

EITA RESOURCES BERHAD

(Company No. 398748-T)

(Incorporated in Malaysia)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2011 RM'000	CURRENT YEAR TO DATE 30.09.2012 RM'000	PRECEDING CORRESPONDING YEAR TO DATE 30.09.2011 RM'000
Revenue	<u>53,740</u>	<u>39,920</u>	<u>150,048</u>	<u>114,070</u>
Results from operating activities	5,746	5,450	15,044	14,061
Finance costs	(398)	(203)	(941)	(595)
Finance income	82	3	272	58
Net finance costs	(316)	(200)	(669)	(537)
Profit Before Taxation	<u>5,430</u>	<u>5,250</u>	<u>14,375</u>	<u>13,524</u>
Tax expense	(971)	(1,305)	(3,792)	(3,449)
Profit for the year	<u>4,459</u>	<u>3,945</u>	<u>10,583</u>	<u>10,075</u>
Other comprehensive income net of tax				
Foreign currency translation differences for foreign operations	(4)	3	65	64
Changes in ownership interests in subsidiary	(151)	-	(151)	-
Total other comprehensive (loss) / income for the year	<u>(155)</u>	<u>3</u>	<u>(86)</u>	<u>64</u>
Total comprehensive income for the year	<u>4,304</u>	<u>3,948</u>	<u>10,497</u>	<u>10,139</u>
Profit attributable to:				
Owners of the company	4,450	3,960	10,541	9,937
Non-controlling interest	9	(15)	42	138
Profit for the year	<u>4,459</u>	<u>3,945</u>	<u>10,583</u>	<u>10,075</u>
Total comprehensive income attributable to:				
Owners of the company	4,447	3,964	10,600	9,995
Non-controlling interest	(143)	(16)	(103)	144
	<u>4,304</u>	<u>3,948</u>	<u>10,497</u>	<u>10,139</u>
Earnings per share (sen) :-				
Basic	3.65	3.25	8.64	8.14
Diluted	3.65	3.25	8.64	8.14

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

	(UNAUDITED) AS AT 30.09.2012 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	8,747	8,519	5,701
Intangible assets	2,710	2,231	1,761
Investment properties	194	195	465
Other investments	10	10	10
Deferred tax assets	1,631	1,676	1,644
	<u>13,292</u>	<u>12,631</u>	<u>9,581</u>
Current Assets			
Inventories	37,464	32,546	28,835
Trade and other receivables	75,687	60,780	53,088
Deposits and prepayments	1,812	3,401	2,242
Assets classified as held for sale	-	263	-
Current tax assets	-	52	-
Cash and cash equivalents	28,743	17,127	18,771
	<u>143,706</u>	<u>114,169</u>	<u>102,936</u>
TOTAL ASSETS	<u>156,998</u>	<u>126,800</u>	<u>112,517</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	65,000	53,500	12,698
Reserves	34,801	23,818	52,067
Total equity attributable to owners of the Company	99,801	77,318	64,765
Non-controlling interest	447	550	383
Total Equity	<u>100,248</u>	<u>77,868</u>	<u>65,148</u>
Non-Current Liabilities			
Loans and borrowings	476	621	1,043
Deferred tax liabilities	416	198	313
	<u>892</u>	<u>819</u>	<u>1,356</u>
Current Liabilities			
Loans and borrowings	20,414	16,675	13,961
Trade and other payables, including derivative	32,132	28,619	24,533
Deferred income	2,919	2,819	3,476
Dividend payable	-	-	3,517
Current tax liabilities	393	-	526
	<u>55,858</u>	<u>48,113</u>	<u>46,013</u>
Total Liabilities	<u>56,750</u>	<u>48,932</u>	<u>47,369</u>
TOTAL EQUITY AND LIABILITIES	<u>156,998</u>	<u>126,800</u>	<u>112,517</u>
Net assets per share attributable to ordinary equity holders of the company (RM)	<u>0.77</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).

EITA RESOURCES BERHAD

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 30TH SEPTEMBER 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			
<u>9 months ended 30th September 2012</u>							
At 1st January 2012	53,500	-	62	23,756	77,318	550	77,868
Total comprehensive income	-	-	59	10,541	10,600	(103)	10,497
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 September 2012	<u>65,000</u>	<u>4,291</u>	<u>121</u>	<u>30,389</u>	<u>99,801</u>	<u>447</u>	<u>100,248</u>
<u>9 months ended 30th September 2011</u>							
At 1st January 2011	12,698	1,782	21	50,264	64,765	383	65,148
Total comprehensive income	-	-	58	9,937	9,995	144	10,139
Bonus issue	40,802	(1,782)	-	(39,020)	-	-	-
At 30th September 2011	<u>53,500</u>	<u>-</u>	<u>79</u>	<u>21,181</u>	<u>74,760</u>	<u>527</u>	<u>75,287</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 THIRD QUARTER ENDED 30TH SEPTEMBER 2012

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	(UNAUDITED) CURRENT YEAR TO DATE ENDED 30.09.2012 RM'000	(UNAUDITED) CORRESPONDING YEAR TO DATE ENDED 30.09.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,375	13,524
Adjustments for:		
Amortisation of investment properties	2	6
Amortisation of development costs	140	25
Allowance for liquidated and ascertained damages	-	204
Reversal of foreseeable losses	(59)	(13)
Depreciation of plant and equipment	892	822
Finance costs	941	594
Finance income	(272)	(58)
Plant and equipment written off	8	25
Unrealised foreign exchange (gain) / loss	(136)	333
Operating profit before working capital changes	<u>15,891</u>	<u>15,462</u>
Changes in inventories	(4,885)	(276)
Changes in trade and other receivables, deposits and prepayments	(13,266)	(8,520)
Changes in trade and other payables and deferred income	<u>3,794</u>	<u>893</u>
Cash generated from operations	1,534	7,559
Income taxes paid	(3,086)	(3,952)
Interest paid	(904)	(272)
Interest received	272	58
Net cash (used in) / generated from operating activities	<u>(2,184)</u>	<u>3,393</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in deposits placed with licensed banks, net	2,270	-
Proceeds from disposal of plant and equipment	8	2
Proceeds from disposal of investment property	263	-
Purchase of plant and equipment	(1,022)	(2,333)
Increase in development costs	<u>(661)</u>	<u>(416)</u>
Net cash used in investing activities	<u>858</u>	<u>(2,747)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) loans and borrowings	7,714	(6,940)
Proceeds from issuance of shares	15,791	-
Repayment of finance lease liabilities	(316)	(303)
Dividends paid to owners of the Company	(3,900)	(3,517)
Dividends paid to minority interests	(8)	-
Interest paid	<u>(37)</u>	<u>(322)</u>
Net cash generated from / (used in) financing activities	<u>19,244</u>	<u>(11,082)</u>
Net increase / (decrease) in cash and cash equivalents	17,918	(10,436)
Foreign exchange differences on cash held	(116)	187
Cash and cash equivalents at beginning of the financial year	9,948	16,332
Cash and cash equivalents at end of the financial year	<u>27,750</u>	<u>6,083</u>
Cash and cash equivalents		
Cash and cash equivalents included in the statements of cash flows comprise:-		
Cash and bank balances	23,707	8,318
Deposit (excluding deposits pledged)	5,036	2,270
Bank overdrafts	<u>(993)</u>	<u>(4,505)</u>
	<u>27,750</u>	<u>6,083</u>

(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 THIRD QUARTER ENDED 30TH SEPTEMBER 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:

	30.9.2011	31.12.2011	
	RM'000	RM'000	
Consolidated statement of comprehensive income			
Tax expense	3,219	3,958	
Effect of transition to MFRS	230	261	
	<u>3,449</u>	<u>4,219</u>	
	1.1.2011	30.9.2011	31.12.2011
	RM'000	RM'000	RM'000
Consolidated statement of financial position			
Deferred tax asset	1,277	1,455	1,570
Effect of transition to MFRS	367	137	106
	<u>1,644</u>	<u>1,592</u>	<u>1,676</u>
Retained earnings	49,897	21,044	23,650
Effect of transition to MFRS	367	137	106
	<u>50,264</u>	<u>21,181</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</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 THIRD QUARTER ENDED 30TH SEPTEMBER 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 were no issuances, cancellations, repurchases and repayments of debt and equity securities for the current quarter.

A8. DIVIDEND PAID

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 paid on 30 July 2012.

A9. SEGMENTAL INFORMATION

Segment information in respect of the Group's business activities for the current year to date ended 30.09.2012.

	Turnover	Profit before tax
	RM'000	RM'000
Marketing and Distribution	67,761	8,089
Manufacturing	66,227	5,078
Services	16,060	2,293
Reportable segment	<u>150,048</u>	<u>15,460</u>

Reconciliation of reportable segment profit or loss

Total profit for reportable segments	15,460
- Listing expenses	<u>(1,085)</u>
Consolidated profit before tax	<u>14,375</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 THIRD QUARTER ENDED 30TH SEPTEMBER 2012

NOTES TO THE QUARTERLY FINANCIAL REPORT

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

EITA has on 22 August 2012 acquired from RST Elektronik GmbH an additional 73,500 ordinary shares of RM1.00 each representing 24.5% equity interest in Schneider Control & Drive Systems (M) Sdn Bhd ("Schneider Systems") for a total cash consideration of RM110,000.00 ("Consideration"). After the acquisition, EITA's equity participation in Schneider Systems increased from 51% to 75.5%.

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>2,662</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	10,540
At 30.9.2012	<u>90,381</u>

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

	RM'000
At 1.1.2012	3,955
Additions	819
At 30.9.2012	<u>4,774</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 ("PVI")	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.
Schneider Steuerungstechnik GmbH ("SSG")	A company in which the sole shareholder is a director of Schneider Control & Drive Systems (M) Sdn Bhd ("SCDS"), a subsidiary of EITA Resources Berhad ("EITA"). The company is also the shareholder of SCDS.

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 30TH SEPTEMBER 2012**NOTES TO THE QUARTERLY FINANCIAL REPORT**

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS (Cont'd)

	<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT</u>	<u>PRECEDING</u>
	<u>YEAR TO DATE</u>	<u>CORRESPONDING</u>
	<u>30.09.2012</u>	<u>30.09.2011</u>
	<u>RM'000</u>	<u>RM'000</u>
Tenaga Semesta (M) Sdn Bhd. ("TS")		
- Sales of power equipment	24	253
- Purchase of electrical equipment and supply, installation, testing and commissioning of electrical work	(16)	(85)
- Purchase of mechanical and engineering works	(109)	(8)
Platinum Victory Development Sdn Bhd ("PVD")		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment	1,003	36
Platinum Victory Sdn Bhd ("PV")		
- Sales of power equipment, supply, install, testing and commissioning of electrical work and equipment	-	97
CTL Automation Sdn Bhd ("CTL")		
- Repairs and purchase of elevator parts	(336)	(273)
Schneider Steuerungstechnik GmbH ("SSG")		
- Purchase of elevator parts	(78)	(186)

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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			30.9.2012	30.9.2011	
	30.9.2012	30.9.2011		RM'000	RM'000	
Revenue						
- Marketing and Distribution	22,961	20,758	10.6%	67,761	58,926	15.0%
- Manufacturing	25,625	16,273	57.5%	66,227	47,544	39.3%
- Services	5,154	2,889	78.4%	16,060	7,600	111.3%
Total	53,740	39,920	34.6%	150,048	114,070	31.5%
Profit before tax (PBT)						
- Marketing and Distribution	2,789	1,974	41.3%	8,089	7,317	10.6%
- Manufacturing	2,239	2,338	-4.2%	5,078	4,569	11.1%
- Services	405	938	-56.8%	2,293	1,638	40.0%
Total	5,433	5,250	3.5%	15,460	13,524	14.3%

Reconciliation of reportable segment profit or loss

	3 Months Ended	Year-to-date Ended
	30.9.2012	30.9.2012
	RM'000	RM'000
Total profit for reportable segments	5,433	15,460
- Listing expenses	(3)	(1,085)
Consolidated profit before tax	5,430	14,375

The total revenue of the Group for the current quarter increased by RM13.82 million or 34.6% as compared to the preceding year corresponding quarter contributed by all the three segments.

Cumulatively, the Group revenue increased by RM35.98 million or 31.5% as compared to the preceding corresponding period contributed by all the three segments.

The total PBT of the Group for the current quarter increased marginally by RM0.18 million or 3.5% corresponding to the higher revenue recorded.

Cumulatively the Group PBT increased by RM1.94 million or 14.3% for the same reason.

Further to the listing of the company on the Main Market of Bursa Malaysia Securities Berhad in April 2012 where the Group incurred RM1.08 million in relation to the listing expenses for the second quarter ended 30.6.2012 the Group did not incur any material listing expenses. Therefore the consolidated PBT of the Group remained at RM5.43 million.

Cumulatively the consolidated PBT was RM14.38 million, an increase of RM0.85 million or 6.3% for the same reason.

(i) Marketing & Distribution segment

Current quarter revenue increased by RM2.20 million or 10.6% mainly contributed by power distribution equipment sales.

Cumulative revenue increased by RM8.84 million or 15.0% for the same reason.

Current quarter PBT increased by RM0.82 million or 41.3% corresponding to the increased revenue.

Cumulative PBT increased by RM0.77 million or 10.6% for the same reason.

(ii) Manufacturing segment

Current quarter revenue increased by RM9.35 million or 57.5% mainly due to increased revenue from busduct and more execution of elevator projects.

Cumulatively, revenue increased by RM18.68 million or 39.3% for the same reason.

Current quarter PBT decreased marginally by RM0.10 million or 4.2% despite the increased revenue mainly due to general provision for doubtful debts made for elevators systems.

Cumulatively, PBT increased by RM0.51 million or 11.1% mainly contributed by busduct systems.

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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 RM2.26 million or 78.4% due to the higher revenue from elevator maintenance contracts and increased revenue from projects execution of electrical and security systems.

Cumulatively, revenue increased by RM8.46 million or 111.3% mainly contributed by projects execution of electrical and security systems.

Current quarter PBT however decreased by RM0.53 million or 56.8% mainly due to lower contribution by elevator maintenance contracts.

Cumulatively, PBT increased by RM0.66 million or 40.0% corresponding to the increased revenue.

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

	Individual Quarter		% change
	3 Months Ended		
	30.9.2012 RM'000	30.6.2012 RM'000	
Revenue			
- Marketing and Distribution	22,961	24,572	-6.6%
- Manufacturing	25,625	25,262	1.4%
- Services	5,154	6,221	-17.2%
Total	<u>53,740</u>	<u>56,055</u>	-4.1%
Profit before tax (PBT)			
- Marketing and Distribution	2,789	2,790	0.0%
- Manufacturing	2,239	1,618	38.4%
- Services	405	1,115	-63.7%
Total	<u>5,433</u>	<u>5,523</u>	-1.6%

The total revenue of the Group for the current quarter was marginally lower by RM2.32 million or 4.1% against preceding quarter.

The total PBT of the Group for the current quarter decreased marginally by 1.6% corresponding to the lower revenue.

(i) Marketing & Distribution segment

Revenue decreased by RM1.61 million or 6.6% mainly due to lower electrical and electronics components sales.

Current quarter PBT maintained at RM2.79 million despite the lower revenue due to different product mix as higher margin was contributed by power distribution equipment.

(ii) Manufacturing segment

Current quarter revenue increased marginally by RM0.36 million or 1.4% mainly due to increased revenue from busduct and ballast.

Current quarter PBT increased by RM0.62 million or 38.4% corresponding to the increase in revenue plus additional PBT from elevators systems as a few elevator projects were completed with cost savings.

(iii) Services segment

Current quarter revenue decreased by RM1.07 million or 17.2% mainly due to lower revenue from provision of electrical and security system and solar project.

Current quarter PBT decreased by RM0.71 million or 63.7% mainly due to lower PBT by elevator repairs revenue.

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

B3. COMMENTARY ON PROSPECTS

The Group's order book has been relatively stable and barring any unforeseen circumstances, the Board of Directors of the Company is optimistic on the Group's performance and expects the Group 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 30.09.2012 RM'000	Year-to-date Ended 30.09.2012 RM'000
Current tax expense		
Malaysian - current year	761	3,565
- prior year	(141)	(73)
Overseas - current year	12	37
	<u>632</u>	<u>3,529</u>
Deferred tax expense		
Origination and reversal of temporary differences		
- current year	90	(196)
- prior year	249	459
	<u>339</u>	<u>263</u>
Total tax expense	<u>971</u>	<u>3,792</u>

The Group's effective tax rate of 17.88% for the current quarter ended 30 September 2012 was lower than the statutory corporate tax rate of 25% mainly due to:

- (i) Tax incentive,
- (ii) Difference in tax rate in foreign jurisdiction,
- (iii) Offset by non-deductible items and under provision of prior year deferred taxes.

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").

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
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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	1,797	282
(d) Estimated listing expenses	Immediate	2,800	2,774	26
Total Public Issue Proceeds		<u>17,480</u>	<u>7,903</u>	<u>9,577</u>

B7. GROUP BORROWINGS

	As at 30.09.2012 RM'000	As at 31.12.2011 RM'000
Non-current		
Term loans - secured	42	-
Finance lease liabilities	434	621
	<u>476</u>	<u>621</u>
Current		
Bank overdrafts - unsecured	993	4,910
Bills payable - unsecured	19,057	11,343
Finance lease liabilities	364	422
	<u>20,414</u>	<u>16,675</u>
Total	<u>20,890</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

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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 (30.9.2011 - adjusted for bonus issue in 2011 and public issue in 2012) calculated as follows:

	Individual Quarter		Year-to-date Ended		
	3 Months Ended		30.09.2012		30.09.2011
	30.09.2012	30.09.2011	30.09.2012	30.09.2011	
Profit for the period attributable to owners (RM'000)	4,450	3,960	10,541	9,937	
Weighted average number of ordinary shares ('000)	122,025	122,025	122,025	122,025	
Basic earnings per ordinary share (sen)	3.65	3.25	8.64	8.14	
Issued ordinary shares at 1 January ('000)			107,000	25,396	
Effect of bonus issue ('000)			-	81,604	
Effect of public issue ('000)			15,025	15,025	
Weighted average number of ordinary shares at 30 Sep ('000)			122,025	122,025	

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		30.09.2012		30.09.2011
	30.09.2012	30.09.2011	30.09.2012	30.09.2011	
	RM'000	RM'000	RM'000	RM'000	
Profit before taxation is arrived at after charging/(crediting)	5,430	5,250	14,375	13,524	
(a) other income including investment income;	(314)	(169)	(1,065)	(1,329)	
(b) depreciation and amortization;	366	298	1,034	856	
(c) provision for and write off of receivables;	33	246	918	991	
(d) provision for / write off of inventories;	98	844	349	581	
(e) gain on disposal of quoted or unquoted investments or properties;	8	-	(79)	-	
(f) impairment of assets;	6	94	8	115	
(g) foreign exchange (gain) / loss;	(202)	(53)	116	(149)	
(h) loss on derivatives;	2	144	2	144	
(i) allowance for foreseeable loss;	181	146	12	402	
(j) listing expenses.	3	-	1,085	-	

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
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B12. REALISED AND UNREALISED RETAINED EARNINGS

	As at 30.09.2012 RM'000
The retained earnings of the Group:-	
- Realised	33,782
- Unrealised	2,239
	<u>36,021</u>
Less: Consolidation adjustments	(5,632)
The retained earnings as per condensed consolidated financial statements	<u><u>30,389</u></u>

B13. FINANCIAL INSTRUMENTS

Outstanding derivatives as at 30 september 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	154	2

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 23 November 2012.