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EITA Resources Berhad (EITA)

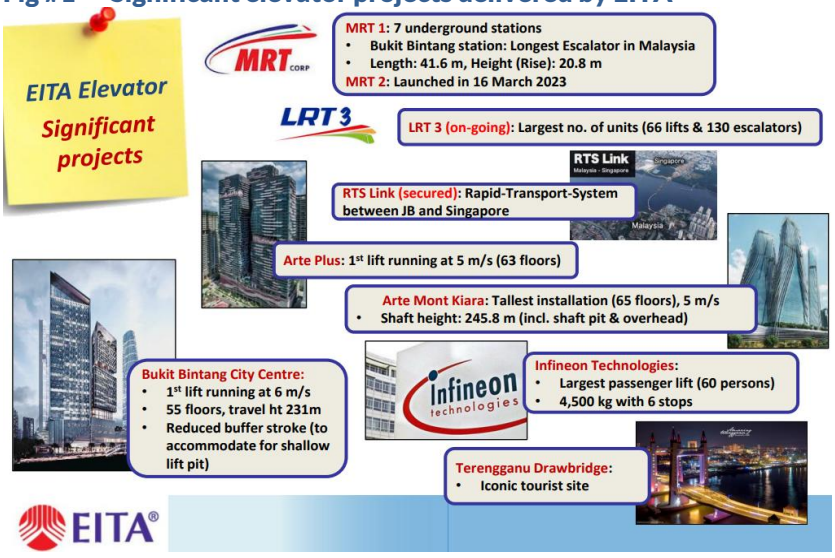
Benefiting From Ongoing Industrialisation and DC Waves

- **EITA Resources Berhad is a Malaysia-based engineering group involved in the manufacturing, marketing, distribution, and servicing of E&E systems and components, such as its proprietary elevator systems (EITA-Schneider®) and busduct systems (Furutec®), with clients across Malaysia, Southeast Asia, Middle East and others.**
- **We project 3-year earnings CAGR of 34.5%, with core PATMI expected to reach RM20.5m-RM22.9m over the next three years. This growth is underpinned by (i) the group's focus on overseas expansion, (ii) leveraging ongoing industrialisation and digitalisation trends and masterplan such as NIMP 2030, and (iii) steady recurring income from the maintenance services segment.**
- **We initiate EITA with a fair value of RM0.70 per share, indicating a 15.7% upside from the current share price of RM0.605. This valuation is based on a P/E multiple of 10.0x pegged to mid-FY26f EPS of 7.04 sen.**

Investment highlights

Strong foothold in large-scale public transport infrastructure projects. EITA has established itself as a key player in Malaysia's public transport infrastructure development through its involvement in major urban rail developments. The group was involved in both MRT1 and MRT2, supplying and installing elevators and escalators for seven underground stations on MRT1. Its MRT experience has enabled the group to secure the LRT3 contract in 2018, the largest among its rail project wins to date, comprising 66 lifts and 130 escalators, and is targeted for completion by end-2025. Beyond rail, EITA has also executed high-value projects such as for Infineon Technologies and secured contracts for the Johor Bahru–Singapore Rapid Transit System (RTS Link), positioning the group as a beneficiary of ongoing infrastructure expansion across the country.

Fig #1 Significant elevator projects delivered by EITA



Source: EITA Resources Berhad

Recurring income from maintenance services. EITA generates recurring revenue through its elevator maintenance services contracts that typically span from one to five years, covering services like scheduled inspections, fault diagnostics, and spare parts replacement. EITA operates a nationwide servicing network across major cities such

Company Initiation

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Non-Rated

Share price	**RM0.605**
Target price	**RM0.700**
Previous TP	**-**
Capital upside	15.7%
Dividend return	3.4%
Total return	19.1%

Company profile

Started since 1996, EITA Resources Berhad is an engineering group specialising in the manufacturing, marketing, distribution, and servicing of electrical and electronic (E&E) systems, including its proprietary elevator (EITA-Schneider®) and busduct (Furutec®) systems, serving clients across Malaysia, Southeast Asia, and the Middle East.

Stock information

Bursa Code	5208
Bloomberg ticker	EITA MK
Listing market	MAIN
Share issued (m)	301.8
Market Cap (m)	182.6
Shariah compliant	Yes

Major shareholders

	%
Ruby Technique Sdn. Bhd.	26.4
Sudut Kreatif Sdn. Bhd.	14.5
Jasa Simbolik Sdn. Bhd.	9.0

Earnings snapshot

FYE (Sep)	FY24	FY25f	FY26f
PATMI (m)	9.4	20.5	21.9
EPS (sen)	3.1	6.8	7.3
P/E (x)	19.7	8.9	8.3

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as Kuala Lumpur, Johor Bahru, Penang, Ipoh, Kuantan, Kuching, and Kota Kinabalu, with plans to expand to Seremban, Malacca, and Kuala Terengganu. A central 24-hour hotline and rapid 30-minute response time also reinforce its customer reliability. Services segment enjoys a relative higher margin compared to other business units and enhances customer stickiness post-installation, proven by a high proportion of repeat clients across infrastructure, property, and institutional sectors as shown in the diagram below.

Fig #2 Some of EITA's key clients and repeated customers



Source: EITA Resources Berhad

Focusing on overseas expansion. EITA is currently pursuing overseas expansion, showing presence across 20 countries beyond Malaysia, including ASEAN, the Middle East, and others as shown in the diagram below. The group is particularly focus on deeper penetration into Indonesia, Thailand, the Philippines, Indo-China, and the Middle East, where urbanisation and infrastructure developments continue to take place. Following its successful involvement in large-scale domestic projects, we believe EITA's pivot toward overseas markets will offer more opportunities for the group to drive revenue and profit, which may also cushion the impact from its underperforming or loss-making segment or subsidiary. As of Q2 2025, revenue contributed from overseas market stood at 17.8%.

Fig #3 EITA's overseas presence



Increasing our brand awareness & market penetration:

Especially, in ASEAN and Middle-East markets

	Manufacturing		Marketing & Distribution	
	EITA-Schneider	Furutec	Pyrotec	MMC
ASEAN	Elevator	Busduct	FRMI	Cables
Brunei	✓			
Cambodia	✓	✓		
Indonesia	✓	✓	✓	✓
Laos	✓			
Malaysia	✓	✓	✓	✓
Myanmar		✓		
Phillipines	✓	✓	✓	
Singapore	✓	✓	✓	
Thailand	✓	✓	✓	
Vietnam	✓	✓	✓	✓
Middle-East				
Saudi Arabia	✓	✓		
Qatar	✓	✓		
UAE	✓	✓		
Kuwait		✓		
Omar		✓		
Others				
Hong Kong, Taiwan, Bangladesh, Kenya, Papua New Guinea, Maldives	✓	✓		

Source: EITA Resources Berhad

Riding the data centre waves through Busduct systems. EITA is well-positioned to leverage on the growing demand for data centre infrastructure through its proprietary busduct systems, FURUTEC®. The Group has developed the i-DC DCIB (Data Centre Intelligent Busduct) model tailored specifically for efficient power distribution in data centres. This has enabled EITA to secure multiple data centre projects with contract values exceeding RM1m across the region. In 2024, the group has also entered into an Original Equipment Manufacturing (OEM) agreement with an overseas partner to manufacture AH-AL and AH-ES models, increasing its production capacity from 4,500 meters to 30,000 meters per month. EITA's track record includes successful busduct installations for MRT1 and MRT2, TRX, Microsoft and Singtel data centres, among others. As global AI adoption accelerates, we believe EITA will stand to benefit from increased data centres demand both locally and across the region.

Fig #4 Significant Busduct projects delievered by EITA



Source: EITA Resources Berhad

Benefitting from favourable national industrial policy outlook. Malaysia's New Industrial Master Plan 2030 (NIMP 2030) outlines a strategic roadmap for smart manufacturing adoption and industrial upgrading, with the manufacturing-related services (MRS) sector projected to reach RM291.2bn by 2030, growing at 7.0% annually from 2023. We believe EITA is well-positioned to benefit from this trend, as the group's products and offerings are integral to industrial projects that support factory development, power distribution, and building automation. Additionally, we believe the US-China trade tensions will further accelerate Malaysia's industrialisation under the China+1 strategy, particularly in regions like JSSEZ and Kulim Hi-Tech Park. Malaysia's relatively lower trade deficit with the United States positions it favourably for lower export tariffs compared to many other countries, making it an attractive destination for multinational companies seeking to diversify supply chains and reduce trade-related costs. This shift is expected to boost demand for EITA's manufacturing and trading segments.

Selective player with 5–8% market share. According to the management, EITA captures an estimated 5-8% of Malaysia's elevator projects tendered annually, based on internal tracking by its management and sales team. The group has been a key supplier for public transport projects including MRT1, MRT2, LRT3, ECRL, and RTS Link. Hence, rather than pursuing a large volume of jobs, EITA's strategy remains focused on securing high value with quality contracts, which enhances its brand positioning as a market leader in the lifts and escalators space.

Company background

EITA Resources Berhad is a Malaysia-based (HQ in Bandar Bukit Raja, Klang) engineering group involved in the manufacturing, marketing, distribution, and servicing of electrical and electronic (E&E) systems and components. The group designs and produces proprietary elevator systems (EITA-Schneider®) and busduct systems (Furutec®), while also offering centralised dimming systems, ballasts, connectors, and integrated electrical and security solutions. EITA's services are primarily targeted at the construction, manufacturing, and power sectors, supported by a growing maintenance portfolio and high voltage system capabilities.

EITA serves a diversified client base across Malaysia and ASEAN markets including Singapore, Indonesia, and Vietnam, with a presence in the Middle East and others. Backed by in-house R&D and strong global partnerships, the group focuses on delivering innovative, reliable, and sustainable engineering solutions while strengthening its market footprint in the region.

Fig #5 SWOT analysis of EITA

Strength	Weakness
• Proven track record in high-profile projects • Recurring income through services segment • Diversified portfolio such as lifts, escalator, busducts and high-voltage equipments	• Segmental performance gap in certain segment or subsidiary • Limited brand name in non-lift and escalator segment • Heavily tied to government projects
Opportunity	**Threat**
• Government's industrialisation push such as NIMP 2030 • Overseas expansion across various segments • Data centre growth in ASEAN	• Heavy labour reliance • Project delays and execution risk • Economic slowdown

Source: EITA Resources Berhad, M+ Research

Fig #6 Revenue of each business segment

	Audited								Unaudited	
	FYE 30 Sep 2021		FYE 30 Sept 2022		FYE 30 Sept 2023		FYE 30 Sept 2024		FYE 30 Sept 2025	
No. Of Months	12		12		12		12		6	
Revenue by Business Activity	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Marketing and Distribution	73,796	24.40	91,372	25.13	92,794	29.28	88,788	22.50	47,817	24.59
Manufacturing	113,237	37.44	98,732	27.15	118,297	37.33	164,188	41.61	82,078	42.21
Services	36,282	12.00	44,572	12.26	41,718	13.17	55,457	14.05	28,084	14.44
High Voltage System	79,136	26.16	128,926	35.46	64,061	20.22	86,143	21.83	36,494	18.77
Total	302,451	100.00	363,602	100.00	316,870	100.00	394,576	100.00	194,473	100.00

Source: EITA Resources Berhad, M+ Research

Substantial Shareholders and Key Management

1. Dato' Siow Kim Lun – Non-Independent Non-Executive Chairman

Dato' Siow, aged 75, was appointed to the Board on 1 April 2011 and redesignated as Non-Independent Non-Executive Chairman on 31 May 2023. He holds a Bachelor of Economics Degree from Universiti Kebangsaan Malaysia and an MBA from the Catholic University of Leuven, Belgium, along with an Advanced Management Program from Harvard Business School. He has over 40 years of experience in investment banking, capital markets, and regulatory oversight. He currently serves as a director of RHB Investment Bank, Eco World International, Sunway Construction, Radiant Globaltech, and RHB Trustees Berhad.

2. Lim Joo Swee – Group Managing Director
Mr. Lim, aged 65, was appointed to the Board on 17 December 1996 and is a co-founder of EITA Group. He holds a Diploma in Technology (Electronic Engineering) from Tunku Abdul Rahman College, passed Part One (1) of the Engineering Council (United Kingdom) examinations and an MBA from Southern California University. He has over 40 years of experience in the electrical engineering and lift industry, having served in various technical and managerial roles before co-founding EITA in 1996. He is a registered Competent Person under the Factories and Machinery Regulations and currently serves on the committee of the Malaysia Lift and Escalator Association (MALEA).

3. Lee Peng Sian – Chief Operating Officer
Mr. Lee, aged 55, was appointed to the Board on 14 December 2009 and currently serves as the Chief Operating Officer for EITA's Electrical and Electronics division. He holds a Bachelor's degree in Electrical Power Engineering from Universiti Teknologi Malaysia and an MBA from the University of Bath, United Kingdom. With over 30 years of industry experience, he oversees manufacturing operations, electrical equipment trading, and EPCC projects of up to 500kV. He previously served as Vice President of TEEAM and Chairman of its manufacturing group.

4. Chong Yoke Peng – Managing Director of EITA Electric
Mr. Chong, aged 66, has over 40 years of experience in the electrical and electronics industry, with deep expertise in sales and marketing. He currently serves as the Managing Director of EITA Electric, which focuses on the distribution of Electrical and Electronic equipment and components in Malaysia. Under his leadership, EITA Electric has remained a consistent and key revenue contributor to the Group's Marketing and Distribution segment.

Fig #7 Substantial shareholders

No.	Name	No. of Shares held	%
1	Ruby Technique Sdn. Bhd.	79,662,024	26.39
2	Sudut Kreatif Sdn. Bhd.	43,753,066	14.50
3	Jasa Simbolik Sdn. Bhd.	27,257,148	9.03
4	Goh Kin Bee	13,236,558	4.39
5	Lee Peng Sian	13,024,454	4.32

Source: EITA Resources Berhad

Fig #8 Directors' shareholding

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Dato' Siow Kim Lun	400,000	0.13	-	-
Lim Joo Swee	3,217,482	1.07	40,600,706[1]	13.45
Lee Peng Sian	13,024,454	4.32	116,000[2]	0.04
Chong Yoke Peng *(Alternate Director to Lee Peng Sian)*	10,008,472	3.32	300,000[3]	0.10
Chia Mak Hooi	802,800	0.27	-	-
Chia Seong Pow *(Alternate Director to Chia Mak Hooi)*	1,400,000	0.46	82,062,024[4]	27.19

(1) Deemed interested by virtue of the shares held by his spouse, Goh Kin Bee, his children and both his and his spouse's shareholdings in Jasa Simbolik Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016
(2) Deemed interested by virtue of the shares held by his spouse, Looi Lin Pih.
(3) Deemed interested by virtue of the shares held by his spouse, Jane Chew Yin Sum.
(4) Deemed interested by virtue of the shares held by his children and his beneficial interests in Farsathy Holdings Sdn. Bhd. held via the trust arrangement with Kensington Trust Malaysia Berhad as Trustee of Chia Ser Teik trust pursuant to Section 8 of the Act.

Source: EITA Resources Berhad

Fig #9 Corporate milestones

Year	Milestones
1996-2000	• Establishment of EITA Group of Companies • EITA Elevator incorported and completed its first elevator project at Damansara Perdana • EITA Electric began distributing Fuji Electric brand of E&E components
2001-2005	• EITA-Schneider® technical collaboration agreement with Schneider Steuerungstechnik GmbH • EITA-Schneider® first overseas export to Thailand • EITA Technologies Singapore incorporated
2006-2010	• Acquired Furutec® Busduct System. • Opened Vietnam office • Furutec® in R&D collaboration with USM
2011-2015	• Acquired land at Bukit Raja, Klang for expansion • Listed on Bursa Malaysia MAIN Market • Granted R&D status by MIDA • Acquired land and factory at Bukit Minyak Penang • EITA Elevator received MRT Line 1 project with 7 underground stations
2016-2020	• Acquired 60% of TransSystem Continental Sdn Bhd • Completed the longest escalator in Malaysia (back then) at Bukit Bintang MRT Line 1 • EITA Elevator received LRT3 project • TransSystem Continental secured sub-station jobs from TNB and Sarawak Energy • Moved to new HQ at Bukit Raja
2021-2024	• Certified by Malaysia Book of Records for the Tallest Elevator Test Tower in Malaysia • EITA Training Centre was established to provide industrial-based training with HRD Corp • Received JB-Singapore RTS Link project • Continued to secure sub-station projects by TNB and Sarawak Energy • Installed solar PV system at Bukit Raja HQ • EITA Elevator received ECRL project with 20 stations • EITA Elevator acquired 80% of Branco Accessibility Solution Sdn Bhd which specializes in modular platform lifts

Source: M+ Research, EITA Resources Berhad

Business overview

(i) Design and manufacturing (41.6% of FY24 revenue)

This segment covers the design, engineering, and production of EITA's proprietary elevator systems under the EITA-Schneider® brand and busduct systems under the Furutec® brand. Activities include sourcing of raw materials, component purchasing, structural and electrical design, assembly, and factory testing. The group's in-house R&D supports continuous improvement in product quality and innovation to cater to

infrastructure, residential, and commercial developments in Malaysia, Southeast Asia, Middle East and others.

(ii) Marketing and distribution (22.5% of FY24 revenue)
This segment involves the trading and distribution of a wide range of electrical and electronic (E&E) components and equipment, including circuit protection devices, wiring accessories, lighting solutions, and industrial control components. The group acts as a value-added distributor for internationally recognised brands like Fuji Electric, Kyoritsu, and Novaris, serving customers like electrical contractors, OEMs, and switchboard fabricators.

(iii) Services (14.1% of FY24 revenue)
The services segment focuses on the maintenance and servicing of elevator systems supplied by EITA, including scheduled inspections, troubleshooting and spare parts replacement. EITA offers standard and customised maintenance contracts, with 24-hours hotline centre and 30 minutes response time. The group also has service depots nationwide, including KL, Penang, Ipoh, Johor Bahru, Kuantan, Kota Kinabalu and Kuching. This segment can ensure long-term customer engagement and provides a recurring revenue stream for the group.

(iv) High-voltage system (21.8% of FY24 revenue)
This segment includes the execution of electrical engineering works and general construction projects, with a focus on high-voltage infrastructure for industrial and utility-scale clients. Activities involve the design, installation, testing, and commissioning of high-voltage substations, switchgear, transformers, and protection systems. Projects are typically awarded through tenders or negotiated contracts.

Fig #10 Principal business activities and services provided



Source: EITA Resources Berhad

Financials

Revenue and income highlights. The group reported a RM9.4m or 27.4% YoY growth in revenue, increasing from RM316.9m in FY23 to RM394.7m in FY24.

- **Manufacturing segment** saw an increase of RM45.9m or 38.8% YoY, primarily driven by stronger demand from EITA-Schneider® (elevator systems) as well as Furutec®

(busduct systems). EITA-Schneider® has secured various projects across high-end residences, data centres, hotels and hypermarket chains, while Furutec® experienced an increase in overseas sales due to enhanced marketing initiatives and new product offerings.

- **Services segment** rose by RM13.8m or 33.1% YoY, primarily attributed to higher revenue from elevator maintenance services. By the end of FY24, the group had handed over nearly 4000 units of elevator and escalator systems while having over 770 units in various stages of progress.
- Meanwhile, the **High Voltage System segment** also grew by RM22.0m or 34.3% following the group's accelerated execution of substation projects and the successful completion of all projects secured prior to the COVID-19 pandemic.
- Nonetheless, the group's overall revenue growth was partially offset by its **Marketing and Distribution segment**, which experienced a decline of RM4m or 4.3%, primarily attributed to the intensified competition within the E&E market.

Despite the higher revenue, the group recorded a lower PAT of RM3.2m in FY24, down RM4.1m or 56.0% from RM7.3m in FY23. The decline was mainly caused by the High Voltage System segment, which incurred loss before tax of RM13.9m due to increased project costs, particularly for underground cable projects. In its latest quarterly announcement, the group also recorded a revenue increase of RM3.9m or 4.6% YoY, from RM85.1m in 2Q24 to RM89.1m in 2Q25. Total comprehensive income saw an impressive RM2.7m or 1876.1% YoY growth, from a loss of RM0.1m in 2Q24 to a PAT of RM2.5m in 2Q25.

Balance sheet. For 2Q25, the group saw a slight increase in total asset from RM402.9m in FY24 to RM403.6m in 2Q25, primarily contributed by the increase in trade and other receivables. The group is in a net cash position, with net cash amounting to RM2.6m as of 2Q25.

Cash flow. Despite a lower PBT, the group recorded an improvement in net cash from operations, improving from -RM23.9m in FY23 to RM5.5m in FY24. This followed after FY24 enjoyed cash generated from operating activities of RM11.9m, as compared to FY23, which saw cash used in operating activities amounting to RM23.9m. Cash flow from investing activities recorded a net outflow of RM2.2m in FY24, compared to a net outflow of RM3.9m a year ago. The lower outflow was attributed to the lower acquisition of property and equipment. Lastly, cash flow from financing activities recorded a lower inflow of RM4.4m in FY24 compared to an inflow of RM9.9m in FY23, following repayment of bill payables. As of 2Q25, the group continued to show healthy net cash flow of RM53.9m at the end of the financial period.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 34.5%, with core PATMI expected to reach RM20.5m, RM21.9m, and RM22.9m over the next three years. This growth will be largely supported by (i) the group's focus on overseas expansion, (ii) leveraging ongoing industrialisation and digitalisation trends and policies such as NIMP 2030, and (iii) steady recurring income from the maintenance services segment.

Fig #11 Financial Highlights

All items in (RM m) unless otherwise stated

Balance Sheet

FYE Sep (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Cash	61	68	56	81	106
Receivables	71	71	101	100	99
Inventories	50	64	57	59	62
PPE	44	44	38	32	26
Others	138	155	155	155	155
Assets	**363**	**403**	**407**	**427**	**448**
Debts	67	55	47	50	52
Payables	48	61	53	55	58
Others	34	48	48	48	48
Liabilities	**149**	**164**	**148**	**152**	**157**
Shareholder's equity	214	245	259	275	291
Minority interest	1	(6)	-	-	-
Equity	**214**	**239**	**259**	**275**	**291**

Cash Flow Statement

FYE Sep (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Profit before taxation	13	10	29	31	32
Depreciation & amortisation	6	6	6	6	6
Changes in working capital	(22)	(1)	(31)	1	1
Share of JV profits	0	0	0	0	0
Taxation	(6)	(7)	(8)	(9)	(9)
Others	(15)	(3)	-	-	-
Operating cash flow	**(24)**	**5**	**(5)**	**29**	**30**
Net capex	(3)	(2)	-	-	-
Others	(1)	(0)	-	-	-
Investing cash flow	**(4)**	**(2)**	**-**	**-**	**-**
Changes in borrowings	22	(13)	(7)	2	2
Issuance of shares	-	29	-	-	-
Dividends paid	(7)	(6)	(6)	(7)	(7)
Others	(6)	(6)	-	-	-
Financing cash flow	**10**	**4**	**(13)**	**(4)**	**(4)**
Net cash flow	**(18)**	**8**	**(12)**	**24**	**25**
Forex	(1)	1	-	-	-
Others	2	(0)	-	-	-
Beginning cash	77	61	68	56	81
Ending cash	61	68	56	81	106

Income Statement

FYE Sep (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Revenue	**317**	**395**	**410**	**430**	**451**
EBITDA	22	19	36	38	40
EBIT	16	13	31	33	34
Net finance income/ (cost)	(2)	(2)	(2)	(2)	(2)
Associates & JV	(0)	(0)	(0)	(0)	(0)
Profit before tax	**13**	**10**	**29**	**31**	**32**
Tax	(6)	(7)	(8)	(9)	(9)
Net profit	**7**	**3**	**21**	**22**	**23**
Minority interest	3	6	-	-	-
Core earnings	**10**	**9**	**21**	**22**	**23**
Exceptional items	1	(1)	-	-	-
Reported earnings	11	9	21	22	23

Valuation & Ratios

FYE Sep (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Core EPS (sen)	3.5	3.1	6.8	7.3	7.6
P/E (x)	17.4	19.4	8.9	8.3	8.0
EV/EBITDA (x)	3.5	4.1	2.1	2.0	1.9
DPS (sen)	2.2	2.1	2.0	2.2	2.3
Dividend yield	3.6%	3.5%	3.4%	3.6%	3.8%
BVPS (RM)	0.71	0.81	0.86	0.91	0.96
P/B (x)	0.9	0.7	0.7	0.7	0.6
EBITDA margin	6.9%	4.8%	8.9%	8.9%	8.8%
EBIT margin	5.0%	3.3%	7.5%	7.6%	7.5%
PBT margin	4.1%	2.7%	7.0%	7.1%	7.1%
Net margin	3.3%	2.4%	5.0%	5.1%	5.1%
ROE	5.0%	4.1%	8.1%	8.2%	8.1%
ROA	3.0%	2.5%	5.1%	5.3%	5.2%
Net gearing	3.2%	CASH	CASH	CASH	CASH

Source: M+ Research

Valuations

We initiated EITA a fair value of RM0.70 per share, based on a P/E ratio of 10.0x pegged to mid-FY26F EPS of 7.04 sen. While this valuation represents a discount compared to the average historical P/E and forward P/E of its peers from the sub-industry of Bursa Malaysia's Industrial Machinery, Supplies and Components, which trade at an average historical P/E and forward P/E of 22.3x to 25.9x, we believe it is justified given EITA's lower NP margin of 2.4% as compared to its peers' average margin of 10.3% and median of 5.6%.

Fig #12 Peer comparison

	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
EITA Resources Berhad	**MAIN**	**Sep**	**0.605**	**182.6**	***19.6**	****8.3**	***4.0**	***2.4**
Sam Engineering & Equipment M	MAIN	Mac	3.86	2,613.2	28.4	25.7	6.4	6.2
Wellcall Holdings Bhd	MAIN	Sep	1.32	656.7	15.3	13.5	27.6	22.4
Dufu Technology Corp Bhd	MAIN	Dec	1.15	612.5	24.5	N/A	7.2	8.7
CB Industrial Product Holding	MAIN	Dec	1.01	470.1	N/A	N/A	(3.3)	(4.2)
CPE Technology Bhd	MAIN	Jun	0.79	527.0	23.0	N/A	7.1	12.3
Kobay Technology BHD	MAIN	Jun	1.15	372.8	25.8	N/A	3.7	4.3
Chin Well Holdings BHD	MAIN	Jun	0.80	229.2	114.3	27.6	0.3	2.5
Tong Herr Resources Bhd	MAIN	Dec	1.46	224.1	46.2	N/A	0.9	0.3
Unimech Group Bhd	MAIN	Dec	1.43	209.6	10.4	N/A	5.9	6.6
Jasa Kita BHD	MAIN	Mac	0.31	137.1	3.5	N/A	52.8	177.8
Kein Hing International Bhd	MAIN	Apr	1.27	138.3	11.0	N/A	7.1	5.0
Resintech Bhd	MAIN	Mac	0.54	104.0	9.2	N/A	5.8	9.0
Muar Ban Lee Group Bhd	MAIN	Dec	0.38	86.5	2.4	N/A	13.8	14.3
Kumpulan H&L High-Tech Bhd	MAIN	Oct	0.74	85.3	11.6	N/A	5.5	34.2
MyTech Group BHD	MAIN	Mac	0.37	86.9	31.6	N/A	6.1	18.4
Fitters Diversified Bhd	MAIN	Mac	0.03	70.2	42.2	N/A	0.3	0.3
HPMT Holdings Bhd	MAIN	Dec	0.21	69.0	18.4	N/A	2.6	4.2
Wong Engineering Corp Bhd	MAIN	Oct	0.16	40.0	N/A	N/A	(17.6)	(31.3)
Seremban Engineering Bhd	MAIN	Jun	0.55	43.4	22.6	N/A	5.1	1.0
APB Resources Bhd	MAIN	Mac	0.22	27.3	N/A	N/A	(81.5)	(86.0)
Avg ex-EITA Resources Berhad				**340.2**	**25.9**	**22.3**	**2.8**	**10.3**

Source: M+ Research (*FY24, **FY26f)

Investment risks

Exposure to credit risk from receivables and intra-group lending. The group's financial stability is partly reliant on the ability of its customers and subsidiaries to meet contractual payment obligations. A significant portion of the group's credit risk stems from trade receivables, where delayed or defaulted payments could result in financial losses. At the company level, credit exposure is heightened by loans and advances extended to subsidiaries, as well as financial guarantees provided to support their credit facilities.

Exposure to liquidity risk. The group's exposure to liquidity risk stems primarily from payables, loan repayments and other financial commitments that may arise. While the group maintains cash reserves and bank facilities to support its operations, any mismatch in cash flow timing, unexpected financing needs, or tightening credit conditions could pressure liquidity buffers.

Exposure to foreign currency risk. Although the group employs hedging strategies using forward currency contracts to mitigate foreign currency risk, these instruments may not be able to fully eliminate its risk exposure, especially in periods of high currency volatility or if contracts are not renewed in a timely manner. Persistent foreign exchange swings may weigh on EITA's earnings predictability.

Occupational safety and hazard risks. The group's operations involve manufacturing, installation, and maintenance activities that carry physical safety risks. Any lapse in compliance with occupational safety standards or failure to uphold a strong safety culture may result in injury, regulatory penalties, project delays and reputational damage.

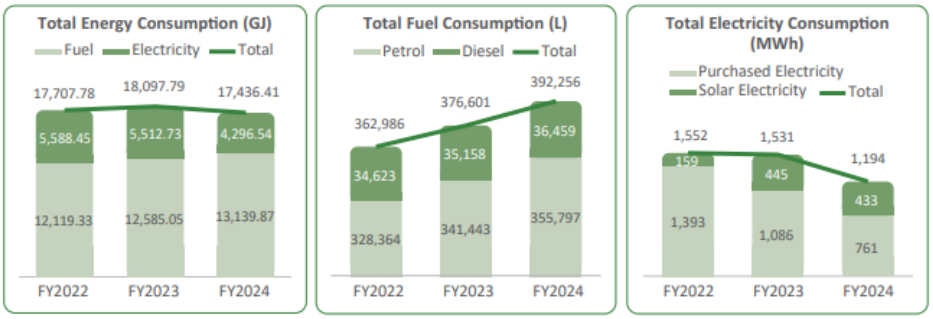
Exposure to technological obsolescence risk. Failure to keep pace with emerging technologies, such as energy-efficient elevator systems, smart automation, or new manufacturing techniques, could erode the group's competitive positioning. Delayed product innovation may limit its ability to meet customer expectations, secure new contracts or penetrate new markets.

Environmental, Social and Governance (ESG) Practices

Environmental:

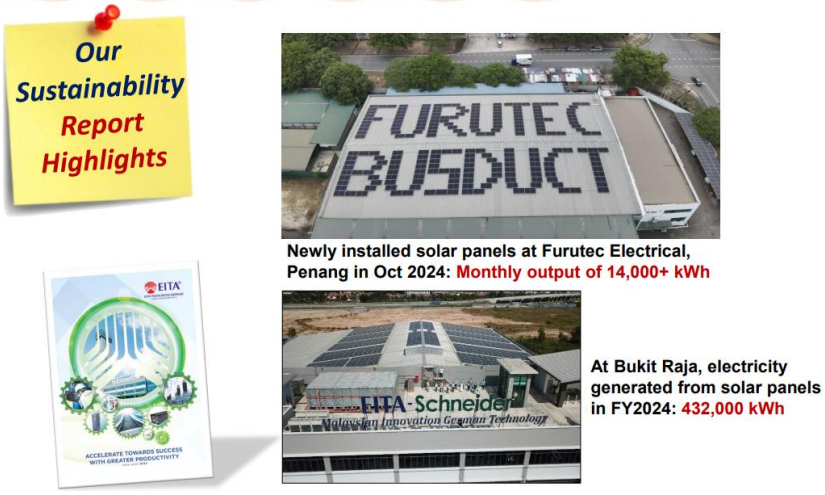
Energy management. The group continues to promote strategic energy management aimed at reducing energy consumption across its factories and warehouses. In order to reduce fossil fuels reliance, the group has invested in solar energy infrastructure at its key facilities, including Furutec Electrical in Penang and EITA Elevator in Bukit Raja, Klang. In FY24, the group upgraded the lighting system at its Bukit Raja warehouse to high-bay LED technology to further reduce energy consumption. The group recorded a total energy consumption of 17,436 GJ, with 75% derived from fuel and 25% from electricity. This marks a 4% decrease in overall energy consumption compared to the previous year.

Fig #13 Energy, fuel and electricity consumption of EITA



Source: EITA Resources Berhad

Fig #14 Solar panels installed at Penang and Bukit Raja warehouses



Source: EITA Resources Berhad

Water conservation. The group installed a 4000-litre capacity rainwater harvesting tank at Bukit Raja and a smaller system at Furutec Electrical Penang, with the aim to further optimise water resource use. The group's water usage totalled 18 megalitres in FY24, indicating a 4% decrease compared to the previous year. The group is also considering to install a water gauge to enhance its ability to monitor and record rainwater harvesting and utilisation.

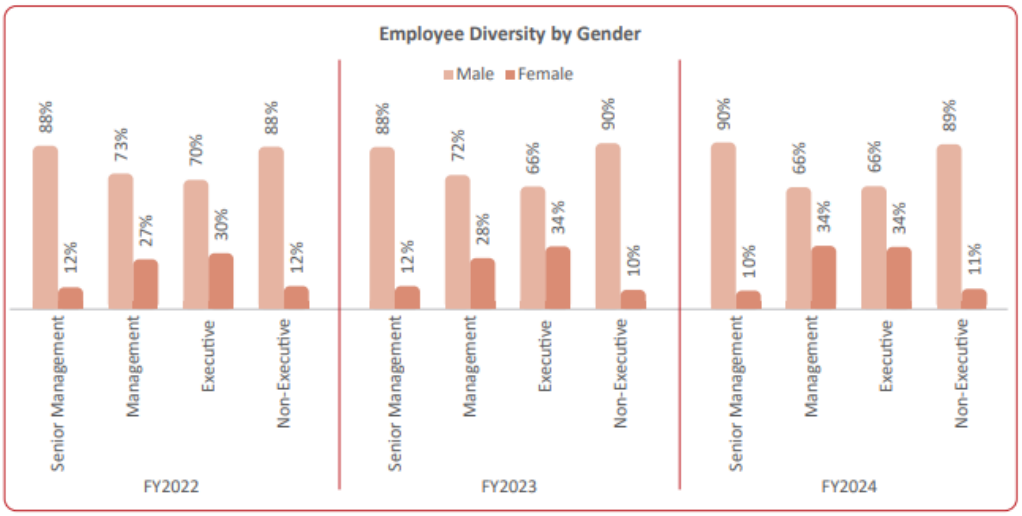
Waste management and recycling The group complies with strict regulations such as the Environmental Quality (Scheduled Wastes) Regulations 2005 requirements for disposal of waste generated from E&E manufacturing, elevator installation, service and

maintenance, as well as modernisation. The group has also partnered with NGO like Tzu Chi Foundation Malaysia for recycling.

Social:

Diversity and inclusion. The group practices fair and merit-based hiring, with a commitment to equal pay and inclusivity across all roles. While the board failed to meet the minimum 30% female at board threshold, it still had 3 females at board level as at FY24.

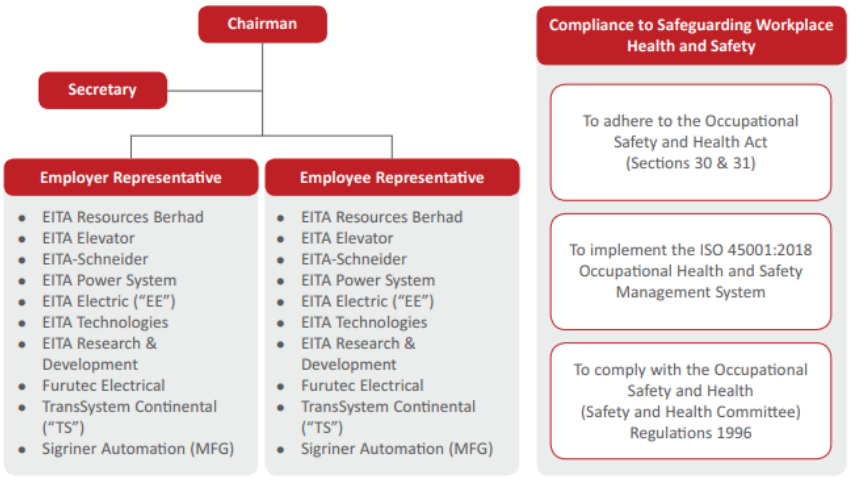
Fig #15 Workforce diversity in EITA



Source: EITA Resources Berhad

Occupational health and safety (OHS). Although EITA reported zero OSH-related fatalities, but there were three injury cases reported in FY24. Nevertheless, OHS remains a key fundamental aspect for EITA, with the Chairman leading the group's Safety and Health Committee (SHC), and supported by representatives from all subsidiaries, including management and employees at various levels of the group.

Fig #16 EITA's Safety and Health Committee represented across all levels



Source: EITA Resources Berhad

Talent development. The group emphasizes on hiring local talent to positively impact the socioeconomic conditions of the country and community. The group also offers training programmes and upskilling initiatives for employees through ETC Training Sdn Bhd, with programmes such as the Human Resource Development Corporation (HRDC)

and the Department of Skills Development (Jabatan Pembangunan Kemahiran) within the Ministry of Human Resources.

Governance:

Code of conduct and ethics. The group enforces a Code of Conduct to uphold integrity, transparency, and fairness across all levels, guiding ethical behaviour for both the Board and employees.

Whistleblowing policy. A confidential whistleblowing channel is in place for employees and stakeholders to report misconduct without fear of retaliation, promoting accountability and openness.

Anti-bribery and corruption. The group maintains a zero-tolerance stance on bribery and corruption, in line with the Malaysian Anti-Corruption Commission Act, ensuring ethical conduct in all business dealings. The group recorded zero confirmed incidents of corruption to-date.

Overall ESG comments: EITA is rated 2 stars under the FTSE Russell ESG framework, which corresponds to a score range between 1.3 to 2.4. Nonetheless, we view EITA's ESG practices as fair and acceptable. Governance appears sound, with EITA adopting both Practice 3.1 and Practice 3.2 of the Code of Ethics and Conduct, which emphasize on anti-corruption, anti-bribery, and whistleblowing policies. Socially, EITA places strong emphasis on worker safety, with a Safety and Health Committee led by the Chairman. Talent development is also in place, with training programs such as HRDC and Department of Skills Development courses offered to upskill staffs. However, gender diversity remains an area for improvement, particularly in increasing female representation at the Board level to meet the 30% threshold. Environmentally, EITA has shown commendable progress, with a reduction in total energy consumption in FY24. The group has also installed solar panels and rainwater harvesting tanks at its Penang and Bukit Raja warehouses to reduce reliance on fuel and optimize water resource usage. Lastly, we like EITA's collaboration with NGOs such as Tzu Chi as part of its waste management initiatives.

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Stock recommendation guide	
BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned