

**EITA RESOURCES BERHAD**

(Company No. 398748-T)

(Incorporated in Malaysia)

**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30TH JUNE 2012****The figures have not been audited****CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2011 RM'000	CURRENT YEAR TO DATE 30.06.2012 RM'000	PRECEDING CORRESPONDING YEAR TO DATE 30.06.2011 RM'000
<b>Revenue</b>	56,055	40,642	96,308	74,150
<b>Results from operating activities</b>	4,624	4,740	9,298	8,611
Finance costs	(272)	(204)	(543)	(392)
Finance income	89	7	190	55
Net finance costs	(183)	(197)	(353)	(337)
<b>Profit Before Taxation</b>	4,441	4,543	8,945	8,274
Tax expense	(1,505)	(1,234)	(2,821)	(2,144)
<b>Profit for the year</b>	2,936	3,309	6,124	6,130
<b>Other comprehensive income net of tax</b>				
Foreign currency translation differences for foreign operations	70	51	69	61
<b>Total other comprehensive (loss) / income for the year</b>	70	51	69	61
<b>Total comprehensive income for the year</b>	3,006	3,360	6,193	6,191
<b>Profit attributable to:</b>				
Owners of the company	2,923	3,210	6,091	5,977
Non-controlling interest	13	99	33	153
<b>Profit for the year</b>	2,936	3,309	6,124	6,130
<b>Total comprehensive income attributable to:</b>				
Owners of the company	2,986	3,254	6,153	6,031
Non-controlling interest	20	106	40	160
	3,006	3,360	6,193	6,191
<b>Earnings per share (sen) :-</b>				
Basic	2.48	2.72	5.16	5.07
Diluted	2.48	2.72	5.16	5.07

*(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 SECOND QUARTER ENDED 30TH JUNE 2012****The figures have not been audited****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(UNAUDITED) AS AT 30.06.2012 RM'000	(AUDITED) AS AT 31.12.2011 RM'000	(AUDITED) AS AT 1.1.2011 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Plant and equipment	8,614	8,519	5,701
Intangible assets	2,787	2,231	1,761
Investment properties	194	195	465
Other investments	10	10	10
Deferred tax assets	1,775	1,676	1,644
	<u>13,380</u>	<u>12,631</u>	<u>9,581</u>
<b>Current Assets</b>			
Inventories	41,040	32,546	28,835
Trade and other receivables	80,169	60,780	53,088
Deposits and prepayments	2,175	3,401	2,242
Assets classified as held for sale	-	263	-
Current tax assets	-	52	-
Cash and cash equivalents	27,201	17,127	18,771
	<u>150,585</u>	<u>114,169</u>	<u>102,936</u>
<b>TOTAL ASSETS</b>	<u>163,965</u>	<u>126,800</u>	<u>112,517</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	65,000	53,500	12,698
Reserves	30,354	23,818	52,067
Total equity attributable to owners of the Company	95,354	77,318	64,765
Non-controlling interest	590	550	383
<b>Total Equity</b>	<u>95,944</u>	<u>77,868</u>	<u>65,148</u>
<b>Non-Current Liabilities</b>			
Loans and borrowings	568	621	1,043
Deferred tax liabilities	221	198	313
	<u>789</u>	<u>819</u>	<u>1,356</u>
<b>Current Liabilities</b>			
Loans and borrowings	28,220	16,675	13,961
Trade and other payables, including derivative	31,915	28,619	24,533
Deferred income	2,328	2,819	3,476
Dividend payable	3,900	-	3,517
Current tax liabilities	869	-	526
	<u>67,232</u>	<u>48,113</u>	<u>46,013</u>
<b>Total Liabilities</b>	<u>68,021</u>	<u>48,932</u>	<u>47,369</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>163,965</u>	<u>126,800</u>	<u>112,517</u>
Net assets per share attributable to ordinary equity holders of the company (RM)	<u>0.74</u>	<u>0.60</u>	<u>0.50</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 SECOND QUARTER ENDED 30TH JUNE 2012**

The figures have not been audited

**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			
<b><u>6 months ended 30th June 2012</u></b>							
At 1st January 2012	53,500	-	62	23,756	77,318	550	77,868
Total comprehensive income	-	-	62	6,091	6,153	40	6,193
Dividend to owners of the Company	-	-	-	(3,900)	(3,900)	-	(3,900)
Dividend to minority interests	-	-	-	(8)	(8)	-	(8)
Share issue	11,500	5,980	-	-	17,480	-	17,480
Share issue expenses	-	(1,689)	-	-	(1,689)	-	(1,689)
At 30th June 2012	<u>65,000</u>	<u>4,291</u>	<u>124</u>	<u>25,939</u>	<u>95,354</u>	<u>590</u>	<u>95,944</u>
<b><u>6 months ended 30th June 2011</u></b>							
At 1st January 2011	12,698	1,782	21	50,264	64,765	383	65,148
Total comprehensive income	-	-	54	5,977	6,031	160	6,191
At 30th June 2011	<u>12,698</u>	<u>1,782</u>	<u>75</u>	<u>56,241</u>	<u>70,796</u>	<u>543</u>	<u>71,339</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).*

## INTERIM REPORT FOR THE SECOND QUARTER ENDED 30TH JUNE 2012

The figures have not been audited

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	(UNAUDITED) CURRENT YEAR TO DATE ENDED 30.06.2012 RM'000	(UNAUDITED) CORRESPONDING YEAR TO DATE ENDED 30.06.2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	8,945	8,274
Adjustments for:		
Amortisation of investment properties	1	4
Amortisation of development costs	80	12
Allowance for liquidated and ascertained damages	-	204
(Reversal) / allowance for foreseeable losses	(169)	256
Depreciation of plant and equipment	587	542
Finance costs	543	392
Finance income	(190)	(55)
Plant and equipment written off	2	21
Unrealised foreign exchange loss	24	320
Operating profit before working capital changes	9,823	9,970
Changes in inventories	(8,458)	(786)
Changes in trade and other receivables, deposits and prepayments	(17,748)	(16,112)
Changes in trade and other payables and deferred income	2,605	8,002
Cash (used in) / generated from operations	(13,778)	1,074
Income taxes paid	(1,978)	(2,559)
Interest paid	(517)	(173)
Interest received	190	55
Net cash used in operating activities	(16,083)	(1,603)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in pledged deposits placed with licensed banks, net	610	(4)
Proceeds from disposal of plant and equipment	5	1
Proceeds from disposal of investment property	263	-
Purchase of plant and equipment	(665)	(232)
Increase in development costs	(636)	(131)
Net cash used in investing activities	(423)	(366)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from / (repayment of) loans and borrowings	14,675	(2,957)
Proceeds from issuance of shares	15,791	-
Repayment of finance lease liabilities	(209)	(200)
Dividends paid to owners of the Company	-	(3,517)
Dividends paid to minority interests	(8)	-
Interest paid	(26)	(219)
Net cash generated from / (used in) financing activities	30,223	(6,893)
Net increase / (decrease) in cash and cash equivalents	13,717	(8,862)
Foreign exchange differences on cash held	(37)	(238)
Cash and cash equivalents at beginning of the financial year	9,948	16,332
Cash and cash equivalents at end of the financial year	23,628	7,232
<b>Cash and cash equivalents</b>		
Cash and cash equivalents included in the statements of cash flows comprise:-		
Cash and bank balances	21,529	9,416
Deposit (excluding deposits pledged)	4,012	2,266
Bank overdrafts	(1,913)	(4,450)
	23,628	7,232

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

# EITA RESOURCES BERHAD

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30TH JUNE 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:

	30.6.2011	31.12.2011	
	RM'000	RM'000	
<b>Consolidated statement of comprehensive income</b>			
Tax expense	1,955	3,958	
Effect of transition to MFRS	189	261	
	<u>2,144</u>	<u>4,219</u>	
<b>Consolidated statement of financial position</b>			
	1.1.2011	30.6.2011	31.12.2011
	RM'000	RM'000	RM'000
Deferred tax asset	1,277	1,618	1,570
Effect of transition to MFRS	367	178	106
	<u>1,644</u>	<u>1,796</u>	<u>1,676</u>
Retained earnings	49,897	56,063	23,650
Effect of transition to MFRS	367	178	106
	<u>50,264</u>	<u>56,241</u>	<u>23,756</u>

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30TH JUNE 2012

NOTES TO THE QUARTERLY FINANCIAL REPORT

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## 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</i> (2009)	1 January 2015
- MFRS 9 <i>Financial Instruments</i> (2010)	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 30TH JUNE 2012

**NOTES TO THE QUARTERLY FINANCIAL REPORT**

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**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**

Save as disclosed below, there were no issuances, cancellations, repurchases and repayments of debt and equity securities for the current quarter.

Date of allotment	Number of shares Allotted	Par Value (RM)	Consideration	Cumulative No of Issued and Paid-up shares	Cumulative Issued and Paid-up Share Capital (RM)
5 April 2012	23,000,000	0.50	Share Issued pursuant to the Public Issue	130,000,000	65,000,000

**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 current year to date ended 30.06.2012.

	Turnover RM'000	Profit before tax RM'000
Marketing and Distribution	44,800	5,300
Manufacturing	40,602	2,839
Services	10,906	1,888
Reportable segment	<u>96,308</u>	<u>10,027</u>

**Reconciliation of reportable segment profit or loss**

Total profit for reportable segments	10,027
- Listing expenses	<u>(1,082)</u>
Consolidated profit before tax	<u>8,945</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.

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 30TH JUNE 2012

**NOTES TO THE QUARTERLY FINANCIAL REPORT**

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**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.

**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>2,633</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 borrowing facilities	5,500
At 30.6.2012	<u>85,341</u>
Performance guarantee given by subsidiaries for performance of contracts issued to third parties :	RM'000
At 1.1.2012	3,955
Additions	830
At 30.6.2012	<u>4,785</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 30TH JUNE 2012****NOTES TO THE QUARTERLY FINANCIAL REPORT**

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**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)**

	<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT</u> <u>YEAR TO DATE</u>  30.06.2012 RM'000	<u>PRECEDING</u> <u>CORRESPONDING</u> <u>YEAR TO DATE</u>  30.06.2011 RM'000
<u>Tenaga Semesta (M) Sdn Bhd. ("TS")</u>		
- Sales of power equipment	24	247
- Purchase of electrical equipment and supply, installation, testing and commissioning of electrical work	(15)	(85)
- Purchase of mechanical and engineering works	(95)	(6)
<u>Platinum Victory Development Sdn Bhd ("PVD")</u>		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment	1,003	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	(283)	(69)
<u>Corporate shareholders</u>		
- Purchase of elevator parts	(86)	(219)

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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		% change	Year-to-date Ended		% change
	3 Months Ended			30.6.2012	30.6.2011	
	30.6.2012	30.6.2011		RM'000	RM'000	
<b>Revenue</b>						
- Marketing and Distribution	24,572	20,606	19.2%	44,800	38,168	17.4%
- Manufacturing	25,262	17,437	44.9%	40,602	31,271	29.8%
- Services	6,221	2,599	139.4%	10,906	4,711	131.5%
<b>Total</b>	<b>56,055</b>	<b>40,642</b>	<b>37.9%</b>	<b>96,308</b>	<b>74,150</b>	<b>29.9%</b>
<b>Profit before tax (PBT)</b>						
- Marketing and Distribution	2,790	2,518	10.8%	5,300	5,343	-0.8%
- Manufacturing	1,618	1,391	16.3%	2,839	2,231	27.3%
- Services	1,115	634	75.9%	1,888	700	169.7%
<b>Total</b>	<b>5,523</b>	<b>4,543</b>	<b>21.6%</b>	<b>10,027</b>	<b>8,274</b>	<b>21.2%</b>

**Reconciliation of reportable segment profit or loss**

	3 Months Ended	Year-to-date Ended
	30.6.2012	30.6.2012
	RM'000	RM'000
Total profit for reportable segments	5,523	10,027
- Listing expenses	(1,082)	(1,082)
<b>Consolidated profit before tax</b>	<b>4,441</b>	<b>8,945</b>

The total revenue of the Group for the current quarter increased by RM15.41 million or 37.9% as compared to the preceding year corresponding quarter contributed by all the three segments.

Cumulatively, the Group revenue increased by RM22.16 million or 29.9% as compared to the preceding corresponding period contributed by all the three segments.

The total PBT of the Group for the current quarter increased by RM0.98 million or 21.6% corresponding to the higher revenue recorded.

Cumulatively the Group PBT increased by RM1.75 million or 21.2% for the same reason.

In connection with the listing of the company on the Main Market of Bursa Malaysia Securities Berhad in April 2012, the group incurred RM1.08 million in relation to the listing expenses for the current quarter. Therefore the consolidated PBT of the group was RM4.44 million.

Cumulatively the consolidated PBT was RM8.94 million, an increase of RM0.67 million or 8.1% for the same reason.

**(i) Marketing & Distribution segment**

Current quarter revenue increased by RM3.97 million or 19.2% mainly due to increased demand for power distribution equipment and electrical and electronics components.

Cumulative revenue increased by RM6.63 million or 17.4% mainly due to increased revenue from power distribution equipment.

Current quarter PBT increased by RM0.27 million or 10.8% corresponding to the increased revenue.

Cumulative PBT decreased marginally by RM0.04 million or 0.8% mainly due to the decreased PBT resulted from lower revenue from control equipment and higher operating cost for electrical components.

**(ii) Manufacturing segment**

Current quarter revenue increased by RM7.82 million or 44.9% mainly due to increased revenue from busduct and more execution of elevator projects.

Cumulatively, revenue increased by RM9.33 million or 29.8% for the same reason.

Current quarter PBT increased by RM0.23 million or 16.3% mainly contributed by busduct system as a result of cost saving from economies of scale.

Cumulatively, PBT increased by RM0.61 million or 27.3% 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 RM3.62 million or 139.4% 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. The new solar projects that started during the current quarter also contributed to the increased revenue.

Cumulatively, revenue increased by RM6.20 million or 131.5% for the same reason.

Current quarter PBT increased by RM0.48 million or 75.9% corresponding with the higher revenue recorded.

Cumulatively, PBT increased by RM1.19 million or 169.7% due to the same reasons.

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

	Individual Quarter		% change
	3 Months Ended		
	30.6.2012	31.3.2012	
	RM'000	RM'000	
<b>Revenue</b>			
- Marketing and Distribution	24,572	20,228	21.5%
- Manufacturing	25,262	15,340	64.7%
- Services	6,221	4,685	32.8%
Total	<u>56,055</u>	<u>40,253</u>	39.3%
<b>Profit before tax (PBT)</b>			
- Marketing and Distribution	2,790	2,510	11.2%
- Manufacturing	1,618	1,221	32.5%
- Services	1,115	773	44.2%
Total	<u>5,523</u>	<u>4,504</u>	22.6%

The total revenue of the Group for the current quarter was higher by RM15.80 million or 39.3% against preceding quarter contributed by all the three segments.

The total PBT of the Group for the current quarter increased by RM1.02 million or 22.6% corresponding with the increased revenue.

**(i) Marketing & Distribution segment**

Revenue increased by RM4.34 million or 21.5% mainly contributed by power distribution equipment and electrical and electronics components.

Current quarter PBT increased by RM0.28 million or 11.2% for the same reason.

**(ii) Manufacturing segment**

Current quarter revenue increased by RM9.92 million or 64.7% mainly due to increased revenue from busduct and more execution of elevator projects.

Current quarter PBT increased by RM0.04 million or 32.5% corresponding to the increase in revenue.

**(iii) Services segment**

Current quarter revenue increased by RM1.54 million or 32.8% mainly due to higher revenue from provision of electrical and security system.

Current quarter PBT increased by RM0.34 million or 44.2% corresponding to the increased revenue.

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(Company No. 398748-T)

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

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#### B3. COMMENTARY ON PROSPECTS

In view of the group's order book in hand, 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 30.06.2012 RM'000	Year-to-date Ended 30.06.2012 RM'000
<b>Current tax expense</b>		
Malaysian - current year	1,654	2,804
- prior year	68	68
Overseas - current year	18	25
- prior year	-	-
	<u>1,740</u>	<u>2,897</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences		
- current year	(326)	(286)
- prior year	91	210
	<u>(235)</u>	<u>(76)</u>
<b>Total tax expense</b>	<u>1,505</u>	<u>2,821</u>

The Group's effective tax rate of 33.89% for the current quarter ended 30 June 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) Offset by different tax rate in foreign jurisdiction.

#### 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 raised proceeds of RM17.48 million for the Company ("IPO Proceeds"). The details of IPO exercise are disclosed in A7 of the interim financial report

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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)	Balance (RM'000)
(a) Expansion and improvements of manufacturing and business facilities	Within 36 months	8,851	2,332	6,519
(b) Expansion in R&D	Within 24 months	3,750	1,000	2,750
(c) Working capital	Within 12 months	2,079	994	1,085
(d) Estimated listing expenses	Immediate	2,800	2,771	29
Total Public Issue Proceeds		<u>17,480</u>	<u>7,097</u>	<u>10,383</u>

**B7. GROUP BORROWINGS**

	As at 30.06.2012 RM'000	As at 31.12.2011 RM'000
<b>Non-current</b>		
Term loans - secured	42	-
Finance lease liabilities	<u>526</u>	<u>621</u>
	<u>568</u>	<u>621</u>
<b>Current</b>		
Bank overdrafts - unsecured	1,913	4,910
Bills payable - unsecured	25,998	11,343
Finance lease liabilities	<u>309</u>	<u>422</u>
	<u>28,220</u>	<u>16,675</u>
Total	<u>28,788</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**

No dividend was proposed by the Board of Directors for the current quarter under review

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 was approved in the Company's Annual General Meeting held on 26 June 2012 and was paid on 30 July 2012.

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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 (30.6.2011 - adjusted for bonus issue in 2011 and public issue in 2012) calculated as follows:

	Individual Quarter		Year-to-date Ended	
	3 Months Ended		30.06.2012	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Profit for the period attributable to owners (RM'000)	2,923	3,210	6,091	5,977
Weighted average number of ordinary shares ('000)	117,995	117,995	117,995	117,995
Basic earnings per ordinary share (sen)	2.48	2.72	5.16	5.07
Issued ordinary shares at 1 January ('000)			107,000	25,396
Effect of bonus issue ('000)			-	81,604
Effect of public issue ('000)			10,995	10,995
Weighted average number of ordinary shares at 30 June ('000)			117,995	117,995

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		30.06.2012	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting)	4,441	4,543	8,945	8,274
(a) other income including investment income;	(399)	(791)	(751)	(1,160)
(b) depreciation and amortization;	344	270	668	558
(c) provision for and write off of receivables;	1,035	397	885	745
(d) provision for / (reversal of) write off of inventories;	176	(3)	251	(263)
(e) gain on disposal of quoted or unquoted investments or properties;	(87)	-	(87)	-
(f) impairment of assets;	2	21	2	21
(g) foreign exchange loss / (gain);	324	114	318	(96)
(h) loss on derivatives;	14	-	-	-
(i) (reversal of) / allowance for foreseeable loss;	(293)	231	(169)	256
(j) listing expenses.	1,082	-	1,082	-

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**B12. REALISED AND UNREALISED RETAINED EARNINGS**

	<b>As at 30.06.2012 RM'000</b>
The retained earnings of the Group:-	
- Realised	29,164
- Unrealised	2,459
	<u>31,623</u>
Less: Consolidation adjustments	(5,684)
The retained earnings as per condensed consolidated financial statements	<u><u>25,939</u></u>

**B13. FINANCIAL INSTRUMENTS**

Outstanding derivatives as at 30 June 2012

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

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

**B14. NET ASSETS PER SHARE**

Net assets per share attributable to ordinary equity holders of the company as at 1 January 2011 and 31 December 2011 was based on number of ordinary shares in issue adjusted for bonus issue in 2011 and public issue in 2012.

**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 13 August 2012.