

EITA RESOURCES BERHAD

(Company No. 398748-T)

(Incorporated in Malaysia)

INTERIM REPORT FOR THE FIRST QUARTER ENDED 31ST MARCH 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2011 RM'000	CURRENT YEAR TO DATE 31.03.2012 RM'000	PRECEDING CORRESPONDING YEAR TO DATE 31.03.2011 RM'000
Revenue	40,253	33,508	40,253	33,508
Results from operating activities	4,674	3,871	4,674	3,871
Finance costs	(271)	(188)	(271)	(188)
Finance income	101	48	101	48
Net finance costs	(170)	(140)	(170)	(140)
Profit Before Taxation	4,504	3,731	4,504	3,731
Tax expense	(1,316)	(910)	(1,316)	(910)
Profit for the year	3,188	2,821	3,188	2,821
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operations	(1)	10	(1)	10
Total other comprehensive (loss) / income for the year	(1)	10	(1)	10
Total comprehensive income for the year	3,187	2,831	3,187	2,831
Profit attributable to:				
Owners of the company	3,168	2,767	3,168	2,767
Non-controlling interest	20	54	20	54
Profit for the year	3,188	2,821	3,188	2,821
Total comprehensive income attributable to:				
Owners of the company	3,167	2,777	3,167	2,777
Non-controlling interest	20	54	20	54
	3,187	2,831	3,187	2,831
Earnings per share (sen) :-				
Basic	2.96	2.59	2.96	2.59
Diluted	2.96	2.59	2.96	2.59

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

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(Company No. 398748-T)

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 31ST MARCH 2012**The figures have not been audited****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(UNAUDITED) AS AT 31.03.2012 RM'000	(AUDITED) AS AT 31.12.2011 RM'000	(AUDITED) AS AT 1.1.2011 RM'000
ASSETS			
Non-Current Assets			
Plant and equipment	8,347	8,519	5,701
Intangible assets	2,247	2,231	1,761
Investment properties	195	195	465
Other investments	10	10	10
Deferred tax assets	1,529	1,676	1,644
	<u>12,328</u>	<u>12,631</u>	<u>9,581</u>
Current Assets			
Inventories	39,609	32,546	28,835
Trade and other receivables	68,285	60,780	53,088
Deposits and prepayments	3,654	3,401	2,242
Assets classified as held for sale	263	263	-
Current tax assets	-	52	-
Cash and cash equivalents	33,526	17,127	18,771
	<u>145,337</u>	<u>114,169</u>	<u>102,936</u>
TOTAL ASSETS	<u>157,665</u>	<u>126,800</u>	<u>112,517</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	53,500	53,500	12,698
Reserves	26,985	23,818	52,067
Total equity attributable to owners of the Company	80,485	77,318	64,765
Non-controlling interest	570	550	383
Total Equity	<u>81,055</u>	<u>77,868</u>	<u>65,148</u>
Non-Current Liabilities			
Loans and borrowings	2,016	621	1,043
Deferred tax liabilities	210	198	313
	<u>2,226</u>	<u>819</u>	<u>1,356</u>
Current Liabilities			
Loans and borrowings	16,836	16,675	13,961
Trade and other payables, including derivative	55,245	28,619	24,533
Deferred income	2,153	2,819	3,476
Dividend payable	-	-	3,517
Current tax liabilities	150	-	526
	<u>74,384</u>	<u>48,113</u>	<u>46,013</u>
Total Liabilities	<u>76,610</u>	<u>48,932</u>	<u>47,369</u>
TOTAL EQUITY AND LIABILITIES	<u>157,665</u>	<u>126,800</u>	<u>112,517</u>
Net assets per share attributable to ordinary equity holders of the company (RM)	<u>0.76</u>	<u>0.73</u>	<u>0.61</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 FIRST QUARTER ENDED 31ST MARCH 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Non-Distributable		Distributable	Total	Non-controlling Interests	Total equity
	Share capital	Share Premium	Translation Reserve			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31st March 2012						
At 1st January 2012	53,500	-	62	23,756	550	77,868
Total comprehensive income	-	-	(1)	3,168	20	3,187
At 31st March 2012	<u>53,500</u>	<u>-</u>	<u>61</u>	<u>26,924</u>	<u>570</u>	<u>81,055</u>
3 months ended 31st March 2011						
At 1st January 2011	12,698	1,782	21	50,264	383	65,148
Total comprehensive income	-	-	10	2,767	54	2,831
At 31st March 2011	<u>12,698</u>	<u>1,782</u>	<u>31</u>	<u>53,031</u>	<u>437</u>	<u>67,979</u>

(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 FIRST QUARTER ENDED 31ST MARCH 2012**The figures have not been audited****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	(UNAUDITED) CURRENT YEAR TO DATE ENDED 31.03.2012 RM'000	(UNAUDITED) CORRESPONDING YEAR TO DATE ENDED 31.03.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,504	3,731
Adjustments for:		
Amortisation of investment properties	1	2
Amortisation of development costs	30	5
Allowance for foreseeable losses	124	372
Depreciation of plant and equipment	293	281
Finance costs	271	188
Finance income	(101)	(48)
Plant and equipment written off	-	1
Unrealised foreign exchange loss / (gain)	218	(103)
Operating profit before working capital changes	5,340	4,429
Changes in inventories	(7,063)	(3,552)
Changes in trade and other receivables, deposits and prepayments	(7,881)	2,571
Changes in trade and other payables and deferred income	25,757	(1,912)
Cash generated from operations	16,153	1,536
Income taxes paid	(955)	(1,571)
Interest paid	(257)	(155)
Interest received	101	48
Net cash generated from / (used in) operating activities	15,042	(142)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in pledged deposits placed with licensed banks, net	(22,845)	-
Proceeds from disposal of plant and equipment	-	1
Purchase of plant and equipment	(121)	(75)
Increase in development costs	(47)	(105)
Net cash used in investing activities	(23,013)	(179)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) loans and borrowings	2,422	(4,558)
Repayment of finance lease liabilities	(104)	(100)
Dividends paid to owners of the Company	-	(3,517)
Interest paid	(14)	(33)
Net cash generated from / (used in) financing activities	2,304	(8,208)
Net decrease in cash and cash equivalents	(5,667)	(8,529)
Foreign exchange differences on cash held	(17)	11
Cash and cash equivalents at beginning of the financial year	9,948	16,332
Cash and cash equivalents at end of the financial year	4,264	7,814
Cash and cash equivalents		
Cash and cash equivalents included in the statements of cash flows comprise:-		
Cash and bank balances	8,412	8,319
Deposit (excluding deposits pledged)	-	2,266
Bank overdrafts	(4,148)	(2,771)
	4,264	7,814

(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 FIRST QUARTER ENDED 31ST MARCH 2012

NOTES TO THE QUARTERLY FINANCIAL REPORT

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011.

These are the Group's condensed consolidated interim financial statements for the part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1 has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS1, *First-time Adoption of Malaysian Financial Reporting Standards*. Nevertheless, the Group would continue to assess any further transitional opportunities available. The impact of transition to MFRS is described in Note A2(ii) below.

A2. CHANGES IN ACCOUNTING POLICIES

- (i) The consolidated financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards ("FRS"). As the requirement under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the consolidated financial statements for the year ended 31 December 2011, except as disclosed below.
- (ii) **Recognition of unutilised reinvestment allowance**
The Group has changed its accounting policy to be in compliance with MFRS 112, *Income Taxes* whereby unutilised reinvestment allowances, being tax incentives that is not a tax base of an asset is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against the unutilised tax incentive can be utilised.

The impact arising from the change in accounting policy is summarised as follows:

	31.3.2011	31.12.2011	
	RM'000	RM'000	
Consolidated statement of comprehensive income			
Tax expense	852	3,958	
Effect of transition to MFRS	58	261	
	<u>910</u>	<u>4,219</u>	
Consolidated statement of financial position			
	1.1.2011	31.3.2011	31.12.2011
	RM'000	RM'000	RM'000
Deferred tax asset	1,277	1,422	1,570
Effect of transition to MFRS	367	309	106
	<u>1,644</u>	<u>1,731</u>	<u>1,676</u>
Retained earnings	49,897	52,722	23,650
Effect of transition to MFRS	367	309	106
	<u>50,264</u>	<u>53,031</u>	<u>23,756</u>

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NOTES TO THE QUARTERLY FINANCIAL REPORT

A2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

- (iii) At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

<i>MFRSs, Amendments to MFRSs and IC Interpretation</i>	<i>Effective for annual periods beginning on or after</i>
- Amendments to MFRS 101 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive</i>	1 July 2012
- MFRS 10 <i>Consolidated Financial statements</i>	1 January 2013
- MFRS 11 <i>Joint Arrangements</i>	1 January 2013
- MFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
- MFRS 13 <i>Fair Value Measurement</i>	1 January 2013
- MFRS 119 <i>Employee Benefits</i>	1 January 2013
- MFRS 127 <i>Separate Financial Statements</i>	1 January 2013
- MFRS 128 <i>Investments in Associates and Joint Venture</i>	1 January 2013
- IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
- Amendments to MFRS 7 <i>Financial Instruments Disclosure - offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
- Amendments to MFRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
- MFRS 9 <i>Financial Instruments (2009)</i>	1 January 2015
- MFRS 9 <i>Financial Instruments (2010)</i>	1 January 2015
- Amendments to MFRS 7 <i>Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures</i>	1 January 2015

The Group has early adopted the amendments to MFRS 101, *Presentation of Financial Statements* which is originally effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to MFRS 101 has no impact on the financial statements other than the presentation format of the statements of profit or loss and other comprehensive income.

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 31ST MARCH 2012**NOTES TO THE QUARTERLY FINANCIAL REPORT**

A3. DISCLOSURE OF AUDIT REPORT QUALIFICATION

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

A4. 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 seasons.

A5. 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.

A6. NATURE AND AMOUNT OF CHANGES IN ESTIMATES

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

A7. DEBTS AND SECURITIES

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

A8. DIVIDEND PAID

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

A9. SEGMENTAL INFORMATION

Segment information in respect of the Group's business activities for the financial year ended 31.03.2012.

	Turnover from external customers RM'000	Profit before tax RM'000
Marketing and Distribution	20,228	2,510
Manufacturing	15,340	1,221
Services	4,685	773
Consolidated	<u>40,253</u>	<u>4,504</u>

A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

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

A11. MATERIAL SUBSEQUENT EVENT

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

A12. CHANGES IN COMPOSITION OF THE GROUP

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

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 31ST MARCH 2012

NOTES TO THE QUARTERLY FINANCIAL REPORT

A13. 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>2,964</u>

A14. CHANGES IN CONTINGENT LIABILITIES

Corporate guarantee given by the Company to secure banking facilities granted to subsidiaries :

	RM'000
At 1.1.2012	79,841
Increase in borrowings	<u>4,000</u>
At 31.3.2012	<u>83,841</u>

Performance guarantee given by subsidiaries for performance of contracts issued to third parties :

	RM'000
At 1.1.2012	3,955
Additions	<u>683</u>
At 31.3.2012	<u>4,638</u>

A15. 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 ("EITA"). The companies are also the shareholders of SCDS.

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 31ST MARCH 2012**NOTES TO THE QUARTERLY FINANCIAL REPORT**

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE 31.03.2012 RM'000	PRECEDING CORRESPONDING YEAR TO DATE 31.03.2011 RM'000
<u>Tenaga Semesta (M) Sdn Bhd. ("TS")</u>		
- Sales of power equipment	13	243
- Purchase of electrical equipment and supply, installation, testing and commissioning of electrical work	-	(85)
- Purchase of mechanical and engineering works	(1)	(1)
<u>Platinum Victory Development Sdn Bhd ("PVD")</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment	302	14
<u>Platinum Victory Sdn Bhd ("PV")</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment	-	1
<u>CTL Automation Sdn Bhd ("CTL")</u>		
- Repairs and purchase of elevator parts	(89)	(30)
<u>Corporate shareholders</u>		
- Purchase of elevator parts	(53)	(75)

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

	Individual Quarter		% change	Year-to-date Ended		% change
	3 Months Ended			31.3.2012	31.3.2011	
	31.3.2012	31.3.2011		RM'000	RM'000	
Revenue						
- Marketing and Distribution	20,228	17,562	15.2%	20,228	17,562	15.2%
- Manufacturing	15,340	13,834	10.9%	15,340	13,834	10.9%
- Services	4,685	2,112	121.8%	4,685	2,112	121.8%
Total	40,253	33,508	20.1%	40,253	33,508	20.1%
Profit before tax (PBT)						
- Marketing and Distribution	2,510	2,825	-11.2%	2,510	2,825	-11.2%
- Manufacturing	1,221	840	45.4%	1,221	840	45.4%
- Services	773	66	1071.2%	773	66	1071.2%
Total	4,504	3,731	20.7%	4,504	3,731	20.7%

The total revenue of the Group for the current quarter increased by RM6.74 million or 20.1% as compared to the preceding year corresponding quarter contributed by all the three segments.

The total PBT of the Group for the current quarter increased by RM0.77 million or 20.7% corresponding with the higher revenue recorded.

(i) Marketing & Distribution segment

Current quarter revenue increased by RM2.67 million or 15.2% mainly due to increased demand for power distribution equipment and electrical and electronics components.

Current quarter PBT decreased by RM0.32 million or 11.2% despite the increased revenue due to lower profit margin as a result of different sales mix.

(ii) Manufacturing segment

Current quarter revenue increased by RM1.51 million or 10.9% mainly due to increased execution of elevator projects.

Current quarter PBT increased by RM0.38 million or 45.4% due to the same reason as well as higher margins for busduct system due to lower raw material cost.

(iii) Services segment

Current quarter revenue increased by RM2.57 million or 121.8% due to the higher revenue from both the elevator maintenance contracts and repair sales; as well as increased revenue from projects execution of electrical and security systems.

Current quarter PBT increased by RM0.71 million or 1071.2% due to the same reasons as well as higher margins from both elevator services and provision of electrical and security projects.

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD****B2. REVIEW OF CURRENT QUARTER PERFORMANCE WITH THE PRECEDING QUARTER.**

	Individual Quarter		% change
	3 Months Ended		
	31.3.2012	31.12.2011	
	RM'000	RM'000	
Revenue			
- Marketing and Distribution	20,228	19,403	4.3%
- Manufacturing	15,340	13,354	14.9%
- Services	4,685	4,491	4.3%
Total	<u>40,253</u>	<u>37,248</u>	8.1%
Profit before tax (PBT)			
- Marketing and Distribution	2,510	1,878	33.7%
- Manufacturing	1,221	1,229	-0.7%
- Services	773	263	193.9%
Total	<u>4,504</u>	<u>3,370</u>	33.6%

The total revenue of the Group for the current quarter was higher by RM3.01 million or 8.1% against preceding quarter contributed by all the three segments.

The total PBT of the Group for the current quarter increased by RM1.13 million or 33.6% for the same reason.

(i) Marketing & Distribution segment

Revenue increased by RM0.82 million or 4.3% mainly due to higher revenue from electrical and electronics components.

Current quarter PBT increased by RM0.63 million or 33.7% for the same reason as well as higher margin from different sales mix.

(ii) Manufacturing segment

Current quarter revenue increased by RM1.99 million or 14.9% mainly due to increased execution of elevator projects.

Current quarter PBT decreased by RM0.01 million or 0.7% despite the increase in revenue due to provision for doubtful debt.

(iii) Services segment

Current quarter revenue increased by RM0.19 million or 4.3% mainly due to higher revenue from provision of electrical and security system.

Current quarter PBT increased by RM0.51 million or 193.9% mainly due to the same reason as well as lower operating expenses for elevator services.

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD****B3. COMMENTARY ON PROSPECTS**

In view of the increase in order book of the Group, and barring any unforeseen circumstances, the Board of Directors of the Company is optimistic on the Group's performance and expect to deliver satisfactory results for the financial year ending 31 December 2012.

B4. PROFIT FORECAST

Profit forecast was not provided.

B5. TAX EXPENSE

	Current Quarter 3 Months Ended 31.03.2012 RM'000	Year-to-date Ended 31.03.2012 RM'000
Current tax expense		
Malaysian - current year	1,150	1,150
- prior year	-	-
Overseas - current year	7	7
- prior year	-	-
	<u>1,157</u>	<u>1,157</u>
Deferred tax expense		
Origination and reversal of temporary differences		
- current year	40	40
- prior year	119	119
	<u>159</u>	<u>159</u>
Total tax expense	<u>1,316</u>	<u>1,316</u>

The Group's effective tax rate of 29.22% for the current quarter ended 31 March 2012 was higher than the statutory corporate tax rate of 25% mainly due to:

- (i) Adjustments for under provision of prior year deferred taxes,
- (ii) Non-deductible items,
- (iii) Reversal of temporary differences.

B6(a). STATUS OF CORPORATE PROPOSAL ANNOUNCED

EITA's Initial Public Offering ("IPO") exercise was completed following the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 9 April 2012.

The IPO consisted of 23.0 million new ordinary share of RM0.50 each ("EITA Shares") and offer for sale of 17.0 million EITA shares at an issue price of 76 sen. The IPO then raised proceeds of RM17.48 million for the Company ("IPO Proceeds").

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS 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>

Note:

The Company has not utilised the IPO proceeds for the quarter ended 31 March 2012 as the IPO proceeds was received after the reporting quarter.

B7. GROUP BORROWINGS

	As at 31.03.2012 RM'000	As at 31.12.2011 RM'000
Non-current		
Term loans - secured	1,442	-
Finance lease liabilities	<u>574</u>	<u>621</u>
	<u>2,016</u>	<u>621</u>
Current		
Secured bank overdrafts	4,148	4,910
Secured bills payable	12,322	11,343
Finance lease liabilities	<u>366</u>	<u>422</u>
	<u>16,836</u>	<u>16,675</u>
Total	<u>18,852</u>	<u>17,296</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 (31.3.2011 - adjusted for bonus issue in 2011) calculated as follows:

	Individual Quarter		Year-to-date Ended	
	3 Months Ended		31.03.2011	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Profit for the period attributable to owners (RM'000)	3,168	2,767	3,168	2,767
Weighted average number of ordinary shares ('000)	107,000	107,000	107,000	107,000
Basic earnings per ordinary share (sen)	2.96	2.59	2.96	2.59
Issued ordinary shares at 1 January			107,000	25,396
Effect of bonus issue			-	81,604
Weighted average number of ordinary shares at 31 March			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		31.03.2011	
	31.03.2012	31.3.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting)	4,504	3,731	4,504	3,731
(a) other income including investment income;	(352)	(369)	(352)	(369)
(b) depreciation and amortization;	324	288	324	288
(c) (reversal of) / provision for and write off of receivables;	(150)	348	(150)	348
(d) provision for / (reversal of) write off of inventories;	75	(260)	75	(260)
(e) gain on disposal of quoted or unquoted investments or properties;	-	-	-	-
(f) impairment of assets;	-	-	-	-
(g) foreign exchange gain;	(6)	(210)	(6)	(210)
(h) gain on derivatives;	(14)	-	(14)	-
(i) allowance for foreseeable loss.	124	25	124	25

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 31.03.2012 RM'000
The retained earnings of the Group:-	
- Realised	30,471
- Unrealised	2,016
	<u>32,487</u>
Less: Consolidation adjustments	(5,563)
The retained earnings as per condensed consolidated financial statements	<u><u>26,924</u></u>

B13. FINANCIAL INSTRUMENTS

Outstanding derivatives as at 31 March 2012

Type of derivatives	Contract / Notional value RM'000	Fair Value through profit or loss RM'000
Less than 1 year:-		
Forward exchange contract-buy	125	14

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 1 January 2011 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 25 May 2012.