand name would have wider market appeal, particularly in overseas markets. Our Group's Elevator systems are currently marketed under the "EITA-Schneider" brand name.

The "EITA" brand is still in use as our Group provides maintenance services for Elevator systems that were installed under the "EITA" brand name. However, our Group do not intend to market new Elevator systems under the "EITA" brand name.

The number of Elevators, Escalators and Travellators that we have handed over to our customers is summarised in the table below:-

	Number of Units			
Years	**Elevator**	**Escalator**	**Travellator**	**(1) Total**
FYE 2008	239	-	-	239
FYE 2009 (2)	192	8	2	202
FYE 2010 (2)	167	18	8	193
FPE 2011 (2)	112	10	-	122

Notes:-

(1) Based on projects handed over to customers during that year/ period.

(2) We market our Elevator, Escalator and Travellator under the "EITA-Schneider" brand name, starting from 2009 after receiving positive feedback on the brand name from our customers. Prior to 2009, our Elevator, Escalator and Travellator were marketed under the "EITA" brand name.

The breakdown of the number of Elevators, Escalators and Travellators that we have marketed under the "EITA-Schneider" and "EITA" brand name is as follows:-

	Number of Elevators		
	Brand		
Years	**EITA**	**EITA-Schneider**	**(1) Total**
FYE 2008	239	-	239
FYE 2009	(2) 96	106	202
FYE 2010	-	193	193
FPE 2011	-	122	122

Notes:-

(1) Based on projects handed over during that year.

(2) Refers to Elevators, Escalators and Travellators handed over to our customers in 2009 for projects that were secured under the "EITA" brand name in 2008 and prior years, but were only completed and handed over to our customers in 2009.

Our Centralised Dimming Systems and Ballasts are marketed under our own brand name of "REFAS" which has been in the market for about 25 years, whilst our "FURUTEC" brand for Busduct systems has been in the market since 2007 and our "KOVA" brand for metal enclosures and metal racking that we manufacture has been in the market since 2009. By developing our own brands, we have been able to build our brand equity to create brand awareness and customer loyalty.

(d) We Have An Established Track Record

We have been involved in marketing and distribution of E&E components and equipment with an established track record since 1996. This is followed by our Elevator business where we installed our first Elevator systems in 2000. Since our initial involvement as an installer, it has culminated in the design and manufacture of our brand of Elevators in 2002. As at the LPD, we have an installed base of approximately 1,489 passenger Elevators.

As for our Busduct systems, the brand "Furutec" was introduced in 2007 and has been used in many developments such as hospitals, factories, shopping complexes, banks, hotels and casinos.

(e) We Provide Total Elevator Systems Solutions

We currently provide a total in-house Elevator systems solutions package to our customers, starting from the initial project consultation phase, right up to the final installation and commissioning of the Elevator systems. We also provide after-sales maintenance and service.

We have our own team of in-house Engineers and Designers to design our Elevator systems as well as a team of software Designers to design and programme the Elevator's circuit boards, control systems and operating software.

As not all operators in the Elevator business have the capability to provide total solutions to their clients from initial project consultation to after-sales maintenance and service, our competitive advantage is our ability to provide total solutions. This enables us to control all aspects of product quality and safety, as well as facilitate faster project turnaround.

(f) Our Elevator Designs Are Approved by the Relevant Authorities

Our Group has the relevant approvals and registrations to design and manufacture Elevators, including passenger Elevators. EITA Elevator is registered with the DOSH as a company for the supply, installation, maintenance and inspection of electric goods and passenger Elevators, Escalators and Dumbwaiters. EITA Elevator is also registered with the CIDB as a contractor for Elevators and Escalators, and registered with PKK as a contractor for lifts and Escalators.

Our Elevator system designs have also received European Commission ("**EC**") type-examination Certificates from TÜV SÜD Industrie Service GmbH. Elevator systems that have EC type-examination Certificates essentially satisfies the safety requirements of the EC lift directive 95/ 16/ EC.

Our design approvals from the relevant authorities provide our customers with the assurance that our products are in compliance to the standards of quality and safety as stipulated by these authorities.

In addition, EITA-Schneider has obtained ISO 9001:2000 quality management system certification for the scope of "Manufacturer/ assembly of Elevator components for lift controller, lift car operating panel, door panels and drive, inspection box and hall indicator panels, car cage and counterweight frames". This was subsequently updated to the ISO 9001:2008 standard.

EITA Elevator has obtained ISO 9001:2000 quality management system certification for the scope of "Supply, install, testing and maintenance of vertical transportation system". This was subsequently updated to the ISO 9001:2008 standard.

EITA Elevator has obtained OHSAS 18001:2007 certification for its Occupational Health and Safety Management System for the scope of "Supply, install, testing and maintenance of vertical transportation system".

(g) We Have In-house R&D

Through Schneider R&D, we undertake our own R&D for our Elevator systems. Our R&D activities are focused on improving our current products as well as developing products to sustain our competitive advantages over the long term.

In addition, our R&D activities are assisted by our technical partner, Schneider Steuerungstechnik GmbH, which has enabled us to develop as well as to localise many of the applications, systems and components of the Elevator systems. Any applications, systems and components that arise from our R&D belong to our Group.

Furutec Electrical also carries out R&D to continuously improve its Busduct systems and to develop new Busduct system designs. Furutec Electrical is carrying out R&D to develop Busduct system designs that meet with the relevant international standards. Furutec Electrical is also carrying out R&D into the use of new external housing material and insulating material for its Busduct systems.

Furutec Electrical has entered into the MOU and subsequently, the Research Collaboration Agreement with USM as detailed in Section 4.8.3 of this Prospectus.

Our continuing commitment to R&D is evidenced by the fact that we are developing a dedicated Elevator R&D centre and expanding our Busduct R&D centre as part of our future plans.

(h) Our Busduct Systems Designs Are Certified

Two (2) of our Busduct systems have received ASTA Type Test Certification stating that the Busduct systems have passed tests in accordance with IEC 60439-2 standards. The ASTA Type Test Certification provides verification that the ratings assigned by Furutec Electrical to its Busduct systems have been proven by independent third party testing.

As disclosed in Section 4.7.3(a) of this Prospectus, some of our Busduct system models have received third party certification as having passed the short circuit testing and temperature rise limit test in accordance to the IEC 60439-2 standard. The temperature rise limit test is to prove that the increase in the temperature of the Busduct systems when carrying electrical current at the rated amperage is in accordance to the IEC 60439-2 standard.

In addition, three (3) Busduct system models from our new in-house developed "HP-ES" range have received third party certification from Intertek as having passed the temperature rise limit test in accordance to the IEC 60439-2 standard for busbar trunking (Busduct) system requirements.

Our Busduct systems housing for outdoor installation have been independently tested and certified by TÜV SÜD PSB to meet with internationally recognised standards for resistance against solid material penetration and water ingression. In addition, our Busduct systems have also been independently tested and certified by TÜV SÜD PSB and JECTEC to meet internationally recognised standards for fire resistance.

The ASTA Type Test Certification and third party certification we received may be described as standard industry test, as they were carried out in accordance to an industry standard, i.e. the IEC 60439-2 standard.

Intertek, TÜV SÜD PSB and JECTEC are organisations that provide independent product testing and certification services:-

- Intertek provides product testing, inspection and certification services for, among others, electrical and electronic products. Among the various global certification marks and certificates provided by Intertek is the ASTA Type Test Certification;

- TÜV SÜD PSB is involved in providing product testing, inspection and certification services for, among others, electrical and electronic products; and

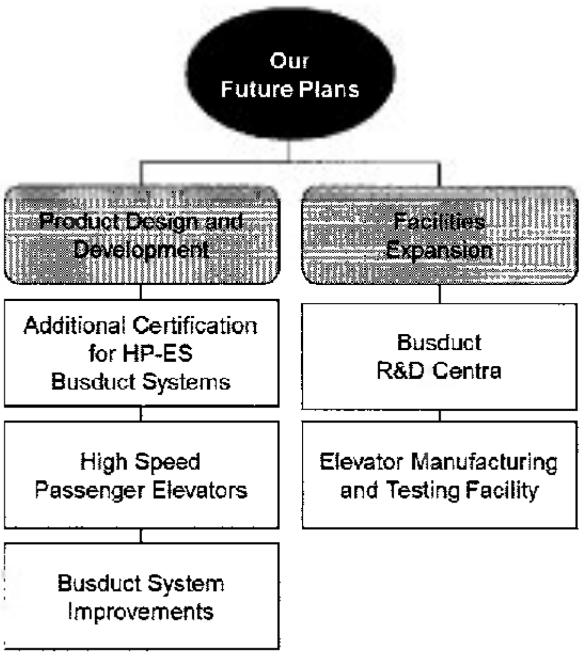
- JECTEC is involved in providing testing and certification services for products used in electric power distribution such as wires, cables and Busduct systems.

Third party certifications from bodies such as ASTA, TÜV SÜD PSB, Intertek and JECTEC provide potential customers with internationally recognised assurance that the Busduct systems designed and manufactured by Furutec Electrical meet internationally recognised safety standards. Please refer to Section 4.7.3(a) for details of the mentioned third party certifications for our Busduct systems.

In addition, Furutec Electrical has also obtained ISO 9001:2008 quality management system certification for the scope of "Design, fabrication & assembly of electrical Busduct systems and metal sheet fabrication products".

4.19 FUTURE PLANS, STRATEGIES AND PROSPECTS

Our future plans are focused in the following key areas:-



4.19.1 Product Design and Development

(a) Additional Certification for "HP-ES" Busduct Systems

We have developed a new range of Busduct Systems known as "HP-ES". "HP-ES" range Busduct systems utilise copper conductor bars or aluminium conductor bars. As at the LPD, three (3) models from our "HP-ES" range have received third party certification from Intertek as having passed the temperature rise limit test in accordance to the IEC 60439-2 standard for busbar trunking (i.e. Busduct) system requirements.

As part of our future plans, we intend to obtain additional internationally recognised third party product certification for our "HP-ES" range of Busduct systems. We intend to obtain ASTA or KEMA type test certifications as follows:-

- Our full range of the "HP-ES" Busduct systems that utilise copper conductor bars is currently being tested in accordance to the IEC 60439-2 standard and is expected to be completed by the first half of 2012.

- We expect to complete the development of the "HP-ES" Busduct systems that utilise aluminium conductor bars tested in accordance to the IEC 60439-2 standard by 2012.

- We expect to complete the development of our Busduct systems with extruded aluminium housing by 2013.

We plan to utilise part of our Public Issue proceeds to carry out the third party testing and certification described above.

(b) High Speed Passenger Elevator

We are currently conducting R&D to design high speed passenger Elevator systems. Our objective is to design a high speed passenger Elevator system that is safe, comfortable, stable and smooth.

As part of the development process, we are designing high speed Elevator systems with parts and components such as roller guide shoes, guide rails, sheaves, electric motors and aerodynamic cars that are optimised for high speed operations. We are also designing and testing new circuit boards and control systems, as well as developing new Elevator algorithms that can handle high traffic flow in buildings with more than thirty (30) storeys. The Elevator testing tower that we plan to build will be used to test the safety and enhancement features, which include high speed passenger Elevator systems.

Our success in developing a high speed passenger Elevator systems will enhance our competitiveness in bidding for projects in Malaysia and overseas by making our Elevator systems a more attractive option for installation in high rise buildings. This can increase the size of our Group's addressable market.

We plan to commercialise our high speed passenger Elevators by 2013. We plan to utilise some of our Public Issue proceeds for our high speed Elevator systems development.

(c) Busduct System Improvements

In addition to developing a new range of Busduct systems, we are carrying out R&D to develop product improvements that can be applied to our existing as well as planned range of Busduct systems.

We are developing the capability to use extruded aluminium to form the external housing for our Busduct systems. Aluminium is a good conductor of electricity and as a result, the external housing itself can be used as Busduct systems' grounded or earth conductor. Extruded aluminium has better resistance to corrosion and better heat dissipation characteristics compared to steel. It is also lighter and it can reduce the overall weight of the Busduct systems.

We expect to begin commercialising Busduct systems that incorporate these improvements by 2013. We plan to utilise some of our Public Issue proceeds to carry out R&D to develop product improvements that can be applied to our existing as well as planned range of Busduct systems.

4.19.2 Facilities Expansion

(a) Busduct R&D Centre

We plan to purchase new testing equipment to expand our Busduct R&D centre. The expansion will enable our Group to expand the range of Busduct testing activities that we can carry out in-house.

We intend to purchase some testing equipment and to further enhance our Group's Busduct R&D capabilities.

These testing equipment will be used to test the mechanical properties and heat resistance of Busduct systems, and will complement the electronic testing equipment currently installed.

We intend to expand our Busduct R&D centre in 2012 and plan to utilise some of our Public Issue proceeds to expand our Busduct R&D centre. Please refer to Section 2.7(b)(iii) of this Prospectus for further details.

(b) Elevator Manufacturing and Testing Facilities

We plan to establish a new Elevator manufacturing and testing facilities to strengthen our Elevator design and manufacturing capabilities. Upon completion of our new factory, we plan to relocate our existing Elevator manufacturing operations in the rented factory in Subang Jaya to the new factory. Our Tenancy Agreement with the landlord for the rental of the Subang Jaya factory does not contain any provision regarding any termination or penalties in the event of such early termination. Accordingly, we will terminate our Tenancy Agreement with the landlord in due course upon completion of our new factory.

As at LPD, we estimate that the total cost of relocating our existing Elevator manufacturing operations from our rented factory in Subang Jaya to our new factory will be approximately RM60,000 (which consist of transportation cost of approximately RM35,000, labour cost for dismantling and installing of equipment of approximately RM17,000 and the balance of approximately RM8,000 for other miscellaneous items). We intend to finance the relocation cost from our internally generated funds.

The new factory will enable us to further develop and enhance the manufacturing of Elevator systems. We are not able to build an Elevator testing tower at our current factory in Subang Jaya due to space constraint. In addition, the current factory is not owned by us. The site of the new factory, which will be owned by our Group, will have sufficient space for us to build an Elevator testing tower.

We have, via EITA-Schneider, signed the sale and purchase agreement dated 30 June 2011 with Sime Darby USJ Development Sdn Bhd and Sime Darby Property (Klang) Sdn Bhd for the acquisition of a piece of freehold industrial land measuring approximately 2.90 acres in Bandar Bukit Raja (Eastern Division), Klang for a purchase consideration of RM5,684,580 as detailed in Section 12.5(c) of this Prospectus. As at the LPD, we have paid RM3,126,519 representing 55.0% of the purchase consideration for the acquisition of the land. We intend to build a new factory, which will house the Elevator manufacturing and testing facilities, warehouse and ancillary office building on the said land.

For the new Elevator manufacturing facility, we plan to purchase new forklift, wire rope cutting machine, packing machine, overhead crane and movable container ramp.

For the Elevator testing facility, we plan to purchase various test equipment such as traction machine, guide-rail laser alignment device and vibration analysers. This facility will enable us to test more safety features and functions and to expand our R&D initiatives in enabling us to carry out the necessary tests in-house in developing new products and features.

We intend to set up the new Elevator manufacturing and testing facility in 2014. We expect to take delivery of the land in 30 months, i.e. in 2013 and anticipate that it will take approximately one (1) year to complete the construction of our new factory. Consequently, we expect to set up the new Elevator manufacturing and testing facility in 2014.

In addition, we also intend to test and certify the fire rated door and purchase of equipment such as field testing meters, the hardware and software for the R&D of the Elevator systems and other ancillary testing equipment in 2012.

We plan to utilise some of our Public Issue proceeds for the above facilities. Please refer to Sections 2.7(a)(i), 2.7(b)(i) and 2.7(b)(ii) of this Prospectus for further details.

4.19.3 Future Plan Milestones

The following table indicates the timing for the commercialisation and operation of our future plans:-

Future Plan	2012	2013	2014
Product Design and Development			
– Additional Certification for "HP-ES" Range of Busduct Systems	√	√	
– High Speed Passenger Elevator		√	
– Busduct System Improvements		√	
Facilities Expansion			
– Busduct R&D Centre	√		
– Elevator Manufacturing and Testing Facility	√	√	√

4.19.4 Our Group's Future Prospects

The prospects of our Group are favourable in light of the following factors:-

- Our competitive advantages and key strengths; and
- Our future plans.

(a) Our Competitive Advantages and Key Strengths

We have significant competitive advantages and key strengths that will enable us to compete successfully as well as provide us with growth prospects. Our competitive advantages are as follows:-

- We are an authorised distributor of E&E components and equipment;
- We have a wide distribution network;
- We have our own brand names;
- We have an established track record;
- We provide total Elevator systems solutions;
- Our Elevator designs are approved by the relevant authorities;
- We have in-house R&D; and
- Our Busduct systems designs are certified.

(b) Our Future Plans to Create Growth

Our future plans will help create growth opportunities for our Group. All these factors will contribute to the favourable prospects of our Group.

Our future plans include:-

- obtaining additional certification for our "HP-ES" range of Busduct systems.
- development of high speed passenger Elevator systems;
- developing Busduct system improvements;
- expanding our Busduct systems R&D centre; and
- establishing a new Elevator systems manufacturing and testing facility.

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5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Particulars and Shareholdings of Promoters and Substantial Shareholders

The details of the Promoters and substantial shareholders of our Company and their respective shareholdings in our Company before and after the IPO are as follows:-

Name	Country of Incorporation/ Nationality	No. of Shares Held Before the IPO [1]				No. of Shares Held After the IPO [2]			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Promoters									
Ruby Technique	Malaysia	37,112,042	34.68	-	-	30,873,259	23.75	-	-
Sudut Kreatif	Malaysia	21,501,533	20.09	-	-	21,501,533	16.54	-	-
Jasa Simbolik	Malaysia	11,893,574	11.12	-	-	11,893,574	9.15	-	-
Fu Wing Hoong	Malaysian	6,324,361	5.91	(3) 24,862,496	23.24	1,081,641	0.83	(3) 24,862,496	19.12
Lim Joo Swee	Malaysian	5,586,303	5.22	(4) 18,511,853	17.30	1,535,241	1.18	(4) 18,511,853	14.24
Lee Peng Sian	Malaysian	7,324,266	6.85	-	-	6,093,008	4.69	-	-
Chia Mak Hooi	Malaysian	-	-	-	-	200,000	0.15	-	-
Substantial Shareholders									
Ruby Technique	Malaysia	37,112,042	34.68	-	-	30,873,259	23.75	-	-
Sudut Kreatif	Malaysia	21,501,533	20.09	-	-	21,501,533	16.54	-	-
Jasa Simbolik	Malaysia	11,893,574	11.12	-	-	11,893,574	9.15	-	-
Goh Kin Bee	Malaysian	6,618,279	6.19	(5) 17,479,877	16.34	6,618,279	5.09	(5) 13,428,815	10.33
Lee Peng Sian	Malaysian	7,324,266	6.85	-	-	8,093,008	4.69	-	-
Lee Pek See	Malaysian	3,360,963	3.14	(6) 27,825,894	26.01	3,360,963	2.59	(6) 22,583,174	17.37
Lim Joo Swee	Malaysian	5,586,303	5.22	(4) 18,511,853	17.30	1,535,241	1.18	(4) 18,511,853	14.24
Fu Wing Hoong	Malaysian	6,324,361	5.91	(3) 24,862,496	23.24	1,081,641	0.83	(3) 24,862,496	19.12
CBG Holdings Sdn Bhd	Malaysia	-	-	(7) 37,112,042	34.68	-	-	(7) 30,873,259	23.75
Farsathy Holdings Sdn Bhd	Malaysia	-	-	(7) 37,112,042	34.68	-	-	(7) 30,873,259	23.75
Chia Seong Pow	Malaysian	-	-	(8) 37,112,042	34.68	200,000	0.15	(8) 30,873,259	23.75
Chia Seong Fatt	Malaysian	-	-	(8) 37,112,042	34.68	-	-	(8) 30,873,259	23.75
Chia Song Kun	Malaysian	-	-	(9) 37,112,042	34.68	-	-	(9) 30,873,259	23.75

Notes:-

(1) Based on the issued and paid-up share capital of 107,000,000 Shares after the Bonus Issue.

(2) Based on the enlarged paid-up share capital of 130,000,000 Shares and including their respective entitlements for the Pink Form Shares.

(3) Deemed interested by virtue of the shareholding of his spouse, Lee Pek See and his and his spouse's shareholdings in Sudut Kreatif pursuant to Section 6A of the Act.

(4) Deemed interested by virtue of the shareholding of his spouse, Goh Kin Bee and his and his spouse's shareholdings in Jasa Simbolik pursuant to Section 6A of the Act.

(5) Deemed interested by virtue of the shareholding of her spouse, Lim Joo Swee and her and her spouse's shareholdings in Jasa Simbolik pursuant to Section 6A of the Act.

(6) Deemed interested by virtue of the shareholding of her spouse, Fu Wing Hoong and her and her spouse's shareholdings in Sudut Kreatif pursuant to Section 6A of the Act.

(7) Deemed interested by virtue of its shareholding in Ruby Technique pursuant to Section 6A of the Act.

(8) Deemed interested by virtue of his beneficial interest in Farsathy Holdings Sdn Bhd held via the trust arrangement with Equity Trust (Malaysia) Berhad [Note (10)] pursuant to Section 6A of the Act.

(9) Deemed interested by virtue of his shareholding in CBG Holdings Sdn Bhd pursuant to Section 6A of the Act.

(10) Equity Trust (Malaysia) Berhad is a trust company registered under the Trust Companies Act, 1949 and holds the entire shareholdings in Farsathy Holdings Sdn Bhd on trust for the beneficiaries of a family trust. Although Equity Trust (Malaysia) Berhad has an interest in the voting rights of Farsathy Holdings Sdn Bhd, it does not have an economic or beneficial interest in the said voting rights, as such interest is held solely for the benefits of the beneficiaries under the family trust.

Save for the foregoing, we are not aware of any other person who directly or indirectly, jointly or severally, has significant influence over us.

5.1.2 Profiles of Promoters

The profiles of our Promoters, Ruby Technique, Sudut Kreatif, Jasa Simbolik, Fu Wing Hoong, Lim Joo Swee, Lee Peng Sian and Chia Mak Hooi are as set out below:-

(a) Ruby Technique

(i) Background and History

Ruby Technique was incorporated in Malaysia under the Act on 11 October 1996 as a private limited company under its present name.

The principal activity of Ruby Technique is that of investment holding.

(ii) Share Capital

As at the LPD, the authorised share capital of Ruby Technique is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each of which 8,400,000 ordinary shares of RM1.00 have been issued and fully paid-up.

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5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(iii) Directors and Substantial Shareholders

As at the LPD, the Directors and substantial shareholders of Ruby Technique are as follows:-

Name	Nationality/ Place of Incorporation	Direct No of Ordinary Shares of RM1.00 Each	Direct %	Indirect No of Ordinary Shares of RM1.00 Each	Indirect %
Directors and substantial shareholders					
Chia Seong Fatt	Malaysian	-	-	(1) 1,875,720	22.33
Directors					
Chia Song Swa	Malaysian	-	-	-	-
Chia Mak Hooi	Malaysian	-	-	-	-
Substantial shareholders					
CBG Holdings Sdn Bhd	Malaysia	6,524,280	77.67	-	-
Farsathy Holdings Sdn Bhd	Malaysia	1,875,720	22.33	-	-
Chia Song Kun	Malaysian			(2) 6,524,280	77.67
Chia Seong Pow	Malaysian			(1) 1,875,720	22.33

Notes:-

(1) Deemed interested by virtue of his beneficial interest in Farsathy Holdings Sdn Bhd held via the trust arrangement with Equity Trust (Malaysia) Berhad Note (3) pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of his shareholding in CBG Holdings Sdn Bhd pursuant to Section 6A of the Act.

(3) Equity Trust (Malaysia) Berhad is a trust company registered under the Trust Companies Act, 1949 and holds the entire shareholdings in Farsathy Holdings Sdn Bhd on trust for the beneficiaries of a family trust. Although Equity Trust (Malaysia) Berhad has an interest in the voting rights of Farsathy Holdings Sdn Bhd, it does not have an economic or beneficial interest in the said voting rights, as such interest is held solely for the benefits of the beneficiaries under the family trust.

The profiles of CBG Holdings Sdn Bhd and Farsathy Holdings Sdn Bhd are as disclosed in Section 5.1.3(c) and Section 5.1.3(d) of this Prospectus respectively.

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(b) Sudut Kreatif

(i) Background and History

Sudut Kreatif was incorporated in Malaysia under the Act on 16 October 1995 as a private limited company under its present name.

The principal activity of Sudut Kreatif is that of investment holding.

(ii) Share Capital

As at the LPD, the authorised share capital of Sudut Kreatif is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 10,000 ordinary shares of RM1.00 have been issued and fully paid-up.

(iii) Directors and Substantial Shareholders

As at the LPD, the Directors and substantial shareholders of Sudut Kreatif are as follows:-

		Direct		Indirect	
Name	**Nationality**	**No of Ordinary Shares of RM1.00 Each**	**%**	**No of Ordinary Shares of RM1.00 Each**	**%**
Directors and substantial shareholders					
Fu Wing Hoong	Malaysian	9,000	90.00	(1) 1,000	10.00
Lee Pek See	Malaysian	1,000	10.00	(2) 9,000	90.00

Notes:-

(1) Deemed interested by virtue of the shareholding of his spouse, Lee Pek See.

(2) Deemed interested by virtue of the shareholding of her spouse, Fu Wing Hoong.

(c) Jasa Simbolik

(i) Background and History

Jasa Simbolik was incorporated in Malaysia under the Act on 23 May 1996 as a private limited company under its present name.

The principal activity of Jasa Simbolik is that of investment holding.

(ii) Share Capital

As at the LPD, the authorised share capital of Jasa Simbolik is RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 10 ordinary shares of RM1.00 have been issued and fully paid-up.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(iii) Directors and Substantial Shareholders

As at the LPD, the Directors and substantial shareholders of Jasa Simbolik are as follows:-

Name	Nationality	Direct		Indirect	
		No of Ordinary Shares of RM1.00 Each	%	No of Ordinary Shares of RM1.00 Each	%
Directors and substantial sharaholders					
Lim Joo Swee	Malaysian	5	50.00	(1) 5	50.00
Goh Kin Bee	Malaysian	5	50.00	(2) 5	50.00

Notes:-

(1) Deemed interested by virtue of the shareholding of his spouse, Goh Kin Bee.

(2) Deemed interested by virtue of the shareholding of her spouse, Lim Joo Swee.

(d) **Fu Wing Hoong**, aged 53, is the Group Managing Director of EITA and was appointed to our Board on 7 September 1996. He is also a member of our Remuneration Committee. As our Group Managing Director, he is involved in charting our Group's overall business strategy, direction and development.

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

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

He has served various positions in the Council of the Electrical and Electronics Association of Malaysia since 1999 until his current appointment as President since 2009 which will expire in 2013. He is also currently a member of the Council of the Asean Federation of Electrical Engineering Contractors. He was a Director of the Human Resources Development Fund, a position appointed by Kementerian Sumber Manusia Malaysia (from 2009 to 2011) and was elected as the General Council Member of the Malaysian Institute of Management (from 2006 to 2008).

He also holds directorship in several private limited companies.

(e) **Lim Joo Swee**, aged 52, is an Executive Director of EITA and was appointed to our Board on 17 December 1996. He is one of the founder members of our Group. He is mainly responsible for the operations and management of our Group's Elevator business. He also oversees the overall marketing activities of our Group.

He attended the Diploma in Technology (Electronic Engineering) course at Tunku Abdul Rahman College, Kuala Lumpur, in 1980 and passed Part 1 examination of the Engineering Council, UK, in 1982. He decided to leave the college in 1983 to start 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 our Group.

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

He also holds directorships in several private limited companies.

(f) **Lee Peng Sian**, aged 42, is an Executive Director of EITA and was appointed to our Board on 14 December 2009. He oversees the operations of the E&E components and equipment of our Group. He also oversees our security system and other systems solutions business.

He graduated in 1992 with a Diploma in Electrical Engineering from Universiti Technologi Malaysia and received his Master in Business Administration from the University of Bath, UK, in 2000.

He started his career in 1992 at Interscience Sdn Bhd as Service Engineer. In end 1993, he acquired an equity stake in EITA Power System, which was then dormant. He left Interscience Sdn Bhd in 1994 as a Service Manager to develop the business of EITA Power System on a full time basis. Currently, in addition to EITA Power System, he is responsible for overseeing the operations of EITA Technologies Malaysia and Furutec Electrical.

(g) **Chia Mak Hooi**, aged 47, is a Non-Independent Non-Executive Director of EITA and was appointed to our Board on 20 August 1997.

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

He started his career in 1989 as an Assistant Accountant at Concept Enterprises Inc. In 1991, he joined QL Feedingstuffs Sdn Bhd as 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 then Second Board of Bursa Securities. He was later appointed Finance Director of QL Resources Berhad in 2000 where he is actively involved in the group corporate activities, strategic business planning and also the group integrated livestock expansion programs both locally and overseas.

He was appointed as a Non-Independent and Non-Executive Director of Lay Hong Berhad, a company listed on the Main Market of Bursa Securities on 6 July 2011. He is also a Director and/or shareholder of several private companies.

5.1.3 Profiles of Substantial Shareholders

The profiles of our substantial shareholders, Ruby Technique, Sudut Kreatif, Jasa Simbolik, Lee Peng Sian, Lim Joo Swee and Fu Wing Hoong who are also our Promoters are set out in Section 5.1.2 of this Prospectus. The profiles of our other substantial shareholders of EITA are as follows:-

(a) **Goh Kin Bee**, aged 49, is a substantial shareholder of EITA. She is currently a shareholder and Director of Jasa Simbolik. She is the spouse of Lim Joo Swee, the Executive Director of EITA.

(b) **Lee Pek See**, aged 50, is an indirect substantial shareholder of EITA. She is currently a shareholder and Director of Sudut Kreatif. She is the spouse of Fu Wing Hoong, the Group Managing Director of EITA.

(c) **CBG Holdings Sdn Bhd**

(i) **Background and History**

CBG Holdings Sdn Bhd was incorporated in Malaysia under the Act on 23 March 1984 as a private limited company under the name of C.B. Fishmeal Sdn Bhd and subsequently changed to its present name on 19 April 1999.

The principal activity of CBG Holdings Sdn Bhd is that of investment holding.

(ii) **Share Capital**

As at the LPD, the authorised share capital of CBG Holdings Sdn Bhd is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which 1,600,000 ordinary shares of RM1.00 have been issued and fully paid-up.

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5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(iii) Directors and Substantial Shareholders

As at the LPD, the Directors and substantial shareholders of CBG Holdings Sdn Bhd are as follows:-

		Direct		Indirect	
Name	Nationality	No of Ordinary Shares of RM1.00 Each	%	No of Ordinary Shares of RM1.00 Each	%
Directors and substantial shareholders					
Chia Song Kun	Malaysian	270,000	16.88	(1) 66,000	4.13
Chia Song Kang	Malaysian	160,000	10.00	-	-
Chia Song Pou	Malaysian	128.000	8.00	-	-
Chia Song Swa	Malaysian	128,000	8.00	-	-
Chia Song Kooi	Malaysian	128,000	8.00	-	-
Chia Song Phuan	Malaysian	160,000	10.00	-	-
Cheah Yaw Song	Malaysian	200,000	12.50	-	-
Chia Teow Guan	Malaysian	200,000	12.50	(2) 32,000	2.00
Director					
Chia Mak Hooi	Malaysian	32,000	2.00	(3) 200,000	12.50
Substantial shareholders					
Chia Cheong Soong	Malaysian	128,000	8.00	-	-

Notes:-

(1) *Deemed interested by virtue of the shareholding of his spouse, Chia Bak Lang.*
(2) *Deemed interested by virtue of the shareholding of his son, Chia Mak Hooi.*
(3) *Deemed interested by virtue of the shareholding of his father, Chia Teow Guan.*

(d) Farsathy Holdings Sdn Bhd

(i) Background and History

Farsathy Holdings Sdn Bhd was incorporated in Malaysia under the Act on 28 August 1980 as a private limited company under its present name.

The principal activity of Farsathy Holdings Sdn Bhd is that of investment holding.

(ii) Share Capital

As at the LPD, the authorised share capital of Farsathy Holdings Sdn Bhd is RM500,000 comprising 500,000 ordinary shares of RM1.00 each of which all have been issued and fully paid-up.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(iii) Directors and Substantial Shareholders

As at the LPD, the Directors and substantial shareholders of Farsathy Holdings Sdn Bhd are as follows:-

Name	Nationality	Direct		Indirect	
		No of Ordinary Shares of RM1.00 Each	%	No of Ordinary Shares of RM1.00 Each	%
Directors and substantial shareholders					
Chia Seong Pow	Malaysian	-	-	(1) 100,000	20.00
Chia Seong Fatt	Malaysian	-	-	(1) 100,000	20.00
Chia Suan Hooi	Malaysian			(1) 55,000	11.00
Substantial shareholders					
Equity Trust (Malaysia) Berhad	Malaysia	(2) 500,000	100.00	-	-
Sim Ahi Yok	Malaysian			(1) 55,000	11.00
Koh Kwee Choo	Malaysian			(1) 55,000	11.00
Chia Chw Pew	Malaysian			(1) 40,000	8.00
Chia Chew Seng	Malaysian			(1) 35,000	7.00
Chia Chiew Yang	Malaysian			(1) 25,000	5.00
Chia Chew Ngee	Malaysian			(1) 25,000	5.00

Notes:-

(1) Deemed interested by virtue of their beneficial interest in Farsathy Holdings Sdn Bhd held via the trust arrangement with Equity Trust (Malaysia) Berhad Note (2) pursuant to Section 6A of the Act.

(2) Equity Trust (Malaysia) Berhad is a trust company registered under the Trust Companies Act, 1949 and holds the entire shareholdings in Farsathy Holdings Sdn Bhd on trust for the beneficiaries of a family trust. Although Equity Trust (Malaysia) Berhad has an interest in the voting rights of Farsathy Holdings Sdn Bhd, it does not have an economic or beneficial interest in the said voting rights, as such interest is held solely for the benefits of the beneficiaries under the family trust.

(e) **Chia Seong Pow,** aged 57, is an indirect substantial shareholder of EITA. He graduated from Tuanku Abdul Rahman College, Kuala Lumpur with a Diploma in Building Technology in 1982. He joined CBG Holdings Sdn Bhd (currently one of QL Resources Berhad's substantial shareholders) as a Marketing Director in 1984.

He is one of the founding members of the QL Group and has been an Executive Director of QL Resources Berhad since 3 January 2000. He has more than 24 years of experience in the livestock and food industry covering layer farming, manufacturing, trading and shipping.

Currently, he is mainly in charge of regional merchant trading in food grains besides overseeing new business developments. A sizeable amount of the QL Group's new expansion programmes were initiated by him.

He is also a Director and substantial shareholder of other private limited companies.

(f) **Chia Seong Fatt,** aged 57, is an indirect substantial shareholder of EITA. He obtained his Bachelor of Science (Honours) degree majoring in Chemistry from University of London in 1979. He practised as an Industrial Chemist for three (3) years before pursuing further studies in University of Malaya. In 1984, he graduated from the aforementioned university with a Master in Business Administration.

He served for seven (7) years as Managing Director of Sri Tawau Farming Sdn Bhd, a company involved in layer farming. The company is an associated company of Lay Hong Berhad, a company listed on the Main Market of Bursa Securities.

He was appointed as an Executive Director of QL Resources Berhad since 3 January 2000 and presently in-charge of poultry farming and palm oil operations in Sabah and Indonesia.

He was appointed as an Alternate Director to the Executive Director, Chia Lik Khai of Boilermech Holdings Berhad on 4 March 2011, a company listed on the ACE Market of Bursa Securities.

He is also a Director and substantial shareholder of other private limited companies.

(g) **Chia Song Kun,** aged 63, is an indirect substantial shareholder of EITA. He graduated with a Bachelor of Science (Honours) degree majoring in Mathematics from University of Malaya in 1972 and obtained a Master in Business Administration in 1988 from the same university.

He started his career in 1973 as a tutor in the University of Malaya and subsequently joined University Teknologi Mara, Shah Alam, Selangor Darul Ehsan as a lecturer where he served for eleven (11) years until 1984. He left the educational institution in 1984 to set up CBG Holdings Sdn Bhd (currently, one of QL Resources Berhad's substantial shareholders) to commence the business of distributing fishmeal and other feed-meal raw materials.

He is the key founder of the QL Group and has been the Managing Director of QL Resources Berhad since 3 January 2000.

He is in charge of QL Group's overall operations. Together with the help of his family members, he has successfully nurtured, developed and transformed the QL Group into a diversified agricultural based group with an annual turnover of more than RM1.78 billion.

He is also founder member of INTI Universal Holdings Berhad (presently known as INTI Universal Holdings Sdn Bhd). On 5 July 2008, he was conferred the honorary degree of Doctor of Laws (Hon LLD) by the Honorary Awards Board of the University of Hertfordshire, UK in recognition of his outstanding contribution to the development of business and education in Malaysia. He resigned as the Director of INTI Universal Holdings Berhad on 30 September 2008.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

He was appointed as a Non-Independent Non Executive Chairman of Boilermech Holdings Berhad on 4 March 2011, a company listed on the ACE Market of Bursa Securities.

He is also a Director and substantial shareholder of other private limited companies.

5.1.4 Significant Changes in the Promoters' and Substantial Shareholders' Shareholdings in Our Company

Save as disclosed below, there are no other significant changes in the shareholdings of our Promoters and substantial shareholders in our Company for the past three (3) years preceding the LPD:-

Promoters/ Substantial Shareholders	Date	No. of Shares		(1) Balance Held				Reason for Change
				Direct		Indirect		
		Allotment/ Acquisition	Transfer/ Disposal	No. of Shares	%	No. of Shares	%	
Ruby Technique	09.10.2009	(2) 4,404,169	-	(2) 4,404,169	34.68	-	-	Acquisition from CBG Holdings Sdn Bhd and Farsathy Holdings Sdn Bhd
	16.12.2009	-	-	8,808,338	34.68	-	-	Share Split
	29.09.2011	28,303,704	-	37,112,042	34.68	-	-	Bonus Issue
Sudut Kreatif	-	-	-	(2) 2,551,635	20.09	-	-	Brought forward
	16.12.2009	-	-	5,103,270	20.09	-	-	Share Split
	29.09.2011	16,398,263	-	21,501,533	20.09	-	-	Bonus Issue
Jasa Simbolik	-	-	-	(2) 1,411,437	11.12	-	-	Brought forward
	16.12.2009	-	-	2,822,874	11.12	-	-	Share Split
	29.09.2011	9,070,700	-	11,893,574	11.12	-	-	Bonus Issue
Fu Wing Hoong	-	-	-	(2) 750,526	5.91	(2) (3) 2,950,488	23.24	Brought forward
	16.12.2009	-	-	1,501,052	5.91	(3) 5,900,976	23.24	Share Split
	29.09.2011	4,823,309	-	6,324,361	5.91	(3) 24,862,496	23.24	Bonus Issue
Lim Joo Swee	-	-	-	(2) 662,939	5.22	(2) (4) 2,196,843	17.30	Brought forward
	16.12.2009	-	-	1,325,878	5.22	(4) 4,393,686	17.30	Share Split
	29.09.2011	4,260,425	-	5,586,303	5.22	(4) 18,511,853	17.30	Bonus Issue
Lee Peng Sian	-	-	-	(2) 889,187	6.85	-	-	Brought forward
	16.12.2009	-	-	1,738,374	6.85	-	-	Share Split
	29.09.2011	5,585,892	-	7,324,266	6.85	-	-	Bonus Issue
Chia Mak Hooi	-	-	-	-	-	-	-	-
CBG Holdings Sdn Bhd	-	-	-	(2) 3,421,554	26.95	-	-	Brought forward
	09.10.2009	-	(2) (3,421,554)	-	-	(2) (5) 4,404,169	34.68	Disposal to Ruby Technique
	16.12.2009	-	-	-	-	(5) 8,808,338	34.68	Share Split
	29.09.2011	-	-	-	-	(5) 37,112,042	34.68	Bonus Issue

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Promoters/ Substantial Shareholders	Date	No. of Shares		(1) Balance Held				Reason for Change
				Direct		Indirect		
		Allotment/ Acquisition	Transfer/ Disposal	No. of Shares	%	No. of Shares	%	
Farsathy Holdings Sdn Bhd	-	-	-	(2) 982,615	7.74	-	-	Brought forward
	09.10.2009	-	(2) (982,615)	-	-	(2) (5) 4,404,169	34.68	Disposal to Ruby Technique
	16.12.2009	-	-	-	-	(5) 8,808,338	34.68	Share Split
	29.09.2011	-	-	-	-	(5) 37,112,042	34.68	Bonus Issue
Chia Song Kun	09.10.2009	-	-	-	-	(2) (6) 4,404,169	34.68	Acquisition from CBG Holdings Sdn Bhd and Farsathy Holdings Sdn Bhd
	16.12.2009	-	-	-	-	(6) 8,808,338	34.68	Share Split
	29.09.2011	-	-	-	-	(6) 37,112,042	34.68	Bonus Issue
Chia Seong Pow	09.10.2009	-	-	-	-	(2) (7) 4,404,169	34.68	Acquisition from CBG Holdings Sdn Bhd and Farsathy Holdings Sdn Bhd
	16.12.2009	-	-	-	-	(7) 8,808,338	34.68	Share Split
	29.09.2011	-	-	-	-	(7) 37,112,042	34.68	Bonus Issue
Chia Seong Fatt	09.10.2009	-	-	-	-	(2) (7) 4,404,169	34.68	Acquisition from CBG Holdings Sdn Bhd and Farsathy Holdings Sdn Bhd
	16.12.2009	-	-	-	-	(7) 8,808,338	34.68	Share Split
	29.09.2011	-	-	-	-	(7) 37,112,042	34.68	Bonus Issue
Goh Kin Bee	-	-	-	(2) 785,406	6.19	(2) (8) 2,074,376	16.34	Brought forward
	16.12.2009	-	-	1,570,812	6.19	(8) 4,148,752	16.34	Share Split
	29.09.2011	5,047,467	-	6,618,279	6.19	(8) 17,479,877	16.34	Bonus Issue
Lee Pek See	-	-	-	(2) 398,853	3.14	(2) (9) 3,302,161	26.01	Brought forward
	16.12.2009	-	-	797,706	3.14	(9) 6,604,322	26.01	Share Split
	29.09.2011	2,563,257	-	3,360,963	3.14	(9) 27,825,894	26.01	Bonus Issue

Notes:-

(1) Based on the issued and paid-up share capital of 107,000,000 Shares after the Bonus Issue.
(2) Ordinary shares of RM1.00 each.
(3) Deemed interested by virtue of the shareholding of his spouse, Lee Pek See and his and his spouse's shareholdings in Sudut Kreatif pursuant to Section 6A of the Act.
(4) Deemed interested by virtue of the shareholding of his spouse, Goh Kin Bee and his and his spouse's shareholdings in Jasa Simbolik pursuant to Section 6A of the Act.
(5) Deemed interested by virtue of its shareholding in Ruby Technique pursuant to Section 6A of the Act.
(6) Deemed interested by virtue of his shareholding in CBG Holdings Sdn Bhd pursuant to Section 6A of the Act.
(7) Deemed interested by virtue of his beneficial interest in Farsathy Holdings Sdn Bhd held via the trust arrangement with Equity Trust (Malaysia) Berhad Note (10) pursuant to Section 6A of the Act.
(8) Deemed interested by virtue of the shareholding of her spouse, Lim Joo Swee and her and her spouse's shareholdings in Jasa Simbolik pursuant to Section 6A of the Act.
(9) Deemed interested by virtue of the shareholding of her spouse, Fu Wing Hoong and her and her spouse's shareholdings in Sudut Kreatif pursuant to Section 6A of the Act.
(10) Equity Trust (Malaysia) Berhad is a trust company registered under the Trust Companies Act, 1949 and holds the entire shareholdings in Farsathy Holdings Sdn Bhd on trust for the beneficiaries of a family trust. Although Equity Trust (Malaysia) Berhad has an interest in the voting rights of Farsathy Holdings Sdn Bhd, it does not have an economic or beneficial interest in the said voting rights, as such interest is held solely for the benefits of the beneficiaries under the family trust.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.2 DIRECTORS

5.2.1 Particulars and Shareholdings of Directors

The details of the Directors of our Company and their respective shareholdings in our Company before and after the IPO are as follows:-

Name	Designation	No. of Shares Held Before the IPO [1]				No. of Shares Held After the IPO [2]			
		Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Siow Kim Lun @ Siow Kim Lin	Independent Non-Executive Chairman	-	-	-	-	200,000	0.15	-	-
Fu Wing Hoong	Group Managing Director	6,324,361	5.91	[3] 24,862,496	23.24	1,081,641	0.83	[3] 24,862,496	19.12
Lim Joo Swee	Executive Director	5,586,303	5.22	[4] 18,511,853	17.30	1,535,241	1.18	[4] 18,511,853	14.24
Chong Yoke Peng	Executive Director	4,259,236	3.98	-	-	4,359,236	3.35	-	-
Lee Peng Sian	Executive Director	7,324,266	6.85	-	-	6,093,008	4.69	-	-
Chia Mak Hooi	Non-Independent Non-Executive Director	-	-	-	-	200,000	0.15	-	-
Chia Lik Khai	Non-Independent Non-Executive Director	-	-	-	-	200,000	0.15	-	-
Tan Chuan Hock	Independent Non-Executive Director	-	-	-	-	200,000	0.15	-	-
Chong Lee Chang	Independent Non-Executive Director	-	-	-	-	200,000	0.15	-	-

Notes:-

(1) Based on the issued and paid-up share capital of 107,000,000 Shares after the Bonus Issue.

(2) Based on the enlarged paid-up share capital of 130,000,000 Shares and includes their respective entitlements for the Pink Form Shares.

(3) Deemed interested by virtue of the shareholding of his spouse, Lee Pek See and his and his spouse's shareholdings in Sudut Kreatif pursuant to Section 6A of the Act.

(4) Deemed interested by virtue of the shareholding of his spouse, Goh Kin Bee and his and his spouse's shareholdings in Jasa Simbolik pursuant to Section 6A of the Act.

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5.2.2 Profiles of Directors

Save for the profiles of Fu Wing Hoong, Lim Joo Swee, Lee Peng Sian and Chia Mak Hooi which are set out in Section 5.1.2 of this Prospectus, the profiles of the other Directors are as follows:-

(i) **Dato' Siow Kim Lun @ Siow Kim Lin**, aged 62, is the Independent Non-Executive Chairman of EITA and was appointed to our Board on 1 April 2011. He is the member of our Audit Committee and Nomination Committee.

He obtained his Certificate in Teaching from Technical Teachers Training College Kuala Lumpur in 1972 and was a secondary school teacher from 1973 to 1974. In 1978, he obtained his Bachelor of Economics Degree (Honours) from Universiti Kebangsaan Malaysia. Subsequently, he obtained his 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 the US in 1997.

He started his career in the investment banking and financial services industry in 1981 as an Executive in the Corporate Finance Division of Malaysian International Merchant Bankers Berhad (now known as MIMB Investment Bank Berhad). He left Malaysian International Merchant Bankers Berhad in 1984 for Malaysian International Finance Berhad and later joined Permata Chartered Merchant Bank Bhd (now known as Affin Investment Bank Berhad) as a Manager in its Corporate Finance Division in 1985. He left Permata Chartered Merchant Bank Bhd as its Divisional Head in the Corporate Finance Division in 1993 and joined the SC where he held several senior positions until his retirement in December 2006. He has also served as a member of the Listing Committee of Bursa Securities from May 2007 to May 2009.

He is currently a Director of Citibank Berhad, MainStreet Advisers Sdn Bhd, Kumpulan Wang Persaraan (Retirement Fund), UMW Holdings Berhad, WZ Steel Berhad and Hong Leong Assurance Berhad, as well as a member of the Land Public Transport Commission.

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(ii) **Chong Yoke Peng**, aged 53, is an Executive Director of EITA and was appointed to our Board on 8 January 2001. 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. His career started in 1982 as a Quality Control Supervisor in Lion Metal Industries Sdn Bhd. 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 24 years in managing sales and marketing of Electrical and Electronic components business in Malaysia.

(iii) **Chia Lik Khai**, aged 34, is a Non-Independent Non-Executive Director of EITA and was appointed to our Board on 10 October 2009. He graduated from the MBA program of Wharton Business School, University of Pennsylvania, USA where he focused on Entrepreneurship and Corporate Finance. He also received Master of Science and Bachelor of Science in Electrical Engineering from University of Michigan, Ann Arbor, USA. He specialised in Communications Integrated Circuits ("ICs") design and advanced semiconductor for his graduate studies.

Prior to joining the EITA Group and QL Resources Berhad, he was with McKinsey & Company in Shanghai, where he was an affiliate of Global Energy & Materials and High-Tech practice. During his tenure, he focused on serving global clients in renewable energy, consumer products and high-tech sectors on strategy, mergers and acquisitions, and sales and marketing. He also possesses extensive management experience in high-tech, telecommunications and internet commerce. He spent seven (7) years in the semiconductor industry with Agilent and Avago Technologies in Silicon Valley, where he assumed multiple roles as R&D staff, new Product Manager and Marketing Manager. In his capacity as Product Marketing Manager in Avago Technologies, he managed multiple wireless product lines and Greater China regional business. In 2009, he joined QL Resources Berhad as Group Corporate Development Director and was also appointed as the Executive Director of a few subsidiaries of QL Resources Berhad.

He was appointed as an Executive Director of Boilermech Holdings Berhad, a company listed on the ACE Market of Bursa Securities on 26 October 2010, where he is responsible for overseeing the overall corporate planning and finance function of the company.

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5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(iv) **Tan Chuan Hock**, aged 51, is an Independent Non-Executive Director of EITA and was appointed to our Board on 15 January 2010. He is the Chairman of our Remuneration Committee and Audit Committee and a member of our Nomination Committee. He is also the Executive Proprietor and Founder of William C. H. Tan & Associates, a Chartered Accountant firm. He is a member of the Malaysian Institute of Accountants, the Malaysian Institute of Taxation and a Fellow Member of the Association of Chartered Certified Accountants.

After obtaining his qualification in Association of Chartered Certified Accountants in 1983, he joined a Chartered Accounting firm as an Audit Assistant. He then advanced to the position of Audit Manager in 1988. In 1989, he took the challenge to establish his own professional practice. He has over 20 years of experience particularly in financial reporting, auditing, taxation and planning, company secretarial as well as corporate management and advisory services. He holds directorships in several private limited companies. Presently, he is a Director of PCCS Group Berhad, Grand-Flo Solution Berhad and Careplus Group Berhad. He also sits on the board of Simat Technologies Public Company Limited, a public listed company in the Stock Exchange of Thailand.

(v) **Chong Lee Chang**, aged 53, is an Independent Non-Executive Director of EITA and was appointed to our Board on 15 January 2010. He is the Chairman of our Nomination Committee and a member of our Audit Committee and Remuneration Committee. He graduated in 1982 with a Bachelor of Arts Honours Degree majoring in Law from the Manchester Metropolitan University, UK. In 1983, he graduated with Honours from The Inns of Court School of Law, London. He was admitted to the Honourable Society of Lincoln's Inn, London, as a Barrister-at-Law in 1983. In 1984, he was admitted as an Advocates and Solicitors of the High Court of Malaya and has held a legal practicing certificate to practice law in Malaysia since.

He has more than 27 years of experience in legal practice in Malaysia. He is a senior partner of a Kuala Lumpur based law firm, Messrs LC Chong & Co. His legal experience includes advising and providing legal services for clients not only in Malaysia, but also in the Asia Pacific region and UK. He has international corporate management experience in the past 10 years. He has served as an Executive Director of Antah Holdings Berhad, a company that was then listed on the Main Board of Bursa Securities from June 2000 to October 2001 and also held directorships in various international joint venture companies in Malaysia including the Malaysian franchise holders of Pepsi-Cola, Permanis Sdn Bhd, Seven Eleven Convenient Stores and Antah Melco Sdn Bhd, a joint venture company between Antah Holdings Berhad and Mitsubishi Electric Company, Japan. From 2001 to 2005, he was a Director of JWC Ltd, a UK based furniture chain retail store. In May 2005, he joined the Board of Midwest Corporation Limited, a company listed on the Australian Stock Exchange with its principal activities in mining, exploring and exporting iron ore. He resigned from Midwest Corporation in February 2009 after the company was delisted from the Australian Stock Exchange. He is currently an Independent Non-Executive Director of Hong Kong listed company, Agritrade Resources Limited and CVM Minerals Limited, a Non-Executive Director of Hong Kong listed company, BINGO Group Holdings Limited. He is also currently the Managing Director of Guangxi Xin Wei Hotel Management Co Ltd., owners of the Nanning Marriott Hotel in Nanning, Guangxi, China.

5.2.3 Directors' Remuneration and Benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to the Directors of our Company for services rendered in all capacities to our Group for the FYE 2011 and FYE 2012 are set out below in bands of RM50,000:-

	FYE 2011		Proposed for FYE 2012	
	Remuneration Band (RM)		Remuneration Band (RM)	
Dato' Siow Kim Lun @ Siow Kim Lin	-	50,000	-	50,000
Fu Wing Hoong	1,200,000	1,250,000	1,250,000	1,300,000
Lim Joo Swee	900,000	950,000	950,000	1,000,000
Chong Yoke Peng	550,000	600,000	600,000	650,000
Lee Peng Sian	550,000	600,000	550,000	600,000
Chia Mak Hooi	250,000	300,000	-	50,000
Chia Lik Khai	-	50,000	-	50,000
Tan Chuan Hock	-	50,000	-	50,000
Chong Lee Chang	-	50,000	-	50,000

Save as disclosed above and in Sections 2.3.1(b), 5.2.1 and 12.4(d) of this Prospectus, there are no other amounts/ benefits paid or intended to be paid or given to any of our Company's Promoters, substantial shareholders or Directors, within the two (2) years preceding the date of this Prospectus.

5.2.4 Principal Directorships in Other Corporations for the Past Five (5) Years and Principal Business Activities Performed Outside Our Group

Save as disclosed below, our Directors do not have any principal directorship or any principal business activities performed outside our Group in other corporations for the past five (5) years prior to the date of this Prospectus.

(i) Dato' Siow Kim Lun @ Siow Kim Lin

No.	Company	Position	Principal Activities
1.	Citibank Berhad	Director	Banking and financial services
2.	Kumpulan Wang Persaraan (Diperbadankan)	Director	Management of Government retirement funds
3.	Hong Leong Assurance Berhad	Director	Life insurance business
4.	Main Street Advisers Sdn Bhd	Director and shareholder	Provision of corporate finance advisory services
5.	UMW Holdings Berhad	Director	Investment holding, automobile, equipment, manufacturing and engineering, and oil & gas
6.	WZ Steel Berhad	Director and shareholder	Manufacturing and trading of steel and steel related products

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

No.	Company	Position	Principal Activities
7.	Xingquan International Sports Holdings Limited	Director and shareholder *(Resigned)*	Manufacturing and marketing of shoe and apparel products
8.	YTY Industry Holdings Berhad	Director *(Resigned)*	Manufacturing and sales of rubber examination gloves

(ii) Fu Wing Hoong

No.	Company	Position	Principal Activities
1.	Asas Kreatif Sdn Bhd	Director and shareholder	Not applicable*
2.	EITA Electric (Johor) Sdn Bhd	Director	Not applicable *
3.	EITA Integrated Systems Sdn Bhd	Director	Not applicable *
4.	EITA Power & Automation (Penang) Sdn Bhd	Director	Not applicable *
5.	Litepac Pte Ltd	Director	Dormant
6.	Smartconnect Sdn Bhd	Director and shareholder	Not applicable *
7.	Sudut Kreatif	Director and shareholder	Investment holding
8.	Teknopakar Sdn Bhd	Director	Not applicable *
9.	Optegra Sdn Bhd	Director *(resigned)* and shareholder	Information technology

Note:-

* *Struck-off.*

(iii) Lim Joo Swee

No.	Company	Position	Principal Activities
1.	EITA Electric (Johor) Sdn Bhd	Director	Not applicable *
2.	EITA Integrated Systems Sdn Bhd	Director	Not applicable *
3.	Jasa Simbolik	Director and shareholder	Investment holding
4.	Smartconnect Sdn Bhd	Director and shareholder	Not applicable *
5.	Teknopakar Sdn Bhd	Director	Not applicable *
6.	EITA-Schneider (Thailand) Co Ltd	Director *(resigned)*	Vertical transportation system

Note:-

* *Struck-off.*

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(iv) Chong Yoke Peng

No.	Company	Position	Principal Activities
1.	EITA Electric (Johor) Sdn Bhd	Alternate Director to Lim Joo Swee	Not applicable *

Note:-

* *Struck-off.*

(v) Chia Mak Hooi

No.	Company	Position	Principal Activities
1.	CBG Holdings Sdn Bhd	Director and shareholder	Investment holding
2.	Chingsan Development Sdn Bhd [(1)]	Director	Property holding
3.	Credential Development Sdn Bhd	Director	Property holding
4.	EITA Electric (Johor) Sdn Bhd	Director	Not applicable [(2)]
5.	Hybrid Figures Sdn Bhd [(1)]	Director	Dormant
6.	Lay Hong Berhad	Director	Investment holding company and integrated livestock farming
7.	Maxincome Resources Sdn Bhd [(1)]	Director	Distribution of lubricant oil
8.	PT QL Agrofood	President Director	Layer farming and feed milling
9.	PT Pipit Mutiara Indah	Commissioner	Oil palm plantation
10.	PT QL Trimitra	President Director	Integrated poultry farming
11.	RubyTech Resources Sdn Bhd *(formerly known as Palmproses Engineering Trading Sdn Bhd)*	Director	Dormant
12.	QL Agrofood Sdn Bhd [(1)]	Director	Investment holding, processing, sale of animal feed, trading of raw materials, lubricants and foodstuffs
13.	QL AgroResources Sdn Bhd [(1)]	Director	Investment holding, feed milling and distribution of animal feed and raw materials
14.	QL Agroventures Sdn Bhd [(1)]	Director	Layer farming
15.	QL Ansan Poultry Farm Sdn Bhd [(1)]	Director	Investment holding and poultry farming
16.	QL Feed Sdn Bhd [(1)]	Director	Distribution of animal feed raw materials and grain
17.	QL Feedingstuffs Sdn Bhd [(1)]	Director	Investment holding, distribution of animal feed raw material and food grain
18.	QL Livestock Farming Sdn Bhd [(1)]	Director	Poultry farming, feed milling, selling and distribution of animal feeds

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

No.	Company	Position	Principal Activities
19.	QL Poultry Farms Sdn Bhd [(1)]	Director	Layer farming
20.	QL Rawang Poultry Farm Sdn Bhd [(1)]	Director	Dormant
21.	QL Realty Sdn Bhd [(1)]	Director	Property holding
22.	QL Resources Berhad	Director and shareholder	Investment holding
23.	Ruby Technique	Director and shareholder	Investment holding
24.	Optegra Sdn Bhd	Director *(Resigned)*	Information technology
25.	QL Lian Hoe Sdn Bhd [(1)] *(formerly known as Riteshop Sdn Bhd)*	Director *(Resigned)*	Dormant
26.	QL Palm Pellet Sdn Bhd [(1)]	Director *(Resigned)*	Developing technology for "Palm Pelletising System"
27.	QL Vietnam AgroResources Liability Limited Company	Legal Representative *(Resigned)*	Intended for poultry farming
28.	QL Zeropoint Green Energy Sdn Bhd [(1)]	Director *(Resigned)*	Dormant

Notes:-

(1) Subsidiaries of QL Resources Berhad.
(2) Struck-off.

(vi) Chia Lik Khai

No.	Company	Position	Principal Activities
1.	Boilermech Holdings Berhad	Director and shareholder	Investment holding. The group is involved in the design, manufacture, installation and commissioning of biomass boilers and repair and refurbishment services as well as provision of engineering solutions for biomass boiler
2.	Nautical Icon Sdn Bhd	Director	Exploring opportunities in the biomass renewable energy sector
3.	QL Aquaculture Sdn Bhd *	Director	Dormant
4.	QL Biomass Sdn Bhd *	Director	Dormant
5.	QL Green Energy Sdn Bhd *	Director	Dormant
6.	QL Green Resources Sdn Bhd *	Director	Investment holding
7.	QL NatureCo Sdn Bhd *	Director	Investment holding
8.	QL Oil Sdn Bhd *	Director	Investment holding
9.	QL Palm Pellet Sdn Bhd *	Director	Developing technology for "Palm Pelletising System"

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

No.	Company	Position	Principal Activities
10.	QL Palm Pellet System Sdn Bhd *(formerly known as Artisan Intelek Sdn Bhd)* *	Director	Dormant
11.	QL Plantation Sdn Bhd *	Director	Oil palm cultivation and marketing of palm oil products
12.	QL Tawau Biogas Sdn Bhd *(formerly known as Ilusan Ceria Sdn Bhd)* *	Director	Dormant
13.	QL Tawau Palm Pellet Sdn Bhd *(formerly known as Rentak Prisma Sdn Bhd)* *	Director	Dormant
14.	QL ZeroPoint Green Energy Sdn Bhd *	Director	Dormant

Note:-

* *Subsidiaries of QL Resources Berhad.*

(vii) Tan Chuan Hock

No.	Company	Position	Principal Activities
1.	AI Capital Sdn Bhd	Director and shareholder	Investment holding
2.	Careplus Group Berhad	Director and shareholder	Investment holding
3.	Grand-Flo Solution Berhad	Director and shareholder	Provision of IT solutions and investment holding
4.	PCCS Group Berhad	Director	Investment holding and provision of management services
5.	Simat Technologies Public Company Limited	Director	Mobile computing solution provider
6.	Supportive Resources Berhad	Director and shareholder	Not applicable *
7.	Techbond (Thailand) Limited	Director (Resigned)	Commercial trading
8.	Venus Victory Sdn Bhd	Director and shareholder	Investment holding
9.	William C. H. Tan & Associates	Sole proprietor	Chartered Accountant/ Audit firm
10.	William C.H. Tan & Associates Sdn Bhd	Director and shareholder	Consultancy services
11.	William C.H. Tan Consultancy Sdn Bhd	Director and shareholder	Tax advisory & consultancy services
12.	William C.H. Tan Properties Sdn Bhd	Director and shareholder	Property investment
13.	Orisoft Technology Sdn Bhd *(formerly known as @soft Technology Berhad)*	Director *(Resigned)*	Computer programming and software development
14.	Grand-Flo Spritvest Sdn Bhd *(formerly known as Spritvest Sdn Bhd)*	Director *(Resigned)*	Provision of IT solutions

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

No.	Company	Position	Principal Activities
15.	Data Centrix Sdn Bhd	Director *(Resigned)*	Provision of IT solutions

Note:-

* *Struck-off.*

(viii) Chong Lee Chang

No.	Company	Position	Principal Activities
1.	Agritrade Resources Limited, Hong Kong	Non-Executive Director and shareholder	Coal mining and trading in resources
2.	Alpine Niche Sdn Bhd	Director and shareholder	Investment holding & management company
3.	Alpine Ruby Sdn Bhd	Director and shareholder	Temporary ceased its business operation
4.	CVM Minerals Limited, Hong Kong	Non-Executive Director and shareholder	Mining and related activities
5.	BINGO Group Holdings Limited, Hong Kong	Non-Executive Director	Produces motion pictures. The company also develops television series, animations, games, music and food and beverages based on their movies
6.	Guangxi Xin Wei Hotel Management Co. Ltd, China	Managing Director	Property ownership and hotel management
7.	Konsep Pesona Sdn Bhd	Director and shareholder	Property investment holding company
8.	LC Chong & Co	Senior partner and shareholder	Legal firm
9.	Meridian Deluxe Sdn Bhd	Director and shareholder	Investment holding
10.	Professional Element Sdn Bhd	Director and shareholder	Property development
11.	Shieldman Ltd	Director and shareholder	Investment holding
12.	Top League Holdings Sdn Bhd	Director and shareholder	Investment holding
13.	Z.G. Nan Fang Holidays (M) Sdn Bhd	Director and shareholder	Travel and tour agency
14.	JWC Limited	Managing Director *(Resigned)*	Furniture chain retail store based in UK
15.	Midwest Corporation Limited	Executive Director *(Resigned)*	Mining, exploring and exporting iron ore in Australia

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5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.3 BOARD PRACTICES

5.3.1 Directors' Term of Office

Our Board is entrusted with the responsibility for the overall direction, strategy, performance and management of our Group. The number of years that our Directors have served in office and the date of expiration of their respective term of office are as follows:-

Name	Designation	Length of Service in Our Group (No. of Years)	Length of Service as Director of EITA as at LPD (No. of Years)	Date of Expiration of Current Term of Office
Dato' Siow Kim Lun @ Siow Kim Lin	Independent Non-Executive Chairman	< 1	< 1	At our 18th annual general meeting to be held in year 2014
Fu Wing Hoong	Group Managing Director	15	15	At our 17th annual general meeting to be held in year 2013
Lim Joo Swee	Executive Director	15	15	At our 18th annual general meeting to be held in year 2014
Chong Yoke Peng	Executive Director	15	11	At our 16th annual general meeting to be held in year 2012
Lee Peng Sian	Executive Director	*15	2	At our 16th annual general meeting to be held in year 2012
Chia Mak Hooi	Non-Independent Non-Executive Director	14	14	At our 18th annual general meeting to be held in year 2014
Chia Lik Khai	Non-Independent Non-Executive Director	2	2	At our 16th annual general meeting to be held in year 2012
Tan Chuan Hock	Independent Non-Executive Director	2	2	At our 17th annual general meeting to be held in year 2013
Chong Lee Chang	Independent Non-Executive Director	2	2	At our 17th annual general meeting to be held in year 2013

Note:-

* *Calculated based on his length of service in our Group since the acquisition of EITA Power System by EITA in 1996. However, he joined EITA Power System in 1994 and was responsible for the initial development of EITA Power System.*

In accordance with our Company's Articles of Association, one-third of our Board will retire by rotation at every annual general meeting of our Company. Additionally, persons appointed as additional Directors in the course of a financial year shall hold office only until the next annual general meeting but shall be eligible for re-election. Such Directors' retirement shall be additional to and not be taken into account in the determination of the usual one-third retirement of Directors by rotation.

5.3.2 Audit Committee

The Audit Committee of the Company consist of the following members who are appointed by the Board:-

Name	Designation	Directorship
Tan Chuan Hock	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Chong Lee Chang	Member	Independent Non-Executive Director

Our Audit Committee will assist our Board in discharging its oversight responsibilities. Our Audit Committee's objectives are, among others, providing an 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 and reinforce the independence of our Company's external auditors, thereby ensuring that the auditors have free reign in the audit process.

Our Audit Committee performs, among others, the following functions:-

(a) to review with the external and/or internal auditors their audit plans, reports and evaluation of the system of internal controls;

(b) to review the adequacy and effectiveness of internal control systems as well as the administrative, operating and accounting policies;

(c) to review the assistance given by the officers of our Group to the auditors;

(d) to review any related party transactions and conflict of interest situations that may arise within the Company or Group including any transactions, procedures or courses of conduct that raises questions of management integrity;

(e) to review the external auditor's management letter and management's response; and

(f) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.

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5.3.3 Remuneration Committee

The Remuneration Committee is principally responsible for assessing and reviewing the remuneration packages of the Executive Directors including their fees and subsequently furnishes their recommendations to the Board on specific adjustments in remuneration to commensurate with the respective contributions of the Executive Directors.

The Remuneration Committee comprises the following members:-

Name	Designation	Directorship
Tan Chuan Hock	Chairman	Independent Non-Executive Director
Chong Lee Chang	Member	Independent Non-Executive Director
Fu Wing Hoong	Member	Group Managing Director

Our remuneration committee performs, among others, the following functions:-

(a) to recommend to the Board the appropriate remuneration packages for the Executive Directors;

(b) to formulate policies, guidelines and set criteria for remuneration packages for the Executive Directors;

(c) to ensure that the Executive Directors are fairly and appropriately remunerated according to the general market sentiments or conditions;

(d) to ensure that all necessary actions are taken expediently by the Board to offer appropriate rewards, benefits, compensation and remuneration to ensure that the Company attracts and retains the individual Executive Directors needed to run the Company successfully; and

(e) to ensure that all remuneration packages and benefits given to the Executive Directors are in compliance with all laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time.

5.3.4 Nomination Committee

The Nomination Committee considers and recommends technically competent persons with integrity and a strong sense of professionalism to be appointed to the Board of our Company. The Nomination Committee comprises the following members:-

Name	Designation	Directorship
Chong Lee Chang	Chairman	Independent Non-Executive Director
Dato' Siow Kim Lun @ Siow Kim Lin	Member	Independent Non-Executive Chairman
Tan Chuan Hock	Member	Independent Non-Executive Director

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Our Nomination Committee performs, among others, the following functions:-

(a) to recommend to the Board the nominated Directors to fill the seats on the Board Committees;

(b) to appraise each individual Director, including Independent Non-Executive Directors as well as the Group Managing Director in terms of his experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of our Company;

(c) to examine the ability of each Director to contribute to the effective decision making process of the Board and ensure that the Board of our Company is functioning actively, efficiently and effectively in all its decision making; and

(d) to assess the effectiveness of the Board as a whole and the committees of the Board.

5.4 KEY MANAGEMENT

5.4.1 Particulars and Shareholdings of the Key Management

The details of the key management of our Group and their shareholdings in our Group before and after the IPO are as follows:-

		No. of Shares Held Before the IPO [1]				No. of Shares Held After the IPO [2]			
Name	Designation	Direct	%	Indirect	%	Direct	%	Indirect	%
Kow Poh Gek	Chief Financial Officer (EITA)	-	-	-	-	50,000	0.04	-	-
Lai Wai Keong	General Manager (EITA Technologies Malaysia)	-	-	-	-	50,000	0.04	-	-
Loh Kuwei Lam	General Manager (EITA-Schneider)	337,973	0.32	-	-	387,973	0.30	-	-
Tan Chee Huat	General Manager (Technical/ R&D, EITA Elevator)	-	-	-	-	50,000	0.04	-	-
Wee Fook Sang	General Manager (Production and Service, EITA-Schneider)	-	-	-	-	50,000	0.04	-	-
Wong Chin Tim	General Manager (EITA Electric)	1,276,550	1.19	-	-	1,326,550	1.02	-	-
Lim Yew Chai	Finance Manager (EITA)	-	-	-	-	50,000	0.04	-	-
Ng Kheok Wah	Factory Manager (Furutec Electrical)	-	-	-	-	50,000	0.04	-	-

Notes:-

(1) Based on the issued and paid-up share capital of 107,000,000 Shares after the Bonus Issue.

(2) Based on the enlarged paid-up share capital of 130,000,000 Shares and includes their respective entitlements for the Pink Form Shares.

5.4.2 Profiles of the Key Management

(i) **Kow Poh Gek**, aged 54, is the Chief Financial Officer of EITA. She graduated from Tunku Abdul Rahman College, Kuala Lumpur, with a Diploma in Commerce (Cost & Management Accounting) in 1982. She is a Fellow member of The Chartered Institute of Management Accountants and a member of the Malaysian Institute of Accountants.

She started her career in 1982 as a Financial Assistant with Aspatra Managements Sendirian Berhad. She left the company as the Manager, Corporate Planning in 1986 to be appointed as an Officer, Class I at Corporate Investments Department at United Malayan Banking Corporation Berhad. She was later promoted to Assistant Manager and headed the Budget Section of the bank.

She left the bank in 1990 and joined the Berjaya group of companies where she served as the Finance Manager of KDE Recreation Berhad from 1990 to 1992, Finance Manager of Berjaya Singer Berhad in 1993 and Operations Manager of Berjaya Cosway (Overseas) Sdn Bhd from 1994 to 1995. Her responsibilities in these companies included general accounting, credit control, tax, audit and cash management, conducting feasibility studies and due diligence exercises for expansion programmes of hotel and direct selling businesses, both domestically and overseas. She left Berjaya Cosway (Overseas) Sdn Bhd in 1995 and became a Remisier with TA Securities Sdn Bhd until 2001.

In 2001, she took up the position of Finance and Administration Manager at Kinetics PGS Sdn Bhd. She was responsible for the company's overall finance, accounts and administrative functions. She left the company in 2009 and subsequently joined EITA as the Finance cum Investor Relations Manager in 2010 to mainly oversee the investor relation activities and assist the Finance Department. Thereafter, she was promoted to Chief Financial Officer on 1 January 2012. She is currently responsible for the overall finance and accounts, and investor relations functions of the EITA Group.

(ii) **Lai Wai Keong**, aged 39, is the General Manager of EITA Technologies Malaysia. He graduated in 1996 with a Diploma in Mechanical Engineering from INTI College, Subang Jaya. He also obtained a Diploma in Computing and Information Technology from Asia Pacific Institute of Information Technology, Kuala Lumpur, in 1999.

He started his career in 1996 as a Sales Engineer with German Tooling Systems Sdn Bhd and in 2000, he joined Sinojaya Sdn Bhd as Marketing Manager. He left and joined EITA Power System in 2001 as Product Manager and in 2006, he was promoted to Regional Sales Manager. Later that same year, he was transferred to EITA Technologies Malaysia as Regional Sales Manager before being promoted to Senior Manager of the company in 2007. He was promoted to his current position as General Manager in 2008 where he is responsible for managing the overall operations of EITA Technologies Malaysia.

(iii) **Loh Kuwei Lam**, aged 53, is the General Manager of EITA-Schneider. He graduated in 1983 with a Diploma in Technology (Electronic Engineering) from Tunku Abdul Rahman College, Kuala Lumpur and completed the examinations of the Engineering Council, UK in 1995.

He started his career in 1983 as a Project Supervisor at Ryoden (M) Sdn Bhd. He left in 1985 to join Antah Schindler Sdn Bhd as Project Engineer and rose to Senior Manager before he joined EITA-Schneider in 2000 where he was appointed General Manager. He left EITA-Schneider in the same year to work on a freelance basis in the Elevator industry. In 2002, he joined EITA Elevator as Technical Director and in the same year, he was transferred to EITA-Schneider. He was subsequently promoted to General Manager in 2003 where his main responsibilities include financial performance monitoring, credit control and contract policy setting and control, as well as operational processes streamlining.

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.

(iv) **Tan Chee Huat**, aged 42, is the General Manager (Technical/ R&D) of EITA Elevator. He graduated from Universiti Malaya in 1995 with a Bachelor of Science Honours Degree in Physics.

He started his career in 1995 as an Electrical Engineer at Sony Video (M) Sdn Bhd. He left in 1997 and joined Mahkota Technologies Sdn Bhd as a Sales Engineer. He joined EITA Elevator in 2002 as Senior Engineer and was promoted to Technical Specialist (R&D) later that same year. In 2003, he was promoted to Manager (R&D) and in 2007, he was promoted to the position of Senior Manager of R&D of the company. He assumed his present position as General Manager (Technical/R&D) in 2008 where his main responsibilities include R&D and overseeing technical related matters.

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.

(v) **Wee Fook Sang**, aged 49, is the General Manager of Production and Service of EITA-Schneider. 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 Malaysian 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 and in 2005 was transferred and re-designated as Service & Maintenance 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, and development of productivity, safety, quality and cost improvement strategies.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

(vi) **Wong Chin Tim**, aged 44, is the General Manager 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 Sales Executive at LKH Advanced System Sdn Bhd before he was promoted to Product Manager in 1995. In 1996, he joined EITA and in 1999, he was promoted to Senior Manager of EITA Contrologic. In 2001, he was transferred to EITA Electric as Senior Manager and was subsequently promoted to Assistant General Manager in 2006. He was promoted to his current position as General Manager of EITA Electric in 2009 where his main responsibilities include overseeing sales and marketing activities of the company.

(vii) **Lim Yew Chai**, aged 42, is the Finance Manager of EITA. He graduated from Tunku Abdul Rahman College, Kuala Lumpur, with a Diploma in Management Accounting in 1994. He has been an associate member of the Chartered Institute of Management Accountants (UK) since 2000 and a member of the Malaysian Institute of Accountants since 2001.

He started his career in 1994 as an Audit Assistant with Kingsway Management Services Co. He left in the same year to take up the position of Accounts Executive at TA Manufacturing Sdn Bhd, a company involved in the manufacturing of window frames. In 1996, he joined MEC Manufacturing Sdn Bhd as an Accounts Executive and in 1998, he left and joined Marley Water-Line Sdn Bhd, a company involved in the manufacturing of cooling towers, as an Assistant Accountant. In 2004, he joined Indahgrains Logistics Sdn Bhd, a company involved in the warehousing of livestock feeding products as an Accountant before moving to Sumatec Resources Berhad, a company mainly involved in engineering and construction of industrial plant in oil and gas industry in 2006 to take up the position as a Group Accountant. He joined EITA as Finance Manager in 2007. He is currently responsible for our Group's overall accounting, audit, tax and finance functions.

(viii) **Ng Kheok Wah**, aged 37, is the Factory Manager of Furutec Electrical. He graduated in 1996 from the Ming Hsin Institute of 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 Production Engineer in 2000. He was promoted to Assistant Production Manager and Production Manager in 2001 and 2007 respectively. Subsequently, he was promoted to Factory Manager in 2009 where his main responsibilities include manpower planning and monitoring, manufacturing process and quality assurance.

He is currently a shareholder and a Non-Executive Director of 3A Birdnest (M) Sdn Bhd involved in processing, treating, manufacturing, canning, packing and trading of edible birds' nest.

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5.5 INVOLVEMENT OF EXECUTIVE DIRECTORS AND KEY MANAGEMENT IN OTHER BUSINESSES/ CORPORATIONS

As at the LPD, save as disclosed below and Section 5.2.4 of this Prospectus, none of our Executive Directors and key management is involved in the operations of other businesses or corporations.

(a) Fu Wing Hoong

	Name of Company/ Business	Position (Director/ Shareholder)	Principal Activities of Company/ Nature of Business
1.	Litepac Pte Ltd	Director	Dormant
2.	Sudut Kreatif	Director and shareholder	Investment holding
3.	Optegra Sdn Bhd	Director *(resigned)* and shareholder	Information technology

Fu Wing Hoong's involvement in the above businesses and corporations do not require much of his time as the abovementioned companies are either dormant or investment holding companies. As such, he allocates a substantial portion of his time to the affairs of our Group.

(b) Lim Joo Swee

	Name of Company/ Business	Position (Director/ Shareholder)	Principal Activities of Company/ Nature of Business
1.	Jasa Simbolik	Director and shareholder	Investment holding

Lim Joo Swee's involvement in the above company do not require much of his time as the abovementioned company is an investment holding company. As such, he allocates a substantial portion of his time to the affairs of our Group.

(c) Ng Kheok Wah

	Name of Company/ Business	Position (Director/ Shareholder)	Principal Activities of Company/ Nature of Business
1.	3A Birdnest (M) Sdn Bhd	Director and shareholder	Processing, treating, manufacturing, canning, packing and trading of edible birds' nest

Ng Kheok Wah is an investor in the above company and is not involved in the daily operations of the business. As such, he allocates his time fully as the Factory Manager of Furutec Electrical.

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5.6 DECLARATION OF PROMOTERS, DIRECTORS AND KEY MANAGEMENT

None of our Promoters, Directors and key management is or has been involved in any of the following events:-

(a) A petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel; or

(b) Disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation; or

(c) Charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or

(d) Any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or

(e) The subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

5.7 RELATIONSHIPS OR ASSOCIATIONS

Save as disclosed below, there are no family relationships (as defined in Section 122A of the Act) or association between substantial shareholders, Promoters, Directors and key management.

(a) Fu Wing Hoong is the husband of Lee Pek See;

(b) Lim Joo Swee is the husband of Goh Kin Bee;

(c) Chia Seong Pow and Chia Seong Fatt are brothers.

Both Chia Seong Pow and Chia Seong Fatt have beneficial interest in Farsathy Holdings Sdn Bhd by virtue of a trust arrangement with Equity Trust (Malaysia) Berhad. Equity Trust (Malaysia) Berhad is a trust company registered under the Trust Companies Act, 1949 and holds the entire shareholdings in Farsathy Holdings Sdn Bhd on trust for the beneficiaries of a family trust. Although Equity Trust (Malaysia) Berhad has an interest in the voting rights of Farsathy Holdings Sdn Bhd, it does not have an economic or beneficial interest in the said voting rights, as such interest is held solely for the benefits of the beneficiaries under the family trust;

(d) Chia Song Kun is the father of Chia Lik Khai and is the brother-in-law of Chia Seong Pow and Chia Seong Fatt. He is also a substantial shareholder of CBG Holdings Sdn Bhd, an indirect substantial shareholder of EITA;

(e) Sudut Kreatif is wholly owned by Fu Wing Hoong and Lee Pek See; and

(f) Jasa Simbolik is wholly owned by Lim Joo Swee and Goh Kin Bee.

5.8 EXISTING OR PROPOSED SERVICE AGREEMENTS

There are no existing or proposed service agreements between the Directors and key management personnel of our Group with our Company and/or our subsidiaries.

5.9 EMPLOYEES

The breakdown of our Group's employees is as follows:-

Category of Employees	Number of Employees As at 31.12.2008	As at 31.12.2009	As at 31.12.2010	As at 30.09.2011	As at the LPD
Directors of EITA and subsidiaries	4	5	5	5	5
Finance and Administration	19	25	28	29	30
Sales and Marketing	52	56	55	64	63
R&D	-	2	3	6	8
Project (includes design, installation and repair and maintenance)	89	98	111	121	118
Production and warehousing	78	95	136	126	120
Others (include general workers, drivers and despatch staff)	8	8	9	11	11
TOTAL	**250**	**289**	**347**	**362**	**355**

Our Group employees by geographical location as at 31 December 2008, 31 December 2009 31 December 2010, 30 September 2011 and the LPD are as follows:-

Country	Number of Employees As at 31.12.2008	As at 31.12.2009	As at 31.12.2010	As at 30.09.2011	As at the LPD
Malaysia	243	278	337	353	346
Singapore	7	7	7	7	7
Vietnam	-	4	3	2	2
TOTAL	**250**	**289**	**347**	**362**	**355**

The increase in total number of employees of our Group from FYE 2008 to FYE 2010 was mainly contributed by the increase in the number of employees in the finance and administration, project (includes design, installation and repair and maintenance) and production and warehousing categories. The increase in total number of employees of our Group from FYE 2010 to FPE 2011 was mainly contributed by the increase in the number of employees in the sales and marketing, and project (includes design, installation and repair and maintenance) categories. The decrease in total number of employees of our Group from FPE 2011 to the LPD was mainly contributed by the decrease in the number of employees in the production and warehousing category.

The increase in the number of employees in the finance and administration category was mainly to support the administration and finance functions of our Group in tandem with the business growth of our Group.

The increase in the sales force from FYE 2010 to FPE 2011 is mainly due to the expansion in Kuala Lumpur Office, Penang and East Malaysia.

The increase in the number of employees in project (includes design, installation and repair and maintenance) category from FYE 2008 to FYE 2010 and FPE 2011 was mainly due to the increase in the number of technicians in tandem with the increase in our provision of services relating to maintenance of Elevator systems whereas the reduction in the number of employees from FPE 2011 to LPD was mainly due to the reduction in Furutec Electrical's activity.

5. INFORMATION ON PROMOTERS/ SUBSTANTIAL SHAREHOLDERS/ DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

The increase in the number of employees in production and warehousing category from FYE 2008 to FYE 2010 was mainly contributed by the expansion in the production capacity of Furutec Electrical whereas the decrease in the number of employees in the production and warehousing from FYE 2010 to FPE 2011 and subsequently as at the LPD is mainly due to the reduction in Furutec Electrical's activity.

As at the LPD, our Group has a total of forty four (44) foreign workers comprising Nepalese, Singaporean, Vietnamese, Thai and Myanmar. Our Group has a total of forty three (43) contractual workers comprising thirty eight (38) foreign workers and five (5) Malaysian.

None of our employees belong to any labour union. The relationship and cooperation between our management and our employees have always been good and this is expected to continue. As at the LPD, there has been no major industrial dispute pertaining to our employees.

Training and Development

We regard our employees as invaluable and key components to our continued growth and view sound human resource management as one of our critical success factors. Therefore, it is important for them to be skilled in their jobs and constantly kept up to date with changes in good business practices, relevant methodologies in the building and infrastructure construction industry and important developments in building and infrastructure construction technology.

We believe in motivating our employees by providing opportunities for progressive career growth and as such, provide these training opportunities for employees to enhance their work performance in order to assume wider job responsibilities. As training and development is a continuing process, staff training is conducted in accordance with the varying requirements of each department through both in-house and external training programmes. We encourage our employees to continually increase their skills and knowledge through courses covering areas such as work related technical training, design, health and safety training, finance and accounting, and marketing.

Management Succession Plans

We seek to ensure continuity in our management team in order to ensure continuity and maintain our competitiveness. It is our policy to groom outstanding low-level employees for more job responsibilities and supervisory roles, and groom exceptional middle-management staff to gradually assume the responsibilities of senior management. As such, there is no over reliance on the Executive Directors to be involved in all the details and aspects of the operational and functional areas, which allows them to focus on strategic matters and on further developing the business for growth and success.

In addition, our middle management are constantly exposed to various aspects of our business activities in order to ensure that they have a full understanding of the responsibilities and the decision making process and are equipped with the knowledge necessary for them to succeed to senior management positions.

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6. APPROVALS AND CONDITIONS

6.1 APPROVALS AND CONDITIONS

(a) SC's Approval

(i) The SC had approved our Listing Scheme, under Section 212(5) of the CMSA and the equity requirement for public companies via its letter dated 26 August 2011. The conditions imposed by the SC and the status of compliance are as follows:-

	Conditions Imposed by SC	Status of Compliance
(1)	AmInvestment Bank/ EITA to ensure the appointment of a full-time principal financial officer before the submission of the listing prospectus for registration;	Complied. Please refer to Section 5.4.2(i) of this Prospectus.
(2)	In the event that EITA/ MITI is unable to allocate the 13,000,000 Shares reserved for Bumiputera investors approved by MITI under Section 2.3.2(b) of this Prospectus, the unsubscribed Shares must be offered to the Bumiputera public investors via balloting;	Noted and to be complied.
(3)	AmInvestment Bank/ EITA must comply with the following conditions in relation to Lot 21354A, Off Jalan Welfare, Kampung Baru Sungai Buloh, 47000 Sungai Buloh, Selangor as follows:-	
	(a) EITA is to rectify all unapproved structures within 12 months from the date of the SC's approval letter;	Noted and to be complied on or before 25 August 2012.
	(b) EITA/ AmInvestment Bank are to make half-yearly announcements to Bursa Securities on the remedial actions taken to comply with the above condition; and	Noted and to be complied.
	(c) EITA/ AmInvestment Bank are to update the SC on the status of application when such announcements are made to Bursa Securities; and	Noted and to be complied.
(4)	AmInvestment Bank/ EITA must fully comply with the relevant requirements pertaining to the implementation of the listing proposal as stipulated under the SC Guidelines and SC's Prospectus Guidelines - Equity and Debt.	To be complied.

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6. APPROVALS AND CONDITIONS *(Cont'd)*

(ii) The SC has, via its letter dated 26 August 2011 noted that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings of EITA would change arising from the implementation of the proposal, as follows:-

Category of Shareholders	Before IPO *No. of Shares*	Before IPO %	After IPO *No. of Shares*	After IPO %
Bumiputera				
- to be nominated and approved by MITI	-	-	13,000,000	10.00
- via public balloting	-	-	3,250,000	2.50
Total Bumiputera	**-**	**-**	**16,250,000**	**12.50**
Non- Bumiputera	25,395,858	100.00	113,750,000	87.50
Foreign	-	-	-	-
Total	**25,395,858**	**100.00**	**130,000,000**	**100.00**

AmInvestment Bank/ EITA must inform the SC on the status of compliance with the equity requirement upon completion of the listing proposal.

(iii) The SC has via its letter dated 27 February 2011 approved the application for extension of time of six (6) months up to 25 August 2012 for our Company to complete the full implementation of the Listing. There were no changes made to the conditions imposed by the SC in the abovementioned letter.

(b) MITI

The MITI has, via its letter dated 29 September 2011, taken note and has no objection to the listing of our Company on the Main Market of Bursa Securities. There were no conditions imposed by MITI.

(c) SAC

Our Company has voluntarily submitted an application to the SAC for a Shariah compliance review to be carried out. The SAC, has via its letter dated 24 October 2011, classified our Shares as Shariah-compliant based on our audited financial statements for the FYE 2010.

(d) Bursa Securities

Bursa Securities had via its letter dated 15 December 2011, approved in-principle the listing and quotation of the entire enlarged issued and paid-up share capital of EITA of RM65,000,000 comprising 130,000,000 Shares on the "Trading/Services" sector of the Main Market of Bursa Securities.

The conditions imposed by Bursa Securities and the status of the compliance with the conditions are as follows:-

	Conditions Imposed by Bursa Securities	Status of Compliance
(i)	Furnish the Exchange with a copy of the outstanding approval letter(s) from the relevant authorities, including the approval letter from the SC for the extension of time to implement the Listing;	Complied/ To be complied (if any).
(ii)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Main Market Listing Requirements; and	To be complied.
(iii)	Furnish the Exchange a copy of the schedule of distribution showing compliance to the share spread requirements based on the entire enlarged issued and paid-up share capital of EITA on the first day of listing.	To be complied.

6.2 MORATORIUM ON SHARES

In accordance with Paragraph 5.29 of the SC Guidelines, our Promoters will not be allowed to sell, transfer or assign their entire shareholdings in our Company for six (6) months from the date of our admission to the Official List of the Main Market of Bursa Securities ("**Moratorium Period**") as set out below:-

Name	No. of Shares Held Upon Admission			
	Direct	%	Indirect	%
Ruby Technique	30,873,259	23.75	-	-
Sudut Kreatif	21,501,533	16.54	-	-
Jasa Simbolik	11,893,574	9.15	-	-
Fu Wing Hoong	1,081,641	0.83	(1) 24,862,496	19.12
Lim Joo Swee	1,535,241	1.18	(2) 18,511,853	14.24
Lee Peng Sian	6,093,008	4.69	-	-
Chia Mak Hooi	200,000	0.15	-	-
Total	73,178,256	56.29		

Notes:-

(1) Deemed interested by virtue of the shareholding of his spouse, Lee Pek See and his and his spouse's shareholdings in Sudut Kreatif pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of the shareholding of his spouse, Goh Kin Bee and his and his spouse's shareholdings in Jasa Simbolik pursuant to Section 6A of the Act.

Ruby Technique, Sudut Kreatif, Jasa Simbolik, Fu Wing Hoong, Lim Joo Swee, Lee Peng Sian and Chia Mak Hooi have provided written undertaking that they will not sell, transfer or assign their shareholdings under moratorium during the Moratorium Period.

The moratorium shall also apply to the shareholders and/or beneficial shareholders of:-

(a) Ruby Technique, namely CBG Holdings Sdn Bhd and Farsathy Holdings Sdn Bhd, who have provided written undertakings that they shall not sell, transfer or assign their shareholdings in EITA during the Moratorium Period;

(b) CBG Holdings Sdn Bhd, namely Chia Song Kun, Chia Song Kang, Chia Song Pou, Chia Song Swa, Chia Cheong Soong, Chia Song Kooi, Chia Song Phuan, Cheah Yaw Song, Chia Teow Guan, Chia Bak Lang and Chia Mak Hooi, who have provided written undertakings that they shall not sell, transfer or assign their shareholdings in CBG Holdings Sdn Bhd during the Moratorium Period;

(c) Farsathy Holdings Sdn Bhd, namely Chia Seong Pow, Chia Seong Fatt, Chia Chong Lang, Sim Ahi Yok, Chia Chw Pew, Koh Kwee Choo, Chia Suan Hooi, Chia Chew Seng, Chia Chiew Yang and Chia Chew Ngee, who have provided written undertakings that they shall not sell, transfer or assign their shareholdings in Farsathy Holdings Sdn Bhd during the Moratorium Period;

(d) Sudut Kreatif, namely Fu Wing Hoong and Lee Pek See who have provided written undertakings that they shall not sell, transfer or assign their shareholdings in Sudut Kreatif during the Moratorium Period; and

6. APPROVALS AND CONDITIONS *(Cont'd)*

(e) Jasa Simbolik, namely Lim Joo Swee and Goh Kin Bee who have provided written undertakings that they shall not sell, transfer or assign their shareholdings in Jasa Simbolik during the Moratorium Period.

The moratorium is specifically endorsed on the share certificates representing the shareholdings of our Promoters and shareholders to ensure that our registrars do not register any transfer not in compliance with the moratorium restrictions.

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7. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

7.1 EXISTING AND PROPOSED RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

7.1.1 Recurrent Related Party Transactions

Save as disclosed below, our Group does not have any other existing and/or proposed material related party transactions or other subsisting contracts or arrangement entered into by our Group which involved the interest, direct or indirect, of the Directors, substantial shareholders of our Company and/or key management and/or persons connected to them as defined under the Listing Requirements of Bursa Securities for the past three (3) FYE 2008 to FYE 2010 and FPE 2011 including the estimate and forecast for the FYE 2011 and FYE 2012 respectively as follows:-

Transacting Parties	Interested Related Parties	Nature of Transactions	Transaction Value (RM'000)					
			Actual				Estimate	Forecast
			FYE 2008	FYE 2009	FYE 2010	FPE 2011	FYE 2011*	FYE 2012*
Tenaga Semesta (M) Sdn Bhd	Fu Wing Hoong, our Promoter, Group Managing Director and substantial shareholder is the brother of Fu Weng Hooi, a Director and substantial shareholder of Tenaga Semesta (M) Sdn Bhd	Amount paid to Tenaga Semesta (M) Sdn Bhd for the supply, installation, testing and commissioning of electrical work	(699)	(3,464)	(1,432)	(87)	(292)	(300)
		Amount paid to Tenaga Semesta (M) Sdn Bhd for mechanical and engineering works	(364)	(7)	(15)	(6)	(96)	(150)
		Income received from Tenaga Semesta (M) Sdn Bhd for sales of our network and security equipment	74	706	30	253	256	300
Platinum Victory Sdn Bhd	Lee Peng Sian, our Promoter, Executive Director and substantial shareholder is the brother-in-law of Gan Yu Chai, a Director and substantial shareholder of Platinum Victory Sdn Bhd	Income received from Platinum Victory Sdn Bhd for the supply, installation, testing, commissioning of electrical work and equipment, maintenance of Elevator and sales of Power Equipments	4	14	361	98	98	120
Platinum Victory Development Sdn Bhd	Lee Peng Sian, our Promoter, Executive Director and substantial shareholder is the brother-in-law of Gan Yu Chai, a Director and substantial shareholder of Platinum Victory Development Sdn Bhd	Income received from Platinum Victory Development Sdn Bhd for the supply, installation, testing, commissioning of electrical work and equipment and sales of Power Equipments	232	7	313	36	336	1,120
CTL Automation Sdn Bhd	Lim Joo Swee, our Promoter, Executive Director and substantial shareholder is the brother and brother-in-law of Lim Joo Peng and Mong Hooi Woon respectively. Lim Joo Peng and Mong Hooi Woon are the Directors and substantial shareholders of CTL Automation Sdn Bhd	Amount paid to CTL Automation Sdn Bhd for the repairs and purchase of Elevator parts	(73)	(290)	(487)	(273)	(332)	(550)

Note:-

* *The transaction value for FYE 2011 and FYE 2012 are estimated value hence the actual transaction value may differ from the estimated value disclosed.*

The Directors of our Company are of the opinion that all business transactions between our Group and the Directors and substantial shareholders of our Company and/or persons connected to them are on arm's length basis and on terms not more favourable to the related parties than those generally available to the public. The Audit Committee will supervise the terms of related party transactions and the Directors of our Company will report related party transactions, if any, annually in our Company's annual report.

Save as disclosed above and in Section 7.4 of this Prospectus, our Directors and substantial shareholders have no direct and indirect interests in:-

(a) other businesses and corporations carrying on a similar trade as our Group; and

(b) other businesses and corporations which are the customers or suppliers of our Group.

7.1.2 Non-Recurrent Related Party Transactions

Save as disclosed below, our Group does not have any other existing and/or proposed non-recurrent related party transactions or other subsisting contracts or arrangement entered into by our Group which involved in the interest, direct or indirect, of our Directors and substantial shareholders and/or key management and/or persons connected to them as defined under Section 122A of the Act for the past three (3) FYE 2008 to FYE 2010 and FPE 2011:-

(a) Tan Chuan Hock is a Chartered Accountant of William C. H. Tan & Associates and the auditor for Furutec Electrical for the FYE 2008. Nevertheless William C. H. Tan & Associates has ceased to be the Auditor of Furutec Electrical with effect from 11 November 2009. He was subsequently appointed as the Independent Non-Executive Director of EITA on 15 January 2010.

    The Auditors' remuneration paid in FYE 2008 by Furutec Electrical was RM7,000 as per the disclosure in the audited financial statements of Furutec Electrical for FYE 2008.

(b) By way of a sale and purchase agreement dated 14 December 2009, EITA Elevator disposed of a property held under H.S. (D) 80143, PT 6580, Mukim Ampang, District of Ulu Langat, Selangor measuring approximately 130 square metres for a disposal price of RM426,000 to Lim Joo Swee. Lim Joo Swee is a Promoter, Director and substantial shareholder of EITA. The said property had been acquired by EITA Elevator by way of a contra of debt owed to EITA Elevator.

    The disposal consideration of RM426,000 is comparable to the price of two (2) other properties valued at RM430,000 and RM450,000 in the same vicinity advertised for sales in the public domain in 2009 based on the searches conducted in April 2011. In addition, the Directors of our Company take into account that the title of the property is being held by the bank in view of some ongoing disputes between the bank and the party with outstanding debt owing to EITA Elevator.

Our Directors are of the view that the abovementioned non-recurrent related party transactions were conducted on arm's length basis and on terms not more favourable to the related parties than those generally available to the public. Our Audit Committee will supervise the terms of both recurrent and non-recurrent related party transactions, and our Directors will report such transactions, if any, annually in our Company's annual report.

7.1.3 Recurrent Related Party Transactions of A Revenue or Trading Nature

Pursuant to Paragraph 10.09 of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations of a listed issuer or its subsidiaries, subject to, *inter-alia*, the following:-

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;

(b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements; and

(c) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Our Group would in the ordinary course of our business enter into transactions, including but not limited to the transactions described in related party transactions set out in Section 7.1.1 of this Prospectus, with persons which are considered "related party" as defined in Chapter 10 of the Listing Requirements. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

Due to the time-sensitive nature of commercial transactions, the shareholders' mandate will enable us, in our normal course of business, to enter into the categories of related party transactions, provided such transactions involving the interested person are made at arm's length and on normal commercial terms.

Transactions that do not fall within the ambit of the shareholders' mandate shall be subject to the relevant provisions of the Listing Requirements.

Upon Listing, our Audit Committee will supervise the terms of related party transactions and our Directors will report related party transactions, if any, annually in our Company's annual report. In the event there are any proposed related party transactions that involve the interest, direct or indirect, of our Directors, the interested Director(s) shall disclose his interest to our Board, of the details of the nature and extent of his interest, including all matters in relation to the proposed related-party transactions that he is aware or should reasonably be aware of, which is not in our best interests. The interested Director(s) shall also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related-party transactions.

In the event there are any proposed related party transactions that require the prior approval of shareholders, the Directors, major shareholders and/or persons connected with a Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

7.2 TRANSACTIONS UNUSUAL IN THEIR NATURE OR CONDITIONS

Save as disclosed in Section 7.1 of this Prospectus, our Directors have confirmed that there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we or any of our subsidiaries was a party in respect of the past three (3) FYE 2008 to FYE 2010 and FPE 2011 and the subsequent financial period up to the LPD.

7.3 OUTSTANDING LOANS MADE BY CORPORATION OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES

The Directors of our Company have confirmed that there are no outstanding loans (including guarantees of any kind) made by us or any of our subsidiaries to or for the benefit of our related parties in respect of the past three (3) FYE 2008 to FYE 2010 and FPE 2011 and the subsequent financial period up to the LPD.

7.4 INTEREST IN SIMILAR BUSINESS

As at the LPD, none of the Directors and/or substantial shareholders of our Company are interested, directly or indirectly in any business carrying on a similar or competing trade as our Group.

7.5 CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS OR SUBSTANTIAL SHAREHOLDERS ARE INTERESTED AND WHICH IS SIGNIFICANT IN RELATION TO THE BUSINESS OF OUR GROUP

Save as disclosed in Section 7.1 of this Prospectus, none of our Directors and/or substantial shareholders of our Company have interest in any contracts or arrangements, which is significant in relation to the business of our Group.

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7.6 DECLARATION BY ADVISERS

AmInvestment Bank hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Adviser, Sole Underwriter and Sole Placement Agent for the IPO.

As at LPD, AmBank (M) Berhad and AmIslamic Bank Berhad, both of which is a wholly-owned subsidiary of AMMB Holdings Berhad, had provided EITA and EITA-Schneider credit facilities with a combined limit of up to approximately RM7.00 million (of which RM3.80 million are outstanding) ("**AmBank Credit Facilities**").

Save as disclosed above, AmInvestment Bank wishes to advise that it does not, as at LPD, have any equity or other financial interest in the EITA Group.

AmInvestment Bank confirms that there is no existing/ potential conflict of interest in respect of its capacity as Principal Adviser, Sole Underwriter and Sole Placement Agent to the EITA Group for its Listing on the basis that:-

(a) AmInvestment Bank is a licensed investment bank and its appointment as Principal Adviser, Sole Underwriter and Sole Placement Agent for the Listing is in the ordinary course of its business;

(b) AmBank (M) Berhad and AmIslamic Bank Berhad are licensed commercial banks and the granting of the AmBank Credit Facilities are in the ordinary course of their business;

(c) The conduct of AmInvestment Bank, AmBank (M) Berhad and AmIslamic Bank Berhad is regulated by Banking and Financial Institutions Act, 1989 and by their respective own internal controls and checks;

(d) None of the proceeds from the Listing will be utilised to repay the AmBank Credit Facilities; and

(e) The credit facilities granted by AmBank (M) Berhad and AmIslamic Bank Berhad are relatively small compared to the entire loan portfolio of AmBank (M) Berhad and AmIslamic Bank Berhad respectively.

Messrs Enolil Loo Advocates and Solicitors hereby confirms that there are no existing or potential conflicts of interest in their capacity as Solicitors for the IPO.

Messrs KPMG hereby confirms that there are no existing or potential conflicts of interest in their capacity as the Auditors and Reporting Accountants for the IPO.

Vital Factor Consulting Sdn Bhd hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Independent Business and Market Research Consultants for the IPO.

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8.1 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

(Prepared for inclusion in the Prospectus)

KPMG

KPMG (Firm No. AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Internet www.kpmg.com.my

The Board of Directors
EITA Resources Berhad
Third Floor, No. 79 (Room A)
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia

12 March 2012

Dear Sirs

EITA Resources Berhad
("EITA" or "the Company")
Reporting accountants' letter on the proforma consolidated financial information

We report on the proforma consolidated financial information of EITA and its subsidiaries ("EITA Group"), which we have stamped for the purpose of identification; in connection with the admission of EITA to the Official List and the listing of and quotation for the entire issued and paid up share capital of EITA on the Main Market of Bursa Malaysia Securities Berhad and should not be relied on for any other purposes.

The proforma consolidated financial information have been prepared for illustrative purposes only on the basis of assumptions as set out in the attachment and after making certain adjustments to show what:

(a) the financial results of EITA Group for the three (3) financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and nine month period ended 30 September 2011 would have been, if the EITA Group structure as at the date of this Prospectus had been in place since the beginning of the years/period being reported thereon;

(b) the financial position of EITA Group as at 30 September 2011 would have been, if the EITA Group structure as at the date of this Prospectus had been in place on that date, adjusted for the effects of the Initial Public Offering, utilisation of the listing proceeds and internally generated funds; and

(c) the cash flows of EITA Group for the nine month period ended 30 September 2011 would have been if the EITA Group structure as of the date of this Prospectus had been in existence throughout the financial years/period under review, adjusted for the Initial Public Offering, utilisation of listing proceeds and internally generated funds.

KPMG

EITA Resources Berhad
Reporting accountants' letter on the proforma consolidated financial information

Responsibilities

It is solely the responsibility of the Board of Directors of EITA Group to prepare the proforma consolidated financial information in accordance with the requirements of the Securities Commission's Prospectus Guidelines – Equity and Debt ("Guidelines"). Our responsibility is to form an opinion as required by the Guidelines on the proforma consolidated financial information and to report our opinion to you based on our work.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the proforma information beyond that is owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of our opininn

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the proforma financial information to the audited financial statements of EITA Group for the financial years ended 31 December 2008 to 31 December 2010, and nine month period ended 30 September 2011 and considering the evidence supporting the adjustments and discussing the proforma consolidated financial information with the Directors of EITA.

Our work does not constitute an audit or review being performed in accordance with applicable Approved Standards on Auditing in Malaysia and accordingly should not be relied upon as if it has been carried out in accordance with those standards.

The proforma consolidated financial information, because of its nature, may not be a true picture of EITA Group's actual financial results, financial position and cash flows had the transactions occurred in those aforementioned financial years/period under review.

In our opinion:

i) the proforma consolidated financial information have been properly prepared from the audited financial statements for the years ended 31 December 2008 to 2010 and nine month period ended 30 September 2011 of EITA Group in accordance with Financial Reporting Standards in Malaysia;

ii) such basis is consistent with the accounting policies adopted by EITA Group;

iii) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing the proforma consolidated financial information; and

iv) the proforma consolidated financial information have been properly prepared on the basis of the assumptions stated in the attachment.

Yours faithfully

KPMG
Firm Number: AF 0758
Chartered Accountants

Peter Ho Kok Wai
Approval Number: 1745/12/13(J)
Chartered Accountant

EITA RESOURCES BERHAD ("EITA" OR "THE COMPANY") AND ITS SUBSIDIARIES ("EITA GROUP")

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION

1. Basis of preparation of proforma consolidated financial information

1.1 The proforma consolidated financial information have been prepared to illustrate what:

1.1.1 The financial results of EITA Group for the three (3) financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and nine month period ended 30 September 2011 would have been, if the EITA Group structure as at the date of the Prospectus had been in existence througbout the financial years/period under review;

1.1.2 The financial position of EITA Group as at 30 September 2011 would have been, if the EITA Group structure as at the date of the Prospectus had been in place on that date, adjusted for the following effect:

Proforma I – Initial Public Offering ("IPO")

Proforma I incorporates:

(i) Public issue of 23,000,000 new EITA Shares ("Public Issue Shares") at an issue price of RM0.76 per ordinary share. The Public Issue is to be allocated and allotted in the following manner:-

(a) **Malaysian Public Via Balloting**

6,500,000 Public Issue Shares, representing 5.00% of the enlarged issued and paid-up share capital of EITA, to be allocated via balloting will be made available for application by the Malaysian public whereby 50.00% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

(b) **Eligible Directors, Employees and Business Associates of EITA Group**

3,500,000 Public Issue Shares representing approximately 2.69% of the enlarged issued and paid-up share capital of EITA will be made available for application by the eligible Directors, employees and business associates of EITA Group.

(c) **Private Placement**

13,000,000 Public Issue Shares representing approximately 10.00% of EITA's enlarged issued and paid-up share capital, by way of private placement to selected investors.

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1. **Basis of preparation of proforma consolidated financial information (cont'd)**

Proforma I – Initial Public Offering ("IPO") (cont'd)

(ii) Offer for sale of 17,000,000 EITA Shares ("Offer Shares") at the offer price of RM0.76 per ordinary share, representing approximately 13.08% of the enlarged issued and paid-up share capital of EITA, payable in full upon application, by way of private placement to selected investors.

(a) **Private Placement**

4,000,000 Offer Shares, representing 3.08% of the enlarged issued and paid-up share capital, by way of private placement to selected investors.

(b) **Bumiputera Investors**

13,000,000 Offer Shares representing approximately 10.00% of EITA's enlarged issued and paid-up share capital, by way of private placement to Bumiputera Investors approved by the Ministry of International Trade and Industry.

The IPO proceeds will be utilised as follow:

	Description	Amount RM'000
(a)	Expansion and improvements of manufacturing and business facilities #	8,851
(b)	Expansion in R&D facilities*	3,750
(c)	Working capital	2,079
(d)	Estimated listing expenses	2,800
	Total Public Issue Proceeds	17,480

The expansion and improvements of manufacturing and business facilities includes a purchase of land of RM5,685,000 of which RM3,411,000 is financed by the IPO proceeds whilst RM2,274,000 is financed by internally generated funds.

* Inclusive of the cost of constructing an elevator testing tower amounting to RM2,300,000.

The Proforma I also accounts for the effect of the utilisation of IPO proceeds and internally generated funds.

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1. Basis of preparation of proforma consolidated financial information (cont'd)

1.1.3 The cash flows of EITA Group for the financial period ended 30 September 2011 would have been, if the EITA Group structure as at the date of the Prospectus had been in existence throughout the financial period ended 30 September 2011, adjusted for the effects of the Public Issue, utilisation of the gross proceeds from the Public Issue and utilisation of internally generated funds to part-finance the purchase of property as described in 1.1.2 above.

1.2 The proforma consolidated financial information have been prepared using the bases and accounting principles consistent with those adopted in the latest audited financial statements after giving effect to the proforma adjustments which are considered as appropriate.

1.3 The proforma consolidated financial information have been prepared for illustrative purposes only and because of its nature, may not give a true picture of the actual financial results, financial position and cash flows of EITA Group.

8. FINANCIAL INFORMATION *(Cont'd)*

2. Summarised proforma consolidated statement of comprehensive income of the Group

2.1 The proforma consolidated statement of comprehensive income for the past three (3) financial years ended 31 December 2008, 31 December 2009, 31 December 2010, and nine (9) month period ended 30 September 2011 which have been prepared for illustrative purposes to show the results of the Group, are based on accounting policies consistent with those adopted in the preparation of the latest audited financial statements of EITA Group and are prepared on the assumption that the current structure of the Group existed throughout the financial years/period under review.

	<---- Financial years ended 31 December	---->		Financial period ended 30 September 2011
	2008 RM'000	2009 RM'000	2010 RM'000	RM'000
Revenue	131,757	136,361	163,719	114,070
Contract costs recognised as expense	(7,586)	(12,041)	(8,515)	(4,857)
Cost of sales	(93,701)	(88,968)	(109,964)	(75,492)
Gross profit	30,470	35,352	45,240	33,721
Distribution costs	(2,751)	(3,067)	(4,054)	(2,774)
Administrative expenses	(15,590)	(16,510)	(19,859)	(16,229)
Other operating expenses	(342)	(2,052)	(2,631)	(2,151)
Other operating income	2,426	1,527	2,327	1,494
Results from operating activities	14,213	15,250	21,023	14,061
Finance costs	(1,189)	(738)	(807)	(595)
Finance income	87	147	113	58
Profit before tax	13,111	14,659	20,329	13,524
Tax expense	(2,353)	(3,187)	(4,710)	(3,219)
Net profit for the year/period	10,758	11,472	15,619	10,305

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8. FINANCIAL INFORMATION *(Cont'd)*

2. Summarised proforma consolidated statement of comprehensive income of the Group (cont'd)

	← Financial years ended 31 December		→	Financial period ended 30 September 2011
	2008 RM'000	2009 RM'000	2010 RM'000	RM'000
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	56	20	(37)	64
Total other comprehensive income for the year/period	56	20	(37)	64
Total comprehensive income for the year/period	10,814	11,492	15,582	10,369
Profit attributable to:				
Owners of the Company	10,768	11,429	15,576	10,167
Non-controlling interests	(10)	43	43	138
	10,758	11,472	15,619	10,305
Total comprehensive income attributable to:				
Owners of the Company	10,821	11,447	15,543	10,225
Non-controlling interests	(7)	45	39	144
	10,814	11,492	15,582	10,369

2. Summarised proforma consolidated statement of comprehensive income of the Group (cont'd)

2.2 Reconciliation of earnings before interest, tax, depreciation and amortisation ("EBITDA") to profit before tax ("PBT")

	← Financial years ended 31 December		→	Financial period ended 30 September 2011
	2008	2009	2010	
	RM'000	RM'000	RM'000	RM'000
EBITDA	15,017	16,105	22,041	14,916
Finance costs	(1,189)	(738)	(807)	(595)
Finance income	87	147	113	58
Depreciation and amortisation	(804)	(855)	(1,018)	(855)
PBT	**13,111**	**14,659**	**20,329**	**13,524**

2. Summarised proforma statement of comprehensive income of the Group (cont'd)

2.3 The performance indices of the Group based on the proforma consolidated statement of comprehensive income for the past three (3) financial years ended 31 December 2008, 31 December 2009, 31 December 2010 and nine (9) month period ended 30 September 2011 are as follows:

	←---- Financial years ended 31 December ----→			Financial period ended
	2008	**2009**	**2010**	**30 September 2011**
Number of ordinary shares assumed in issue ('000)*	107,000	107,000	107,000	107,000
Revenue (RM'000)	131,757	136,361	163,719	114,070
Gross profit (RM'000)	30,470	35,352	45,240	33,721
Profit before tax (RM'000)	13,111	14,659	20,329	13,524
Gross earnings per share (RM)#	0.12	0.14	0.19	0.13
Net earnings per share (RM)#	0.10	0.11	0.15	0.10
Diluted earnings per share (RM)#	0.10	0.11	0.15	0.10
Gross profit margin (%)	23.13	25.93	27.63	29.56
Profit before tax margin (%)	9.95	10.75	12.42	11.86
Profit after tax margin (%)	8.17	8.41	9.54	9.03
Effective tax rate (%)	17.95	21.74	23.17	23.80
Interest expense (RM'000)	1,189	738	807	595
Interest coverage ratio (times)	11.95	20.66	26.05	23.63

* Based on the number of ordinary shares in issue after the completion of the bonus issue before the IPO.

\# Calculated based on the number of ordinary shares in issue after the completion of the bonus issue before the IPO.

3 Proforma consolidated statement of financial position

3.1 The proforma consolidated statement of financial position of EITA Group as set out below are prepared solely for illustrative purposes only to show the effects of the IPO and utilisation of listing proceeds referred to in Section 1.1.2 had these transactions been effected on 30 September 2011.

	As per audited consolidated statement of financial position as at 30 September 2011 RM'000	Proforma adjustments - IPO and utilisation of proceeds & internally generated funds RM'000	Proforma I After IPO, utilisation of proceeds & internally generated funds RM'000
NON CURRENT ASSETS			
Property, plant and equipment	7,186	13,425	20,611
Investment properties	196		196
Intangible assets	2,151	1,450	3,601
Other investments	10		10
Deferred tax assets	1,455		1,455
	10,998		**25,873**
CURRENT ASSETS			
Inventories	29,111		29,111
Trade and other receivables	61,093		61,093
Deposits and prepayments	2,682		2,682
Asset classified as held for sale	264		264
Cash and cash equivalents	12,932	(195)	12,737
	106,082		105,887
Total assets	**117,080**		**131,760**

3. Proforma consolidated statement of financial position (cont'd)

	As per audited consolidated statement of financial position as at 30 September 2011 RM'000	Proforma adjustments - IPO and utilisation of proceeds & internally generated funds RM'000	Proforma I After IPO, utilisation of proceeds & internally generated funds RM'000
EQUITY AND LIABILITIES			
Share capital	53,500	11,500	65,000
Share premium	-	3,180	3,180
Reserves	21,123		21,123
	74,623		89,303
Non-controlling interest	527		527
Total equity	75,150		89,830
NON CURRENT LIABILITIES			
Loans and borrowings	729		729
Deferred tax liabilities	128		128
	857		857
CURRENT LIABILITIES			
Loans and borrowings	11,442		11,442
Trade and other payables, including derivatives	27,119		27,119
Deferred income	2,357		2,357
Dividend payable	-		-
Current tax liabilities	155		155
	41,073		41,073
Total liabilities	41,930		41,930
Total equity and liabilities	**117,080**		**131,760**
No. of EITA ordinary shares in issue ('000)	107,000		130,000
Net assets ("NA") (RM'000)	75,150		89,830
Net tangible asset ("NTA") (RM'000)	72,999		86,229
NA per share (RM)	0.70		0.69
NTA per share (RM)	0.68		0.66

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3.2 Notes to the proforma consolidated statement of financial position (cont'd)

3.2.1 Movements in the property, plant and equipment account

		Amount (RM'000)
Balance at 30 September 2011		7,186
Effects of Proforma I	- IPO and utilisation of proceeds	11,151
	- Utilisation of internally generated funds	2,274
		13,425
Balance after Proforma I		20,611

3.2.2 Movements in the intangible assets account

	Amount (RM'000)
Balance at 30 September 2011	2,151
Effects of Proforma I – IPO and utilisation of proceeds	1,450
Balance after Proforma I	3,601

3.2.3 Movements in the cash and cash equivalents account

		Amount (RM'000)
Balance at 30 September 2011 and after Proforma I		12,932
Effects of Proforma I	- IPO and utilisation of proceeds	2,079
	- Utilisation of internally generated funds	(2,274)
		(195)
Balance after Proforma I		12,737

3.2.4 Movements in the issued and paid-up share capital account

	Amount (RM'000)
Balance at 30 September 2011	53,500
Effects of Proforma I – IPO and utilisation of proceeds	11,500
Balance after Proforma I	65,000

3.2 Notes to the proforma consolidated statement of financial position (cont'd)

3.2.5 Movements in the share premium account

	Amount (RM'000)
Balance at 30 September 2011	-
Effects of Proforma I – IPO and utilisation of proceeds	3,180*
Balance after Proforma I	3,180

* The estimated listing expenses of RM2,800,000 will be set against the share premium.

4. Proforma consolidated statement of cash flows

The proforma consolidated statement of cash flows of EITA Group for the financial period ended 30 September 2011, which has been prepared for illustrative purposes only, are based on the assumption that the current structure of the Group existed throughout the financial period under review.

	For the nine month period ended 30 September 2011 after IPO and utilisation of proceeds and internally generated funds RM'000
Cash flow from operating activities	
Profit before tax	13,524
Adjustments for:	
Allowance for foreseeable losses	402
Amortisation of development cost	27
Amortisation of investment properties	6
Depreciation on plant and equipment	822
Finance costs	595
Finance income	(58)
Plant and equipment written off	25
Unrealised foreign exchange loss	343
Operating profit before working capital changes	15,686
Changes in working capital:	
Inventories	(243)
Trade and other receivables, deposits and prepayments	(8,661)
Trade and other payables	810
Cash generated from operations	7,592
Income taxes paid	(3,952)
Interest paid	(538)
Interest received	58
Net cash generated from operating activities	3,160
Cash flows from investing activities	
Proceeds from disposal of plant and equipment	2
Purchase of plant and equipment	(15,758)
Increase in development costs	(1,868)
Net cash used in investing activities	(17,624)
Cash flows from financing activities	
Payment of listing expenses	(2,800)
Repayment of finance lease liabilities	(303)
Repayments of loans and borrowings	(6,940)
Proceed from issuance of shares	17,480
Dividend paid to owners of the Company	(3,517)
Interest paid	(57)
Net cash generated from financing activities	3,863

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4. Proforma consolidated statement of cash flows (cont'd)

	For the nine month period ended 30 September 2011 after IPO and utilisation of proceeds and internally generated funds RM'000
Net decrease in cash and cash equivalents	(10,601)
Foreign exchange differences on cash held	157
Cash and cash equivalents at beginning of period	16,332
Casb and cash equivalents at end of period	**5,888**

Notes to the statement of cash flows

(i) Cash and cash equivalents

Cash and cash equivalents included in the proforma consolidated statement of cash flows comprise the following statement of financial position amounts:

	At 30 September 2011 RM'000
Cash and bank balances	8,123
Deposits (excluding deposits pledged)	2,270
Bank overdrafts	(4,505)
	5,888

8.2 PROFORMA HISTORICAL FINANCIAL INFORMATION

The table below sets out a summary of our proforma consolidated results for the past three (3) FYE 2008 to FYE 2010 and FPE 2010 and FPE 2011 on the assumption that our Group has been in existence throughout the financial years/ periods under review. Our proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the proforma consolidated financial information set out in Section 8.1 of this Prospectus.

	<------------ Audited	------------	------------>	Unaudited	Audited
	FYE 2008	**FYE 2009**	**FYE 2010**	**[1] FPE 2010**	**FPE 2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	131,757	136,361	163,719	125,553	114,070
Contract costs recognised as expense	(7,586)	(12,041)	(8,515)	(6,525)	(4,857)
Cost of sales	(93,701)	(88,968)	(109,984)	(84,710)	(75,492)
GP	30,470	35,352	45,240	34,318	33,721
Distribution costs	(2,751)	(3,067)	(4,054)	(2,881)	(2,774)
Administrative expenses	(15,590)	(16,510)	(19,859)	(14,283)	(16,229)
Other operating expenses	(342)	(2,052)	(2,631)	(3,100)	(2,151)
Other operating income	2,426	1,527	2,327	1,995	1,494
Results from operating activities	14,213	15,250	21,023	16,049	14,061
Finance costs	(1,189)	(738)	(807)	(588)	(595)
Interest income	87	147	113	91	58
PBT	13,111	14,659	20,329	15,552	13,524
Tax expense	(2,353)	(3,187)	(4,710)	(3,556)	(3,219)
PAT	10,758	11,472	15,619	11,996	10,305
Attributable to:					
- Owners of our Company	10,768	11,429	15,576	11,971	10,167
- Non-controlling interest	(10)	43	43	25	138
	10,758	11,472	15,619	11,996	10,305
Number of Shares in issue ('000) [2]	107,000	107,000	107,000	107,000	107,000
EBITDA	15,017	16,105	22,041	16,787	14,916
GP margin (%)	23.13	25.93	27.63	27.33	29.56
PBT margin (%)	9.95	10.75	12.42	12.39	11.86
PAT margin (%)	8.17	8.41	9.54	9.55	9.03
Gross EPS (sen) [3]	12.25	13.70	19.00	[4] 19.38	[4] 16.85
Net EPS (sen) [5]	10.05	10.72	14.60	[4] 14.95	[4] 12.84
Diluted EPS (sen) [6]	10.05	10.72	14.60	[4] 14.95	[4] 12.84

Notes:-

(1) Unaudited and included for the purpose of comparison only.

(2) Based on the issued and paid-up share capital of 107,000,000 Shares after the Bonus Issue.

(3) Gross EPS is computed based on PBT attributable to owners of our Company divided by the issued and paid-up share capital of 107,000,000 Shares after the Bonus Issue.

(4) Annualised to twelve (12) months for comparison purposes.

(5) Net EPS is computed based on PAT attributable to owners of our Company divided by the issued and paid-up share capital of 107,000,000 Shares after the Bonus Issue.

(6) Diluted EPS is calculated based on PAT attributable to owners of our Company divided by the issued and paid-up share capital of 107,000,000 Shares after the Bonus Issue. There is no dilutive effect.

8. FINANCIAL INFORMATION *(Cont'd)*

8.3 CAPITALISATION AND INDEBTEDNESS

The following table shows our cash and cash equivalents, debts and capitalisation of our Group as at 30 September 2011:-

	Proforma as at 30.09.2011 After Bonus Issue (RM'000)	**After Adjusting for IPO and Utilisation of Proceeds (RM'000)**
Cash and cash equivalents [(1)]	12,932	12,737
Indebtedness (Interest-bearing)		
Short term borrowings		
Secured:		
Bills payable	6,518	6,518
Hire purchase	419	419
Bank overdraft	4,505	4,505
Total short term borrowings	**11,442**	**11,442**
Long term borrowings		
Secured:		
Hire purchase	729	729
Total long term borrowings	**729**	**729**
Total indebtedness	**12,171**	**12,171**
Total shareholders' equity [(2)]	**74,623**	**89,303**
Gearing ratio (times)	**0.16**	**0.14**

Notes:-

(1) *Excluding RM2.34 million of fixed deposits on lien to the lending banks for banking facilities granted to our Group.*

(2) *Excluding non-controlling interest.*

8.4 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

The following discussion of our results of operations for the financial years/ periods under review should be read in conjunction with the proforma consolidated financial information and the related notes included in Section 8.1 of this Prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and the discussion on risk factors included in Section 3 of this Prospectus.

8.4.1 Overview of Operations

Our Group's revenue streams are derived from the following business activities:-

Business Activities	Description
Marketing and Distribution	Marketing and distribution of Power Distribution Equipment, Control Equipment, network and security equipment as well as other E&E components
Manufacturing	Design and manufacture of Elevator systems and Busduct systems as well as manufacture of metal fabricated products and other E&E components and equipment
Services	Maintenance of Elevator systems and provision of electrical and security system solutions

In general, our Group's products and services cater for a wide range of user industries covering the machinery and equipment industry, E&E industry, lighting industry, infrastructure industry as well as building and construction industry. Please refer to Section 4.3 and Section 4.5 of this Prospectus for further details of our Group's business activities, products and services provided.

Over the last few years, our business has been growing where our Group's revenue recorded continuous increase from year to year for the past three (3) FYE 2008 to FYE 2010 except for the FPE 2011. Our Group's revenue increased at a compounded average growth rate of approximately 11.47% per annum from RM131.76 million in FYE 2008 to RM163.72 million in FYE 2010. Nevertheless, our Group's revenue in FPE 2011 has decreased by approximately 9.14% or RM11.48 million to RM114.07 million from RM125.55 million in FPE 2010.

Moving forward, in line with our future plans as set out in Section 4.19 of this Prospectus, we will focus more on the design and manufacture of Elevator systems and Busduct systems as well as the maintenance of Elevator systems as the key drivers for further growth.

Please refer to Section 8.4.2 of this Prospectus for the significant factors materially affecting our Group's revenue and profit. Please also refer to Section 3 of this Prospectus for the risk factors that may affect our revenue and financial performance.

The analysis of financial condition and results of operations of our Group are as detailed below:-

(a) **Revenue**

(A) Revenue Recognition Policy

Revenue is recognised to the extent that it is probable that economic benefit will flow to the company and the revenue can be reliably measured. In general, our Group adopts two (2) revenue recognition methods depending on the nature of the business transactions with our customers, as follows:-

(1) ***Goods Sold***

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Save for the installation of Elevator systems under EITA Elevator and the provision of electrical and security system solutions under EITA Power System, this revenue recognition method is adopted by all the companies in our Group in carrying out their business activities.

(2) ***Project Contracts***

Contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract, as soon as the outcome of a project contract can be estimated reliably. Total contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims, to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. When the outcome of a project contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

This revenue recognition method is adopted by two (2) of our subsidiaries, namely EITA Elevator in relation to the installation of Elevator systems and EITA Power System in relation to the provision of electrical and security system solutions.

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(B) Analysis of Revenue

(1) Revenue by Business Activity

Revenue by Business Activity	<-----Audited-----					---->	Unaudited		Audited	
	FYE 2008		FYE 2009		FYE 2010		FPE 2010		FPE 2011	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Marketing and Distribution	**83,163**	**63.12**	**72,402**	**53.10**	**85,763**	**52.38**	**88,442**	**54.51**	**58,928**	**51.66**
- Power Distribution Equipment	45,554	34.57	37,625	27.59	41,040	25.06	34,679	27.62	22,973	20.14
- Control Equipment	28,906	21.94	25,159	18.45	32,625	19.93	24,662	19.64	26,570	23.29
- Network and security equipment	7,715	5.86	8,778	6.44	11,243	6.87	8,473	6.75	7,762	6.81
- Other E&E components [1]	988	0.75	840	0.62	855	0.52	628	0.50	1,621	1.42
Manufacturing	**40,147**	**30.47**	**47,743**	**35.00**	**66,030**	**40.33**	**47,268**	**37.65**	**47,544**	**41.68**
- Elevator systems [2]	25,947	19.69	31,696	23.24	47,361	28.92	33,856	26.97	34,040	29.84
- Busduct systems [3]	10,498	7.97	13,301	9.75	15,957	9.75	11,624	9.26	9,557	8.38
- Other E&E components and equipment [4]	3,702	2.81	2,746	2.01	2,712	1.66	1,788	1.42	3,947	3.46
Services	**8,447**	**6.41**	**16,216**	**11.90**	**11,928**	**7.29**	**9,643**	**7.84**	**7,800**	**8.66**
- Maintenance of Elevator systems [5]	5,110	3.88	7,889	5.79	7,671	4.69	5,787	4.61	6,218	5.45
- Provision of electrical and security system solutions	3,337	2.53	8,327	6.11	4,255	2.60	4,056	3.23	1,382	1.21
Total	**131,757**	**100.00**	**136,361**	**100.00**	**163,719**	**100.00**	**125,553**	**100.00**	**114,070**	**100.00**

Notes:-

(1) Consist of Ballasts, Ignitors and bulbs.
(2) Include Escalators and Travellators. Manufacturing of Elevator systems also includes design.
(3) Include metal fabricated products. Manufacturing of Busduct systems also includes design.
(4) Consist of Centralised Dimming Systems, Ballasts and connectors for lighting systems.
(5) Maintenance of Elevator systems includes Escalators and Travellators, and the supply of parts.

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8. FINANCIAL INFORMATION *(Cont'd)*

(2) Revenue by Company

Revenue by Company	<-----Audited	-----	-----	-----	-----	----->	Unaudited		Audited	
	FYE 2008		FYE 2009		FYE 2010		FPE 2010		FPE 2011	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
EITA Elevator	28,919	21.95	38,308	28.09	51,381	31.38	38,175	30.41	37,724	33.07
EITA Electric	45,714	34.69	38,658	28.35	49,600	30.30	37,399	29.79	39,310	34.46
EITA-Schneider	17,854	13.55	22,683	16.63	38,013	23.22	26,964	21.48	26,561	23.28
EITA Technologies Malaysia	27,755	21.07	21,364	15.67	24,580	15.01	22,198	17.68	12,338	10.82
EITA Power System	17,792	13.50	21,570	15.82	20,039	12.24	16,026	12.77	12,413	10.88
Furutec Electrical	9,128	6.93	13,270	9.73	15,239	9.31	11,268	8.97	9,239	8.10
EITA	3,300	2.50	16,295	11.95	9,200	5.62	3,156	2.51	34,170	29.96
EITA Technologies Singapore	8,639	6.56	8,780	6.44	8,216	5.02	6,180	4.92	6,711	5.88
Schneider R&D	448	0.34	303	0.22	649	0.40	201	0.16	1,764	1.55
Schneider Systems	761	0.58	436	0.32	107	0.07	90	0.07	597	0.52
EITA Contrologic *	-	-	-	-	-	-	-	-	-	-
Inter-companies elimination	(28,553)	(21.67)	(45,306)	(33.22)	(53,305)	(32.57)	(36,104)	(28.76)	(66,757)	(58.52)
Total	**131,757**	**100.00**	**136,361**	**100.00**	**163,719**	**100.00**	**125,553**	**100.00**	**114,070**	**100.00**

Note:-

* *Dormant (in the process of being liquidated).*

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8. FINANCIAL INFORMATION *(Cont'd)*

(3) Revenue by Geographical Location and Business Activity

Revenue by Location and Business Activity	<--------Audited--------					>	Unaudited		Audited	
	FYE 2008		FYE 2009		FYE 2010		FPE 2010		FPE 2011	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	**104,854**	**79.58**	**107,562**	**78.88**	**132,627**	**81.01**	**100,126**	**79.75**	**100,605**	**88.20**
- Marketing and Distribution	62,886	47.73	54,281	39.81	64,244	39.24	48,955	38.99	49,982	43.82
- Manufacturing	33,798	25.65	38,142	27.97	56,668	34.61	41,552	33.10	43,031	37.72
- Services	8,170	6.20	15,139	11.10	11,715	7.16	9,619	7.66	7,592	6.66
Overseas	**26,903**	**20.42**	**28,799**	**21.12**	**31,092**	**18.99**	**25,427**	**20.25**	**13,465**	**11.80**
Thailand	***11,663***	***8.85***	***9,715***	***7.12***	***13,265***	***8.11***	***13,191***	***10.51***	***1,314***	***1.15***
- Marketing and Distribution	11,523	8.75	8,759	6.42	13,073	7.99	12,996	10.35	1,017	0.89
- Manufacturing	127	0.10	-	-	-	-	-	-	297	0.26
- Services	13	(1)	956	0.70	192	0.12	195	0.16	-	-
Singapore	***10,091***	***7.66***	***16,284***	***11.94***	***12,066***	***7.37***	***8,759***	***6.98***	***9,055***	***7.94***
- Marketing and Distribution	5,388	4.09	7,791	5.71	7,289	4.46	5,549	4.42	6,099	5.35
- Manufacturing	4,632	3.52	8,491	6.23	4,771	2.91	3,203	2.55	2,956	2.59
- Services	71	0.05	2	(1)	6	(1)	7	0.01	-	-
Others (2)	***5,149***	***3.91***	***2,800***	***2.06***	***5,761***	***3.51***	***3,477***	***2.76***	***3,096***	***2.71***
- Marketing and Distribution	3,366	2.55	1,571	1.15	1,157	0.71	942	0.75	1,829	1.60
- Manufacturing	1,590	1.21	1,110	0.82	4,591	2.80	2,513	2.00	1,259	1.11
- Services	193	0.15	119	0.09	13	(1)	22	0.01	8	-
Total	**131,757**	**100.00**	**136,361**	**100.00**	**163,719**	**100.00**	**125,553**	**100.00**	**114,070**	**100.00**

Notes:-

(1) Negligible.

(2) Include Bangladesh, Brunei, United Arab Emirates, German, Hong Kong, India, Indonesia, the Philippines, Saudi Arabia, Taiwan, the USA and Vietnam.

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(4) Revenue by Brand

	<--------------------Audited--------------------->						Unaudited		Audited	
	FYE 2008		FYE 2009		FYE 2010		FPE 2010		FPE 2011	
Revenue by Brand	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
EITA brand	**37,829**	**28.71**	**44,673**	**32.78**	**60,699**	**37.07**	**43,334**	**34.51**	**44,711**	**39.20**
Marketing and Distribution	***618***	***0.47***	***674***	***0.49***	***782***	***0.48***	***555***	***0.44***	***1,622***	***1.42***
- REFAS (Ballasts and Ignitors)	618	0.47	674	0.49	782	0.48	555	0.44	1,622	1.42
Manufacturing	***37,211***	***28.24***	***43,999***	***32.27***	***59,917***	***38.59***	***42,779***	***34.07***	***43,089***	***37.78***
- EITA or EITA-Schneider (Elevator systems)	25,947	19.69	31,696	23.24	47,361	28.93	33,856	26.97	34,040	29.85
- Furutec (Busduct systems [(1)])	8,425	6.40	10,194	7.48	10,516	6.42	7,399	5.89	5,787	5.07
- REFAS (Centralised Dimming Systems, Ballasts and connectors for lighting systems)	2,839	2.15	2,109	1.55	2,040	1.24	1,524	1.21	3,262	2.86
Non-EITA brand	**85,481**	**64.88**	**75,472**	**55.34**	**91,094**	**55.64**	**72,376**	**57.65**	**61,759**	**54.14**
Marketing and Distribution	***82,545***	***62.65***	***71,728***	***52.60***	***84,981***	***51.91***	***67,887***	***54.07***	***57,305***	***50.24***
- Power Distribution Equipment	45,554	34.57	37,625	27.59	41,040	25.07	34,679	27.62	22,973	20.14
- Control Equipment	28,906	21.94	25,159	18.45	32,625	19.93	24,662	19.64	26,570	23.29
- Network and security equipment	7,715	5.86	8,778	6.44	11,243	6.87	8,473	6.75	7,762	6.81
- Other E&E components (Ballasts, Ignitors and bulbs for lighting systems)	370	0.28	166	0.12	73	0.04	73	0.06	-	-
Manufacturing	***2,938***	***2.23***	***3,744***	***2.74***	***8,113***	***3.73***	***4,489***	***3.58***	***4,454***	***3.90***
- Metal fabricated products [(2)]	2,073	1.57	3,107	2.28	5,441	3.32	4,225	3.37	3,770	3.30
- OEM of Centralised Dimming Systems, Ballasts and connectors for lighting systems	863	0.66	637	0.46	672	0.41	264	0.21	684	0.60
Others [(3)]	**8,447**	**6.41**	**16,216**	**11.90**	**11,928**	**7.29**	**9,843**	**7.84**	**7,600**	**6.66**
Services	***8,447***	***6.41***	***16,218***	***11.90***	***11,926***	***7.29***	***9,843***	***7.84***	***7,600***	***6.68***
- Maintenance of Elevator systems	5,110	3.88	7,889	5.79	7,671	4.69	5,787	4.61	6,218	5.45
- Electrical and security systems	3,337	2.53	8,327	6.11	4.255	2.60	4,056	3.23	1,382	1.21
Total	**131,757**	**100.00**	**136,361**	**100.00**	**163,719**	**100.00**	**125,553**	**100.00**	**114,070**	**100.00**

Notes:-

(1) Exclude metal fabricated products.

(2) Include our KOVA brand from FYE 2010 onwards. However, we did not capture this amount separately as the sales of metal fabricated products under our KOVA brand were insignificant.

(3) Not applicable to branding.

(C) Commentaries on Revenue

For the past three (3) FYE 2008 to FYE 2010 and FPE 2011, majority of our Group's revenue was contributed by the Marketing and Distribution segment. Nevertheless, the contribution trom this business segment has been declining, in tandem with our Group's strategy of growing the Manufacturing segment of Elevator systems and Busduct systems, and the Services segment on maintenance of Elevator systems.

The following were also observed for the past three (3) FYE 2008 to FYE 2010 and FPE 2011:-

- EITA Elevator, EITA Electric, EITA-Schneider, EITA Technologies Malaysia, EITA Power System and Furutec Electrical were the key contributors within our Group;

- More than 78.0% of our Group's revenue was derived in Malaysia while the remaining 22.0% was derived from overseas markets, mainly Thailand and Singapore; and

- Majority of our Group's revenue was contributed by the sales generated from third parties' products, i.e. non-EITA brands. Nevertheless, in line with our Group's strategy of growing the Manufacturing segment of Elevator systems and Busduct systems, and the Services segment on maintenance of Elevator systems, the revenue generated under our own brands has increased from year to year and the growth was mainly contributed by the sales of our Elevator systems.

(1) FYE 2009 vs FYE 2008

Our Group's revenue increased by 3.49% or RM4.60 million from RM131.76 million in FYE 2008 to RM136.36 million in FYE 2009. The increase was mainly contributed by the Manufacturing and Services segments but was offset partly by the decline in the revenue recorded for the Marketing and Distribution segment. Our overall revenue for FYE 2009 only increased marginally mainly due to the impact of the slowdown in the economy in the first half of 2009.

The movements in our revenue from FYE 2008 to FYE 2009 are further analysed as follows:-

(i) Marketing and Distribution Segment

The revenue recorded by this business segment declined by 12.94% or RM10.76 million to RM72.40 million in FYE 2009 as compared to the revenue of RM83.16 million in FYE 2008. The decline was the effect of the slowdown in the economy in the first half of 2009 which resulted in lower sales for the Power Distribution Equipment, Control Equipment and other E&E components in FYE 2009. Nevertheless, our Group managed to record an increase of 13.73% or RM1.06 million in the revenue for the network and security equipment from RM7.72 million in FYE 2008 to RM8.78 million in FYE 2009 mainly due to the contribution from the increase in sales of LAN and CCTV products.

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(ii) Manufacturing Segment

The revenue recorded by this business segment increased by 18.90% or RM7.59 million to RM47.74 million in FYE 2009 from RM40.15 million in FYE 2008. The increase was mainly contributed by the sales of our Elevator systems and Busduct systems which recorded an increase in revenue of RM5.75 million or 22.16% and RM2.80 million or 26.67% respectively in FYE 2009 as compared to the corresponding revenue recorded in FYE 2008. However, the sales of other E&E components and equipment manufactured by our Group declined by 25.68% or RM0.95 million to RM2.75 million in FYE 2009 as compared to the revenue of RM3.70 million in FYE 2008.

Our Group recorded higher sales of the Elevator systems in FYE 2009 due to the execution work for projects secured in FYE 2008. The significant increase in the sales of our Busduct systems was mainly contributed by two (2) projects in Singapore which have a combined project value of approximately SGD4.33 million as well as our new export of Busduct systems to Bangladesh. With respect to the sales of other E&E components and equipment, as these products are largely dependent on projects such as the infrastructure projects, the slowdown in economy in 2009 had affected our sales of such products.

(iii) Services Segment

The revenue recorded by this business segment increased significantly by 91.95% or RM7.77 million to RM16.22 million in FYE 2009 from RM8.45 million in FYE 2008 due to the higher revenue generated from both the maintenance of Elevator systems and the provision of electrical and security system solutions.

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The revenue for the maintenance of Elevator systems increased by 54.40% or RM2.78 million to RM7.89 million in FYE 2009 from RM5.11 million in FYE 2008. The increase was mainly contributed by the repair and refurbishment jobs carried out by our Group for a low cost apartment project in Kuala Lumpur in FYE 2009. The revenue from the provision of electrical and security system solutions also increased significantly by 149.40% or RM4.99 million to RM8.33 million in FYE 2009 from RM3.34 million in FYE 2008, mainly due to a one-off project secured by our Group to supply guestroom lighting and air conditioning management systems to a hotel in Bangkok as well as the on-going electrical work carried out for two (2) projects with a total project value of RM9.18 million, i.e. a condominium project in Kuala Lumpur secured in FYE 2007 and a mixed commercial project in Subang Jaya, Selangor secured in FYE 2008.

(2) FYE 2010 vs FYE 2009

Our Group's revenue increased by 20.06% or RM27.36 million from RM136.36 million in FYE 2009 to RM163.72 million in FYE 2010. The increase was mainly contributed by the Manufacturing and Marketing and Distribution segments but was offset partly by the decline in the revenue recorded for the Services segment. The increase in our Group's overall revenue was attributed to, among others, the improvement in the general economic condition in 2010.

The movements in our revenue from FYE 2009 to FYE 2010 are further analysed as follows:-

(i) Marketing and Distribution Segment

The revenue recorded by this business segment increased by 18.45% or RM13.36 million to RM85.76 million in FYE 2010 as compared to the revenue of RM72.40 million in FYE 2009. The increase was a result of higher sales recorded for all the products distributed by our Group's in FYE 2010, boosted by the recovery in economic condition.

(ii) Manufacturing Segment

The revenue recorded by this business segment increased by 38.31% or RM18.29 million to RM66.03 million in FYE 2010 from RM47.74 million in FYE 2009. The increase was mainly contributed by higher sales of our Elevator systems with a growth of 49.40% from RM31.70 million in FYE 2009 to RM47.36 million in FYE 2010 after we had, among others, recognised approximately RM7.94 million revenue for a modernisation job for low cost apartments in Kuala Lumpur in FYE 2010.

In addition, the sales of our Busduct systems (which included the metal fabricated products) also continued to grow where the revenue had increased by 20.0% or RM2.66 million to RM15.96 million in FYE 2010 from RM13.30 million in FYE 2009. Notably, the growth amount of RM2.66 million was mainly contributed by the increase in the sales of our metal fabricated products (RM2.33 million) which was boosted by the improved economic condition. The remaining contribution (RM0.33 million) was attributed to the Busduct systems, which in turn was contributed by our new export sales to the Philippines and Indonesia as well as the contribution from a university project in Singapore where our Group managed to make our first sales of the HP-ES product under this project.

(iii) Services Segment

The revenue recorded by this business segment dropped by 26.45% or RM4.29 million to RM11.93 million in FYE 2010 from RM16.22 million in FYE 2009, in tandem with the decline in revenue generated by both the maintenance of Elevator systems and the provision of electrical and security system solutions. The relatively high level of revenue recorded in FYE 2009 for the Services segment was mainly contributed by the repair and refurbishment jobs conducted for low cost apartments in Kuala Lumpur and the on-going work carried out for a condominium project in Kuala Lumpur and a mixed commercial project in Subang Jaya, Selangor.

(3) FPE 2011 vs FPE 2010

Our Group's revenue decreased by 9.14% or RM11.48 million from RM125.55 million in FPE 2010 to RM114.07 million in FPE 2011. The decrease was mainly contributed by the Marketing and Distribution and Services segments.

The movements in our revenue from FPE 2010 to FPE 2011 are further analysed as follows:-

(i) Marketing and Distribution Segment

The revenue recorded by this business segment decreased by 13.90% or RM9.51 million to RM58.93 million in FPE 2011 as compared to the revenue of RM68.44 million in FPE 2010. The decrease was mainly due to decline in the export of Power Distribution Equipment to Thailand when there was political uncertainties.

(ii) Manufacturing Segment

The revenue recorded by this business segment increased by 0.57% or RM0.27 million to RM47.54 million in FPE 2011 from RM47.27 million in FPE 2010. The slight increase was contributed by higher sales of our Other E&E Components and Equipment with a growth of 120.67% or RM2.16 million from RM1.79 million in FPE 2010 to RM3.95 million in FPE 2011 mainly due to the increase in sales of Ballasts. However, this increase was offset by the decrease in sales of Busduct Systems of 17.73% or RM2.06 million from RM11.62 million in FPE 2010 to RM9.56 million in FPE 2011 as a result of lower sales order received, delay in testing and certifications of the new products and also delay in projects undertaken by our customers.

(iii) Services Segment

The revenue recorded by this business segment dropped by 22.76% or RM2.24 million to RM7.60 million in FPE 2011 from RM9.84 million in FPE 2010. The decline in revenue was mainly due to lower revenue from the Provision of Electrical and Security System Solutions of 66.01% or RM2.68 million from RM4.06 million in FPE 2010 to RM1.38 million in FPE 2011 as most of the projects have been completed in FPE 2010 and less projects were secured in FPE 2011. Nevertheless, our revenue from Maintenance of Elevator Systems increased by 7.43% or RM0.43 million from RM5.79 million in FPE 2010 to RM6.22 million in FPE 2011 due to additional contracts secured for maintenance of Elevators.

(b) Cost of Sales

Our cost of sales for each segment comprise of the following:-

(1) Marketing and Distribution

Costs mainly comprise finished goods purchased from suppliers and related import duties and freight charges.

(2) Manufacturing

Costs mainly comprise raw material costs, direct labour costs, sub-contractor costs, installation and related on-site expenses, and factory overheads.

(3) Services

Costs mainly comprise purchases of parts and components, finished goods and the related import duties and freight charges, sub-contractor costs and other related installation expenses.

Our cost of sales are mainly affected by the prices of raw materials and finished goods, our sourcing capabilities and ability to control our sub-contracting costs which are dependent on our negotiation power with our suppliers/ sub-contractors. To a certain extent, our ability to ensure timely performance of our obligations to customers has prevented cost overruns in our projects.

Having been in the industry for more than ten (10) years, we have identified a list of preferred sub-contractors whom we invite for tenders when required. We select our preferred sub-contractors based on past track records, past project works, workmanship, efficiency, reliability, production capacity and pricing.

As some of our suppliers are foreign based, a portion of our purchases are denominated in the respective functional currency of suppliers, such as USD and CHF. Therefore, our cost of purchases is also affected by the fluctuation of the foreign currencies.

Please refer to Section 4.10.3 of this Prospectus for further information on our Group's major suppliers.

(A) Analysis of Cost of Sales

Our Group's cost of sales for the past three (3) FYE 2008 to FYE 2010 and FPE 2011 are as follows:-

	<------------Audited------------>			Unaudited	Audited
Cost of Sales	**FYE 2008 RM'000**	**FYE 2009 RM'000**	**FYE 2010 RM'000**	**FPE 2010 RM'000**	**FPE 2011 RM'000**
Contract costs recognised as expense	7,586	12,041	8,515	6,525	4,857
Purchase of materials and related expenses *	89,055	84,008	104,498	80,551	71,430
Labour and overhead expenses	4,646	4,960	5,466	4,159	4,062
Total	**101,287**	**101,009**	**118,479**	**91,235**	**80,349**
Total as a % of our Group's revenue	**76.87**	**74.07**	**72.37**	**72.67**	**70.44**

Note:-

* *Include freight, insurance, royalty, tax and duty, etc.*

Our Group's total cost of sales accounted for 76.87%, 74.07%, 72.37% and 70.44% of our Group's total revenue for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 respectively.

In general, cost of sales is relatively lower for our Services segment as compared to the other two (2) business segments, i.e. the Marketing and Distribution, and the Manufacturing segments. The purchase of materials and related expenses accounted for 87.92%, 83.17%, 88.20% and 88.90% of our total cost of sales for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 respectively.

(B) Commentaries on Cost of Sales

(1) FYE 2009 vs FYE 2008

Our Group's contract costs recognised as expense increased significantly by 58.63% or RM4.45 million to RM12.04 million in FYE 2009 from RM7.59 million in FYE 2008. In order to reduce our contract costs, our Group started to explore some cost cutting strategies such as the optimisation of components based on modular designs to minimise losses of individual parts at the project site as components are assembled in a complete module form for immediate installation on-site. Such efforts were also aimed at minimising defects at the project site as each module is assembled and inspected at the factory prior to being installed at the project site.

In FYE 2009, the drop in copper prices also reduced our Group's raw material costs to a certain extent. Further, commencing 2008, we have also implemented the practice of purchasing in bulk from our suppliers by grouping the material requirements of a number of jobs and purchasing them together, in order to enjoy bulk discounts. As a result of these factors, despite the increase in our revenue, our Group managed to reduce our total cost of sales marginally by 0.28% or RM0.28 million from RM101.29 million in FYE 2008 to RM101.01 million in FYE 2009.

(2) FYE 2010 vs FYE 2009

Our Group's total cost of sales increased by 17.30% or RM17.47 million to RM118.48 million in FYE 2010 from RM101.01 million in FYE 2009 in line with the increase in our revenue. Nevertheless, the rate of increase in our cost of sales was lower than the 20.06% rate of increase in our Group's revenue recorded in FYE 2010.

(3) FPE 2011 vs FPE 2010

Our Group's total cost of sales decreased by 11.94% or RM10.89 million to RM80.35 million in FPE 2011 from RM91.24 million in FPE 2010. The decrease was mainly due to the decrease in the purchase of materials and related expenses by RM9.12 million or 11.32% from RM80.55 million in FPE 2010 to RM71.43 million in FPE 2011, which was in line with the decrease in the export of Power Distribution Equipment to Thailand due to the then political uncertainties. In addition, contract costs recognised as expense decreased by RM1.67 million or 25.57% from RM6.53 million in FPE 2010 to RM4.86 million in FPE 2011 mainly due to less contract costs incurred as a result of the completion of certain contracts during the period.

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(c) GP and GP Margin

(A) Analysis of GP and GP Margin

(1) GP by Business Activity

GP by Business Activity	<------Audited				------>		Unaudited		Audited	
	FYE 2008		FYE 2009		FYE 2010		FPE 2010		FPE 2011	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Marketing and Distribution	**17,604**	**57.77**	**18,460**	**52.22**	**22,210**	**49.09**	**17,338**	**50.52**	**16,470**	**48.84**
- Power Distribution Equipment	7,277	23.88	8,716	24.66	9,016	19.92	7,413	21.60	5,084	15.08
- Control Equipment	8,284	27.19	6,306	17.84	8,776	19.40	6,724	19.59	7,807	23.15
- Network and security equipment	2,043	6.70	3,168	8.96	4,151	9.18	3,023	8.81	3,086	9.15
- Other E&E components (1)	(2)	(2)	270	0.76	267	0.59	178	0.52	493	1.46
Manufacturing	**8,188**	**26.87**	**9,524**	**26.94**	**15,891**	**35.13**	**11,378**	**33.16**	**11,660**	**34.58**
- Elevator systems (3)	4,633	15.20	5,077	14.36	11,456	25.32	8,583	25.01	8,950	26.55
- Busduct systems (4)	2,577	8.46	3,757	10.63	4,124	9.12	2,844	8.29	1,802	5.34
- Other E&E components and equipment (5)	978	3.21	690	1.95	311	0.69	(49)	(0.14)	908	2.69
Services	**4,678**	**15.36**	**7,368**	**20.84**	**7,139**	**15.78**	**5,602**	**16.32**	**5,591**	**16.58**
- Maintenance of Elevator systems (6)	3,942	12.94	5,866	16.59	6,002	13.27	4,509	13.14	5,240	15.54
- Provision of electrical and security system solutions	736	2.42	1,502	4.25	1,137	2.51	1,093	3.18	351	1.04
Total	**30,470**	**100.00**	**35,352**	**100.00**	**45,240**	**100.00**	**34,318**	**100.00**	**33,721**	**100.00**

Notes:-

(1) Consist of Ballasts, Ignitors and bulbs.
(2) Negligible. The GP recorded for FYE 2008 was RM472.00 after setting off the stock write off of RM218,595.16 for old Ballasts stock.
(3) Include Escalators and Travellators. Manufacturing of Elevator systems also includes design.
(4) Include metal fabricated products. Manufacturing of Busduct systems also includes design.
(5) Consist of Centralised Dimming Systems, Ballasts and connectors for lighting systems.
(6) Maintenance of Elevator systems includes Escalators and Travellators, and the supply of parts.

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(2) GP Margin by Business Activity

	<------Audited------>			Unaudited	Audited
	FYE 2008	FYE 2009	FYE 2010	FPE 2010	FPE 2011
GP Margin by Business Activity	%	%	%	%	%
Marketing and Distribution	**21.17**	**25.50**	**25.90**	**25.33**	**27.95**
- Power Distribution Equipment	15.97	23.17	21.97	21.38	22.13
- Control Equipment	28.66	25.06	26.90	27.26	29.38
- Network and security equipment	26.48	36.09	36.92	35.68	39.76
- Other E&E components [(1)]	[(2)]	32.14	31.23	28.34	30.41
Manufacturing	**20.40**	**19.95**	**24.07**	**24.07**	**24.52**
- Elevator systems [(3)]	17.86	16.02	24.19	25.35	26.29
- Busduct systems [(4)]	24.55	28.25	25.84	24.47	18.86
- Other E&E components and equipment [(5)]	26.42	25.13	11.47	-2.74	23.00
Services	**55.38**	**45.44**	**59.86**	**56.91**	**73.57**
- Maintenance of Elevator systems [(6)]	77.14	74.36	78.24	77.92	84.27
- Provision of electrical and security system solutions	22.06	18.04	26.72	26.95	25.40
Overall GP Margin	**23.13**	**25.93**	**27.63**	**27.33**	**29.56**

Notes:-

(1) *Consist of Ballasts, Ignitors and bulbs for lighting systems.*
(2) *The GP margin recorded for FYE 2008 was 22.17% without setting off the stock write off of RM218,595.16 for old Ballasts stock from the GP recorded for these products.*
(3) *Include Escalators and Travellators. Manufacturing of Elevator systems also includes design.*
(4) *Include metal fabricated products. Manufacturing of Busduct systems also includes design.*
(5) *Consist of Centralised Dimming Systems, Ballasts and connectors for lighting systems.*
(6) *Maintenance of Elevator systems includes Escalators and Travellators, and the supply of parts.*

(3) GP by Company

	<------Audited------>						Unaudited		Audited	
	FYE 2008		FYE 2009		FYE 2010		FPE 2010		FPE 2011	
GP by Company	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
EITA Elevator	6,674	21.90	9,438	26.70	9,590	21.20	7,786	22.69	8,470	25.12
EITA Electric	10,791	35.42	9,358	26.47	12,335	27.27	9,209	26.83	9,965	29.55
EITA-Schneider	1,316	4.32	1,363	3.85	7,396	16.35	5,268	15.35	5,308	15.74
EITA Technologies Malaysia	4,459	14.63	4,635	13.11	4,828	10.67	4,240	12.36	2,831	8.40
EITA Power System	3,946	12.95	5,790	16.38	6,178	13.66	4,804	14.00	3,887	11.53
Furutec Electrical	1,504	4.94	3,414	9.66	3,540	7.82	2,429	7.08	1,512	4.48
EITA	3,300	10.83	16,295	46.09	9,200	20.34	3,156	9.20	34,170	101.33
EITA Technologies Singapore	1,195	3.92	1,211	3.42	1,330	2.94	960	2.80	1,248	3.70
Schneider R&D	165	0.54	119	0.34	130	0.29	12	0.03	299	0.89
Schneider Systems	210	0.69	137	0.39	47	0.10	46	0.13	359	1.06
EITA Contrologic *	-	-	-	-	-	-	-	-	-	-
Inter-companies elimination	(3,090)	(10.14)	(16,408)	(46.41)	(9,334)	(20.64)	(3,592)	(10.47)	(34,328)	(101.80)
Total	**30,470**	**100.00**	**35,352**	**100.00**	**45,240**	**100.00**	**34,318**	**100.00**	**33,721**	**100.00**

Note:-

* *Dormant (in the process of being liquidated).*

(4) GP Margin by Company

GP Margin by Company	<------------Audited---------->			Unaudited	Audited
	FYE 2008	FYE 2009	FYE 2010	FPE 2010	FPE 2011
	%	%	%	%	%
EITA Elevator	23.08	24.64	18.68	20.40	22.45
EITA Electric	23.61	24.21	24.87	24.62	25.35
EITA-Schneider	7.37	6.01	19.46	19.54	19.98
EITA Technologies Malaysia	16.07	21.70	19.64	19.10	22.95
EITA Power System	22.18	26.84	30.83	29.98	31.31
Furutec Electrical	16.48	25.73	23.23	21.56	18.37
EITA	100.00	100.00	100.00	100.00	100.00
EITA Technologies Singapore	13.83	13.79	18.19	15.53	18.60
Schneider R&D	36.83	39.27	20.03	5.97	16.95
Schneider Systems	27.60	31.42	43.93	51.11	60.13
EITA Contrologic *	-	-	-	-	-
Overall GP Margin	**23.13**	**25.93**	**27.63**	**27.33**	**29.56**

Note:-

* *Dormant (in the process of being liquidated).*

(5) GP by Geographical Location and Brands

Our Group does not maintain GP by geographical location and brands. Accordingly, such information is not provided.

(B) Commentaries on GP and GP Margin

For the past three (3) FYE 2008 to FYE 2010, our Group's overall GP and GP margin had improved from year to year. Such trend is consistent with our Group's revenue growth from FYE 2008 to FYE 2010. For the FPE 2011, GP decreased in tandem with the decrease in revenue whilst GP margin continued to improve.

For the past three (3) FYE 2008 to FYE 2010, both the GP and GP margin for the Marketing and Distribution segment had increased from year to year. For FPE 2011, the GP has decreased in tandem with the decrease in sales whilst the GP margin improved due to reduction in export sales to Thailand which have lower GP margin.

As for the Manufacturing segment, the GP also increased from year to year. However, the GP margin declined marginally by 0.45% to 19.95% in FYE 2009 as compared to 20.40% in FYE 2008. Subsequently, the GP margin improved by 4.12% to 24.07% in FYE 2010. For FPE 2011, the GP has increased by RM0.28 million or 2.46% to RM11.66 million in FPE 2011 as compared to RM11.38 million in FPE 2010 in tandem with the increase in the revenue whereas the GP margin has further improved by 0.45% to 24.52% in FPE 2011 as compared to 24.07% in FPE 2010.

While the Services segment accounted for a relatively smaller percentage of our Group's revenue and GP, the GP margin recorded by this business segment was the highest among our business segments where the GP margin ranged from 45.44% to 59.86% for the past three (3) FYE 2008 to FYE 2010. The high GP margin was mainly contributed by our services in the maintenance of Elevator systems. For FPE 2011, the GP has decreased slightly by RM0.01 million or 0.18% to RM5.59 million in FPE 2011 as compared to RM5.60 million in FPE 2010 whilst the GP margin increased by 16.66% to 73.57% in FPE 2011 as compared to 56.91% in FPE 2010 due to higher contribution from the maintenance of Elevator systems which fetched higher margin.

(1) FYE 2009 vs FYE 2008

In line with the increase in our revenue, our Group's overall GP increased by 16.02% or RM4.88 million to RM35.35 million in FYE 2009 from RM30.47 million in FYE 2008. Our overall GP margin also increased to 25.93% in FYE 2009 from 23.13% in FYE 2008.

The improvement in our overall GP margin in FYE 2009 was mainly contributed by the Marketing and Distribution segment, particularly from the sales of the Power Distribution Equipment and network and security equipment. Our GP margin for the Power Distribution Equipment was lower in FYE 2008 due to, among others, a write down of inventories by EITA Technologies Malaysia which amounted to approximately RM1.37 million. The write down of inventories was in relation to the inventories for cables which were written down to the net realisable value because of falling copper price. This is in line with our Group's accounting policy for measurement of inventories, i.e. at the lower of cost and net realisable value. As for the network and security equipment, the significant increase in our GP margin in FYE 2009 was mainly contributed by the increase in sales of higher margin products such as the LAN and CCTV products. Nevertheless, the GP margin for the Control Equipment recorded a drop in FYE 2009, mainly due to the lower margin derived from the sales of magnetic contactors.

With respect to the Manufacturing segment, we recorded an increase of 9.72% or RM0.45 million in the GP for the Elevator systems in FYE 2009 as compared to FYE 2008. However, the GP margin for the Elevator systems declined by 1.84% to 16.02% in FYE 2009 from 17.86% in FYE 2008 as our Group had completed higher margin projects in FYE 2008 and we incurred higher contract costs in FYE 2009. In addition, as we just started to explore some cost cutting strategies, our Group had yet to benefit from such efforts in FYE 2009. As for the Busduct systems, both the GP and GP margin for these products had increased in FYE 2009, mainly due to the contribution from a project in Singapore. The GP and GP margin for the other E&E components and equipment manufactured by our Group had both declined in FYE 2009 in line with the lower revenue from these products as a result of the economy slowdown.

Although the GP recorded for the maintenance of Elevator systems and the provision of electrical and security system solutions increased in FYE 2009, the GP margin for both categories had declined. Correspondingly, the GP margin for the Services segment had dropped in FYE 2009 to 45.44% from 55.38% in FYE 2008. The decline was mainly due to the following reasons:-

(i) Repair sales constituted a higher proportion of our revenue for the maintenance of Elevator systems in FYE 2009. The margin for our repair sales is generally lower as compared to our service sales and it fluctuates depending on the scope of job and negotiation with customers; and

(ii) In FYE 2009, we provided electrical and security system solutions mainly for an electrical contract relating to a condominium project in Kuala Lumpur and this project commanded a lower margin.

(2) FYE 2010 vs FYE 2009

Our Group's overall GP increased further by 27.98% or RM9.89 million to RM45.24 million in FYE 2010 from RM35.35 million in FYE 2009. Our GP margin also improved from 25.93% in FYE 2009 to 27.63% in FYE 2010, mainly driven by the Services and Manufacturing segments.

The GP margin for the Marketing and Distribution segment in FYE 2010 was marginally higher but almost consistent with the margin level recorded in FYE 2009, i.e. more than 25.0%. The marginal increase in the GP margin for this segment was mainly contributed by the increase in GP margin for the Control Equipment and network and security equipment but offset partly by the decline in the GP margin for the Power Distribution Equipment and other E&E components. The improved GP margin for the Control Equipment in FYE 2010 was mainly due to the higher sales of our high margin product, namely inverters.

In 2010, copper price had rebounded and resulted in higher cost for the Power Equipment. Accordingly, this had caused our GP margin for these products to be lower in FYE 2010.

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With respect to the Manufacturing segment, our Group's GP margin improved from 19.95% in FYE 2009 to 24.07% in FYE 2010, mainly due to the increase in the GP margin for the Elevator systems as we managed to complete and execute projects with higher GP margin due to better cost management. On the other hand, lower GP margin was recorded for the Busduct systems mainly due to the higher direct labour and overhead costs incurred by Furutec Electrical in FYE 2010 as a result of the company's expansion. The higher GP margin recorded for the Busduct systems in FYE 2009 was mainly contributed by a project in Singapore. The other E&E components and equipment also recorded lower GP and GP margin mainly due to the lower sales of our higher margin product, namely Centralised Dimming Systems from RM0.32 million in FYE 2009 to RM0.19 million in FYE 2010.

(3) ***FPE 2011 vs FPE 2010***

Our Group's overall GP decreased by 1.75% or RM0.60 million to RM33.72 million in FPE 2011 from RM34.32 million in FPE 2010 in tandem with the decrease in our revenue. However, our GP margin improved from 27.33% in FPE 2010 to 29.56% in FPE 2011 mainly driven by the Marketing and Distribution, and Services segments.

The GP margin for the Marketing and Distribution segment in FPE 2011 increased by 2.62% from 25.33% in FPE 2010 to 27.95% in FPE 2011. The increase in the GP margin for this segment was contributed mainly by Power Distribution Equipment and Control Equipment. The improvement in the GP margin was mainly due to the reduction in the export sales of Power Distribution Equipment to Thailand which have lower GP margin and sales of our high margin products of Control Equipment, namely contactors.

The GP margin for the Manufacturing segment in FPE 2011 has increased slightly by 0.45% from 24.07% in FPE 2010 to 24.52% in FPE 2011. However, the GP margin for Busduct systems has decreased by 5.61% from 24.47% in FPE 2010 to 18.86% in FPE 2011 mainly due to the reduction in sales of Busduct systems whereas the related labour and overhead expenses were maintained at about the same level.

The higher GP margin for the Services segment by 16.66% from 56.91% in FPE 2010 to 73.57% in FPE 2011 was mainly attributed to the improved GP margin in the Maintenance of Elevator Systems as a result of higher contribution from the maintenance of Elevator systems which fetched higher margin.

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(d) Distribution Costs

(A) Analysis of Distribution Costs

Our Group's distribution costs, which comprise mainly freight outwards, travelling and entertainment expenses as well as advertisement and promotion, represented 2.09%, 2.25%, 2.48% and 2.43% of our Group's total revenue for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 respectively. The breakdown details are as follows:-

	<----------Audited--------->			Unaudited	Audited
Category	**FYE 2008 RM'000**	**FYE 2009 RM'000**	**FYE 2010 RM'000**	**FPE 2010 RM'000**	**FPE 2011 RM'000**
Freight outwards	800	743	1,174	895	727
Travelling expenses	1,109	1,084	1,167	775	842
Entertainment	728	873	968	652	703
Advertising and promotion	172	270	486	282	377
Others *	142	97	259	277	125
Total	**2,751**	**3,067**	**4,054**	**2,881**	**2,774**
Total as a % of our Group's revenue	**2.09**	**2.25**	**2.48**	**2.29**	**2.43**

Note:-

* *Include sales incentive and commission as well as inland transit insurance etc.*

(B) Commentaries on Distribution Costs

(1) FYE 2009 vs FYE 2008

In FYE 2009, in line with the growth in our revenue, our Group recorded higher distribution costs as compared to FYE 2008, mainly due to the increase in freight outwards, entertainment and advertising and promotion.

(2) FYE 2010 vs FYE 2009

Our distribution costs increased by 31.92% or RM0.98 million to RM4.05 million in FYE 2010 from RM3.07 million in FYE 2009 in line with the growth in our revenue.

(3) FPE 2011 vs FPE 2010

Our distribution costs decreased by 3.82% or RM0.11 million to RM2.77 million in FPE 2011 from RM2.88 million in FPE 2010 in line with the decrease in our revenue.

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(e) Administrative Expenses

(A) Analysis of Administrative Expenses

Our Group's administrative expenses, which comprise mainly staff costs and general administrative expenses, accounted for approximately 12.0% of our Group's total revenue for the past three (3) FYE 2008 to FYE 2010. For FPE 2011, administrative expenses accounted for 14.23% of our Group's total revenue. The breakdown details are as follows:-

	<-----------Audited----------->			Unaudited	Audited
Category	**FYE 2008 RM'000**	**FYE 2009 RM'000**	**FYE 2010 RM'000**	**FPE 2010 RM'000**	**FPE 2011 RM'000**
Staff costs [(1)]	11,635	13,019	15,673	11,163	13,221
General administrative expenses [(2)]	2,675	2,690	3,343	2,481	2,455
Others [(3)]	[(4)] 1,280	801	843	639	553
Total	**15,590**	**16,510**	**19,859**	**14,283**	**16,229**
Total as a % of our Group's revenue	**11.83**	**12.11**	**12.13**	**11.38**	**14.23**

Notes:-

(1) Include Director fees, salaries, bonuses, allowances and other staff-related costs.
(2) Include, among others, depreciation and amortisation, office and other rental, maintenance of office, motor vehicle and equipment, general insurance, professional fees and utilities bills etc.
(3) Include fixed assets write off, donation and printing and stationary costs.
(4) Include a one-off R&D written off (RM462,610.00)

(B) Commentaries on Administrative Expenses

(1) FYE 2009 vs FYE 2008

Our administrative expenses increased by 5.90% or RM0.92 million to RM16.51 million in FYE 2009 from RM15.59 million in FYE 2008. The increase was an overall effect after taking into account various factors such as the increase in our overall staff costs from RM11.64 million in FYE 2008 to RM13.02 million in FYE 2009 after factoring in the effect of annual salary increment etc. In addition, our Group's total number of employees had increased from 250 in FYE 2008 to 289 in FYE 2009, mainly due to the increase in manpower for our two (2) key business sectors, i.e. the Elevator systems and the Busduct systems.

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(2) FYE 2010 vs FYE 2009

Our administrative expenses increased by 20.29% or RM3.35 million to RM19.86 million in FYE 2010 from RM16.51 million in FYE 2009. The increase was partly due to a further increase of 20.35% or RM2.65 million in the staff costs recorded by our Group from RM13.02 million in FYE 2009 to RM15.67 million in FYE 2010, which in turn was resulted from, among others, the annual salary increment and the increase in the number of our Group's employees. Our Group had a total of 347 employees in FYE 2010 as compared to 289 employees in FYE 2009 in line with our continuous efforts in expanding and growing our business, as evidenced by a further increase in the number of employees for the Elevator systems and Busduct systems.

(3) FPE 2011 vs FPE 2010

Our administrative expenses increased by 13.66% or RM1.95 million to RM16.23 million in FPE 2011 from RM14.28 million in FPE 2010. The increase was due to a further increase of 18.46% or RM2.06 million in the staff costs recorded by our Group from RM11.16 million in FPE 2010 to RM13.22 million in FPE 2011, which in turn was resulted from, among others, the annual salary increment and the increase in the number of our Group's employees. Our Group had a total of 362 employees as at FPE 2011 as compared to 326 employees as at FPE 2010 in line with our continuous efforts in expanding and growing our business.

(f) Other Operating Expenses

(A) Analysis of Other Operating Expenses

Our Group's other operating expenses which comprise mainly allowance for doubtful debts, realised and unrealised foreign exchange loss and bad debts written off represented 0.26%, 1.50%, 1.61% and 1.89% of our Group's total revenue for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 respectively. The breakdown details are as follows:-

	<-------------Audited----------->			Unaudited	Audited
Category	**FYE 2008 RM'000**	**FYE 2009 RM'000**	**FYE 2010 RM'000**	**FPE 2010 RM'000**	**FPE 2011 RM'000**
(Reversal)/ Allowance for doubtful debts	(257)	1,495	2,250	2,690	446
Realised/ unrealised foreign exchange loss	203	98	114	141	497
Bad debts written off	50	17	99	95	545
Others	[(1)]346	[(1)(2)] 442	[(1)]168	[(1)(3)]174	[(1)(4)]663
Total	**342**	**2,052**	**2,631**	**3,100**	**2,151**
Total as a % of our Group's revenue	**0.26**	**1.50**	1.61	2.47	**1.89**

Notes:-

(1) Include fixed assets write off and miscellanaous expenses.

(2) Include one-off loss on disposal of investment propertias (RM32,757), deposit written off (RM26,411) and loss on disposal of other investment (RM18,662) etc.

(3) Include provision for stock loss of RM148,338.

(4) Includa provision for stock loss of RM179,399, allowance for irrecovarable investment of RM114,260, derivativa loss for future contract of RM64,458, fair valua loss in derivatives of RM80,032 and provision for liquidated ascertained damages of RM192,670.

(B) Commentaries on Other Operating Expenses

(1) FYE 2009 vs FYE 2008

Our Group's other operating expenses increased substantially by 502.94% or RM1.71 million from RM0.34 million in FYE 2008 to RM2.05 million in FYE 2009. The substantial increase was mainly due to the amount of the allowance for doubtful debts recorded in FYE 2009 and the one-off items mentioned in Note (2) of the table above as well as the increase in other expenses but partly offset by the lower amount recorded for realised/ unrealised foreign exchange loss and bad debts written off.

(2) FYE 2010 vs FYE 2009

Our Group's other operating expenses increased by 28.29% or RM0.58 million from RM2.05 million in FYE 2009 to RM2.63 million in FYE 2010, mainly due to higher amount recorded for allowance for doubtful debts, realised/ unrealised foreign exchange loss and bad debts written otf after otfsetting the effect of the one-off items mentioned in Note (2) of the table above recorded in FYE 2009.

(3) FPE 2011 vs FPE 2010

Our Group's other operating expenses decreased by 30.65% or RM0.95 million from RM3.10 million in FPE 2010 to RM2.15 million in FPE 2011, mainly due to lower amount recorded for allowance for doubtful debts. However, the decrease is partially being otfset by the increase in realised/ unrealised foreign exchange loss, bad debts written otf and others which includes provision for stock loss, allowance for irrecoverable investment, derivative loss for future contract, fair value loss in derivatives and provision for liquidated ascertained damages.

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(g) Other Operating Income

(A) Analysis of Other Operating Income

Our Group's other operating income, comprises mainly realised/ unrealised foreign exchange gain, scrap sales, other income and rebate received from our suppliers upon meeting certain purchase quota target as well as gain on disposal of fixed assets and investment properties, represented 1.84%, 1.12%, 1.42% and 1.31% of our Group's total revenue for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 respectively. The breakdown details are as follows:-

	<------------Audited------------>			Unaudited	Audited
Category	**FYE 2008 RM'000**	**FYE 2009 RM'000**	**FYE 2010 RM'000**	**FPE 2010 RM'000**	**FPE 2011 RM'000**
Realised/ unrealised foreign exchange gain	287	587	1,333	1,232	149
Scrap sales	76	61	353	94	139
Gain on disposal of fixed assets	80	62	239	89	-
Other income and rebate from suppliers	257	376	186	137	865
Gain on disposal of investment properties	1,250	-	-	-	-
Others	476	441	216	443	341
Total	**2,428**	**1,527**	**2,327**	**1,995**	**1,494**
Total as a % of our Group's revenue	**1.84**	**1.12**	**1.42**	**1.59**	**1.31**

(B) Commentaries on Other Operating Income

(1) FYE 2009 vs FYE 2008

Our Group's other operating income reduced by 37.04% or RM0.90 million from RM2.43 million in FYE 2008 to RM1.53 million in FYE 2009. Our other operating income was higher in FYE 2008 mainly due to the one-off gain on disposal of investment properties of RM1.25 million.

(2) FYE 2010 vs FYE 2009

Our Group's other operating income increased by 52.29% or RM0.80 million from RM1.53 million in FYE 2009 to RM2.33 million in FYE 2010. The increase was mainly attributed to the higher amount recorded for realised/ unrealised foreign exchange gain, scrap sales and gain on disposal of fixed assets after offsetting the decline in other income and rebate from suppliers.

(3) FPE 2011 vs FPE 2010

Our Group's other operating income decreased by 25.50% or RM0.51 million from RM2.0 million in FPE 2010 to RM1.49 million in FPE 2011. The decrease was mainly attributed to the lower amount recorded for realised/ unrealised foreign exchange gain which was partly offset by higher rebate from suppliers.

(h) Interest Income and Finance Costs

(A) Analysis of Interest Income and Finance Costs

(1) Finance Costs

Our Group's finance costs comprise mainly interest charges for bills payable, hire purchase and bank overdrafts, represented 0.90%, 0.54%, 0.49% and 0.52% of our Group's total revenue for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 respectively. The breakdown details are as follows:-

	<----------Audited---------->			Unaudited	Audited
Category	**FYE 2008 RM'000**	**FYE 2009 RM'000**	**FYE 2010 RM'000**	**FPE 2010 RM'000**	**FPE 2011 RM'000**
Bills payable	896	695	721	537	388
Hire purchase	23	26	62	42	57
Bank overdrafts	207	17	24	9	150
Term loans	63	-	-	-	-
Total	**1,189**	**738**	**807**	**588**	**595**
Total as a % of our Group's revenue	**0.90**	**0.54**	**0.49**	**0.47**	**0.52**

(2) Interest Income

Our Group recorded RM0.09 million, RM0.15 million, RM0.11 million and RM0.06 million as the interest income derived mainly from our fixed deposits interest and overnight repo for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 respectively. These amount represented only 0.07%, 0.11%, 0.07% and 0.05% of our Group's total revenue for the corresponding financial years/ period.

(B) Commentaries on Interest Income and Finance Costs

(1) FYE 2009 vs FYE 2008

(i) Finance Costs

Our Group's finance costs decreased by RM0.45 million from RM1.19 million in FYE 2008 to RM0.74 million in FYE 2009. The decrease was mainly due to the reduction in interest incurred on bills payable and bank overdrafts.

(ii) Interest Income

Our Group's interest income increased by RM0.06 million from RM0.09 million in FYE 2008 to RM0.15 million in FYE 2009 in line with the higher amount of fixed deposits and overnight repo placed with the financial institutions by our Group in FYE 2009.

(2) FYE 2010 vs FYE 2009

(i) Finance Costs

Our Group's finance costs increased by RM0.07 million from RM0.74 million in FYE 2009 to RM0.81 million in FYE 2010 mainly due to higher interests incurred on bills payable and hire purchase.

(ii) Interest Income

Our Group's interest income decreased by RM0.04 million from RM0.15 million in FYE 2009 to RM0.11 million in FYE 2010 in line with the decrease in our fixed deposits and overnight repo placed with the financial institutions in FYE 2010.

(3) FPE 2011 vs FPE 2010

(i) Finance Costs

Our Group's finance costs increased by RM0.01 million from RM0.59 million in FPE 2010 to RM0.60 million in FPE 2011, mainly due to higher interests incurred on bank overdrafts and hire purchase.

(ii) Interest Income

Our Group's interest income decreased by RM0.03 million from RM0.09 million in FPE 2010 to RM0.06 million in FPE 2011 in line with the decrease in our overnight repo placed with financial institutions in FPE 2011.

(i) PBT

Our Group's PBT for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 was RM13.11 million, RM14.66 million, RM20.33 and RM13.52 million respectively. Accordingly, these amount translated into a PBT margin of 9.95%, 10.75%, 12.42% and 11.86% for the corresponding financial years/ period.

(A) Commentaries on PBT

(1) FYE 2009 vs FYE 2008

Our Group's PBT increased by 11.82% or RM1.55 million to RM14.66 million in FYE 2009 from RM13.11 million in FYE 2008 in line with the increase in our revenue. The increase was also contributed by the decrease in our finance costs incurred in FYE 2009.

(2) FYE 2010 vs FYE 2009

Our Group's PBT increased by 38.68% or RM5.67 million to RM20.33 million in FYE 2010 from RM14.66 million in FYE 2009 in line with the increase in our revenue. In addition, the increase was also contributed by the increase in our Group's other operating income in FYE 2010.

(3) FPE 2011 vs FPE 2010

Our Group's PBT decreased by 13.05% or RM2.03 million to RM13.52 million in FPE 2011 from RM15.55 million in FPE 2010 in line with the decrease in our revenue. In addition, the decrease was also contributed by the decrease in our Group's other operating income in FPE 2011.

(j) Tax Expense

The statutory tax rate for our Group for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 was 26%, 25%,25% and 25% respectively.

Based on our Group's tax expense of RM2.35 million, RM3.19 million, RM4.71 million and RM3.22 million recorded for FYE 2008, FYE 2009, FYE 2010 and FPE 2011 respectively, our Group's effective tax rate was 17.95%, 21.74%, 23.17% and 23.80% for the corresponding financial years/ period.

(A) Commentaries on Tax Expenses

(1) FYE 2009 vs FYE 2008

Our Group's tax expense increased by 35.74% or RM0.84 million to RM3.19 million in FYE 2009 from RM2.35 million in FYE 2008 in line with the increase in our Group's PBT. Our Group's effective tax rate increased by 3.79 percentage points from 17.95% in FYE 2008 to 21.74% in FYE 2009 mainly due to:-

(i) higher non-deductible items;
(ii) lower utilisation of tax losses carried forward;
(iii) exemption of real property gain tax on disposal of freehold land (i.e. investment properties) in FYE 2008;
(iv) removal of the preferential tax rate entitlement applicable to subsidiaries with share capital of RM2.5 million and below; and
(v) set-off by adjustments for over provision of prior year taxes.

(2) FYE 2010 vs FYE 2009

Our Group's tax expense increased by 47.65% or RM1.52 million to RM4.71 million in FYE 2010 from RM3.19 million in FYE 2009 in line with the increase in our Group's PBT. Our Group's effective tax rate increased by 1.43 percentage points from 21.74% in FYE 2009 to 23.17% in FYE 2010 mainly due to:-

(i) lower utilisation of tax losses carried forward;
(ii) lower tax incentives arising from utilisation of reinvestment allowances;
(iii) lower adjustments for over provision of prior year taxes; and
(iv) set-off by lower non-deductible items.

(3) FPE 2011 vs FPE 2010

Our Group's tax expense decreased by 9.55% or RM0.34 million to RM3.22 million in FPE 2011 from RM3.56 million in FPE 2010 in line with the decrease in our Group's PBT. Our Group's effective tax rate increased by 0.93 percentage points from 22.87% in FPE 2010 to 23.80% in FPE 2011 mainly due to lower tax incentives arising from utilisation of reinvestment allowances.

(k) PAT

Our Group recorded a PAT of RM10.76 million, RM11.47 million and RM15.62 million for FYE 2008, FYE 2009 and FYE 2010 respectively in line with the increase in our revenue and PBT after deducting the tax expense incurred for the respective financial years. For FPE 2011, PAT has decreased in tandem with the decrease in our revenue and PBT.

(A) Commentaries on PAT

(1) FYE 2009 vs FYE 2008

Our Group's PAT increased by 8.60% or RM0.71 million to RM11.47 million in FYE 2009 from RM10.76 million in FYE 2008 in line with the increase in our Group's PBT.

(2) FYE 2010 vs FYE 2009

Our Group's PAT increased by 36.18% or RM4.15 million to RM15.62 million in FYE 2010 from RM11.47 million in FYE 2009 in line with the increase in our Group's PBT.

(3) FPE 2011 vs FPE 2010

Our Group's PAT decreased by 14.08% or RM1.69 million to RM10.31 million in FPE 2011 from RM12.0 million in FPE 2010 in line with the decrease in our Group's revenue and PBT.

8.4.2 Significant Factors Materially Affecting Our Group's Net Revenue and Profits

Our results of operations may be affected by a number of factors, the most significant of which are described below:-

(a) Demand and Supply Conditions

Our Group's revenue and profit are dependent on the demand and supply conditions as set out in Section 10 of this Prospectus.

(b) Competition

Our Group operates in a competitive industry. Please refer to Section 10 of this Prospectus for further discussion on the impact of competition on our Group.

Nevertheless, with our proven track record in the industry, the continued support of our customers and our continuous emphasis on R&D, our Directors are of the opinion that we are competent and well positioned to withstand future competition and to secure future projects from our existing and potential customers.

(c) Growth of the User Industries

The financial performance of our Marketing and Distribution segment is largely dependent on the growth in the machinery and equipment industry, E&E industry and lighting industry whereas our Manufacturing and Services segments are dependent on the growth of the building and construction industries, particularly the commercial buildings and high-rise building sectors as well as the infrastructure industry. The growth and sustainability of our user industries are in turn dependent on several factors such as the general economic conditions.

In this respect, we believe that the various economic transformation programmes initiated by the Government recently will benefit our main user industries, particularly the building, construction and infrastructure industries. This will in turn provide more business opportunities for our Group's future growth.

(d) Uncontrollable and Unforeseen Delays in Construction

Elevators, electrical systems and other building infrastructure form only a part of a development project. As such, timely completion of the actual construction of the development is crucial to the completion of our projects. However, the completion of development projects are dependent on many unpredictable external factors, which may be beyond the control of our Group, including unfavourable economic conditions and satisfactory performance of other contractors who are appointed to complete the development project. Any delay in the completion of development projects would likely affect the delivery of our products.

(e) Product Mix

Our revenue and gross margins are substantially affected by our product mix.

Historically, the total quantum of revenue from the Marketing and Distribution and Manufacturing segments are significantly higher than our Services segment as these segments have higher sales volume and command higher selling prices. However, the Services segment, particularly the maintenance of Elevator systems commands higher gross margin in comparison to the other two (2) segments. The revenue stream for the maintenance of Elevator systems under the Services segment is dependent on the Manufacturing segment, particularly the manufacturing of Elevator systems. Therefore, the growth in the manufacturing of Elevator systems will create new opportunities for us to expand our Services segment on the maintenance of Elevator systems.

In this regard, our Group intends to increase our focus in growing both the manufacturing of Elevator systems, particularly our own brand Elevator systems as well as the maintenance of Elevator systems under the Services segment.

(f) Fluctuation in Foreign Exchange Rate and Commodity Price

Please refer to Section 8.4.4 of this Prospectus for further disclosure on fluctuation in foreign exchange rate and commodity price and how it impacts on the financial performance of our Group.

8.4.3 Material Changes in Sales or Revenue

A discussion on the reasons of material changes in our revenue for the past three (3) FYE 2008 to FYE 2010 and FPE 2011 is as set out in Section 8.4.1 of this Prospectus.

8.4.4 Impact of Foreign Exchange/ Interest Rates/ Commodity Prices on Our Group's Operations

The functional and reporting currency of our Group is RM.

Our customers are primarily contained within the South East Asia region, namely Malaysia, Singapore and Thailand although a small proportion of our revenue is generated from other overseas markets. Our sales are mainly denominated in RM, SGD, Thai Baht, USD and CHF. Payments to our suppliers are mainly made in RM, SGD, Japanese Yen, USD, Euro and CHF. We maintain foreign currency bank accounts in the SGD, USD and CHF currencies to support our business operations. In addition, we also maintain foreign currency bank account in VND to support the activities of our representative office in Vietnam. As at the LPD, our Group have been granted a total of RM48.10 million foreign exchange contract lines by various financial institutions which we have utilised RM1.38 million.

For foreign revenue sources and payment of creditors, we would either hedge the transaction forward with banks providing foreign exchange hedging facilities or by natural hedging, whereby we will use our proceeds in a particular foreign currency to pay for purchases in the same foreign currency. By hedging forward or natural hedging, we minimise our foreign exchange exposure risk. In addition, our management monitors closely the movement of the foreign currencies applicable to our business in managing the foreign currency risk.

The price of our raw materials such as copper is, to a certain extent, dependent on the commodity market. As such, we may place advance bookings and purchase forward on expectations of increases in commodity prices. Nevertheless, we are able to pass on the increased cost to our customers in most instances. In addition, our management monitors closely the movement of the prices of raw materials to minimise the adverse impact that may be caused by the fluctuation in commodity prices. We have also put in place certain hedging strategies by entering into future contracts for copper. When we enter into futures contract for copper, we will also determine whether there is a need to hedge the foreign currency involved either with banks or to allow for natural hedging.

Save for the above, there were no other material impacts of fluctuation of foreign currency, interest rates or commodity prices on our Group's operating profit in the financial years/ periods under review.

8.4.5 Impact of Inflation on Our Group's Operations

There was no material impact of inflation on our historical profit for the past three (3) FYE 2008 to FYE 2010 and FPE 2011.

8.4.6 Impact of Government, Economic, Fiscal or Monetary Policies on Our Group's Operations

Risks relating to government, economic, fiscal or monetary policies, which may materially affect our operations, is as set out in Section 3 of this Prospectus.

There were no government, economic, fiscal or monetary policies or factors that have materially impacted our historical profits for the past three (3) FYE 2008 to FYE 2010 and FPE 2011.

8.4.7 Liquidity and Capital Resources

(a) Working Capital

Our business operations are funded through a combination of internal sources of cash generated via sales from our principal business activities and external sources of funds. Our external sources of financing are primarily from bank borrowings through bill payables, hire purchases and bank overdrafts.

As at 30 September 2011, after incorporating the effects of our Listing Scheme, our Group has a proforma total current assets of RM105.89 million and current liabilities of RM41.07 million, which amounted to RM64.82 million of net working capital. Net working capital is defined as the difference between current assets and current liabilities.

As at 30 September 2011, after incorporating the effects of the Listing Scheme, our Group has a proforma cash and cash equivalents of RM12.74 million and total borrowings amount to RM12.17 million. Our Group's debt to equity ratio as at 30 September 2011 is 0.14 times.

Our Directors are of the opinion that, after taking into account of our Group's current cash flow position, the banking facilities available, our Group's capacity to obtain further institutional financing and the net proceeds from the Public Issue, our Group will have adequate working capital for a period of twelve (12) months from the date of issue of this Prospectus.

(b) Cash Flows

A summary of our Group's consolidated and proforma cash flow for FPE 2011, which should be read in conjunction with the Accountants' Report as set out in Section 9 of this Prospectus, is as follows:-

Cash Flow	Consolidated (I) As at 30.09.2011 (RM'000)	Proforma Consolidated After (I) and Adjusting for IPO and Utilisation of Proceeds (RM'000)
Net cash from operating activities	3,160	3,160
Net cash used in investing activities	(2,749)	(17,624)
Net cash (used)/ from financing activities	(10,817)	3,863
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,406)	(10,601)
FOREIGN CURRENCY TRANSLATION DIFFERENCES	157	157
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	16,332	16,332
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	6,083	5,888

There are no legal or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends. However, some of our bankers require us to seek their prior approval for dividend payments. We do not expect such approval to be unreasonably withheld by our bankers. Therefore, we are confident that we can reasonably meet our cash obligations, i.e. for working capital requirements and repayment of bank borrowings, as and when they are due.

(i) Net Cash from Operating Activities

For FPE 2011, our Group generated operating cash flows before working capital changes of RM15.68 million. After adjusting for net outflow of RM8.09 from working capital changes, income tax paid of RM3.95 million, interest paid of RM0.54 million and interest received of RM0.06 million, we generated net cash from operating activities of RM3.16 million. Our working capital changes arose mainly from the increase in inventories of RM0.24 million, increase in trade and other receivables of RM8.66 million and increase in trade and other payables of RM0.81 million.

(ii) Net Cash Used in Investing Activities

For FPE 2011, our Group's net cash used in investing activities amounted to RM2.75 million due to purchase of plant and equipment amounting to RM2.33 million and an increase in development costs of RM0.42 million.

(iii) Net Cash Used in Financing Activities

For FPE 2011, our Group's net cash used in financing activities amounted to RM10.82 million due to the payment of dividends amounting to RM3.52 million declared in FYE 2010, payment of hire purchase and interest amounting to RM0.36 million and the repayment of loans and borrowings of RM6.94 million.

(c) Borrowings

As at the LPD, our Group had total outstanding borrowings of RM21.52 million, details of which are set out below:-

	Amount (RM'000)
Interest-bearing short term borrowings	
Bills payable	14,926
Hire purchase	423
Bank overdraft	4,145
Total short term borrowings	**19,494**
Interest bearing long term borrowings	
Term loan	1,442
Hire purchase	585
Total long term borrowings	**2,027**
Total interest-bearing borrowings	**21,521**
Gearing ratio as at the LPD (times) [(1)]	0.29
Gearing ratio after IPO and utilisation of proceeds (times) [(2)]	0.24

Notes:-

(1) Based on total interest-bearing borrowings divided by shareholders' funds as at 30 September 2011 of RM74.62 million (excluding non-controlling interest).

(2) Based on total interest-bearing borrowings divided by proforma shareholders' fund as at 30 September 2011 of RM89.30 million (excluding non-controlling interest) upon completion of the IPO and utilisation of proceeds.

There has been no default or any known events that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of our Group throughout the past three (3) FYE 2008 to FYE 2010 and FPE 2011 and the subsequent financial period up to the LPD which our Directors are aware of.

(d) Breach of Terms and Conditions/ Covenants Associated with Credit Arrangement/ Bank Loan

To the best of our Directors' knowledge, as at LPD, neither we nor any of our subsidiaries are in breach of any terms and conditions or covenants associated with credit arrangements or bank loans, which can materially affect our financial results or business operations, or the investments by holders of securities in our Company.

(e) Financial Instruments Used

As at the LPD, we have credit lines for foreign exchange forward contracts with a few financial institutions amounting to RM48.10 million, which we have utilised RM1.38 million. The foreign exchange forward contracts credit lines is to facilitate our Group in mitigating the effects of fluctuation in foreign currency. Our management can readily utilise such forward contracts to hedge the fluctuation in exchange rates of the relevant foreign currencies, after taking into account the exposure period and the related transaction costs.

(f) Treasury Policies and Objectives

We have been financing our operations through a combination of cash generated from our operations, shareholders' funds and external sources of funds. Our external sources of funds mainly comprise bank borrowings and credit extended to us by our suppliers. The normal credit term granted by our suppliers ranges from 30 to 90 days as detailed in Sections 8.4.7(j)(ii) of this Prospectus. Further details of our borrowings are as set out in Section 8.4.7(c) of this Prospectus.

Our Group's decision to either utilise banking facilities or internally generated funds for our operations depends on *inter alia*, our cash reserve, expected cash inflows or receipts from customers, future working capital requirements, future capital expenditure requirements and the interest rates of the banking facilities.

Our minimum cash reserves at any point in time is dependent on, *inter alia*, the expected cash inflows or receipts from customers, liquidity of our short-term investments and our future working capital requirements.

Further information on our Group's foreign exchange exposure, impact and mitigating factors are as set out in Section 8.4.4 of this Prospectus.

(g) Material Commitment

As at the LPD, save for the expansion and improvement of manufacturing and business facilities and expansion in R&D (as detailed in Section 2.7(a) and 2.7(b) respectively of this Prospectus), our Group does not have any material capital commitments for capital expenditure, which upon becoming enforceable may have a material effect on the financial position of our Group.

(h) Material Litigation/ Arbitration

As at the LPD, neither our Company nor our subsidiaries are engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on our financial position or business and our Directors do not know of any proceeding pending and threatened, and of any fact likely to give rise to any proceeding which might materially and adversely affect our business and financial position.

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(i) Contingent Liabilities

Save as disclosed below, as at the LPD, the Directors of our Group are not aware of any material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on the financial position of our Group:-

Contingent Liabilities	Amount (RM'000)
Guarantees granted to third parties for performance of contract by subsidiaries	4,300

(j) Key Financial Ratios

The key financial ratios of our Group are as follows:-

	<-------- Audited -------->			Unaudited	Audited
	FYE 2008	FYE 2009	FYE 2010	FPE 2010	FPE 2011
Trade receivables turnover (months) [(1) (2)]	3.18	3.05	2.57	2.25	3.04
Trade payables turnover (months) [(1)]	1.20	1.79	1.45	2.08	2.01
Inventory turnover (months) [(1)]	3.16	3.41	2.92	3.01	3.26
Current ratio (times)	2.00	1.90	2.24	2.22	2.58
Gearing ratio (times)	0.35	0.24	0.23	0.19	0.16

Notes:-

(1) As at statement of financial position dates.

(2) Calculated after adjustments to exclude retention sums that were withheld by our customers for on-going and completed projects and amount due from customers on contracts which represent progress billings in excess of construction work in progress.

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8. FINANCIAL INFORMATION *(Cont'd)*

(i) Trade Receivables

Our Group's trade receivables balance (excluding inter-company trade receivables) as at 30 September 2011 and the ageing analysis thereon are as follows:-

	Within Normal Credit Periods					Exceeding Normal Credit Periods	
	0-30 Days (RM'000)	30-60 Days (RM'000)	60-90 Days (RM'000)	90-120 Days (RM'000)	120-150 Days (RM'000)	> 150 Days (RM'000)	Total (RM'000)
Trade receivables	9,347	7,183	7,572	3,807	2,307	7,138	37,354
Progress billing receivables [1]	2,187	273	186	1,004	53	3,664	7,367
Less : provision for doubtful debts	-	-	-	-	-	[2] (6,150)	[2] (6,150)
Net trade receivables [1]	11,534	7,456	7,758	4,811	2,360	4,652	38,571
% of Group trade receivables [1]	29.90	19.33	20.12	12.47	6.12	12.06	100.00

Notes:-

(1) Calculated after adjustments to exclude retention sums that were withheld by our customers for on-going and completed projects, and amount due from customers on contracts which represent progress billings in excess of construction work in progress amounting to RM3,279,000.

(2) Consists of the provision for trade receivables (RM4.0 million) and provision for progress billing receivables (RM2.15 million) of which the breakdown details on the specific provision and general provision are as follows:-

	Specific Allowance (RM'000)*	*General Allowance* (RM'000)*	*Total (RM'000)*
Trade receivables	*1,377*	*2,626*	*4,003*
Progress billing receivables	*869*	*1,278*	*2,147*
Total	***2,246***	***3,904***	***6,150***

* *Disclosed as Individual Impairment and Collective Impairment in the Financial Statements.*

Typically, the credit term given to our trade debtors for Marketing and Distribution segment and Manufacturing segment are up to 150 days. This is in line with the credit terms acceptable in the property and electrical industry respectively.

Other credit terms are assessed and approved on a case-by-case basis after taking into consideration, inter-alia, the background and credit-worthiness of the customers, payment history of the customers and our relationship with the customers.

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Overall, our Group's trade receivables turnover has improved over the past three (3) FYE 2008 to FYE 2010. Our Group trade receivables' turnover period improved from 3.18 months in FYE 2008 to 3.05 months FYE 2009. The trend continued in FYE 2010, where our Group trade receivables further improved to 2.57 months.

The overall improvement in trade receivables turnover for the past three (3) FYE 2008 to FYE 2010 is mainly due to our management's initiatives to adopt a proactive credit control policy in taking reasonable steps to ensure that proper actions have been taken in relation to customers who exceeded our credit terms, resulting in better collection of trade receivables. In addition, our management gives discounts to encourage early payments by customers.

However, for FPE 2011 our trade receivables turnover has increased to 3.04 months as compared to 2.25 months for FPE 2010 despite our proactive credit control policy. This was mainly due to higher progress billings for Elevator System as more jobs were certified during the last quarter of the FPE 2011, a normal operational cycle for our nature of business involving projects. Besides that, our trade receivables have also increased due to the increased in sales of other E&E components and equipment during the last two months of the period as a result of higher sales of Ballast.

Our Directors are of the opinion that trade receivables exceeding credit period (net of provision for doubtful debts) are recoverable after taking into consideration the long term relationship between most of these customers and our Group, and various credit control measures being implemented by us to minimise customers default.

As at the LPD, RM2.88 million out of the trade receivables exceeding 150 days of RM3.13 million have been collected. In addition, RM0.66 million out of the progress billing receivables exceeding 150 days of RM1.52 million have been collected. The remaining balances exceeding 150 days under both categories have been fully provided as doubtful debt.

Our Group has two (2) types of allowance for doubtful debts as follows:-

(a) Specific allowance for doubtful debts which is established for specific potentially uncollectible balances that have been identified by our management. For example, we may make provision for specific customers that have filed for winding up or bankruptcy and customers with overdue payment exceeding 12 months and/or those that have been served with demand letters by our Group; and

(b) General allowance for doubtful debts where a provision of 50% and 100% for trade receivables with overdue payment exceeding 6 months and 12 months respectively.

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(ii) Trade Payables

Our Group's trade payables balance (excluding inter-company trade payables) as at 30 September 2011 and the aging analysis thereon are as follows:-

	Within Normal Credit Pariods			Exceeding Normal Credit Periods			
	0-30 Days (RM'000)	30-60 Days (RM'000)	60-90 Days (RM'000)	90-120 Days (RM'000)	120-150 Days (RM'000)	> 150 Days (RM'000)	Total (RM'000)
Trade payables	9,051	5,224	1,219	473	914	1,094	17,975
% of Group trade payables	50.35	29.06	6.78	2.63	5.09	6.09	100.00

The Group's normal credit terms granted to us by our trade suppliers ranges from 30 to 90 days.

For the past three (3) FYE 2008 to FYE 2010 and FPE 2011, our Group recorded trade payables turnover period ranging between 1.20 months to 2.01 months. Our trade payables turnover increased from 1.20 months in FYE 2008 to 1.79 months in FYE 2009 largely due to higher trade purchases from our suppliers in the last quarter of FYE 2009 to meet the higher customers' orders in subsequent months. For FYE 2010, our trade payables turnover reduced to 1.45 months.

Our trade payables turnover for FPE 2011 increased to 2.01 months as compared to 1.45 months in FYE 2010 mainly due to higher purchases for E&E components during the last two (2) months of the period in anticipation of the higher sales demand.

A substantial portion of our Group's purchases are from overseas which are based on letters of credit.

As at the LPD, RM0.15 million or 14.11% of the trade payables balance exceeding 150 days have been paid. The remaining balances outstanding are mainly attributed to monies held for subcontracted work for projects and services that are yet to be fully completed and signed off. The amount owed to these subcontractors will be retained pending the completion of the project and/or defects liability period.

As at the LPD, we are not aware of any actions, legal or otherwise, that have been taken against us by trade suppliers for the recovery of debts due to them or due to any defaults in payment.

(iii) Inventory Turnover

It is our Group's policy to maintain approximately three (3) months inventory level to support our business operations. Our inventory mainly consists of the following:-

- Raw materials such as aluminium bars, copper bars and wires, and steel plates for our Busduct and Ballast manufacturing operations;

- Equipment and parts for the manufacture of Elevators such as stainless steel car cages, motors and other Elevator components;

- Work-in-progress comprising mainly of the material costs incurred for on-going jobs; and

- Stock of finished goods mainly comprising the various E&E components that we market and distribute.

Overall, our inventory turnover period increased from 3.16 months in FYE 2008 to 3.41 in FYE 2009 as we stocked up more goods in anticipation of an overall increase in demand for our Group's products following the improved economy at the end of FYE 2009. For FYE 2010, our inventory turnover period reduced to 2.92 months in tandem with the trade payables turnover period as purchases were spread-out throughout the year resulting in no major increase in the year end inventories.

For FPE 2011, our inventory turnover increased to 3.26 months as compared to 2.92 months for FYE 2010 as our sales for the FPE 2011 was lower although our Group has maintained relatively the same reorder level of inventory.

In line with our business, our Group stocks a wide range of goods and materials as part of our inventory based on a forward forecast of total secured projects and orders received. Nevertheless, we have in place effective inventory monitoring policies to identify and write off slow-moving or obsolete inventories. As at the LPD, we are of the view that there are no material slow-moving or obsolete inventories which have not been accounted for.

(iv) Current Ratio

Our current ratio decreased slightly from 2.0 times in FYE 2008 to 1.90 times in FYE 2009 mainly due to the dividend payable and the increase in trade and other payables as a result of higher purchases during the year.

Our current ratio increased from 1.90 times in FYE 2009 to 2.24 times in FYE 2010 mainly due to higher trade and other receivables which were off-set by the reduction in the dividend payable and lower trade and other payables.

Our current ratio increased to 2.58 times in FPE 2011 compared to 2.24 times in FYE 2010 mainly due to higher trade and other receivables as well as repayment of loans and borrowings.

(v) Gearing Ratio

Our gearing ratio decreased from 0.35 times in FYE 2008 to 0.24 times in FYE 2009 mainly due to repayment of term loan.

Our gearing ratio decreased from 0.24 times in FYE 2009 to 0.23 times in FYE 2010 mainly due to improvement in our Group's shareholders' fund (supported by our Group's improved equity position) and lower utilisation of trade facilities.

Our gearing ratio improved from 0.23 times in FYE 2010 to 0.16 times in FPE 2011 mainly due to repayment of short term loans.

8.4.8 Trend Information

(a) Business and Financial Prospects

As at the LPD, to the best of our Directors' knowledge and belief, our conditions and operations have not been and are not expected to be affected by any of the following:-

(i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in this section, Section 3 and Section 4 of this Prospectus;

(ii) material commitment for capital expenditure, save as disclosed in Section 8.4.7(g) of this Prospectus;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as disclosed in this section and in Section 3 of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group revenue and/or profits save for those that have been disclosed in this section, industry overview as set out in Section 10 of this Prospectus and future plans, strategies and prospects as set out in Section 4.19 of this Prospectus;

(v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and in Section 3 of this Prospectus; and

(vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section and in Section 3 and Section 4 of this Prospectus.

The Board is optimistic about the future prospect of our Group given the favourable outlook as set out in Section 10 of this Prospectus, our competitive advantages and key strengths set out in Section 4.18 of this Prospectus and our Group's dedication to implement the future plans and strategies set out in Section 4.19 of this Prospectus.

(b) Order Book

As at the LPD, our order book amounted to approximately RM98.99 million for the manufacture of Elevator Systems (RM79.46 million) and Busduct Systems (RM9.22 million) as well as the provision of electrical and security system solutions segment (RM10.31 million). As the revenue from our projects are recognised based on the percentage-of-completion method, our outstanding contracts on hand excludes the value of completed works in respect of on-going projects which have been recognised as revenue.

Our orders in hand are however, subject to cancellation, deferral or rescheduling by our customers. Accordingly, our order book as at any particular date cannot be indicative of our revenue for any succeeding period.

8.5 DIVIDEND POLICY

Subject to factors outlined below, moving forward, it will be the policy of our Directors to recommend a distribution of up to 30% of our Group's annual PAT to the equity holders of our Company. This will allow shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group.

Our Directors will also take into consideration, amongst others, of the following factors when recommending dividends for approval by our shareholders or when declaring any interim dividends:-

(a) Our expected profitability;

(b) The availability of profits for the franking of dividends;

(c) Our required and expected return on equity;

(d) Our projected levels of capital expenditure and other investment plans;

(e) The prevailing interest rates and yields of the financial market; and

(f) The level of our cash and indebtedness, if any.

Any declaration and payment of dividends in the future will be at the discretion of the Board. There is no assurance on whether the dividend distributions will occur as intended, the amount of dividend payment or timing of such payments.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

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(Prepared for inclusion in the Prospectus)

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Chartered Accountants
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The Board of Directors
EITA Resources Berhad
Third Floor, No. 79 (Room A)
Jalan SS 21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

12 March 2012

Dear Sirs

Accountants' Report

1 Introduction

This report has been compiled by Messrs KPMG, an approved company auditor, for inclusion in the Prospectus of EITA Resources Berhad (hereinafter known as "EITA" or "the Company") issued for Prospectus in connection with the listing and quotation of the entire enlarged issued and paid up share capital of EITA on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), and should not be relied upon for any other purposes.

2 General information

2.1 Background

EITA was incorporated in Malaysia under the Companies Act, 1965 as a private limited liability company on 19 August 1996 under the name of Pacific Astro Sdn. Bhd.. On 27 November 1996, EITA changed its name to EITA Power & Automation Sdn. Bhd. and subsequently, to EITA Holdings Sdn. Bhd. on 2 April 1997. On 9 October 2009, its name was changed to EITA Resources Sdn. Bhd.. EITA changed its status from a private limited liability company into a public limited liability company on 11 January 2010 and since then, assumed the name of EITA Resources Berhad.

EITA is principally engaged in investment holding, provision of management services and procurement of contracts including assisting in procurement of contracts. The principal activities of EITA's subsidiaries are disclosed in paragraph 4 of this Accountants' Report. EITA is domiciled in Malaysia and the address of its principal place of business is as follows:

Lot 4, Block A
Jalan SS13/7
Subang Jaya Industrial Estate
47500 Subang Jaya
Selangor Darul Ehsan

2 General information (continued)

2.2 Share capital

At the date of incorporation, EITA's authorised share capital was RM100,000 consisting of 100,000 ordinary shares of RM1.00 each. At that date, EITA's issued and paid-up share capital was RM2 consisting of 2 ordinary shares of RM1.00 each.

Subsequent to the date of incorporation, on 16 September 1996, the authorised share capital of EITA was increased to 5 million ordinary shares of RM1.00 each and to 10 million ordinary shares of RM1.00 each on 18 November 1996. On 2 May 1998, it was increased to 25 million ordinary shares of RM1.00 each. On 15 December 2009, EITA increased its authorised share capital to 500 million ordinary shares of RM1.00 each and subsequently, on 16 December 2009, the authorised share capital of EITA was subdivided into 1,000 million ordinary shares of RM0.50 each. On 29 September 2011, EITA capitalised RM1,781,717 from the share premium account and RM39,020,354 from the retained profits as at 31 August 2011 to issue and allot 81,604,142 new ordinary shares of RM0.50 each ("Bonus Shares") to the Members whose names appear in the Register of Members as at 15 September 2011.

The movements of the issued and fully paid-up share capital of EITA since its date of incorporation are as follows:

Date	Number of ordinary shares issued	Par value per ordinary share RM	Purpose of share issuance	Issued and fully paid-up share capital (cumulative) RM
19 August 1996	2	1.00	Subscribers' shares	2
17 December 1996	5,999,998	1.00	For working capital purposes	6,000,000
6 November 1997	4,000,000	1.00	For working capital purposes	10,000,000
2 May 1998	1,000,000	1.00	For working capital purposes	11,000,000
31 July 2000	293,100	1.00	For working capital purposes	11,293,100
1 August 2002	1,404,829	1.00	Subscription of shares in EITA Power System Sdn. Bhd., EITA Electric Sdn. Bhd., EITA Elevator (Malaysia) Sdn. Bhd., and EITA Power & Automation (Penang) Sdn. Bhd.*	12,697,929
16 December 2009	25,395,858	0.50	Share split of RM1.00 each into shares of RM0.50 each	12,697,929
29 September 2011	81,604,142	0.50	Capitalisation of RM1,781,717 from share premium account and RM39,020,354 from retained profits to issue and allot shares to the Members ("Bonus Issue")	53,500,000

2 General information (continued)

2.2 Share capital (continued)

* EITA Power & Automation (Penang) Sdn. Bhd. was struck off in February 2010 and is not part of the EITA and its subsidiaries ("EITA Group" or "the Group") structure as of the date of this report.

3 Listing Scheme

In conjunction with the listing of and quotation for the entire issued and paid-up share capital of EITA on the Main Market of Bursa Securities ("Listing"), EITA undertook the listing scheme as set out below:

3.1 Initial Public Offering ("IPO")

The IPO involves:

(i) Public issue of 23,000,000 new EITA Shares ("Public Issue Shares") at an issue price of RM0.76 per ordinary share. The Public Issue is to be allocated and allotted in the following manner:-

(a) **Malaysian Public Via Balloting**

6,500,000 Public Issue Shares, representing 5.00% of the enlarged issued and paid-up share capital of EITA, to be allocated via balloting will be made available for application by the Malaysian public whereby 50.00% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

(b) **Eligible Directors, Employees and Business Associates of EITA Group**

3,500,000 Public Issue Shares representing approximately 2.69% of the enlarged issued and paid-up share capital of EITA will be made available for application by the eligible Directors, employees and business associates of EITA Group.

(c) **Private Placement**

13,000,000 Public Issue Shares representing approximately 10.00% of EITA's enlarged issued and paid-up share capital, by way of private placement to selected investors.

(ii) Offer for sale of 17,000,000 EITA Shares ("Offer Shares") at the offer price of RM0.76 per ordinary share, representing approximately 13.08% of the enlarged issued and paid-up share capital of EITA, payable in full up on application, by way of private placement to selected investors.

(a) **Private Placement**

4,000,000 Offer Shares, representing 3.08% of the enlarged issued and paid-up share capital, by way of private placement to selected investors.

3 Listing Scheme (continued)

3.1 Initial Public Offering ("IPO") (continued)

(b) **Bumiputera Investors**

13,000,000 Offer Shares representing approximately 10.00% of EITA's enlarged issued and paid-up share capital, by way of private placement to Bumiputera Investors approved by the Ministry of International Trade and Industry.

3.2 Listing and Quotation

Following the IPO, EITA has sought the approval of Bursa Securities the admission of its shares into the Official List, and the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities.

4 Information on subsidiaries

EITA's subsidiaries are incorporated in Malaysia as private limited liability companies under the Companies Act, 1965 and domiciled in Malaysia except for EITA Technologies Pte. Ltd., which is incorporated and domiciled in Singapore. The subsidiaries of EITA as at the date of this report and their principal activities are as follows:

Name of subsidiary	Date of incorporation	Equity ownership interest %	<------Share capital-----> Authorised RM	Issued and fully paid-up RM	Principal activities
Furutec Electrical Sdn. Bhd. ("Furutec Electrical")	12 April 1980	100.0	5,000,000	4,000,000	Design and manufacture of Busduct systems and manufacture of metal fabricated products.
EITA Power System Sdn. Bhd. ("EITA Power System")	22 October 1993	100.0	5,000,000	1,000,000	Marketing and distribution of electrical & electronic components and equipment and provision of electrical and security system solutions.

4 Information on subsidiaries (continued)

Name of subsidiary	Date of incorporation	Equity ownership interest %	<------Share capital------> Authorised RM	Issued and fully paid-up RM	Principal activities
EITA Technologies (Malaysia) Sdn. Bhd. ("EITA Technologies Malaysia")	11 April 1995	100.0	10,000,000	6,000,000	Manufacture of electrical & electronic components and equipment, and marketing and distribution of fire resistant cables.
EITA Electric Sdn. Bhd. ("EITA Electric")	12 August 1996	100.0	1,000,000	1,000,000	Marketing and distribution of electrical & electronic components and equipment.
EITA Contrologic Sdn. Bhd. ("EITA Contrologic")	9 October 1996	100.0	1,000,000	1,000,000	Dormant (in the process of being liquidated).
Schneider Research & Development Centre Sdn. Bhd. ("Schneider R&D")	12 April 1997	100.0	100,000	2	Research and development of elevator systems.
EITA Elevator (Malaysia) Sdn. Bhd. ("EITA Elevator")	9 September 1998	100.0	5,000,000	2,500,000	Design, installation and maintenance of elevator systems.
EITA-Schneider (MFG) Sdn. Bhd. ("EITA-Schneider")	19 May 2000	100.0	1,000,000	1,000,000	Manufacture of elevator systems.
EITA Technologies Pte. Ltd. ("EITA Technologies Singapore") #	20 September 2001	90.0	- *	696,210	Marketing and distribution of electrical and electronic components and equipment.

4 Information on subsidiaries (continued)

Name of subsidiary	Date of incorporation	Equity ownership interest %	<----Share capital----> Authorised RM	Issued and fully paid-up RM	Principal activities
Schneider Control & Drive Systems (M) Sdn. Bhd. ("Schneider Systems")	11 October 2002	51.0	500,000	300,000	Marketing and distribution of elevator parts.

Not audited by member firm of KPMG International.

* The requirement of authorised share capital for EITA Technologies Singapore has been abolished with effective from January 2006 under Singapore Companies (Amendment) Act 2005.

The addresses of the principal place of business of the subsidiaries are as follows:-

<u>Subsidiaries other than EITA Technologies Malaysia, Furutec Electrical and EITA Technologies Singapore</u>
Lot 4, Block A
Jalan 13/7
Subang Jaya Industrial Estate
47500 Subang Jaya
Selangor Darul Ehsan

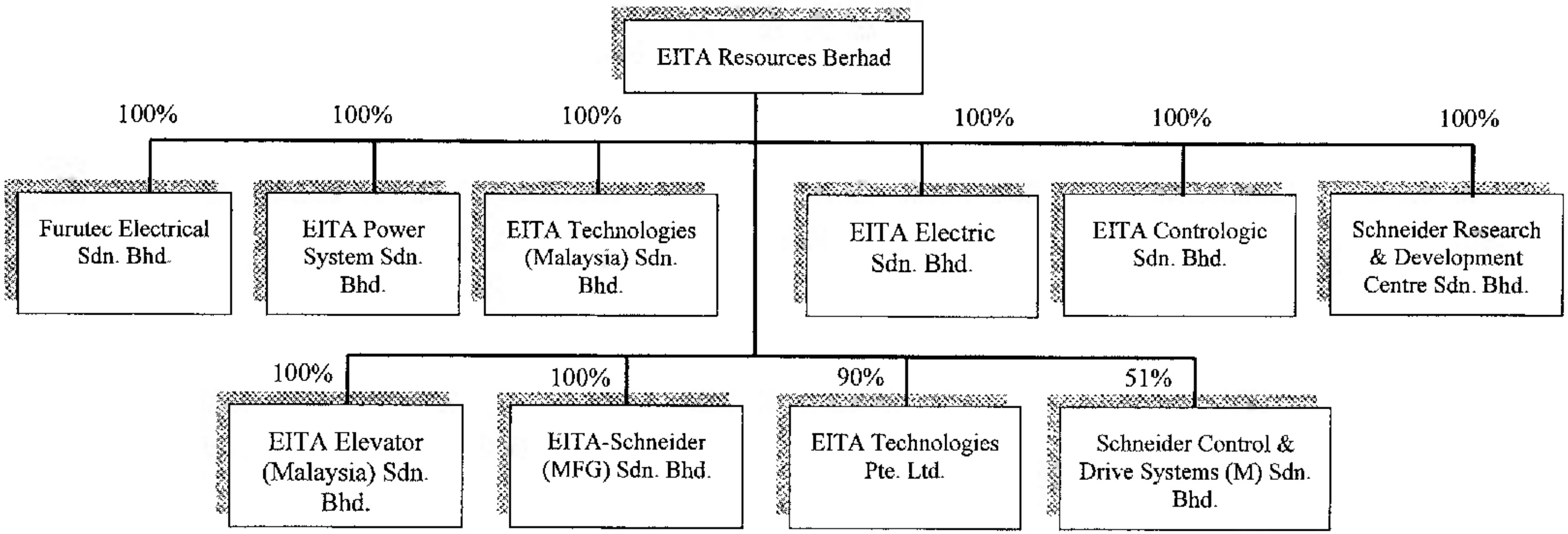
<u>EITA Technologies Malaysia</u>
Lot 2135A
Off Jalan Welfare
Kampung Baru Sungai Buloh
47000 Sungai Buloh
Selangor Darul Ehsan

<u>Furutec Electrical</u>
Plot 89, Lorong Perindustrian Bukit Minyak 11
Kawasan Perindustrian Bukit Minyak, MK13
14100 Seberang Perai Tengah
Pulau Pinang

<u>EITA Technologies Singapore</u>
No. 49, Jalan Pemimpin #04-12
APS Industrial Building
Singapore 577203

4.1 Group structure

The EITA Group structure as at the date of this report is as follows:



5 Financial statements and auditors

The financial year end of EITA Group is 31 December.

The financial statements of all companies in the EITA Group were audited by KPMG for all the relevant financial years under review except for:-

i) EITA Technologies Pte. Ltd. which was audited by another firm of chartered accountants. The auditors for EITA Technologies Pte. Ltd. is Messrs Ken Wong & Co. for all the relevant financial years under review; and

ii) Furutec Electrical Sdn. Bhd. which was acquired by EITA in the financial year ended 31 December 2008. The auditors for Furutec Electrical Sdn. Bhd. were Messrs William C.H. Tan & Associates for the financial year ended 31 December 2008 and Messrs R.K. & Associates for the financial year ended 31 December 2009. Messrs KPMG were appointed as the auditors for the financial year ended 31 December 2010 and for the period ended 30 September 2011.

The auditors' reports of all companies in the EITA Group for all the relevant financial years under review and for the financial period ended 30 September 2011 were not subject to any modification or qualification. The audit reports of EITA Group for the financial years ended 31 December 2008, 31 December 2009, 31 December 2010, and for the financial period ended 30 September 2011 are included as Appendices 1, 2, 3, and 4 respectively to the Accountants' Report.

No audited financial statements of any companies in the EITA Group nor consolidated financial statements were prepared and issued after the financial period ended 30 September 2011.

5.1 Dividends

The dividends declared and paid by EITA in respect of the relevant years are as follows:

	Audited			
	Financial years ended 31 December			Financial period ended
	2008 RM'000	**2009 RM'000**	**2010 RM'000**	**30 September 2011 RM'000**
Dividends – interim	676	7,886	3,517	-

No final dividends were declared and paid in the relevant years/period.

6 Basis of preparation of consolidated financial information

The financial information of EITA Group presented in this Report has been compiled from the audited consolidated financial statements of EITA Group for the financial years/period ended 31 December 2008, 31 December 2009, 31 December 2010 and 30 September 2011, which have been reported on by us without qualification to the shareholders, for the purposes of inclusion in the Prospectus and for no other purpose.

The consolidated financial statements comprising the statements of comprehensive income, statements of financial position, statements of changes in equity and statements of cash flows together with the notes thereon are the responsibility of EITA and its Directors. EITA Group first adopted Financial Reporting Standards ("FRS") during the financial year ended 31 December 2008. Relevant prior year adjustments arising from the adoption of FRS have been made.

6.1 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs require 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 year in which the estimate is 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 the following:

- Measurement of the recoverable amounts of cash-generating units on the intangible assets
- Recognition of unutilised tax losses and capital allowances in the computation of deferred taxation
- Valuation of receivables

6.2 Accounting policies and standards

The accounting policies adopted in the preparation of the consolidated financial information presented in this Report are set out in paragraph 8 and are consistent with the accounting policies adopted by the EITA Group in their latest audited financial statements.

There were no changes in accounting policies adopted by EITA Group throughout the financial years/period under review. There were also no accounting policies which were peculiar to EITA Group due to the nature of the businesses or industry it is involved in, which would affect the determination of the EITA Group's income or financial position.

6 Basis of preparation of consolidated financial information (continued)

6.2.1 Emerging Standards, Interpretation Committee (IC) interpretations and amendments to existing standards

EITA Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- IC Interpretation 15, *Agreements for the Construction of Real Estate*

The Group plans to adopt the abovementioned standards, amendments and interpretations, where applicable, from the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impact to the current and prior periods' financial statements upon their adoption, other than the expected changes in accounting policies as discussed below:

Following the announcement made by the MASB on 19 November 2011, the Group's financial statements for the year ending 31 December 2012 will be prepared in accordance with the International Financial Reporting Standards ("IFRS") Framework. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.

7 EITA Resources Berhad

7.1 Consolidated statements of comprehensive income

	Note	Audited			
		Financial years ended 31 December			Financial period ended
		Restated 2008 RM'000	Restated 2009 RM'000	2010 RM'000	30 September 2011 RM'000
Revenue	7.5.1	130,165	136,361	163,719	114,070
Contract costs recognised as expense		(7,586)	(12,041)	(8,515)	(4,857)
Cost of sales		(92,420)	(88,968)	(109,964)	(75,492)
Gross profit		30,159	35,352	45,240	33,721
Distribution expenses		(2,722)	(3,067)	(4,054)	(2,774)
Administrative expenses		(15,567)	(16,510)	(19,859)	(16,229)
Other operating expenses		(372)	(2,052)	(2,631)	(2,151)
Other operating income		2,461	1,527	2,327	1,494
Results from operating activities		13,959	15,250	21,023	14,061
Finance costs	7.5.2	(1,169)	(738)	(807)	(595)
Finance income		87	147	113	58
Profit before tax		12,877	14,659	20,329	13,524
Tax expense	7.5.3	(2,363)	(3,187)	(4,710)	(3,219)
Profit for the year/period		10,514	11,472	15,619	10,305

7.1 Consolidated statements of comprehensive income (continued)

	Note	Audited			
		Financial years ended 31 December			Financial period ended 30 September 2011
		2008 RM'000	2009 RM'000	2010 RM'000	RM'000
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		56	20	(37)	64
Total other comprehensive income/(expense) for the year/period		56	20	(37)	64
Total comprehensive income for the year/period		10,570	11,492	15,582	10,369
Profit attributable to:					
Owners of the Company		10,524	11,429	15,576	10,167
Non-controlling interests		(10)	43	43	138
		10,514	11,472	15,619	10,305
Total comprehensive income attributable to:					
Owners of the Company		10,577	11,447	15,543	10,225
Non-controlling interests		(7)	45	39	144
		10,570	11,492	15,582	10,369

7.2 Consolidated statements of financial position

	Note	Audited: At 31 December, Restated 2008 RM'000	Restated 2009 RM'000	2010 RM'000	At 30 September 2011 RM'000
NON-CURRENT ASSETS					
Plant and equipment	7.5.5	3,839	4,051	5,701	7,186
Investment properties	7.5.6	1,447	473	466	196
Intangible assets	7.5.7	1,790	1,742	1,761	2,151
Other investments	7.5.8	30	10	10	10
Deferred tax assets	7.5.9	843	785	1,277	1,455
		7,949	7,061	9,215	10,998
CURRENT ASSETS					
Inventories	7.5.10	26,631	28,728	28,835	29,111
Trade and other receivables	7.5.11	43,603	47,981	53,088	61,093
Deposits and prepayments	7.5.12	1,038	1,107	2,242	2,682
Current tax assets		131	-	-	-
Asset classified as held for sale	7.5.13	-	433	-	264
Cash and cash equivalents	7.5.14	11,365	19,593	18,771	12,932
		82,768	97,842	102,936	106,082
Total assets		90,717	104,903	112,151	117,080

7.2 Consolidated statements of financial position (continued)

		<------------ Andited			------------>
		At 31 December			At
		Restated	Restated		
		2008	2009	2010	30 September 2011
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Share capital	7.5.15	12,698	12,698	12,698	53,500
Share premium		1,782	1,782	1,782	-
Reserves	7.5.16	34,331	37,892	49,918	21,123
Total equity attributable to owners of the Company		48,811	52,372	64,398	74,623
Non-controlling interests	7.5.17	328	344	383	527
Total equity		49,139	52,716	64,781	75,150
NON-CURRENT LIABILITIES					
Loans and horrowings	7.5.18	105	390	1,043	729
Deferred tax liabilities	7.5.9	89	260	313	128
		194	650	1,356	857
CURRENT LIABILITIES					
Loans and borrowings	7.5.18	16,898	12,318	13,961	11,442
Trade and other payables, including derivative	7.5.19	18,609	27,071	24,533	27,119
Deferred income	7.5.20	5,182	4,154	3,477	2,357
Dividend payable		-	7,000	3,517	-
Current tax liabilities		695	994	526	155
		41,384	51,537	46,014	41,073
Total liabilities		41,578	52,187	47,370	41,930
Total equity and liabilities		**90,717**	**104,903**	**112,151**	**117,080**

7.3 Consolidated statements of changes in equity

Group	Audited: Attributable to owners of the Company: Non-distributable: Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Distributable: Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2008	12,698	1,782	(16)	24,446	38,910	335	39,245
Total comprehensive income for the year	-	-	53	10,524	10,577	(7)	10,570
Dividends to owners of the Company	-	-	-	(676)	(676)	-	(676)
At 31 December 2008/1 January 2009	12,698	1,782	37	34,294	48,811	328	49,139
Total comprehensive income for the year	-	-	18	11,429	11,447	45	11,492
Dividends to owners of the Company	-	-	-	(7,886)	(7,886)	-	(7,886)
Dividends to non-controlling interests	-	-	-	-	-	(29)	(29)
At 31 December 2009/1 January 2010	12,698	1,782	55	37,837	52,372	344	52,716
Total comprehensive income for the year	-	-	(33)	15,576	15,543	39	15,582
Dividends to owners of the Company	-	-	-	(3,517)	(3,517)	-	(3,517)
At 31 December 2010/1 January 2011	12,698	1,782	22	49,896	64,398	383	64,781
Total comprehensive income for the period	-	-	57	10,168	10,225	144	10,369
Bonus issue	40,802	(1,782)	-	(39,020)	-	-	-
At 30 September 2011	53,500	-	79	21,044	74,623	527	75,150

7.4 Consolidated statements of cash flows

	Audited			
	Financial years ended 31 December			Financial period ended
	2008	2009	2010	30 September 2011
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	12,877	14,659	20,329	13,524
Adjustments for:				
Allowance/(Reversal) for foreseeable losses	743	941	(572)	402
Amortisation of development cost	-	-	14	27
Amortisation of investment properties	17	10	8	6
Depreciation of plant and equipment	787	845	996	822
Development cost written off	462	-	-	-
Gain on disposal of plant and equipment	(80)	(62)	(232)	-
Gain on disposal of asset held for sale	-	-	(7)	-
(Gain)/Loss on disposal of investment properties	(1,250)	33	-	-
Goodwill written off	-	48	-	-
Finance costs	1,169	738	807	595
Finance income	(87)	(146)	(113)	(58)
Loss on disposal of other investments	-	64	-	-
Reversal of allowance for diminution of other investment	-	(45)	-	-
Plant and equipment written off	24	21	72	25
Unrealised foreign exchange (gain)/loss	(102)	(177)	(168)	343
Operating profit before working capital changes	14,560	16,929	21,134	15,686

7.4 Consolidated statements of cash flows (continued)

	Note	Audited – Financial years ended 31 December 2008 RM'000	2009 RM'000	2010 RM'000	Financial period ended 30 September 2011 RM'000
Changes in working capital:					
Inventories		(5,743)	(2,096)	(132)	(243)
Trade and other receivables, deposits and prepayments		3,303	(4,963)	(5,755)	(8,661)
Trade and other payables and deferred income		(518)	7,610	(3,130)	810
Cash generated from operations		11,602	17,480	12,117	7,592
Income taxes paid		(2,676)	(2,527)	(5,616)	(3,952)
Interest paid		(1,091)	(712)	(746)	(538)
Interest received		87	146	113	58
Net cash generated from operating activities		**7,922**	**14,387**	**5,868**	**3,160**
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		(5,651)	-	-	-
(Increase)/Decrease in pledged deposits placed with licensed banks		(66)	257	-	2
Proceeds from disposal of investment property		3,536	72	-	-
Proceeds from disposal of other investment		-	1	-	-
Proceeds from disposal of plant and equipment		108	83	243	-
Proceeds from disposal of asset held for sale		-	-	440	-
Purchase of plant and equipment	(i)	(1,646)	(638)	(1,506)	(2,333)
Increase in development costs		(84)	-	(32)	(418)
Net cash used in investing activities		**(3,803)**	**(225)**	**(855)**	**(2,749)**

7.4 Consolidated statements of cash flows (continued)

		<----- Audited			----->
		Financial years ended 31 December			Financial period ended 30 September 2011
		2008 RM'000	2009 RM'000	2010 RM'000	RM'000
Cash flows from financing activities					
(Repayment of)/Proceeds from loans and borrowings		(2,194)	(4,510)	1,326	(6,940)
Repayment of finance lease liabilities, net		(221)	(134)	(281)	(303)
Dividend paid to owners of the Company		(676)	(886)	(7,000)	(3,517)
Dividend paid to non-controlling interests		-	(29)	-	-
Interest paid		(78)	(26)	(62)	(57)
Net cash used in financing activities		**(3,169)**	**(5,585)**	**(6,017)**	**(10,817)**
Net increase/(decrease) in cash and cash equivalents		950	8,577	(1,004)	(10,406)
Foreign exchange differences on cash held		10	19	155	157
Cash and cash equivalents at beginning of year/period		7,625	8,585	17,181	16,332
Cash and cash equivalents at end of year/period	(iii)	**8,585**	**17,181**	**16,332**	**6,083**

7.4 Consolidated statement of cash flows (continued)

(i) Purchase of plant and equipment

The cost of plant and equipment acquired by the Group by means of finance lease and cash are as follows:

	Audited			
	Financial years ended 31 December			Financial period ended 30 September 2011
	2008 RM'000	2009 RM'000	2010 RM'000	RM'000
Aggregate cost of plant and equipment acquired	1,754	1,098	2,731	2,333
Acquired by means of finance lease	108	460	1,225	-
Acquired by cash	1,646	638	1,506	2,333

(ii) Non-cash transaction

During the period ended 30 September 2011, the Company undertook a bonus issue totalling 81,604,142 ordinary shares of RM0.50 each at par to the shareholders of the Company vide the capitalisation of all its share premium and RM39,020,354 of its retained profits.

(iii) Cash and cash equivalents

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

	Audited			
	At 31 December			At
	2008 RM'000	2009 RM'000	2010 RM'000	30 September 2011 RM'000
Cash and bank balances	6,651	15,064	14,201	8,318
Deposits (excluding deposits pledged)	2,114	2,186	2,227	2,270
Bank overdrafts	(180)	(69)	(96)	(4,505)
	8,585	17,181	16,332	6,083

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7.5 Notes to the consolidated financial statements

7.5.1 Revenue

	Audited			
	Financial years ended 31 December			Financial period ended
	2008	2009	2010	30 September 2011
	RM'000	RM'000	RM'000	RM'000
Revenue				
Contract revenue	27,484	38,868	47,779	33,033
Sale of goods	102,681	97,493	115,940	81,037
	130,165	136,361	163,719	114,070

7.5.2 Finance costs

	Audited			
	Financial years ended 31 December			Financial period ended
	2008	2009	2010	30 September 2011
	RM'000	RM'000	RM'000	RM'000
Bank overdrafts	207	17	24	150
Bills payable	877	695	721	388
Term loans	63	-	-	-
Finance lease liabilities	22	26	62	57
	1,169	738	807	595

7.5 Notes to the consolidated financial statements (continued)

7.5.3 Tax expense

	Audited			
	Financial years ended 31 December			Financial period ended
	2008	2009	2010	30 September 2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian - current year	2,382	3,212	4,924	3,803
- prior year	241	(278)	184	(261)
Overseas - current year	-	25	41	42
- prior year	-	(1)	-	(3)
	2,623	2,958	5,149	3,581
Deferred tax expense				
Origination and reversal of temporary differences				
- current year	(390)	286	(106)	(302)
- prior year	130	(57)	(333)	(60)
	(260)	229	(439)	(362)
Total tax expense	2,363	3,187	4,710	3,219

The corporate tax rates are 26% for year of assessment 2008 and 25% for the subsequent years of assessment.

Subject to agreement by the Inland Revenue Board, EITA Group has unutilised reinvestment allowance amounting to RM549,000 (2010: RM1,840,000; 2009: RM4,194,000; 2008: RM4,940,000) which will provide the Group with future tax savings of approximately RM137,000 (2010: RM460,000; 2009: RM1,049,000; 2008: RM1,235,000).

7.5.4 Comparative figures in the statements of comprehensive income

During the financial year ended 31 December 2010, the Group reclassified the following comparative amounts to be consistent with the 2010's presentation. The reclassification relates to the net amount arising from the impairment loss for doubtful debts, reversal of the impairment loss for doubtful debts, bad debts written off, bad debts recovered, provision for foreseeable loss, and reversal of allowance for diminution in value of investment, to be reclassified from the respective captions to other operating expenses.

For financial year 31 December 2009, the Group also reclassified management fee expense of RM250,000 in the other operating expenses to be set off against a negative management fee expense reported in the administrative expenses amounting to RM250,000.

7.5 Notes to the consolidated financial statements (continued)

7.5.4 Comparative figures in the statements of comprehensive income (continued)

The effect as a result of the above is as follows:

	As previously stated RM'000	As restated RM'000
Financial year ended 31 December 2008		
Contract costs recognised as an expense	(6,843)	(7,586)
Distribution expenses	(3,120)	(2,722)
Administrative expenses	(15,899)	(15,567)
Other operating expenses	(952)	(372)
Other operating income	3,028	2,461
Financial year ended 31 December 2009		
Contract costs recognised as an expense	(11,518)	(12,041)
Administrative expenses	(16,134)	(16,510)
Other operating expenses	(2,966)	(2,052)
Other operating income	1,542	1,527

7.5 Notes to the consolidated financial statements (continued)

7.5.5 Plant and equipment

	Audited					
Cost	Renovation and furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Construction work-in-progress RM'000	Total RM'000
Audited						
At 31 December 2008	2,133	3,077	1,997	4,997	-	12,204
At 31 December 2009	2,193	3,245	2,178	4,877	-	12,493
At 31 December 2010	1,902	2,446	2,425	5,731	-	12,504
At 30 September 2011	1,885	2,540	2,431	5,693	1,990	14,539

7.5 Notes to the consolidated financial statements (continued)

7.5.5 Plant and equipment (continued)

	Audited					
Accumulated depreciation	**Renovation and furniture and fittings RM'000**	**Office equipment RM'000**	**Motor vehicles RM'000**	**Plant and machinery RM'000**	**Construction work-in-progress RM'000**	**Total RM'000**
Audited						
At 31 December 2008	1,219	2,818	1,791	2,537	-	8,365
At 31 December 2009	1,341	3,024	1,550	2,527	-	8,442
At 31 December 2010	830	2,111	969	2,893	-	6,803
At 30 September 2011	886	2,197	1,250	3,020	-	7,353

7.5 Notes to the consolidated financial statements (continued)

7.5.5 Plant and equipment (continued)

	Audited					
Carrying amounts	Renovation and furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Construction work-in-progress RM'000	Total RM'000
Audited						
At 31 December 2008	914	259	206	2,460	-	3,839
At 31 December 2009	852	221	628	2,350	-	4,051
At 31 December 2010	1,072	335	1,456	2,838	-	5,701
At 30 September 2011	999	343	1,181	2,673	1,990	7,186

Assets under finance lease

Included in plant and equipment are motor vehicles and machineries acquired under finance lease liabilities with a net book value of RM1,508,000 (2010: RM1,817,000; 2009: RM598,000; 2008: RM172,000).

7.5 Notes to the consolidated financial statements (continued)

7.5.6 Investment properties

	Audited			
		At 31 December		At 30 September
	2008	**2009**	**2010**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cost				
Leasehold buildings	1,502	507	507	222
Accumulated depreciation				
Leasehold buildings	55	34	41	26
Carrying amounts				
Leasehold buildings	1,447	473	466	196

7.5.6.1 Based on the Directors' valuation, the estimated fair values of the investment properties approximate the carrying amounts at reporting date. The investment properties are currently idle.

7.5 Notes to the consolidated financial statements (continued)

7.5.7 Intangible assets

	Audited			
	At 31 December			At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Cost				
Goodwill on consolidation	2,389	2,331	2,331	2,331
Development costs	141	141	174	591
	2,530	2,472	2,505	2,922
Accumulated amortisation				
Goodwill on consolidation	740	730	730	730
Development costs	-	-	14	41
	740	730	744	771
Carrying amounts				
Goodwill on consolidation	1,649	1,601	1,601	1,601
Development costs	141	141	160	550
	1,790	1,742	1,761	2,151

7.5.7.1 Goodwill arose from acquisition of subsidiaries in the previous financial years.

7.5.8 Other investments

	Audited			
	At 31 December			At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
At cost:				
Unquoted shares	65	-	-	-
Less: Allowance for diminution in value	(45)	-	-	-
	20	-	-	-
Golf club membership	10	10	10	10
	30	10	10	10

The equity instruments and golf club membership above do not have a quoted market price in an active market and as such, its fair value cannot be reliably measured. Therefore, the unquoted shares and golf club membership are measured at cost.

7.5 Notes to the consolidated financial statements (continued)

7.5.9 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	← Audited			→
		At 31 December		At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Assets				
Plant and equipment	52	102	88	82
Provisions	(375)	(920)	(1,404)	(1,564)
Other items	(520)	33	39	27
	(843)	(785)	(1,277)	(1,455)
Liabilities				
Plant and equipment	77	249	192	205
Provisions	12	12	123	(86)
Other items	-	(1)	(2)	9
	89	260	313	128
Net				
Plant and equipment	129	351	280	287
Provisions	(363)	(908)	(1,281)	(1,650)
Other items	(520)	32	37	36
Net deferred tax assets	(754)	(525)	(964)	(1,327)

7.5 Notes to the consolidated financial statements (continued)

7.5.10 Inventories

	Audited			
	At 31 December			At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Raw materials	2,135	3,192	2,613	3,616
Work-in-progress	4,110	2,752	591	323
Finished goods	17,638	15,854	16,457	16,764
Equipment and parts	2,748	6,930	9,174	8,408
	26,631	28,728	28,835	29,111
Recognised in profit or loss:				
Inventories recognised as cost of sales	92,420	85,679	104,082	72,185
Write-down to net realisable value	3,078	477	442	580
Written off	-	-	81	-

The inventories written-down and written off are included in cost of sales.

7.5.11 Trade and other receivables

	Audited			
	At 31 December			At 30 September
	2008 RM'000 Restated	2009 RM'000	2010 RM'000	2011 RM'000
Trade				
Progress billings receivable	8,049	12,813	11,735	10,645
Less: Impairment loss	(256)	(1,011)	(2,343)	(2,147)
	7,793	11,802	9,392	8,498
Trade receivables	31,264	28,495	31,999	37,354
Less: Impairment loss	(2,184)	(2,518)	(3,448)	(4,003)
	29,080	25,977	28,551	33,351
Amount due from contract customers	6,279	8,750	14,618	19,180
Advances to suppliers	189	791	427	25
Non-trade				
Amount due from a director	-	426	-	-
Other receivables	286	298	151	226
Less: Impairment loss	(24)	(63)	(51)	(188)
	262	235	100	38
	43,603	47,981	53,088	61,093

7.5 Notes to the consolidated financial statements (continued)

7.5.11 Trade and other receivables (continued)

7.5.11.1 Included in progress billings receivable is retention sum amounting to RM3,279,000 (2010: RM2,929,000; 2009: RM3,122,000; 2008: RM1,970,000) relating to project contracts.

7.5.11.2 Trade debts amounting to Nil (2010: Nil; 2009: Nil; 2008: RM4,000) have been written off against the allowance for doubtful debts previously made.

7.5.11.3 Amount due from a director amounting to RM426,000 in 2009 was in respect of the proceeds arising from the disposal of an investment property. The amount was fully paid to the Group in March 2010.

7.5.11.4 Included in progress billings and trade receivables are amounts owing by companies in which a substantial shareholder is connected to certain directors of EITA Group of RM173,000 (2010: RM646,000; 2009: RM227,000; 2008: RM301,000). The amounts are interest-free and repayable based on the normal credit terms.

7.5.11.5 Construction work-in-progress

	Audited			
		At 31 December		At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Aggregate cost incurred to date	89,721	99,996	116,605	139,477
Add: Attributable profits	11,647	13,443	12,032	15,005
	101,368	113,439	128,637	154,482
Less: Progress billings	(99,528)	(107,159)	(116,384)	(136,145)
Less: Recognised losses	(743)	(1,684)	(1,112)	(1,514)
	1,097	4,596	11,141	16,823
Deferred income (Note 7.5.20)	5,182	4,154	3,477	2,357
Amount due from contract customers	6,279	8,750	14,618	19,180

7.5.12 Deposits and prepayments

	Audited			
		At 31 December		At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Deposits	612	555	709	984
Prepayments	426	552	1,533	1,698
	1,038	1,107	2,242	2,682

7.5 Notes to the consolidated financial statements (continued)

7.5.13 Asset classified as held for sale

	Audited			
		At 31 December		At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Cost				
Freehold building	-	435	-	285
Accumulated depreciation				
Freehold building	-	2	-	(21)
Carrying amounts				
Freehold building	-	433	-	264

7.5.14 Cash and cash equivalents

	Audited			
		At 31 December		At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Deposits placed with licensed banks	2,114	2,186	2,227	2,270
Deposits placed with licensed banks – held as lien*	2,600	2,343	2,343	2,344
Cash and bank balances	6,651	15,064	14,201	8,318
	11,365	19,593	18,771	12,932

* Deposits placed with licensed bank are held as lien by licensed banks for credit facilities granted to EITA Group (Note 7.5.18) and have been excluded as cash and cash equivalents in the statements of cash flows.

7.5 Notes to the consolidated financial statements (continued)

7.5.15 Share capital

	Audited			
	At 31 December			At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Authorised ordinary shares of RM0.50 (2008: RM1.00) each				
Number of shares in '000	25,000	1,000,000	1,000,000	1,000,000
Amount in RM'000	25,000	500,000	500,000	500,000
Issued and fully paid ordinary shares of RM0.50 (2008: RM1.00) each				
Number of shares in '000	12,698	25,396	25,396	107,000
Amount in RM'000	12,698	12,698	12,698	53,500

On 16 December 2009, the Company undertook a subdivision of the ordinary shares of RM1.00 each into ordinary shares of RM0.50 each on the basis of two (2) new ordinary shares of RM0.50 each for every one (1) ordinary share of RM1.00 each. Please refer to paragraph 2.2 for further details.

On 29 September 2011, the Company undertook a bonus issue totalling 81,604,142 ordinary shares of RM0.50 each at par to the shareholders of the Company vide the capitalisation of all its share premium of RM1,781,717 and RM39,020,354 of its retained profits.

7.5.16 Reserves

7.5.16.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a foreign subsidiary with functional currency other than RM.

7.5.16.2 Retained profits

The Finance Act 2007 introduced a single tier company income tax system with effect from period of assessment 2008. The Company has opted to frank dividends under the single tier company income tax system.

7.5.17 Non-controlling interests

This consists of the non-controlling interest's proportion of share capital and reserves of a subsidiary, net of its share of subsidiary's goodwill on consolidation.

7.5 Notes to the consolidated financial statements (continued)

7.5.18 Loans and borrowings

	Audited			
		At 31 December		At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Non-current				
Finance lease liabilities	105	390	1,043	729
Current				
Secured bank overdrafts	180	69	96	4,505
Secured bills payable	15,023	10,332	13,458	6,518
Unsecured bills payable	1,620	1,800	-	-
Finance lease liabilities	75	117	407	419
	16,898	12,318	13,961	11,442
Total	17,003	12,708	15,004	12,171

Security

The secured borrowings of the Group are secured and supported by way of:

i) an "all monies" Facilities Agreement to be stamped for RM10,100,000;

ii) joint and several guarantees from the directors of certain subsidiaries and the Directors of the Company;

iii) corporate guarantee by the Company;

iv) a negative pledge over all the assets of certain subsidiaries; and

v) deposits pledged as disclosed in Note 7.5.14

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7.5 Notes to the consolidated financial statements (continued)

7.5.19 Trade and other payables, including derivative

	Audited			
	At 31 December			At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Current				
Trade				
Trade payables	10,118	15,107	14,278	17,975
Non-trade				
Other payables	4,549	4,612	5,301	5,325
Accrued expenses	3,942	7,352	4,954	3,739
Financial liability at fair value through profit or loss Held for trading, including derivative	-	-	-	80
	8,491	11,964	10,255	9,144
	18,609	27,071	24,533	27,119

7.5.19.1 Included in trade payables of the Group are the followings:

i) Retention sum amounting to RM555,000 (2010: RM1,215,000 ; 2009: RM845,000; 2008: RM591,000);

ii) A trade balance with corporate shareholders of Nil (2010: RM39,000; 2009: Nil; 2008: RM36,000). The amount due to corporate shareholders was unsecured, interest-free and repayable based on normal credit terms; and

iii) Amounts payable to companies in which a substantial shareholder is connected to certain directors of EITA Group of RM229,000 (2010: RM376,000; 2009: RM455,000; 2008: RM286,000). The amounts are interest-free and repayable based on the normal credit terms.

7.5.19.2 Included in the other payables and accrued expenses of the Group are the following:

i) Deposits and advances received from customers amounting to RM4,788,000 (2010: RM4,012,000; 2009: RM7,263,000; 2008: RM4,788,000); and

ii) Deposits received for the disposal of investment property classified as asset held for sale amounting to RM24,000 (2010: Nil; 2009: RM44,000; 2008: Nil).

7.5.20 Deferred income

	Audited			
	At 31 December			At 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Construction work-in-progress (Note 7.5.11.5)	5,182	4,154	3,477	2,357

7.5 Notes to the consolidated financial statements (continued)

7.5.21 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Audited			
	At 31 December			At 30 September
Group	**2008 RM'000**	**2009 RM'000**	**2010 RM'000**	**2011 RM'000**
Less than one year	843	933	1,764	1,881
Between one and five years	679	643	2,194	1,169
	1,522	1,576	3,958	3,050

The Group leases factory buildings under operating leases. The leases typically run for a period of 3 years, with an option to renew the lease after that date. Lease payments are increased every year to reflect market rentals. None of the leases includes contingent rentals.

7.5.22 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.

	Audited			
	At 31 December			At 30 September
	2008 RM'000	**2009 RM'000**	**2010 RM'000**	**2011 RM'000**
Guarantees granted to third parties for performance of contract by subsidiaries	2,894	2,130	2,796	3,263

7.5.23 Capital commitments

Outstanding commitments in respect of capital expenditure at the end of the reporting period not provided for in the financial statements are:

	Audited			
	At 31 December			At 30 September
	2008 RM'000	**2009 RM'000**	**2010 RM'000**	**2011 RM'000**
Plant and equipment				
Contracted but not provided for and payable:				
Within one year	-	370	60	3,853

7.5 Notes to the consolidated financial statements (continued)

7.5.24 Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to EITA Group if EITA Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where EITA Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of EITA Group either directly or indirectly. The key management personnel includes all the Directors of EITA Group, and certain members of senior management of EITA Group.

The significant related party transactions for the Group are as follows:

	Audited			
	Transaction amount for			
	Financial years ended 31 December			Financial period ended 30 September
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Corporate shareholder				
Purchases	317	102	71	185
With a company in which a substantial shareholder is connected to a Director of the Company				
Sales				
Tenaga Semesta Sdn. Bhd.	(74)	(706)	(30)	(253)
Platinum Victory Sdn. Bhd.	(4)	(14)	(361)	(98)
Platinum Victory Development Sdn. Bhd.	(232)	(7)	(313)	(36)
Purchases				
Tenaga Semesta Sdn. Bhd.	1,063	3,471	1,447	93
CTL Automation Sdn. Bhd.	73	290	487	273

The net balances outstanding arising from the above transactions, if any, have been disclosed in Note 7.5.11 and Note 7.5.19 to the accountants' report. There are no allowance for doubtful debts and bad debts written off in respect of these amounts. All the outstanding balances are expected to be settled in cash by the related parties.

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments

Certain comparative figures have not been presented for 31 December 2009 and 2008 by virtue of the exemption given in paragraph 44AA of FRS 7.

7.5.25.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Available-for-sale financial assets (AFS);
(b) Loans and receivables (L&R);
(c) Other liabilities (OL); and
(d) Fair value through profit or loss (FVTPL):
- Held for trading (HFT).

	Carrying amount RM'000	L&R RM'000	AFS RM'000
30 September 2011			
Financial assets			
Other investments	10	-	10
Trade and other receivables	61,093	61,093	-
Deposits excluding prepayments	984	984	-
Cash and cash equivalents	12,932	12,932	-
	75,020	75,010	10
31 December 2010			
Financial assets			
Other investments	10	-	10
Trade and other receivables	53,088	53,088	-
Deposits excluding prepayments	709	709	-
Cash and cash equivalents	18,771	18,771	-
	72,578	72,568	10

	Carrying amount RM'000	OL RM'000	FVTPL -HFT RM'000
30 September 2011			
Financial liabilities			
Trade and other payables, including derivative	(27,119)	(27,039)	(80)
Loans and borrowings	(12,171)	(12,171)	-
31 December 2010			
Financial liabilities			
Trade and other payables	(24,533)	(24,533)	-
Loans and borrowings	(15,004)	(15,004)	-

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments (continued)

7.5.25.2 Net gains and losses arising from financial instruments

	Audited	
	At 30 September 2011 RM'000	At 31 December 2010 RM'000
Net losses arising on:		
Loans and receivables	541	1,533
Financial liabilities measured at amortised cost	1,196	769
Fair value through profit or loss:		
- Held for trading	80	-

7.5.25.3 Financial risk management objective and policies

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

7.5.25.4 Credit risk

Credit risk is the risk of a financial loss to the Group 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. The Group's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to subsidiaries.

Receivables

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.

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 statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable 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.

Receivables as at 30 September 2011 amounting to Nil (2010: Nil; 2009: RM28,331; 2008: Nil) are secured by financial guarantees given by banks, shareholders or directors of the debtors.

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments (continued)

7.5.25.4 Credit risk (continued)

Receivables (continued)

Impairment losses

The ageing of trade and progress billings receivables as at the end of the reporting period was:

	Audited			
30 September 2011	**Gross RM'000**	**Individual impairment RM'000**	**Collective impairment RM'000**	**Net RM'000**
Not past due	19,001	-	-	19,001
Past due 0 - 30 days	7,340	-	-	7,340
Past due 31 - 90 days	9,319	-	-	9,319
Past due more than 90 days	12,339	(2,246)	(3,904)	6,189
	47,999	(2,246)	(3,904)	41,849

	Audited			
31 December 2010	**Gross RM'000**	**Individual impairment RM'000**	**Collective impairment RM'000**	**Net RM'000**
Not past due	19,747	-	-	19,747
Past due 0 - 30 days	7,916	-	-	7,916
Past due 31 - 90 days	6,442	-	(19)	6,423
Past due more than 90 days	9,629	(2,685)	(3,087)	3,857
	43,734	(2,685)	(3,106)	37,943

The movements in the allowance for impairment losses of trade and progress billings receivables during the period were:

	Audited Group	
	RM'000	**RM'000**
At 1 January 2011/2010	5,791	3,529
Impairment loss recognised	359	2,262
At 30 September 2011/31 December 2010	6,150	5,791

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments (continued)

7.5.25.4 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

The allowance account in respect of trade and progress billings receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Full impairment loss was not made for trade and progress billings receivables which was past due for more than 90 days as certain of the amounts relates to retention sum and there are collections being received on an ongoing basis from the remaining balance of debts.

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 the results of the subsidiaries and repayments made by the subsidiaries on an ongoing basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to financial guarantees amounts to RM7,488,000 (Restated 2010: RM13,458,000; 2009: RM10,401,000; 2008: RM14,416,000) representing the outstanding banking facilities of the subsidiaries as at end of the reporting period.

As at 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.

7.5.25.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

7.5 Notes to the consolidated financial statements (continued)

7.5.27 Financial instruments (continued)

7.5.27.5 Liquidity risk

Maturity analysis

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

	Audited					
	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
30 September 2011						
Secured bills payable	6,518	4.15% - 6.17%	6,821	6,821	-	-
Finance lease liabilities	1,148	4.72% - 7.00%	1,247	472	380	395
Bank overdraft	4,505	7.65% - 8.10%	4,854	4,854	-	-
Trade and other payables (exclude derivatives)	27,039	-	27,039	27,039	-	-
	39,210		39,961	39,186	380	395
Derivative financial liabilities						
Forward exchange contracts (gross settled):						
Outflow	80	-	80	80	-	-
	39,290		40,041	39,266	380	395

7.5 Notes to the consolidated financial statements (continued)

7.5.27 Financial instruments (continued)

7.5.27.5 Liquidity risk (continued)

	Audited					
	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
31 December 2010						
Secured bills payable	13,458	4.20% - 5.81%	14,077	14,077	-	-
Finance lease liabilities	1,450	4.72% - 6.87%	1,606	479	467	660
Bank overdraft	96	6.8%	103	103	-	-
Trade and other payables	24,533	-	24,533	24,533	-	-
	39,537		40,319	39,192	467	660

7.5 Notes to the consolidated financial statements (continued)

7.5.27 Financial instruments (continued)

7.5.27.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings 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), Thailand Baht (THB), Swiss Franc (CHF), Japanese Yen (JPY), European Union Currency (EUR) and Hong Kong Dollars (HKD).

Risk management objectives, policies and processes for managing the risk

The Directors monitor the exposure 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.

7.5 Notes to the consolidated financial statements (continued)

7.5.27 Financial instruments (continued)

7.5.27.6 Market risk (continued)

Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Audited						
	SGD	USD	THB	CHF	JPY	EUR	HKD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2011							
Trade and other receivables	3,382	2,102	415	-	-	3	-
Trade and other payables	(1,528)	(9,351)	-	(558)	(625)	(307)	(193)
Cash and bank balances	1,399	348	-	294	-	-	-
Net exposure in the statements of financial position	3,254	(6,901)	415	(264)	(625)	(304)	(193)
31 December 2010							
Trade and other receivables	2,534	1,536	415	260	72	-	-
Trade and other payables	(934)	(6,010)	-	(466)	(490)	(312)	-
Cash and bank balances	-	223	-	3,028	-	-	-
Net exposure in the statements of financial position	1,600	(4,251)	415	2,822	(418)	(312)	-

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments (continued)

7.5.25.6 Market risk (continued)

Currency risk (continued)

Currency risk sensitivity analysis

A 10% (31.12.2010: 10%) strengthening of RM against the following currencies at the end of the reporting year would have increased (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or (lnss)	
	30 September 2011 RM'000	**31 December 2010 RM'000**
SGD	(244)	(120)
USD	518	319
THB	(31)	(31)
CHF	20	(212)
JPY	47	31
EUR	23	23
HKD	14	-

A 10% (31.12.2010: 10%) weakening of RM against the above currencies at the end of the reporting year would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's fixed rate horrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and 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 is 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 interest bearing financial liabilities are mainly bank overdrafts, bills payable, finance lease liabilities and term loans. The Group adopts a policy of managing the interest rate risk through the use of fixed and floating rate debts.

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments (continued)

7.5.25.6 Market risk (continued)

Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	◄-----Audited----►	
	30 September 2011 RM'000	**31 December 2010 RM'000**
Fixed rate instruments		
Financial assets	4,614	4,570
Financial liabilities	(1,148)	(1,450)
	3,466	3,120
Floating rate instruments		
Financial liabilities	(11,023)	(13,554)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting year 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 hy the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase RM'000	**100 bp decrease RM'000**
30 September 2011		
Floating rate instruments	(83)	83
31 December 2010		
Floating rate instruments	(102)	102

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments (continued)

7.5.25.7 Fair value of financial instrument

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The fair values of other financial liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	31 December 2008		31 December 2009		31 December 2010		30 September 2011	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Finance lease liabilities	181	167	507	462	1,450	1,268	1,148	1,042
Forward exchange contracts	-	-	-	-	-	-	80	80

The following summarises the method used in determining the fair value of financial instruments reflected in the above table.

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments (continued)

7.5.25.7 Fair value of financial instrument (continued)

Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

Non-derivative financial 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. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, where applicable, are as follows:

	Audited			
	At 31 December			At 30 September
	2008	2009	2010	2011
Finance lease liabilities	3.60% - 6.50%	3.60% - 6.09%	4.72% - 6.87%	4.72% - 7.00%

7.5.25.7.1 Fair value hierarchy

Comparative figures have not been presented for 31 December 2010 by virtue of paragraph 44G of FRS 7.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 September 2011	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial asset				
Forward exchange contracts	-	(80)	-	(80)

7.5 Notes to the consolidated financial statements (continued)

7.5.25 Financial instruments (continued)

7.5.25.8 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 creditor and market confidence and to sustain future development of the business. The Directors monitor the adequacy of capital on an ongoing basis. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants.

The debt-to-equity ratio at 30 September 2011 and 31 December 2010 were as follows:

	30.9.2011 RM'000	31.12.2010 RM'000
Total borrowings (Note 7.5.18)	12,171	15,004
Less: Cash and cash equivalents (Note 7.5.14)	(12,932)	(18,771)
Net debt at 30 September 2011/31 December 2010	(761)	(3,767)
Total equity	75,150	64,781
Debt-to-equity ratio	(0.01)	(0.06)

There were no external capital requirements imposed on the Group.

7.5.26 Comparative figures in the statements of financial position

Certain comparative figures in the statement of financial position have been reclassified to be consistent with current year's presentation. The following comparative figures for 31 December 2008 and 2009 have been reclassified to conform with current year's presentation pursuant to the adoption of FRS 7, *Financial Instruments: Disclosure.*

	As previously stated RM'000	As restated RM'000
Financial year ended 31 December 2008		
Receivables, deposits and prepayments	44,641	-
Trade and other receivables	-	43,603
Deposits and prepayments	-	1,038
Payables and accruals	23,791	-
Trade and other payables	-	18,609
Deferred income	-	5,182
Financial year ended 31 December 2009		
Receivables, deposits and prepayments	49,088	-
Trade and other receivables	-	47,981
Deposits and prepayments	-	1,107
Payables and accruals	31,225	-
Trade and other payables	-	27,071
Deferred income	-	4,154

8 Significant accounting policies

The significant accounting policies adopted by the EITA Group ("Group") set out below have been applied consistently to all the periods presented in this report.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses.

(ii) Non-controlling interest

Non-controlling interest 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 comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127, Consolidated and Separate Financial Statements (revised) where losses attributable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if in doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

8 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) 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.

(b) Foreign currency

(i) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at 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 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.

(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.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of profit or loss on disposal.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely 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 FCTR in equity.

(c) Financial instruments

(i) Initial recognition and measurement

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

8 Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Initial recognition and measurement (continued)

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Group categorises financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises trade and other receivables, refundable deposits and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity that are not held for trading.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

All financial assets are subject to review for impairment (see paragraph 8(m)(i)).

Financial liabilities

All financial liabilities are measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with the gain or loss recognised in profit or loss.

(iii) 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.

8 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Financial guarantee contracts (continued)

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) 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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity 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 or cancelled or expires. 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.

(d) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are stated 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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

8 Significant accounting policies (continued)

(d) Plant and equipment (continued)

(i) Recognition and measurement (continued)

The gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. 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. 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 years are as follows:

Renovation and electrical installation	10 years
Furniture and fittings	10 years
Office equipment	10 years
Computer equipment	5 years
Motor vehicles	5 years
Plant and machinery	10 years

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

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

8 Significant accounting policies (continued)

(e) Leased assets (continued)

(i) Finance lease (continued)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position of the Group.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

(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 when 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.

The expenditure capitalised includes the cost of materials, direct labour and overheads that are directly attributable to preparing the assets for its intended used. 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.