

EITA RESOURCES BERHAD

(Company No. 398748-T)

(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010 RM'000	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING CORRESPONDING YEAR TO DATE 31.12.2010 RM'000
Revenue	37,248	38,165	151,318	163,719
Results from operating activities	3,638	4,974	17,699	21,022
Finance costs	(323)	(220)	(918)	(807)
Finance income	55	23	113	114
Net finance costs	(268)	(197)	(805)	(693)
Profit Before Taxation	3,370	4,777	16,894	20,329
Tax expense	(739)	(1,153)	(3,958)	(4,710)
Profit for the year	2,631	3,624	12,936	15,619
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operations	(19)	26	45	(37)
Total other comprehensive income for the year	(19)	26	45	(37)
Total comprehensive income for the year	2,612	3,650	12,981	15,582
Profit attributable to:				
Owners of the company	2,606	3,606	12,773	15,577
Non-controlling interest	25	18	163	42
Profit for the year	2,631	3,624	12,936	15,619
Total comprehensive income attributable to:				
Owners of the company	2,589	3,630	12,814	15,544
Non-controlling interest	23	20	167	38
	2,612	3,650	12,981	15,582
Earnings per share (sen) :-				
Basic	2.44	3.37	11.94	14.56
Diluted	2.44	3.37	11.94	14.56

(The condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements).

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(UNAUDITED) AS AT 31.12.2011 RM'000	(AUDITED) AS AT 31.12.2010 RM'000
ASSETS		
Non-Current Assets		
Plant and equipment	8,519	5,701
Intangible assets	2,231	1,761
Investment properties	195	466
Other investments	10	10
Deferred tax assets	1,570	1,277
	<u>12,525</u>	<u>9,215</u>
Current Assets		
Inventories	32,546	28,835
Trade and other receivables	60,780	53,088
Deposits and prepayments	3,401	2,242
Assets classified as held for sale	263	-
Current tax assets	52	-
Cash and cash equivalents	17,127	18,771
	<u>114,169</u>	<u>102,936</u>
TOTAL ASSETS	<u>126,694</u>	<u>112,151</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	53,500	12,698
Reserves	23,712	51,700
Total equity attributable to owners of the Company	77,212	64,398
Non-controlling interest	550	383
Total Equity	<u>77,762</u>	<u>64,781</u>
Non-Current Liabilities		
Loans and borrowings	621	1,043
Deferred tax liabilities	198	313
	<u>819</u>	<u>1,356</u>
Current Liabilities		
Loans and borrowings	16,675	13,961
Trade and other payables, including derivative	28,619	24,533
Deferred income	2,819	3,477
Dividend payable	-	3,517
Current tax liabilities	-	526
	<u>48,113</u>	<u>46,014</u>
Total Liabilities	<u>48,932</u>	<u>47,370</u>
TOTAL EQUITY AND LIABILITIES	<u>126,694</u>	<u>112,151</u>
Net tangible assets per share attributable to ordinary equity holders of the company (RM)	<u>0.71</u>	<u>0.59</u>

(The condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements).

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Non-Distributable		Distributable	Total RM'000	Non-controlling Interests RM'000	Total equity RM'000
		Share Premium RM'000	Translation Reserve RM'000	Retained earnings RM'000			
<u>12 months ended 31st December 2011</u>							
At 1st January 2011	12,698	1,782	21	49,897	64,398	383	64,781
Total comprehensive income	-	-	41	12,773	12,814	167	12,981
Bonus issue	40,802	(1,782)	-	(39,020)	-	-	-
At 31st December 2011	53,500	-	62	23,650	77,212	550	77,762
<u>12 months ended 31st December 2010</u>							
At 1st January 2010	12,698	1,782	55	37,837	52,372	345	52,717
Total comprehensive income	-	-	(34)	15,577	15,543	38	15,581
Dividend to owners of the Company	-	-	-	(3,517)	(3,517)	-	(3,517)
At 31st December 2010	12,698	1,782	21	49,897	64,398	383	64,781

(The condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements).

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	(UNAUDITED) CURRENT YEAR TO DATE ENDED 31.12.2011 RM'000	(AUDITED) CORRESPONDING YEAR TO DATE ENDED 31.12.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,894	20,329
Adjustments for:		
Amortisation of investment properties	7	8
Amortisation of development costs	35	14
Allowance for liquidated and ascertained damages	207	-
Allowance for / (reversal of) foreseeable losses	304	(572)
Depreciation of plant and equipment	1,108	996
Gain on disposal of plant and equipment	-	(232)
Gain on disposal of asset held for sale	-	(7)
Finance costs	918	807
Finance income	(113)	(114)
Plant and equipment written off	39	72
Unrealised foreign exchange loss / (gain)	17	(168)
Operating profit before working capital changes	19,416	21,133
Changes in inventories	(3,685)	(132)
Changes in trade and other receivables, deposits and prepayments	(9,301)	(5,755)
Changes in trade and other payables and deferred income	3,328	(3,130)
Cash generated from operations	9,758	12,116
Income taxes paid	(4,944)	(5,617)
Interest paid	(845)	(745)
Interest received	113	114
Net cash generated from operating activities	4,082	5,868
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in pledged deposits placed with licensed banks, net	74	-
Proceeds from disposal of plant and equipment	2	243
Proceeds from disposal of investment property	-	440
Purchase of plant and equipment	(3,966)	(1,506)
Increase in development costs	(505)	(32)
Net cash used in investing activities	(4,395)	(855)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment of) / proceeds from loans and borrowings	(2,115)	1,326
Repayment of finance lease liabilities	(407)	(281)
Dividends paid to owners of the Company	(3,517)	(7,000)
Interest paid	(73)	(62)
Net cash used in financing activities	(6,112)	(6,017)
Net decrease in cash and cash equivalents	(6,425)	(1,004)
Foreign exchange differences on cash held	41	155
Cash and cash equivalents at beginning of the financial year	16,332	17,181
Cash and cash equivalents at end of the financial year	9,948	16,332
Cash and cash equivalents		
Cash and cash equivalents included in the statements of cash flows comprise:-		
Cash and bank balances	12,588	14,201
Deposit (excluding deposits pledged)	2,270	2,227
Bank overdrafts	(4,910)	(96)
	9,948	16,332

(The condensed consolidated statements of cash flow should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements).

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011

NOTES TO THE QUARTERLY FINANCIAL REPORT

A1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements.

The financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31st December 2010.

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS"), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

The Group and the Company have 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 for the Group and the Company:

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)
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets
- Amendments to FRS 112, Income Taxes - Deferred Tax: Recovery of Underlying Assets

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

- Amendments to FRS 101, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 10, Consolidated Financial Statements
- FRS 11, Joint Arrangements
- FRS 12, Disclosure of Interests in Other Entities
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 127, Separate Financial Statements (2011)
- FRS 128, Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 7, Financial Instruments: Disclosures - Mandatory Date of FRS 9 and Transition Disclosure

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 132, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, Financial Instruments (2009)
- FRS 9, Financial Instruments (2010)

The Group's and the Company's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Group and the Company will not be adopting the above FRSs, Interpretations and amendments.

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011**NOTES TO THE QUARTERLY FINANCIAL REPORT**

A2. DISCLOSURE OF AUDIT REPORT QUALIFICATION

There was no qualification in the audit report of the preceding annual financial statements.

A3. SEASONAL OR CYCLICAL FACTORS

Save for certain business activities which are project based, our Group does not experience any material seasonality, with the exception of a minor slowdown in business activity during the first quarter of the calendar year due to the festive season.

A4. UNUSUAL ITEMS

There are no unusual items that have material effect on the assets, liabilities, equity, net income or cash flow during the quarter under review.

A5. NATURE AND AMOUNT OF CHANGES IN ESTIMATES

There were no material changes in estimates during the quarter under review.

A6. DEBTS AND SECURITIES

There are no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

A7. DIVIDEND PAID

During the quarter under review, no dividend was declared and paid.

A8. SEGMENTAL INFORMATION

Segment information in respect of the Group's business activities for the financial year ended 31.12.2011.

	Turnover from external customers	Profit before tax
	RM'000	RM'000
Marketing and Distribution	78,329	9,195
Manufacturing	60,898	5,798
Services	12,091	1,901
Consolidated	<u>151,318</u>	<u>16,894</u>

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuations of land and building have been brought forward, without amendment from the previous annual financial statements.

A10. MATERIAL SUBSEQUENT EVENT

There were no material events subsequent to the end of current quarter that have not been reflected in the financial statements.

A11. CHANGES IN COMPOSITION OF THE GROUP.

There were no changes in the composition of the Group in the current quarter.

A12. CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure for the Group at reporting date not provided for in the financial statements are:

	RM'000
Balance purchase consideration on acquisition of plant and equipment.	<u>2,785</u>

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011**NOTES TO THE QUARTERLY FINANCIAL REPORT****A13. CHANGES IN CONTINGENT LIABILITIES**

Corporate guarantee given by the Company to secure banking facilities granted to subsidiaries :	RM'000
At 1.1.2011	65,826
Increase in borrowings	14,015
At 31.12.2011	<u>79,841</u>
Performance guarantee given by subsidiaries for performance of contracts issued to third parties :	RM'000
At 1.1.2011	2,796
Additions	1,159
At 31.12.2011	<u>3,955</u>

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group has the following significant transactions with the related parties during the periods:-

Company	Relationship
Tenaga Semesta (M) Sdn Bhd. ("TS")	A company in which a director and substantial shareholder is the brother of the Group Managing Director, Mr. Fu Wing Hoong.
Platinum Victory Development Sdn Bhd ("PVD")	A company in which a director and substantial shareholder is the brother-in-law of the Executive Director, Mr. Lee Peng Sian.
Platinum Victory Sdn Bhd ("PV")	A company in which a director and substantial shareholder is the brother-in-law of the Executive Director, Mr. Lee Peng Sian.
CTL Automation Sdn Bhd ("CTL")	A company in which two (2) of the directors and substantial shareholders are the brother and sister-in-law of the Executive Director, Mr. Lim Joo Swee respectively.
Corporate shareholders	Companies namely Schneider Steuerungstechnik Gmbh and RST Elektronik Gmbh in which the sole shareholder of the respective company is a director of Schneider Control & Drive Systems (M) Sdn Bhd ("SCDS"), a subsidiary of EITA Resources Berhad ("ERB"). The companies are also the shareholders of SCDS.

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE	PRECEDING CORRESPONDING YEAR TO DATE
	31.12.2011	31.12.2010
	RM'000	RM'000
<u>Tenaga Semesta (M) Sdn Bhd. ("TS")</u>		
- Sales of power equipment	256	30
- Purchase of electrical equipment and supply, installation, testing and commissioning of electrical work	(292)	(1,432)
- Purchase of mechanical and engineering works	(96)	(15)

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31ST DECEMBER 2011**NOTES TO THE QUARTERLY FINANCIAL REPORT**

	<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT</u> <u>YEAR TO DATE</u> 31.12.2011 RM'000	<u>PRECEDING</u> <u>CORRESPONDING</u> <u>YEAR TO DATE</u> 31.12.2010 RM'000
<u>Platinum Victory Development Sdn Bhd ("PVD")</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment	36	313
<u>Platinum Victory Sdn Bhd ("PV")</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment	97	361
<u>CTL Automation Sdn Bhd ("CTL")</u>		
- Repairs and purchase of elevator parts	(332)	(487)
<u>Corporate shareholders</u>		
- Purchase of elevator parts	(296)	(71)

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD****B1. REVIEW OF PERFORMANCE FOR THE CURRENT QUARTER AND FINANCIAL YEAR TO-DATE**

	Individual Quarter		%	Year-to-date Ended		%
	3 Months Ended					
	31.12.2011	31.12.2010	change	31.12.2011	31.12.2010	change
	RM'000	RM'000		RM'000	RM'000	
Revenue						
- Marketing and Distribution	19,403	17,320	12.0%	78,329	85,763	-8.7%
- Manufacturing	13,354	18,762	-28.8%	60,898	66,030	-7.8%
- Services	4,491	2,083	115.6%	12,091	11,926	1.4%
Total	<u>37,248</u>	<u>38,165</u>	-2.4%	<u>151,318</u>	<u>163,719</u>	-7.6%
Profit before tax						
- Marketing and Distribution	1,878	1,756	6.9%	9,195	11,798	-22.1%
- Manufacturing	1,229	2,980	-58.8%	5,798	7,733	-25.0%
- Services	263	41	541.5%	1,901	798	138.2%
Total	<u>3,370</u>	<u>4,777</u>	-29.5%	<u>16,894</u>	<u>20,329</u>	-16.9%

The total revenue of the Group for the current quarter decreased by RM0.92 million or 2.4% as compared to the preceding year corresponding quarter. The decrease was mainly due to lower revenue from the Manufacturing segment but was offset partly by the higher revenue recorded by the Marketing and Distribution segment and Services segment. Cumulatively, the Group revenue decreased by RM12.40 million or 7.6% as compared to the preceding corresponding year. Both the Marketing and Distribution segment and Manufacturing segment recorded lower revenue while the Services segment recorded higher revenue.

The total PBT of the Group for the current quarter decreased by RM1.41 million or 29.5% in line with the lower revenue recorded.

Cumulatively the Group PBT decreased by RM3.44 million or 16.9% for the same reason.

(i) Marketing & Distribution segment

Current quarter revenue increased by RM2.08 million or 12.0% mainly due to higher revenue from power distribution equipment sold locally.

Cumulative revenue, however decreased by RM7.43 million or 8.7% mainly due to decline in the export of power distribution equipment.

Current quarter PBT increased by RM0.12 million or 6.9% due to higher contribution from power distribution equipment.

Cumulative PBT decreased by RM2.60 million or 22.1% in line with the decline in revenue.

(ii) Manufacturing segment

Current quarter revenue decreased by RM5.41 million or 28.8% mainly due to delay in project execution for elevator and busduct systems.

Cumulatively, revenue decreased by RM5.13 million or 7.8% for the same reason.

Current quarter PBT decreased by RM1.75 million or 58.8% corresponding with the lower revenue from elevator and busduct systems.

Cumulatively, PBT decreased by RM1.94 million or 25.0% for the same reason.

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EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

(iii) Services segment

Current quarter revenue increased by RM2.41 million or 115.6% due to the higher revenue from elevator repair sales and provision of electrical and security projects.

Cumulatively, revenue increased by RM0.16 million or 1.4% for the same reason.

Current quarter PBT increased by RM0.22 million or 541.5% corresponding with the higher revenue recorded.

Cumulatively, PBT increased by RM1.10 million or 138.2% mainly due to the higher contribution from elevator maintenance contracts and repair sales.

B2. REVIEW OF CURRENT QUARTER PERFORMANCE WITH THE PRECEDING QUARTER.

	Individual Quarter		% change
	3 Months Ended		
	31.12.2011	30.9.2011	
	RM'000	RM'000	
Revenue			
- Marketing and Distribution	19,403	20,758	-6.5%
- Manufacturing	13,354	16,273	-17.9%
- Services	4,491	2,889	55.5%
Total	<u>37,248</u>	<u>39,920</u>	-6.7%
Profit before tax			
- Marketing and Distribution	1,878	1,974	-4.9%
- Manufacturing	1,229	2,338	-47.4%
- Services	263	938	-72.0%
Total	<u>3,370</u>	<u>5,250</u>	-35.8%

The total revenue of the Group for the current quarter was lower by RM2.67 million or 6.7% as compared to the preceding quarter. The lower revenue recorded by Marketing and Distribution segment and Manufacturing segment was partly offset by the higher revenue from Services segment.

The total PBT of the Group for the current quarter decreased by RM1.88 million or 35.8% mainly due to the lower revenue recorded by Manufacturing segment.

(i) Marketing & Distribution segment

Revenue decreased by RM1.36 million or 6.5% mainly due to lower revenue from electrical and electronics components.

Current quarter PBT decreased by RM0.10 million or 4.9% corresponding with the lower revenue.

(ii) Manufacturing segment

Current quarter revenue decreased by RM2.92 million or 17.9% mainly due to delay in project execution for elevator and busduct systems.

Current quarter PBT decreased by RM1.11 million or 47.4% due to the same reason.

(iii) Services segment

Current quarter revenue increased by RM1.60 million or 55.5% mainly due to higher revenue from elevator repair sales and provision of electrical and security system.

Current quarter PBT decreased by RM0.68 million or 72.0% mainly due to higher operating expenses.

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EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3. COMMENTARY ON PROSPECTS

The outlook for our Group's business is expected to be satisfactory as the Group is actively expanding our domestic as well as regional markets.

(i) Marketing & Distribution

The revenue of electrical & electronics components is expected to continue to grow.

(ii) Manufacturing

Our elevator system is expected to benefit from the positive prospect of the construction sector domestically, driven by the local development initiatives e.g. Economic Transformation Programme (ETP).

The revenue of our busduct system is also poised to grow especially in the regional markets as our new HP-ES product range of busduct system is expected to complete the certification in Q2 2012 by KEMA, an energy consulting and testing, and certification company.

(iii) Services

The revenue from elevator maintenance contracts is expected to continue its growth in anticipation of the increasing number of elevator system being completed.

Barring any unforeseen circumstances, the Board of Directors envisages that the Group will be able to achieve growth and profitability.

B4. PROFIT FORECAST

Profit forecast was not provided.

B5. TAX EXPENSE

	Current Quarter 3 Months Ended 31.12.2011 RM'000	Year-to-date Ended 31.12.2011 RM'000
Current tax expense		
Malaysian - current year	624	4,580
- prior year	1	(260)
Overseas - current year	7	49
- prior year	-	(3)
	<u>632</u>	<u>4,366</u>
Deferred tax expense		
Origination and reversal of temporary differences		
- current year	(101)	(555)
- prior year	208	147
	<u>107</u>	<u>(408)</u>
Total tax expense	<u>739</u>	<u>3,958</u>

The Group's effective tax rate of 21.9% for the current quarter ended 31 Dec 2011 and 23.4% for the year ended 31 Dec 2011 was lower than the statutory corporate tax rate of 25% mainly due to:

- (i) Adjustments for overprovision of prior year taxes,
- (ii) Utilisation of reinvestment allowance and
- (iii) Set-off by higher non-deductable items

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EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B6(a). STATUS OF CORPORATE PROPOSAL ANNOUNCED

In conjunction with the Initial Public Offering ("IPO"), EITA has proposed a public issue of 23,000,000 new EITA shares and offer for sale of 17,000,000 EITA Shares. 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 Malaysia Securities Berhad.

B6(b). UTILISATION OF PROCEEDS RAISED FROM CORPORATE EXERCISE

Description of Utilisation	Time frame for Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)
(a) Expansion and improvements of manufacturing and business facilities	Within 36 months	8,851	-
(b) Expansion in R&D	Within 24 months	3,750	-
(c) Working capital	Within 12 months	2,079	-
(d) Estimated listing expenses	Immediate	2,800	-
Total Public Issue Proceeds		<u>17,480</u>	<u>-</u>

B7. GROUP BORROWINGS

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Non-current		
Finance lease liabilities	<u>621</u>	<u>1,043</u>
Current		
Secured bank overdrafts	4,910	96
Secured bills payable	11,343	13,458
Finance lease liabilities	<u>422</u>	<u>407</u>
	<u>16,675</u>	<u>13,961</u>
Total	<u>17,296</u>	<u>15,004</u>

B8. CHANGES IN MATERIAL LITIGATIONS

There were no outstanding material litigations as at the date of this announcement.

B9. DIVIDEND PAYABLE

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 31 December 2011 of 3.0 sen per ordinary share under the single tier system amounting to RM3.90 million based on the enlarged paid up share capital of 130 million ordinary shares after the Initial Public Offering, will be proposed for shareholders' approval.

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD****B10. EARNINGS PER ORDINARY SHARE****Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share ("EPS") was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue during the year (31.12.2010 - adjusted for bonus issue in 2011 of shares) calculated as follows:

	Individual Quarter		Year-to-date Ended		
	3 Months Ended		31.12.2011		31.12.2010
	31.12.2011	31.12.2010	31.12.2011	31.12.2010	
Profit for the period attributable to owners (RM'000)	2,606	3,606	12,773	15,577	
Weighted average number of ordinary shares ('000)	107,000	107,000	107,000	107,000	
Basic earnings per ordinary share (sen)	2.44	3.37	11.94	14.56	
Issued ordinary shares at 1 January			25,396	25,396	
Effect of bonus issue			81,604	81,604	
Weighted average number of ordinary shares at 31 December			107,000	107,000	

No diluted EPS is disclosed in the financial statements as there are no dilutive potential ordinary shares.

B11. NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter		Year-to-date Ended		
	3 Months Ended		31.12.2011		31.12.2010
	31.12.2011	31.12.2010	31.12.2011	31.12.2010	
	RM'000	RM'000	RM'000	RM'000	
Profit before taxation is arrived at after charging/(crediting)	3,370	4,777	16,894	20,329	
(a) other income including investment income;	(383)	(444)	(1,712)	(755)	
(b) depreciation and amortization;	294	279	1,150	1,018	
(c) (reversal of) / provision for and write off of receivables;	(442)	(440)	549	2,250	
(d) (reversal of) / provision for and write off of inventories;	(1,017)	(861)	(436)	522	
(e) gain on disposal of quoted or unquoted investments or properties;	-	(78)	-	(167)	
(f) impairment of assets;	62	-	177	-	
(g) foreign exchange loss / (gain);	489	(46)	340	(1,278)	
(h) (gain) / loss on derivatives;	(105)	-	39	(111)	
(i) (reversal of) / allowance for foreseeable loss.	(98)	195	304	(572)	

EITA RESOURCES BERHAD

(Company No. 398748-T)

(Incorporated in Malaysia)

EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B12. REALISED AND UNREALISED RETAINED EARNINGS

	As at 31.12.2011 RM'000
The retained earnings of the Group:-	
- Realised	26,918
- Unrealised	2,376
	<u>29,294</u>
Less: Consolidation adjustments	(5,644)
The retained earnings as per condensed consolidated financial statements	<u><u>23,650</u></u>

B13. FINANCIAL INSTRUMENTS

Outstanding derivatives as at 31st December 2011

Type of derivatives	Contract / Notional value RM'000	Fair Value RM'000
Less than 1 year:-		
Forward exchange contract-buy	2,764	(39)

There are no changes to policies related to financial instruments since last financial year.

B14. NET TANGIBLE ASSETS PER SHARE

Net tangible assets per share attributable to ordinary equity holders of the company as at year to date 31 December 2010 was based on number of ordinary shares in issue adjusted for bonus issue in 2011.

B15. AUTHORITY FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 29 March 2012.