All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your EAH Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, Insurban Corporate Services Sdn Bhd (76260-W) at 149, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus together with the NPA and the RSF have also been lodged with the Registrar of Companies, who takes no responsibility for the contents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 29 April 2014. Approval from Bursa Securities has also been obtained vide its letter dated 26 March 2014 for, amongst others, the admission of the Warrants C to the Official List and the listing of the Warrants C, Rights Shares and the new EAH Shares to be issued arising from the exercise of the Warrants C on the ACE Market of Bursa Securities. The admission of the Warrants C to the Official List and the listing of and quotation for the Rights Shares and Warrants C will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. Admission of the Warrants C to the Official List and the listing of and quotation for the Warrants C, Rights Shares and the new EAH Shares to be issued arising from the exercise of the Warrants C on the ACE Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

Our Directors have seen and approved all the documentation relating to the Rights Issue with Warrants, including this Abridged Prospectus, together with the NPA and the RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus together with the NPA and the RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on Monday, 26 May 2014. This Abridged Prospectus together with the NPA and the RSF are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Entitled Shareholders and/ or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue with Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHBIB nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation made by the Entitled Shareholders and/ or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHBIB, being our Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.

Holdings Berhad

EA HOLDINGS BERHAD

(Company No. 878041-A)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 635,910,916 NEW ORDINARY SHARES OF RM0.10 EACH IN EA HOLDINGS BERHAD ("EAH") ("EAH SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING EAH SHARE HELD, TOGETHER WITH UP TO 317,955,458 FREE DETACHABLE WARRANTS IN EAH ("WARRANT(S) C") ON THE BASIS OF ONE (1) FREE WARRANT C FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR, AS AT 5.00 P.M. ON MONDAY, 26 MAY 2014 AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ("RIGHTS ISSUE WITH WARRANTS")

Adviser

RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	: Monday, 26 May 2014 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Monday, 2 June 2014 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Thursday, 5 June 2014 at 4.00 p.m.
Last date and time for acceptance and payment	: Tuesday, 10 June 2014 at 5.00 p.m.*
Last date and time for excess application and payment	: Tuesday, 10 June 2014 at 5.00 p.m.*

* or such later date and time as our Board may determine and announce not less than two (2) Market Days before the stipulated date and time

This Abridged Prospectus is dated 26 May 2014

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE REGISTRATION OF THIS ABRIDGED PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS ABRIDGED PROSPECTUS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE WARRANTS C TO THE OFFICIAL LIST OF BURSA SECURITIES, THE LISTING OF THE WARRANTS C, RIGHTS SHARES AND ALL THE NEW SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF WARRANTS C ON THE ACE MARKET OF BURSA SECURITIES. HOWEVER, THIS IS NOT AN INDICATION THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

"Abridged Prospectus"	:	This abridged prospectus dated 26 May 2014
"Act"	:	The Companies Act, 1965
"Amendment"	:	The amendment to the Memorandum of Association of EAH
"Board"	:	The Board of Directors of EAH
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depository) Act, 1991 and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
"CMSA"	:	Capital Markets and Services Act, 2007
"Code"	:	Malaysian Code on Take-Overs and Mergers, 2010
"Corporate Exercises"	:	The Rights Issue with Warrants, the Increase in Authorised Share Capital and the Amendment, collectively
"Deed Poll A"	:	The deed poll dated 25 November 2010, constituting the Warrants A
"Deed Poll B"	:	The deed poll dated 11 February 2014, constituting the Warrants B
"Deed Poll C"	:	The deed poll dated 9 May 2014, constituting the Warrants C
"Director(s)"	:	The director(s) of EAH and shall have the meaning given in Section 2(1) of the CMSA
"EAH" or the "Company"	:	EA Holdings Berhad (878041-A)
"EAH Group" or the "Group"	:	EAH and its subsidiary companies, collectively
"EAH Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.10 each in EAH
"EGM"	:	Extraordinary General Meeting
"Entitled Shareholder(s)"	:	The shareholders of EAH who are registered as a member and whose names appear in the Record of Depositors of the Company on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on Monday, 26 May 2014, being the time and date on which shareholders of EAH must be registered as a member and whose names appear in our Record of Depositors provided by Bursa Depository in order to participate in the Rights Issue with Warrants

DEFINITIONS (CONT'D)

"EPS"	:	Earnings per Share
"Excess Rights Shares with Warrants C"	:	Rights Shares with Warrants C which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renouncee(s) (if applicable) prior to excess application pursuant to the Rights Issue with Warrants
"Foreign Entitled Shareholder(s)"	:	Entitled Shareholder(s) who have not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue with Warrants
"FYE"	:	Financial year ended/ ending
"ICT"	:	Information and Communications Technology
"Increase in Authorised Share Capital"	:	The increase in the authorised share capital of EAH from RM100,000,000 comprising 1,000,000,000 EAH Shares to RM250,000,000 comprising 2,500,000,000 EAH Shares
"IT"	:	Information Technology
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	29 April 2014, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
"Market Day(s)"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario 1"	:	Assuming none of the outstanding Warrants A and Warrants B are exercised prior to the implementation of the Rights Issue with Warrants and the Rights Issue with Warrants is undertaken on a maximum subscription level basis
"Maximum Scenario 2"	:	Assuming all of the outstanding Warrants A and Warrants B are exercised prior to the implementation of the Rights Issue with Warrants and the Rights Issue with Warrants is undertaken on a maximum subscription level basis
"Minimum Subscription Level"	:	A minimum level of subscription of 79,834,833 Rights Shares together with 39,917,416 free Warrants C pursuant to the Rights Issue with Warrants as determined by the Board. The aforesaid Minimum Subscription Level is based on the entitlement of and undertaking letter from Mohammad Sobri bin Saad, being the substantial shareholder and Chief Executive Officer of EAH Group, as at 12 March 2014 to subscribe for 79,834,833 Rights Shares together with 39,917,416 free Warrants C pursuant to his Undertaking
"NPA"	:	Notice of provisional allotment of the Rights Shares with Warrants C pursuant to the Rights Issue with Warrants
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"PBT"	:	Profit before taxation

"Provisional Allotment"	:	Rights Shares with the Warrants C provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue with Warrants
"R&D"	:	Research and development
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"RHBIB" or the "Adviser"	:	RHB Investment Bank Berhad (19663-P)
"Rights Issue with Warrants"	:	The renounceable rights issue of up to 635,910,916 Rights Shares on the basis of one (1) Rights Share for every one (1) existing EAH Share held, together with up to 317,955,458 free detachable Warrants C on the basis of one (1) free Warrant C for every two (2) Rights Shares subscribed for, on the Entitlement Date at an issue price of RM0.10 per Rights Share
"Rights Share(s)"	:	Up to 635,910,916 new EAH Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form for the Rights Issue with Warrants
"SC"	:	Securities Commission Malaysia
"Undertaking"	:	Irrevocable undertaking from Mohammad Sobri bin Saad, the substantial shareholder of EAH, to fully subscribe for his entitlement under the Rights Issue with Warrants based on his shareholding
"WAMP"	:	Weighted average market price
"Warrant(s) A"	:	116,250,750 outstanding Warrants 2010/ 2015 in EAH, constituted by the Deed Poll A. Each Warrant A carries the right to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants A up to 7 December 2015 with an exercise price of RM0.40 per Warrant A
"Warrant(s) B"	:	94,483,666 outstanding Warrants 2014/ 2019 in EAH, constituted by the Deed Poll B. Each Warrant B carries the right to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants B up to 24 February 2019 with an exercise price of RM0.18 per Warrant B
"Warrant(s) C"	:	Up to 317,955,458 free detachable warrants in EAH to be issued pursuant to the Rights Issue with Warrants

All references to "our Company" and "EAH" in this Abridged Prospectus are made to EA Holdings Berhad (878041-A) and references to "our Group" are made to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are made to the Company, or where the context requires, our Group or any of our subsidiary companies. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Occupation
Azahar Bin Rasul *(Group Chairman/ Independent Non-Executive Director)*	33, Jalan 8/ 2B Desa Bakti Selayang 68100 Kuala Lumpur	Malaysian	Company Director
Mohammad Sobri Bin Saad *(Chief Executive Officer)*	40, Jalan Kubah U8/ 56 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Basir Bin Bachik *(Executive Director)*	J3-5-502, Block J Pangsapuri Sri Meranti Bandar Sri Damansara 62200 Kuala Lumpur	Malaysian	Company Director
Choo Seng Choon *(Senior Independent Non-Executive Director)*	22A, Jalan SU 2B Sering Ukay 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director
Abdul Fattah Bin Mohamed Yatim *(Independent Non-Executive Director)*	628, Jalan 8 Taman Ampang Utama Jalan Ampang 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Choo Seng Choon	Chairman	Senior Independent Non-Executive Director
Azahar Bin Rasul	Member	Group Chairman/ Independent Non-Executive Director
Abdul Fattah Bin Mohamed Yatim	Member	Independent Non-Executive Director

COMPANY SECRETARY : Laang Jhe How (MIA 25193)

149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel. No.: 03 - 7729 1519
Fax. No.: 03 - 7728 5948

REGISTERED OFFICE : 149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel. No.: 03 - 7729 1519
Fax. No.: 03 - 7728 5948

CORPORATE DIRECTORY (CONT'D)

HEAD OFFICE	:	Units J-3A-7 & J-3A-8 Level 3A, Block J Solaris Mont Kiara 50480 Kuala Lumpur Tel. No.: 03 - 6204 0050 Fax. No.: 03 - 6204 0051 Website: www.eah.com.my Email: corporate@eah.com.my
SHARE REGISTRAR	:	Insurban Corporate Services Sdn Bhd (76260-W) 149, Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur Tel. No.: 03 - 7729 5529 Fax. No.: 03 - 7728 5948
AUDITORS AND REPORTING ACCOUNTANTS	:	Messrs STYL Associates (AF1929) 107-B, Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur Tel. No.: 03 - 7727 5573 Fax. No.: 03 - 7727 0771
PRINCIPAL BANKER	:	United Overseas Bank (Malaysia) Berhad (271809-K) Commercial Banking Centre Central Area III Ground Floor, Uptown 1 1, Jalan SS 21/58, Damansara Uptown 47400 Petaling Jaya Tel. No.: 03 - 7724 3833 Fax. No.: 03 - 7724 3838
DUE DILIGENCE SOLICITORS	:	Messrs Tan, Goh & Associates Unit 821, 8th Floor, Block A, Lift Lobby 6 Damansara Intan No.1, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03 - 7727 7228 Fax. No.: 03 - 7731 9238
ADVISER	:	RHB Investment Bank Berhad (19663-P) Level 10, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03 - 9287 8888 Fax. No.: 03 - 9280 6507
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	ACE Market of Bursa Securities

Holdings Berhad

EA HOLDINGS BERHAD
(Company No. 878041-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur

26 May 2014

Board of Directors

Azahar Bin Rasul *(Group Chairman/ Independent Non-Executive Director)*
Mohammad Sobri Bin Saad *(Chief Executive Officer)*
Basir Bin Bachik *(Executive Director)*
Choo Seng Choon *(Senior Independent Non-Executive Director)*
Abdul Fattah Bin Mohamed Yatim *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 635,910,916 RIGHTS SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING EAH SHARE HELD TOGETHER WITH UP TO 317,955,458 WARRANTS C ON THE BASIS OF ONE (1) WARRANT C FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR, AS AT 5.00 P.M. ON MONDAY, 26 MAY 2014 AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE

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1. INTRODUCTION

On 17 March 2014, RHBIB had, on behalf of our Board, announced that we proposed to undertake the Corporate Exercises, including the fixing of the issue price of the Rights Shares at RM0.10 per Rights Share.

On 27 March 2014, RHBIB had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 26 March 2014, resolved to approve the following:-

i. Admission of the Warrants C to the Official List of Bursa Securities and the listing of and quotation for up to 317,955,458 Warrants C to be issued pursuant to the Rights Issue with Warrants;

ii. Listing of up to 635,910,916 Rights Shares to be issued pursuant to the Rights Issue with Warrants;

iii. Listing of up to 317,955,458 new EAH Shares to be issued arising from the exercise of the Warrants C;

iv. Listing of up to 34,842,661 additional Warrants A to be issued arising from the adjustments pursuant to the Rights Issue with Warrants;

v. Listing of up to 28,318,633 additional Warrants B to be issued arising from the adjustments pursuant to the Rights Issue with Warrants;

vi. Listing of up to 34,842,661 new EAH Shares to be issued arising from the exercise of the additional Warrants A; and

vii. Listing of up to 28,318,633 new EAH Shares to be issued arising from the exercise of the additional Warrants B,

on the ACE Market of Bursa Securities, subject to the following conditions:-

	Conditions	Status of compliance
(a)	EAH and RHBIB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants	Noted
(b)	EAH and RHBIB to inform Bursa Securities upon completion of the Rights Issue with Warrants	To be complied
(c)	EAH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed	To be complied
(d)	EAH to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants C as at the end of each quarter together with a detailed computation of listing fees payable	To be complied

On 29 April 2014, our shareholders had approved the Corporate Exercises at our EGM. A certified true extract of the resolutions pertaining to the Corporate Exercises which were passed at the aforesaid EGM, is set out in Appendix I of this Abridged Prospectus.

On 9 May 2014, RHBIB had, on behalf of our Board, announced that the exercise price of the Warrants C has been fixed at RM0.12 per Warrant C, as well as the Entitlement Date and other relevant dates pertaining to the Rights Issue with Warrants.

The admission of the Warrants C to the Official List and the listing of and quotation for the Rights Shares and Warrants C to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or RHBIB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Rights Issue with Warrants

The Rights Issue with Warrants entails an issuance of up to 635,910,916 Rights Shares on a renounceable basis of one (1) Rights Share for every one (1) EAH Share held, together with up to 317,955,458 free detachable Warrants C on the basis of one (1) free Warrant C for every two (2) Rights Shares subscribed for, by the Entitled Shareholders and/ or their renouncees (if applicable), on the Entitlement Date at an issue price of RM0.10 per Rights Share.

The actual number of the Rights Shares and the Warrants C to be issued pursuant to the Rights Issue with Warrants will depend on the acceptance by the Entitled Shareholders and/ or their renouncee(s) (if applicable).

As at the LPD, the issued and paid-up share capital of EAH is RM42,517,650 comprising 425,176,500 EAH Shares. In addition, as at the LPD, the Company has a total of 116,250,750 outstanding Warrants A and 94,483,666 outstanding Warrants B.

Based on the above and assuming all of the outstanding Warrants A and Warrants B are exercised, a total of 635,910,916 Rights Shares together with 317,955,458 Warrants C may be issued in the event all the Entitled Shareholders and/ or their renouncee(s) (if applicable) fully subscribe for their entitlements under the Rights Issue with Warrants. In addition, assuming all the 317,955,458 Warrants C are exercised, a total of 317,955,458 new EAH Shares will be issued therefrom.

The Warrants C will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants C will be issued in registered form and constituted by the Deed Poll C.

The Rights Issue with Warrants is renounceable in full or in part. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants C to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall then be entitled to the Warrants C in the proportion of their acceptance of their Rights Shares entitlements.

Any unsubscribed Rights Shares together with the Warrants C will be made available to the other Entitled Shareholders and/ or their renouncee(s) (if applicable) under the Excess Rights Shares with Warrants C application. It is the intention of our Board to allocate the Excess Rights Shares with Warrants C, if any, on a fair and equitable manner, and on a basis as set out in Section 10.8 of this Abridged Prospectus.

As you are an Entitled Shareholder, your CDS Accounts will be duly credited with the number of Provisional Allotment, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment as well as to apply for the Excess Rights Shares with Warrants C if you choose to do so.

Any dealings in our securities will be subject to the provisions of the Securities Industry (Central Depositories) Act, 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares together with the Warrants C will be credited directly into the respective CDS Accounts of the successful applicants. However, no physical share or warrant certificates will be issued. Notices of allotment will be despatched to the successful applicants.

We will allot and issue the Rights Shares with the Warrants C, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares and the Warrants C within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares or such period as may be prescribed by Bursa Securities. The Rights Shares and the Warrants C will then be quoted on the ACE Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining and justification for the issue price of the Rights Shares

On 17 March 2014, RHBIB had, on behalf of our Board, announced that our Board has fixed the issue price of the Rights Shares at RM0.10 per Rights Share. This represents the par value of EAH Shares and a discount of approximately 31.0% to the theoretical ex-rights price of EAH Shares of RM0.145, calculated based on the five (5)-day WAMP of EAH Shares up to and including 12 March 2014, being the latest practicable date of the announcement on the Corporate Exercises and preceding the price-fixing date for the Rights Shares, of RM0.19 per EAH Share.

The issue price of the Rights Shares was determined and fixed by our Board after taking into consideration the aforementioned theoretical ex-rights price of EAH Shares and the following:-

i. The issue price of the Rights Shares shall be deemed sufficiently attractive to encourage the subscription of the Rights Shares by the Entitled Shareholders whilst taking into consideration the minimum amount to be raised from the Rights Issue with Warrants, as set out in Section 5 of this Abridged Prospectus, and such issue price in any event shall not be lower than the par value of EAH Shares;

ii. The historical price movement of EAH Shares; and

iii. The historical and current financial performance of EAH Group.

2.3 Basis of determining and justification for the exercise price of the Warrants C

The Warrants C attached to the Rights Shares will be issued at no cost to the Entitled Shareholders and/ or their renouncee(s) (if applicable) who subscribe for the Rights Shares.

On 9 May 2014, RHBIB had, on behalf of our Board, announced that our Board has fixed the exercise price of the Warrants C at RM0.12 per Warrant C. This represents a discount of approximately 14.3% to the theoretical ex-rights price of EAH Shares of RM0.14, calculated based on the five (5)-day WAMP of EAH Shares up to and including 8 May 2014, being the last trading day of EAH Shares immediately preceding the price-fixing date for the Warrants C, of RM0.18 per EAH Share.

The exercise price of the Warrants C was determined and fixed by our Board after taking into consideration the aforementioned theoretical ex-rights price of EAH Shares and the following:-

i. The historical price movement of EAH Shares;

ii. The historical and current financial performance of EAH Group;

iii. That the Warrants C will be issued at no cost to the Entitled Shareholders and/ or their renouncee(s) (if applicable) who successfully subscribe for the Rights Shares; and

iv. That the exercise price of the Warrants C will not be lower than the par value of EAH Shares of RM0.10 each.

2.4 Ranking of the Rights Shares and new EAH Shares to be issued arising from the exercise of the Warrants C

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing EAH Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution ("Distribution") that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

The new EAH Shares to be issued arising from the exercise of the Warrants C will, upon allotment and issuance, rank *pari passu* in all respects with the existing EAH Shares, save and except that the new EAH Shares to be issued arising from the exercise of the Warrants C will not be entitled to any Distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the said new EAH Shares.

2.5 Principal terms of the Warrants C

The principal terms of the Warrants C are set out below:-

Issue size	:	Up to 317,955,458 Warrants C
Form	:	The Warrants C will be issued in registered form and constituted by the Deed Poll C
Exercise period	:	The Warrants C may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants C ("Issue Date") and ending at the close of business at 5.00 p.m. in Kuala Lumpur on a date preceding the fifth (5th) anniversary of the Issue Date. Any Warrants C not exercised during the exercise period will thereafter lapse and cease to be valid
Mode of exercise	:	The registered holder of the Warrant C is required to lodge a subscription form, as set out in the Deed Poll C, with the Company's registrar, duly completed, signed and stamped together with payment of the exercise price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia in accordance with the Deed Poll C
Exercise price	:	RM0.12 per Warrant C
Exercise rights	:	Each Warrant C carries the entitlement, at any time during the exercise period, to subscribe for one (1) new EAH Share at the exercise price, subject to adjustments in accordance with the provisions of the Deed Poll C
Board lot	:	For the purpose of trading on Bursa Securities, one (1) board lot of Warrants C shall comprise 100 Warrants C carrying the right to subscribe for 100 new EAH Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities
Participating rights of the holders of Warrants C in any distribution and/ or offer of further securities	:	The holders of the Warrants C are not entitled to vote in any general meeting and/ or to participate in any Distribution other than on winding-up, compromise or arrangement of EAH as set out below and/ or in any offer of further securities in the Company unless and until the holder of the Warrants C becomes a shareholder of EAH by exercising his/ her Warrants C into new EAH Shares or unless otherwise resolved by EAH in a general meeting
Adjustments in the exercise price and/ or number of Warrants C	:	The exercise price and/ or number of unexercised Warrants C shall be adjusted in the event of alteration to the share capital of the Company, capital distribution or issue of shares in accordance with the provisions of the Deed Poll C

Rights in the event of winding-up, liquidation, compromise and/ or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then every holder of the Warrants C shall be entitled upon and subject to the provisions of the Deed Poll C at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/ her Warrants C to the Company, elect to be treated as if he/ she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/ her Warrants C to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he/ she had on such date been the holder of the new EAH Shares to which he/ she would have been entitled to pursuant to such exercise
Listing status	:	Warrants C shall be listed and quoted on the ACE Market of Bursa Securities
Modifications	:	Save for manifest error, any modification, amendment, deletion or addition to the Deed Poll C shall require the approval of the holders of Warrants C sanctioned by special resolution and may be effected only by the Deed Poll C, executed by the Company and expressed to be supplemental hereto and subject to the approval of the relevant authorities, if necessary
Governing law	:	Laws and regulations of Malaysia

2.6 Details of other corporate exercises

As at the LPD, save for the Rights Issue with Warrants, our Board confirms that there are no other outstanding corporate exercises which have been announced and/ or approved by the regulatory authorities but pending completion.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

After due consideration, our Board is of the view that the Rights Issue with Warrants is the most appropriate avenue for raising funds for the purposes stated in Section 4 of this Abridged Prospectus while potentially enhancing the capital base, as the Rights Issue with Warrants shall:-

i. Enable us to raise funds without incurring interest expenses as compared to bank borrowings;

ii. Enable us to optimise our capital structure by strengthening our financial position and reducing our current gearing level; and

iii. Provide our Entitled Shareholders with an opportunity to further increase their equity participation in the Company via the issuance of new EAH Shares without diluting the existing shareholders' equity interest, assuming all the Entitled Shareholders fully subscribe for their respective entitlements.

The Warrants C to be issued pursuant to the Rights Issue with Warrants are expected to provide an incentive to the Entitled Shareholders and/ or their renouncee(s) (if applicable) to subscribe for the Rights Shares. The Warrants C will allow the Entitled Shareholders and/ or their renouncee(s) (if applicable) who subscribe for the Rights Shares to benefit from the potential capital appreciation of the Warrants C and increase their equity participation in the Company at a predetermined price over the tenure of the Warrants C. In addition, the Company would also be able to raise further proceeds as and when the Warrants C are exercised.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.10 per Rights Share, the total gross proceeds that is expected to be raised from the Rights Issue with Warrants and the intended utilisation are set out below:-

	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario 1 RM'000	Maximum Scenario 2 RM'000
Future viable investments[*1]	Within 24 months from completion	-	30,000	30,000
Repayment of borrowings[*2]	Within 24 months from completion	4,290	4,290	4,290
General working capital[*3]	Within 24 months from completion	2,893	7,428	28,501
Estimated expenses in relation to the Corporate Exercises[*4]	Upon completion	800	800	800
Total		**7,983**	**42,518**	**63,591**

Notes:-

*1 *Apart from expanding our Group's business organically via the internal growth of our existing businesses, our Group's future plans also includes expanding inorganically, via mergers and acquisitions of businesses or investments. In line with the above, in the event the Rights Issue with Warrants is completed under the Maximum Scenario 1 and Maximum Scenario 2, up to RM30.00 million of the proceeds raised shall be utilised to part finance any suitable and viable potential business(es)/ investment(s), within 24 months from completion. As potential acquisition(s) of business(es)/ investment(s) may cost a substantial amount, part of the proceeds raised from the Rights Issue with Warrants may allow our Group to capitalise on suitable and viable investment opportunities as and when it arises, which in turn may generate positive returns to our Group in the future, thereby increasing our shareholders' value.*

As at the date of this Abridged Prospectus, our management has initiated negotiations with potential vendor(s) for the acquisition of a company mainly involved in the ICT related business. However, the negotiations are currently on-going and at a preliminary stage while no firm agreement such as the purchase consideration and mode of settlement, has been concluded at this juncture. Further, there can be no assurance that the said plan will materialise. In the meantime, our management is still exploring our options for identifying other suitable business(es)/ investment(s) or strategic acquisition(s) and will continuously seek and identify such opportunities.

We shall make the necessary announcements (in accordance with the Listing Requirements) as and when new business(es)/ investment(s) have been identified by our Board and are likely to materialise. If the nature of the transaction require shareholders' approval pursuant to the Listing Requirements, our Board will seek the necessary approval from our shareholders.

In the event our Group is unable to identify any suitable and viable business(es)/ investment(s) within the timeframe stipulated (or any extended timeframe, if applicable), the proceeds allocated for future viable investments shall be transferred for working capital purposes of our Group.

*2 *As at the LPD, our Group's total bank borrowings amounted to approximately RM4.29 million, details of which are set out as follows:-*

	Type of facilities	Outstanding amount RM'000	Interest rate per annum	Purpose of facilities
a)	Overdraft	1,487	1.5% above base lending rate ("BLR")	Day to day operations
b)	Project financing	1,840	1.5% above BLR	Purchase of equipment for projects undertaken
c)	Overdraft	963	1.5% above BLR	Day to day operations

For illustrative purposes, the repayment of our Group's bank borrowings is expected to result in an interest cost savings of approximately RM0.35 million per annum based on the effective interest rate at 8.10% per annum

*3 *The proceeds earmarked for general working capital will be utilised to finance the day-to-day operations of our Group and is expected to be utilised in the following manner:-*

	Minimum Scenario RM'000	***Maximum Scenario 1 RM'000***	***Maximum Scenario 2 RM'000***
Salaries	*500*	*1,000*	*2,000*
Repayment of trade creditors	*1,000*	*1,000*	*10,000*
*General expenses^*	*1,393*	*5,428*	*16,501*
Total	***2,893***	***7,428***	***28,501***

^ *The proceeds for general expenses in relation to the Rights Issue with Warrants are expected to be utilised in the following manner:-*

	Minimum Scenario RM'000	***Maximum Scenario 1 RM'000***	***Maximum Scenario 2 RM'000***
Payment to equipment, software and services suppliers	*593*	*4,628*	*15,201*
Travelling	*200*	*200*	*300*
Utilities	*200*	*200*	*300*
Rental of offices	*200*	*200*	*300*
Staff training	*200*	*200*	*400*
Total	***1,393***	***5,428***	***16,501***

For information purposes, the amount outstanding to our trade creditors as at the latest audited FYE 31 December 2013 was approximately RM10.18 million. Part of the proceeds for our general working capital requirement shall be allocated for repayment of trade creditors which comprise of payment to equipment, software and services suppliers, based on our current projects undertaken. In addition, part of the proceeds for general expenses shall also be allocated for payments to equipment, software and services suppliers for future projects to be undertaken by us.

The actual amount to be utilised by each component of working capital may differ subject to the operating requirements at the time of utilisation. The proceeds to be raised are expected to improve our Group's cash flow and fund our operating expenses.

*4 *The proceeds earmarked for estimated expenses in relation to the Corporate Exercises shall be utilised as set out below:-*

	RM'000
Professional fees (i.e. adviser, reporting accountants and solicitors)	*600*
Regulatory fees	*70*
Other incidental expenses in relation to the Corporate Exercises	*130*
Total	***800***

Any variation to the amount of proceeds to be raised, which is dependent upon the actual number of Rights Shares to be issued, will be adjusted against the working capital.

The gross proceeds to be raised from the exercise of the Warrants C is dependent on the total number of Warrants C exercised during the tenure of the Warrants C based on the exercise price of the Warrants C. The maximum gross proceeds that is expected to be raised upon the full exercise of the Warrants C based on the exercise price of RM0.12 per Warrant C is approximately RM25.51 million under Maximum Scenario 1 and approximately RM38.15 million under Maximum Scenario 2. The gross proceeds to be raised from the exercise of the Warrants C will be utilised as additional working capital of our Group. The proceeds may be utilised to finance, amongst others, salaries, repayment to creditors as well as general expenses such as traveling, staff training, rental of offices and utilities.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

5. IRREVOCABLE UNDERTAKINGS AND UNDERWRITING ARRANGEMENTS

Our Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level basis. The Minimum Subscription Level has been determined by our Board after taking into consideration the minimum level of funds that we wish to raise from the Rights Issue with Warrants which will be channelled towards the proposed utilisation of proceeds as set out in Section 4 of this Abridged Prospectus. In this regard, our Board intends to raise minimum gross proceeds of RM7.98 million.

The substantial shareholder of our Company who is also the Chief Executive Officer of our Group, namely Mohammad Sobri bin Saad, had vide his letter dated 12 March 2014, provided his irrevocable undertaking to subscribe in full for his entitlement under the Rights Issue with Warrants based on his shareholding.

A summary of the irrevocable undertaking is set out below:-

	Shareholding as at the LPD		Entitlement under the Rights Issue with Warrants		Undertaking
	No. of Shares	**%**	**No. of Shares**	**%*1**	**No. of Shares**
Mohammad Sobri bin Saad	79,834,833	18.78	79,834,833	18.78	79,834,833

Note:-

*1 *Computed based on 425,176,500 Rights Shares available for subscription assuming all the outstanding Warrants A and Warrants B are not exercised prior to the implementation of the Rights Issue with Warrants*

As set out in Section 3, Appendix II of this Circular, assuming the full exercise of the Warrants C held by Mohammad Sobri bin Saad upon completion of the Rights Issue with Warrants under the Minimum Scenario, his equity interest in EAH may increase from approximately 31.62% to 36.63% and in such event, he shall have an obligation to undertake a mandatory take-over offer pursuant to the Code.

Mohammad Sobri bin Saad does not intend to undertake a mandatory take-over offer to acquire all the remaining EAH Shares and convertible securities in EAH not already held by him and the persons acting in concert with him, if any, upon completion of the Rights Issue with Warrants. In this regard, he shall observe his shareholding in the Company at all times as well as prior to any exercise of the convertible securities in EAH held by him, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Code.

Based on the issue price of RM0.10 per Rights Share, the funding requirement for Mohammad Sobri bin Saad pursuant to his undertaking is approximately RM7.98 million. Mohammad Sobri bin Saad also had in his letter dated 12 March 2014 provided confirmation that he has sufficient financial resources to subscribe for his entitlement. The said confirmation has been verified by RHBIB, the Adviser for the Rights Issue with Warrants.

As the Rights Issue with Warrants will be undertaken on a Minimum Subscription Level basis, we will not procure any underwriting arrangement for the balance of up to 556,076,083 Rights Shares, representing approximately 87.45% of the total Rights Shares available for subscription under the Maximum Scenario 2.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you and/ or your renouncees (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks relating to our Group and the ICT industry in which we operate

6.1.1 Business and operational risks

Our business is subject to certain risks inherent in the ICT industry at large. These may include, amongst others, entry of new players, shortage in skilled workforce, increase in cost of labour, cost of operations and raw materials, changes in government policies affecting the industries, changes in general economic, business and credit conditions and introduction of new technologies.

Whilst we seek to limit these risks through our continued initiative in R&D for new products, employment of highly skilled technical personnel, implementing prudent business strategies and carrying out continuous review of our operations, there can be no assurance that any change to these risks would not have a material adverse impact on our business.

6.1.2 Project risks

Most of our Group's contracts with clients are entered into on a project basis. Due to the complexity of the project that our Group undertakes, the projects are subjected to the following risk factors:-

i. Most of our Group's services are based on fixed price contracts of which the price is determined at bid time, based on estimates. Our Group may underestimate project costs in tendering or bidding for a project. In such events, our Group may incur cost overruns which will reduce profits and incur losses. As at the LPD, our Group had not experienced any significant cost overruns which would have materially reduced our profits and incurred losses;

ii. Clients may delay or cancel their projects. Delays may arise from incomplete specifications or unanticipated difficulties in developing the solutions. Project delays will affect profit margins as time spent negotiating and resolving issues will delay the recognition of revenues. Additional costs may also be incurred as a result of these delays. Further, any changes in the clients' management or delays may also cause cancellation of awarded projects. As at the LPD, our Group had not experienced any significant project delays nor cancellation of awarded projects; and

iii. Failure to implement projects that fully satisfy the requirements and expectations of the clients may lead to claims being made against our Group, which may adversely affect the profitability of our Group. This usually varies from technology deficiencies, staff turnover, human errors, misinterpretation of information and failure to adhere to specifications and procedures. However, the risk of potential claims made by our customers will be limited to a percentage of the amount of the contract value. As at the LPD, our Group had not experienced any such claims, which adversely affects the profitability of our Group, made against our Group by our clients arising from such failure to implement projects that fully satisfy our clients' requirements and expectations.

To mitigate the above risks, our Group will conduct studies on the complexity and the specification of each project in order to ensure smooth implementation and minimise cost overrun. Also, we emphasise on our marketing strategies to attract new customers. We conduct a thorough understanding of the system requirements via a system study before any quotation is given. Project costs are monitored closely to provide management with feedback on the profitability of each project. Hence, the risk of a project's fee quotation being underestimated is minimised. We normally accept an initial upfront payment before work commences and apportion our billings based on various stages of completion to address the risk of premature termination and project delays.

6.1.3 Dependence on Directors and key personnel

Our continued success will depend significantly on the ability, expertise and continued efforts of our Directors, key management and technical personnel. The departure of any of these individuals may, to a certain extent, affect our future business operations and financial performance. Our future success also depends on our ability to attract, hire, train and motivate sufficient skilled personnel.

Recognising the importance of our key management and technical personnel, we will continuously consider appropriate measures so as to attract and retain our key personnel. To avoid dependence on any key personnel, we strive to attract qualified and experienced personnel as well as to address our succession planning programme by grooming junior personnel to complement our management team. We believe that offering a competitive salary package, training and conducive working environment should mitigate this risk further, which will in turn help to ensure continuity and competency of our management team.

6.1.4 No assurance that our future plans will be commercially successful

In order to achieve our future plans, our Group relies on the availability of management, financial, customer support, operational and other resources. The success of our future plans will be dependent upon, amongst others, our ability to successfully develop and commercialise further applications of our technology. Whilst we may utilise resources in our business expansion plans, there is no assurance that we will be successful in increasing our revenue through such business expansion. Any failure to do so may lead to a material adverse effect on our financial performance.

Further, to manage any future growth of our operations and personnel resulting from our business expansion, we will improve and effectively utilise our existing operational, management, marketing and financial systems and successfully recruit, hire, train and manage additional personnel. Our failure to manage our business expansion and growth may materially and adversely affect our business operations and financial performance.

6.1.5 Competition risks

Our Group may face intense competition from existing competitors and new entrants into the market in the future, both locally and internationally which offer similar products and services.

In view of this, our Group intends to sharpen our competitive edge by continually developing new measures to counter competition which will include, amongst others, product differentiation and innovation in products and services. We will continue to focus on providing highly reliable technology and also investments in products innovation to ensure our competitiveness in capturing market share. However, there can be no assurance that we would be able to sustain our competitiveness against current and future competitors.

6.1.6 Technological obsolescence

Our Group operates in a market where the products and services are prone to evolving industry standards and frequent new product introductions and enhancements. Our Group's future growth and success would depend on our ability to develop new products and services to meet the needs of our customers.

The development of new or enhanced products and services is a complex and uncertain process. Furthermore, we may also experience design, marketing and other difficulties that could delay or prevent the development of existing products and services and the introduction or marketing of new or enhanced products and services. Our businesses, operating results and financial conditions could be adversely affected if the competitors are able to develop new or enhanced products and services, on a timely manner and cost-effective basis that meet or best suit our customers' needs.

Our Group seeks to limit these risks by actively engaging in R&D activities that focuses on developing new products and services as well as enhance our in-house proprietary solutions. However, there can be no assurance that we would be able to develop new products and services on a timely manner and cost effective basis. Such circumstances may in turn adversely affect our business operations and financial performance.

The risk is further mitigated as prior to the commencement of any projects, extensive and in-depth technological requirements and discussions would be held with our customers. These discussions would consider any foreseeable potential changes in the technology employed and to adjust the project scope accordingly.

6.1.7 Liability for material defects or errors in the IT solutions

Any material defects or errors in IT solutions developed by us or failure to meet clients' specifications or expectations could adversely affect our financial results as many of the IT solutions we develop are critical to the operations of our clients' businesses. Although we have not encountered such material defects, there can be no assurance that this may not occur in the future.

This risk is mitigated as we have included relevant and reasonable clauses in our contracts with our customers to protect our interests, which include, amongst others, that the damages for delay (which includes delay arising from our negligent conduct causing such material defects or errors in IT solutions) are limited to the value of the contract. In addition, our Group will undergo several tests on the IT solutions, namely unit test, systems integration test, user acceptance test and subsequently acceptance from our customers for the IT solutions, prior to the installation of the IT solutions.

6.1.8 Dependence on major customers/ contracts

Our Group's revenue is mainly derived from the provision of products and services to private and government linked companies. Our revenue for any particular year may be dependent on a few major customers/ contracts and thus we would usually direct our resources on a few major customers during any particular year in order to maximise our revenue.

Notwithstanding the above, we have mitigated this risk factor by building close and long term business relationships with our major customers and has ensured that our projects and works schedules are completed on time and satisfactorily delivered to our customers.

6.1.9 Political, economic and regulatory risks

Our financial and business prospects and the industry in which we operate in, will depend to some degree on the developments in the political and regulatory front in Malaysia. Amongst the political, economic and regulatory factors are changes in inflation rates, interest rates, war, terrorism activities, riots, expropriations, changes in political leadership and unfavourable changes in the governments' policies such as licensing regulation.

We will continue to adopt effective measures such as prudent management and efficient operating procedures to mitigate these factors. However, there can be no assurance that adverse economic, political and regulatory changes will not materially affect our Group's business.

6.2 Risks relating to the Rights Issue with Warrants

6.2.1 Market risks for the Rights Shares and the Warrants C

The market price of our Shares is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets, outlook of the ICT industry and our financial performance. In view of this, there can be no assurance that our Shares will trade above the issue price of the Rights Shares or the theoretical ex-rights price of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities.

The value of the Warrants C is dependent on the market price of our Shares, exercise price for the Warrants C, remaining tenure of the Warrants C, volatility of our share price and the perceived risk-free rates applicable in the relevant market. In view of this, there can be no assurance that the Warrants C will be "in-the-money" during the tenure of the Warrants C. There can also be no assurance that an active market for the Warrants C will develop upon or subsequent to the listing of the Warrants C on Bursa Securities or if developed, that such market can be sustained.

Furthermore, you are reminded that should the outstanding Warrants C expire at the end of its tenure, it will cease thereafter to be valid for any purposes and hence, will no longer have any value.

6.2.2 Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances such as changes in inflation rates, interest rates, political leadership and unfavourable changes in the governments' policies such as taxation and licensing regulations as well as other force majeure events, which are beyond the control of our Company and RHBIB, arising prior to or during the implementation of the Rights Issue with Warrants.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and the Warrants C. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue with Warrants. In the event the Rights Issue with Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue with Warrants and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Shares with Warrants is aborted/ terminated, and the Rights Shares have been allotted to the shareholders, a return of monies to all holders of the Rights Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be removed within a short period of time or at all in such circumstances.

6.3 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions made by our management and although believed to be reasonable at that time, are subject to known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In view of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by us on the achievability of our future plans and objectives.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.1% in the fourth quarter of 2013, supported by private sector demand and improvement in exports. On the supply side, the major economic sectors grew further, supported by both domestic and trade activities. On a quarter-on-quarter seasonally adjusted basis, the economy recorded a growth of 2.1%. For the year 2013, the Malaysian economy grew by 4.7%.

Private consumption growth remained high in the fourth quarter, although the pace of expansion moderated. Household spending continued to be supported by stable employment conditions and sustained wage growth, especially in the domestic-oriented sectors. Growth in public consumption moderated to 5.1%, reflecting lower Government spending on emoluments.

On the supply side, growth was supported by the major economic sectors. The services sector grew in tandem with the improvement in trade and manufacturing activities. The manufacturing sector expanded further, supported by higher growth in both export- and domestic-oriented industries. The construction sector growth remained firm, underpinned by the activity in the non-residential and residential sub-sectors. However, the commodities sector weakened, due to lower production of rubber, palm oil and crude oil.

(Source: Economic and Financial Developments in the Malaysian Economy in the Fourth Quarter of 2013, Bank Negara Malaysia)

The Malaysian economy is expected to expand further by 5.0% - 5.5% in 2014, supported by favourable domestic demand and improving external environment. Growth will be private-led, supported by strong private capital spending while private consumption continues to remain resilient. Although some degree of uncertainty exists in the global environment due to the volatility of capital flows associated with the possibility of reduced global liquidity, Malaysia's external sector is expected to improve. This is in tandem with the continued recovery of growth of advanced economies as well as stronger regional trade activities which is evident in the second half of 2013. The better outlook of Malaysia's external sector is premised upon the People's Republic of China's real GDP growth, which is expected to be sustained at around 7.5%, while global trade will continue to grow at a steady pace of 5.0% in 2014.

Domestic demand is expected to continue its strong growth momentum, driven mainly by the private sector. Strong domestic fundamentals, including low unemployment, rising household income and sustained consumer confidence, will support the continued expansion of private consumption. Growth in private investment is expected to remain strong in line with improving external demand and increasing domestic activity. Public expenditure will be largely underpinned by increased spending on supplies and services.

(Source: Chapter 3: Economic Performance and Prospects, Economic Report 2013/ 2014, Ministry of Finance Malaysia)

The Government introduced the National Transformation Policy ("NTP") in the 2012 Budget which consolidates several innovative transformation programmes to strengthen domestic demand and steer the nation in achieving its mission of inclusive and sustainable growth. The 1Malaysia, People First, Performance Now principle which permeates all programmes under the NTP is aimed at uniting all Malaysians to face challenges ahead as a nation. The Government Transformation Programme, an initiative under the NTP, was launched to strengthen public service delivery to facilitate the outcomes under the seven National Key Results Area ("NKRAs") and 12 National Key Economic Areas ("NKEAs"). The Economic Transformation Programme is another effort under the NTP which sets the targets for the development of the NKEAs towards a high-income and developed economy. Likewise, the Political Transformation Programme is aimed at creating a functional democracy by balancing the nation's security needs and individual freedom, taking into account the complex national plurality and threats of global terrorism. To leverage digital technology, an important enabler for the country's transformation, the Digital Transformation Programme or Digital Malaysia was launched in 2011 with strong emphasis on productivity, innovation and creativity. A new initiative under the 2012 Budget is the Rural Transformation Programme which complements the national transformation agenda for rural areas.

(Source: Chapter 1: Economic Management and Prospects, Economic Report 2012/ 2013, Ministry of Finance Malaysia)

7.2 Overview and outlook of the ICT Industry

ICT has become an important sector in Malaysian economic development since the government incorporated it in one of the strategies towards creating an industrial-based economy (Second Outline Perspective Plan 1991-2000) and then a knowledge-based economy (Third Outline Perspective Plan 2001-2010). Currently, ICT has become the strategic enabler and key driver of the government and Economic Transformation Programmes for Malaysia.

In line with the strong growth and vast experience gained in electronics industry, Malaysia created Multimedia Super Corridor in 1996 as the nucleus for the growth of ICT and technology-based industries. From the role as manufacturer and exporter of ICT products, Malaysia moves higher in the industry value chain as provider and exporter of ICT services, and making significant inroads to overseas markets.

ICT is not just the industry which stands by itself, but also complement and support the development of other industry sectors. It is the enabler of growth and increasingly important either to the government, private sector as well as the common people. The role of ICT has also been expanded from being merely a vertical to encompass the horizontal – cutting across all spheres of the national economy and Malaysian quality of life. Indeed, this will result in greater use of ICT that will not only support the growth of the sector but also boost productivity and raise the nation's overall competitiveness.

(Source: Overview of ICT Industry, The Official Portal of Malaysia External Trade Development Corporation, 15 April 2014)

PIKOM, the National ICT Association of Malaysia, announced the new five (5) Year Strategic Direction for 2013-2017. The five (5)-Year Strategic Direction will be supported by six (6) Key Thrusts that will drive the major initiatives of the association.

The new five (5) Year Strategic Direction is timely as the nation pushes towards a developed nation status by 2020. ICT will play a critical enabler in a knowledge-based society.

The Strategic Direction is aimed at growing the industry by 10% per annum from 2013 to 2017. The total industry revenue would reach RM95 billion by 2017 from the base of RM57 billion in 2012.

The six (6) Key Thrusts are:-

- Globalise the Malaysian ICT industry;
- Increase competitiveness of the ICT industry;
- Promote human capital development;
- Lead the digital trend;
- Enhance value to members; and
- Accelerate growth of Malaysian ICT demand.

The Strategic Direction and Key Thrusts are aimed at providing greater value to members, addressing the human capital issues we face as an industry, creating and growing the demand for ICT products and services domestically while increasing our competitiveness with the end game of creating world class ICT players.

From the Key Thrusts, major initiatives have been identified with targets at the end of the five (5) years which will form the tactical approach. These will cascade to the annual activities and key performance index ("KPIs") that will form the base of the operational plan.

The Strategic Direction will be the guiding path for the next five (5) years which is in line with purpose and passion of Championing and Realising the Digital Opportunity.

(Source: PIKOM, "PIKOM announces 5 Year Strategic Direction", 7 February 2013)

The ICT sector will continue to be a key focus for Malaysia and is expected to gain greater momentum driven by the convergence of industries due to digitalisation. The contribution of the ICT industry to gross domestic product is targeted to increase to 10.2% by 2015. Greater use of ICT will not only support the growth of the sector but also boost productivity and raise the nation's overall competitiveness. However, to achieve growth, Malaysia needs to shift from being an average producer of general ICT products and services to a niche producer of selected ICT products and services, and progress from a net importer to a net exporter. Issues of lack of product acceptability, weak product branding and lack of cross-discipline expertise will be addressed.

(Source: Economic Planning Unit – 10th Malaysian Plan)

7.3 Future prospects of our Group

EAH is an investment holding, management and consultancy services company and our subsidiary companies are principally involved in the e-business consultancy and hardware system integration, provision of business intelligence software and development, IT services and management consultancy, research, design, development, sales and distribution of Radio Frequency Identification ("RFID") based tracking system and building management systems.

As at the LPD, our Group has secured and completed several projects for other statutory bodies, enterprise clients and government-linked companies ("GLCs"), of which the completed major projects in the FYE 31 December 2013 and up to the LPD are set out in the following page:-

Customers	Description of project	Month of commencement	Month of completion	Contract value RM'000
GLC in finance segment	System application and implementation	November 2012	April 2013	1,746
Financial statutory body	Business intelligence	April 2013	September 2013	1,631
Turnkey ICT infrastructure provider	Building automation system	October 2011	September 2013	3,285
GLC in infrastructure segment	System application and implementation	March 2013	December 2013	2,700
GLC in infrastructure segment	System application and implementation	June 2013	January 2014	2,700
GLC in utilities segment	Data and output management system	March 2013	March 2014	8,000
Financial statutory body	Business intelligence	April 2013	April 2014	5,300
Total				**25,362**

Further, as at the LPD, the current jobs in hand amounted to approximately RM86.51 million, details are as set out below:-

Customers	Description of project	Month of commencement	Month of completion	Contract value RM'000
Federal statutory body	Mainframe upgrade	July 2013	January 2014*1	59,140
Federal statutory body	Software renewal and training	February 2013	January 2016	12,710
Federal statutory body	Software renewal and maintenance	September 2013	January 2017	11,998
GLC in land development segment	Automated processing system	April 2013	April 2018	1,077
Federal statutory body	Data centre relocation	November 2013	December 2014	1,586
Total				**86,511**

Note:-

*1 *This project was completed in early 2014 and has a three (3)-year period for licensing and maintenance services up to 10 January 2017*

Our Board, after having considered all the relevant aspects including the current projects in hand, the above-mentioned prospects and the ICT industry outlook, is of the view that our Group is able to continue to sustain our financial performance for the FYE 31 December 2014 as well as deliver greater value to the shareholders of our Company.

Subsequent to the initial public listing of our Company on the ACE Market of Bursa Securities on 20 July 2010, our Company had to date expanded our group of companies to include DDSB (M) Sdn Bhd ("DDSB") as our 86%-held subsidiary company. The business acquisition of DDSB had brought various synergies to our Group besides increasing the revenue and profit growth of our Group, amongst others, sharing of resources, technology know-hows and expansion of business opportunities through cross-marketing of products and services and cross-referencing of customers within the enlarged EAH Group. Apart from expanding our Group's business organically via the internal growth of our existing businesses, our Group's future plans also includes expanding inorganically, via mergers and acquisitions of businesses or investments which may generate positive returns to our Group in the future, thereby further increasing our shareholders' value.

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8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Issued and paid-up share capital

The proforma effects of the Rights Issue with Warrants on our issued and paid-up share capital as at the LPD are set out below:-

	Minimum Scenario		Maximum Scenario 1		Maximum Scenario 2	
	No. of Shares	RM	No. of Shares	RM	No. of Shares	RM
Issued and paid-up share capital as at the LPD	425,176,500	42,517,650	425,176,500	42,517,650	425,176,500	42,517,650
Shares to be issued assuming all of the outstanding Warrants A are exercised	-	-	-	-	116,250,750	11,625,075
	425,176,500	42,517,650	425,176,500	42,517,650	541,427,250	54,142,725
Shares to be issued assuming all of the outstanding Warrants B are exercised	-	-	-	-	94,483,666	9,448,367
	425,176,500	42,517,650	425,176,500	42,517,650	635,910,916	63,591,092
Shares to be issued pursuant to the Rights Issue with Warrants	79,834,833	7,983,483	425,176,500	42,517,650	635,910,916	63,591,092
	505,011,333	50,501,133	850,353,000	85,035,300	1,271,821,832	127,182,184
Shares to be issued assuming full exercise of the Warrants C	39,917,416	3,991,742	212,588,250	21,258,825	317,955,458	31,795,545
Enlarged issued and paid-up share capital	**544,928,749**	**54,492,875**	**1,062,941,250**	**106,294,125**	**1,589,777,290**	**158,977,729**

8.2 NA per Share and gearing

Based on the audited consolidated statements of financial position of EAH Group as at 31 December 2013, the proforma effects of the Rights Issue with Warrants on the NA per Share and gearing of our Group are set out below:-

Minimum Scenario

	Audited as at 31 December 2013 RM'000	I After adjusting for the bonus issue of Warrants B exercise RM'000	II After I and the Rights Issue with Warrants RM'000	III After II and assuming full exercise of the Warrants C RM'000
Share capital	42,518	42,518	50,501	54,493
Reserves	1,694	1,504*1	2,979*2	3,777*5
Retained profit	24,928	24,928	22,653*3	22,653
Shareholders' equity/ NA	**69,140**	**68,950**	**76,133**	**80,923**
No. of Shares in issue ('000)	425,177	425,177	505,011	544,929
NA per Share (RM)	0.16	0.16	0.15	0.15
Borrowings (RM'000)	5,776	5,776	1,486*4	1,486
Gearing ratio (times)	0.08	0.08	0.02	0.02

Notes:-

*1 *After deducting estimated expenses of RM190,000 from the share premium account, which was incurred in relation to the bonus issue of 94,483,666 Warrants B on the basis of two (2) free Warrants B for every nine (9) existing EAH Shares held which was completed on 3 March 2014*

*2 *After the recognition of the theoretical fair value of the Warrants C amounting to RM2.27 million and after deducting estimated expenses of RM0.80 million in relation to the Corporate Exercises from the share premium account*

*3 *After adjusting for the theoretical fair value of the Warrants C of RM0.057 per Warrant C using the Black Scholes option pricing model*

*4 *For illustrative purposes, assuming the proceeds for the repayment of borrowings amounting to RM4.29 million is utilised at this juncture*

*5 *After adjusting for the net effect of increase in the share premium account of RM0.80 million pursuant to the full exercise of the Warrants C at the exercise price of RM0.12 per Warrant C*

Maximum Scenario 1

	Audited as at 31 December 2013 RM'000	I After adjusting for the bonus issue of Warrants B exercise RM'000	II After I and the Rights Issue with Warrants RM'000	III After II and assuming full exercise of the Warrants C RM'000
Share capital	42,518	42,518	85,035	106,294
Reserves	1,694	1,504*1	12,822*2	17,074*5
Retained profit	24,928	24,928	12,810*3	12,810
Shareholders' equity/ NA	**69,140**	**68,950**	**110,667**	**136,178**
No. of Shares in issue ('000)	425,177	425,177	850,353	1,062,941
NA per Share (RM)	0.16	0.16	0.13	0.13
Borrowings (RM'000)	5,776	5,776	1,486*4	1,486
Gearing ratio (times)	0.08	0.08	0.01	0.01

Notes:-

*1 *After deducting estimated expenses of RM190,000 from the share premium account, which was incurred in relation to the bonus issue of 94,483,666 Warrants B on the basis of two (2) free Warrants B for every nine (9) existing EAH Shares held which was completed on 3 March 2014*

*2 *After the recognition of the theoretical fair value of the Warrants C amounting to RM12.12 million and after deducting estimated expenses of RM0.80 million in relation to the Corporate Exercises from the share premium account*

*3 *After adjusting for the theoretical fair value of the Warrants C of RM0.057 per Warrant C using the Black Scholes option pricing model*

*4 *For illustrative purposes, assuming the proceeds for the repayment of borrowings amounting to RM4.29 million is utilised at this juncture*

*5 *After adjusting for the net effect of increase in the share premium account of RM4.25 million pursuant to the full exercise of the Warrants C at the exercise price of RM0.12 per Warrant C*

Maximum Scenario 2

	Audited as at 31 December 2013 RM'000	I After adjusting for the bonus issue of Warrants B exercise RM'000	II After I and assuming all of the outstanding Warrants A are exercised RM'000	III After II and assuming all of the outstanding Warrants B are exercised RM'000	IV After III and the Rights Issue with Warrants RM'000	V After IV and assuming full exercise of the Warrants C RM'000
Share capital	42,518	42,518	54,143	63,591	127,182	158,978
Reserves	1,694	1,504*1	36,379*2	43,938*3	61,261*4	67,620*7
Retained profit	24,928	24,928	24,928	24,928	6,805*5	6,805
Shareholders' equity/ NA	**69,140**	**68,950**	**115,450**	**132,457**	**195,248**	**233,403**
No. of Shares in issue ('000)	425,177	425,177	541,427	635,911	1,271,822	1,589,777
NA per Share (RM)	0.16	0.16	0.21	0.21	0.15	0.15
Borrowings (RM'000)	5,776	5,776	5,776	5,776	1,486*6	1,486
Gearing ratio (times)	0.08	0.08	0.05	0.04	0.01	0.01

Notes:-

*1 *After deducting estimated expenses of RM190,000 from the share premium account, which was incurred in relation to the bonus issue of 94,483,666 Warrants B on the basis of two (2) free Warrants B for every nine (9) existing EAH Shares held which was completed on 3 March 2014*

*2 *After adjusting for the net effect of increase in the share premium account of RM34.87 million pursuant to the exercise of all of the outstanding Warrants A at an exercise price of RM0.40 per Warrant A*

*3 *After adjusting for the increase in the share premium account of RM7.56 million pursuant to the exercise of all of the outstanding Warrants B at an exercise price of RM0.18 per Warrant B*

*4 *After the recognition of the theoretical fair value of the Warrants C amounting to RM18.12 million and after deducting estimated expenses of RM0.80 million in relation to the Corporate Exercises from the share premium account*

*5 *After adjusting for the theoretical fair value of the Warrants C of RM0.057 per Warrant C using the Black Scholes option pricing model*

*6 *For illustrative purposes, assuming the proceeds for the repayment of borrowings amounting to RM4.29 million is utilised at this juncture*

*7 *After adjusting for the net effect of increase in the share premium account of RM6.36 million pursuant to the full exercise of the Warrants C at the exercise price of RM0.12 per Warrant C*

8.3 Earnings and EPS

The Rights Issue with Warrants is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2014. However, the EPS of our Group may be diluted as a result of the increase in the number of EAH Shares in issue upon the completion of the Rights Issue with Warrants, which is expected to be completed by the second quarter of 2014, and as and when the Warrants C are exercised into new EAH Shares.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from our operations, current cash in hand and banking facilities available as well as proceeds from the Rights Issue with Warrants, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM4.29 million. All the borrowings are denominated in local currency, interest-bearing and comprise the following:-

	RM'000
Short term borrowings:-	
Revolving credit	1,840
Bank overdraft	2,450
Total	**4,290**

After having made all reasonable enquiries by our Board, there has been no default on payments of either interest and/ or principal sums in respect of any borrowings for the FYE 31 December 2013 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

After having made all reasonable enquiries by our Board, as at the LPD, there are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

9.4 Material commitments

After having made all reasonable enquiries by our Board, as at the LPD, there are no material commitments for capital expenditure incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

10.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotment which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for Excess Rights Shares with Warrants C if you choose to do so.

10.2 NPA

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Allotment will be by book entries through the CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. You and/ or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Rights Shares is at **5.00 p.m.** on **Tuesday, 10 June 2014**, or such later date and time as our Board may, at its absolute discretion, determine and announce not less than two (2) Market Days before the stipulated date and time.

10.4 Procedure for full acceptance and payment

Acceptance and payment for the Provisional Allotment must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTION CONTAINED THEREIN.

YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement, please complete Parts I and III of the RSF in accordance with the notes and instructions provided therein. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** at the address as set out in the next page:-

Insurban Corporate Services Sdn Bhd (76260-W)
149, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel No.: 03 - 7729 5529
Fax No.: 03 - 7728 5948

so as to arrive **not later than 5.00 p.m.** on **Tuesday, 10 June 2014**, being the last date and time for acceptance and payment for the Rights Shares, or such later date and time as our Board may, at its absolute discretion, determine and announce not less than two (2) Market Days before the stipulated date and time.

One (1) RSF can only be used for acceptance of Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotment standing to the credit of more than one (1) CDS Account(s). If successful, the Rights Shares subscribed for together with the Warrants C will be credited into your CDS Account(s) where the Provisional Allotment is standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You and/ or your renouncee(s) (if applicable) should take note that a trading board lot for the Rights Shares and the Warrants C comprises of 100 Rights Shares and 100 Warrants C respectively. Successful applicants of the Rights Shares will be given Warrants C on the basis of one (1) Warrant C for every two (2) Rights Shares successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share. Fractions of Rights Shares with Warrants C, if any, will be disregarded, and shall be dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance and payment for the Provisional Allotment (whether in full or in part, as the case may be) is not received by our Share Registrar by **5.00 p.m.** on **Tuesday, 10 June 2014**, being the last date and time and for acceptance and payment, or such later date and time as may be determined and announced by our Board at their absolute discretion not less than two (2) Market Days before the stipulated date and time, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares with Warrants C are not fully taken up by such applicants, our Board will then have the right to allot such securities to the applicants who have applied for the Excess Rights Shares with Warrants C in the manner as set out in Section 10.8 of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

If you or your renouncee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from Bursa Securities' website at http://www.bursamalaysia.com, our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES ACCEPTED IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "EAH RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR. CHEQUES OR ANY OTHER MODE(S) OF PAYMENT ARE NOT ACCEPTABLE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES AND WARRANTS C, AND NOTICES OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

10.5 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Allotment provided always that the minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share.

You must complete both Parts I and III of the RSF by specifying the number of the Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.4 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Allotment that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Allotment.

10.6 Procedure for sale or transfer of the Provisional Allotment

As the Provisional Allotment are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Allotment to one (1) or more person(s) through your stockbrokers without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Allotment, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Allotment, you may still accept the balance of the Provisional Allotment by completing the RSF. Please refer to Sections 10.4 and 10.5 of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Allotment, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Allotment standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Allotment may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our Registered Office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at http://www.bursamalaysia.com.

ENTITLED SHAREHOLDERS WHO DISPOSE OR TRANSFER THEIR PROVISIONAL ALLOTMENT WILL AUTOMATICALLY BE DISPOSING OR TRANSFERRING THEIR ENTITLEMENTS TO THE RIGHTS SHARES AND THE WARRANTS C IN THE PROPORTION OF TWO (2) RIGHTS SHARES WITH ONE (1) ATTACHED WARRANT C SUBSCRIBED FOR.

10.7 Procedure for acceptance by renouncees

Renouncees who wish to accept the Provisional Allotment must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from Bursa Securities' website at http://www.bursamalaysia.com, and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 10.4 of this Abridged Prospectus also applies to renouncees who wish to accept the Provisional Allotment.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.8 Procedure for application of Excess Rights Shares with Warrants C

You and/ or your renouncee(s) (if applicable) may apply for the Excess Rights Shares with Warrants C in excess of your entitlement by completing Part II of the RSF (in addition to Parts I and III) and forward it (together with a **separate remittance** for the full amount payable in respect of the Excess Rights Shares with Warrants C applied for) to our Share Registrar **not later than 5.00 p.m.** on **Tuesday, 10 June 2014**, being the last date and time for acceptance and payment, or such later date and time as may be determined and announced by our Board at their absolute discretion not less than two (2) Market Days before the stipulated date and time.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.4 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "EAH EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR. CHEQUES OR ANY OTHER MODE(S) OF PAYMENT ARE NOT ACCEPTABLE.

It is the intention of our Board to allot the Excess Rights Shares with Warrants C, if any, on a fair and equitable basis and in the following priority:-

i. Firstly, to minimise the incidence of odd lots;

ii. Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants C, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in the Company as at the Entitlement Date;

iii. Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants C, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares with Warrants C applied for; and

iv. Finally, for allocation to renouncees who have applied for the Excess Rights Shares with Warrants C, on a pro-rata basis and in board lot, calculated based on the quantum of Excess Rights Shares with Warrants C applied for.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants C applied for under Part II of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i), (ii), (iii) and (iv) above are achieved.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS C. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES AND WARRANTS C, AND NOTICES OF ALLOTMENT WILL BE DESPATCHED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

10.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and the Warrants C are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository shall apply to the dealings in the Rights Shares and the Warrants C.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or warrant certificates shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and the Warrants C will be credited directly into your CDS Account.

The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares with Warrants C.

10.9.1 Subscription for the Rights Shares by Entitled Shareholders

Where the Rights Shares and Warrants C are provisionally allotted to you as an Entitled Shareholder in respect of your existing EAH Shares standing credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Allotment shall mean that you consent to receive such Rights Shares and Warrants C as prescribed or deposited securities which will be credited directly into your CDS Account.

10.9.2 Subscription of Rights Shares by renouncees

Any person who has purchased the Provisional Allotment or to whom the Provisional Allotment has been transferred and intends to subscribe for the Rights Shares must state his CDS Account number in the space provided in the RSF. The Rights Shares and the Warrants C will be credited directly as prescribed or deposited securities into his CDS Account upon allotment and issuance.

10.9.3 Application for the Excess Rights Shares with Warrants C by an Entitled Shareholder and/ or his renouncee(s) (if applicable)

The Excess Rights Shares with Warrants C, if allotted to the successful applicant who applies for the Excess Rights Shares with Warrants C, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares with Warrants C will be made on a fair and equitable basis as disclosed in Section 10.8 of this Abridged Prospectus.

10.10 Laws of foreign jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so.

RHBIB, other experts, our Company, our Directors and officers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. RHBIB, other experts, our Company, our Directors and officers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or renouncee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/ or RHBIB in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing the RSF, the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) RHBIB, other experts, our Company, our Directors and officers that:-

i. we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or renouncee(s) (if applicable) are or may be subject to;

ii. they have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotment;

iii. they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Allotment, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

iv. they are aware that the Rights Shares and the Warrants C can only be transferred, sold or otherwise disposed, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

v. they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and

vi. they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants C.

Persons receiving this Abridged Prospectus, the NPA and the RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, the NPA and the RSF to any foreign jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares from any such application by Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and the Warrants C pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus, the Deed Poll C, and the NPA and the RSF enclosed herewith.

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12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
EA HOLDINGS BERHAD

MOHAMMAD SOBRI BIN SAAD
Chief Executive Officer

Company No. 878041-A

APPENDIX I

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 29 APRIL 2014

Minutes

EA HOLDINGS BERHAD ("EAH" or "the Company")
Extraordinary General Meeting
Tuesday, 29 April 2014
Redang Room
Bukit Jalil Golf & Country Resort
Jalan 3/155B, Bukit Jalil
57000 Kuala Lumpur

CERTIFIED TRUE COPY

....
LAANG JHE HOW
Company Secretary
MIA 25193

Directors	:	1. Mr. Azahar Bin Rasul ("Mr. Chairman" or "Mr. Azahar") 2. Mr. Choo Seng Choon 3. Mr. Mohammad Sobri Bin Saad 4. Mr. Basir Bin Bachik 5. Mr. Abdul Fattah Bin Mohamed Yatim
Members	:	As per attendance list
Proxy Holders	:	As per attendance list
Invitees	:	As per attendance list
In Attendance	:	1. Ms. Brenda Cunard 2. Mr. Tan Kah Koon

Mr. Azahar Bin Rasul ("Mr. Chairman") was in the Chair. Mr. Chairman welcomed all present ("the Meeting") at the Extraordinary General Meeting of the Company and called the Meeting to order at 10.30 a.m.

Quorum

With the requisite quorum being present, Mr. Chairman declared the Meeting duly convened.

Notice

The Notice convening the Meeting, which had been circulated within the prescribed period, was taken as read with the permission of the meeting.

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LAANG JHE HOW
Company Secretary
MIA 25193

1.	**<u>SPECIAL RESOLUTION 1</u>** **PROPOSED AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF EAH** Mr. Chairman informed the Meeting that the first item on the Agenda was to approve the proposed amendment to the memorandum of Association of EAH. Mr Chairman further informed that the purpose of the amendment is to increase the authorise share capital of EAH from RM100 million to RM250 million. This proposed increase is to facilitate the issuance of new EAH shares arising from the proposed rights issue with warrants, and for increases in the share capital arising from future corporate exercises. Proposer: Mr. Fan Ruey Yin Seconder: Mr. Tan Chuek Hooi Upon the proposal and seconded by the abovementioned persons, the Meeting (on a show of hands) unanimously resolved that the following Special Resolution be hereby approved:- **THAT**, subject to the passing of the Ordinary Resolutions 1 and 2, approval be and is hereby given to the Company to alter, modify, vary and delete the Memorandum of Association of EAH in the following manner:- <u>Clause 6 of the Memorandum of Association of EAH</u> **Existing**: The capital of the Company is Ringgit Malaysia One Hundred Million (RM100,000,000.00) divided into 1,000,000,000 shares of RM0.10 each. **Proposed**: The capital of the Company is Ringgit Malaysia Two Hundred Fifty Million (RM250,000,000.00) divided into 2,500,000,000 shares of RM0.10 each.	
2.	**<u>ORDINARY RESOLUTION 1</u>** **PROPOSED RENOUNCEBLE RIGHTS ISSUE OF UP TO 635,910,916 NEW EAH SHARES ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING EAH SHARE HELD, TOGETHER WITH UP TO 317,955,458 FREE DETACHABLE WARRANTS IN EAH ("WARRANT(S) C") ON THE BASIS OF ONE (1) FREE WARRANT C FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED FOR, ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")** Mr. Chairman informed the Meeting that the next item on the Agenda was to approve the proposed rights issue of up to 635,910,916 new EAH shares on the basis of 1 Rights Share for every 1 existing EAH share held together with up to 317,955,458 free detachable warrants in EAH on the basis of 1 free warrant for every 2 rights shares subscribed at an issued price to be determined later.	

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LAANG JHE HOW
Company Secretary
MIA 25193

	Proposer: Mr. Wong Hon Mun Seconder: Mr. Tan Ching Hong Upon the proposal and seconded by the abovementioned persons, the Meeting (on a show of hands) unanimously resolved that the Proposed Rights Issue with warrants be hereby approved.	
3.	<u>**ORDINARY RESOLUTION 2**</u> **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF EAH FROM RM100,000,000 COMPRISING 1,000,000,000 ORDINARY SHARES OF RM0.10 EACH IN EAH ("EAH SHARE(S)" OR "SHARE(S)") TO RM250,000,000 COMPRISING OF 2,500,000,000 EAH SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")** Mr. Chairman informed the Meeting that the final item on the Agenda was to approve the proposed increase in the authorised share capital of EAH from RM100,000,000 comprising 1,000,000,000 ordinary shares of RM0.10 each to RM250,000,000 comprising 2,500,000,000 ordinary shares of RM0.10 each. Proposer: Mr. Tan Chuek Hooi Seconder: Mr. Fan Ruey Yin Upon the proposal and seconded by the abovementioned persons, the Meeting (on a show of hands) unanimously resolved that the following proposed increase in authorised share capital be hereby approved:- "**THAT**, subject to the passing of Special Resolution 1 and Ordinary Resolution 1, the authorised share capital of the Company be and is hereby increased from RM100,000,000 comprising 1,000,000,000 EAH Shares to RM250,000,000 comprising 2,500,000,000 EAH Shares, by the creation of an additional 1,500,000,000 EAH Shares."	
4.	**CONCLUSION** There being no notice received to transact any other business, Mr. Chairman concluded the Meeting and thanked all present for their attendance. The Meeting concluded at 10.50 a.m. with a vote of thanks to the Chair.	

Signed as a correct record,

AZAHAR BIN RASUL
CHAIRMAN

EDZ/Brenda

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 6 November 2009 under the Act as a private limited company under the name of EA Holdings Sdn Bhd. We were subsequently converted into a public limited company on 19 February 2010 and assumed our present name. We were listed on the ACE Market of Bursa Securities on 20 July 2010.

We are principally engaged in investment holding, management and consultancy services. Our subsidiary companies are principally involved in the e-business consultancy and hardware system integration, provision of business intelligence software and development, IT services and management consultancy, research, design, development, sales and distribution of RFID-based tracking system and building management systems.

Further details on the principal activities of our subsidiary companies are set out in Section 5 of this Appendix II.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are set out below:-

	No. of Shares	Par value RM	Total RM
Authorised	2,500,000,000	0.10	250,000,000
Issued and paid-up	425,176,500	0.10	42,517,650

The details of the changes in our authorised share capital for the past three (3) years preceding the LPD are set out below:-

Date of change	No. of Shares created	Par value RM	Description	Cumulative authorised share capital RM
18.08.2011	250,000,000	0.10	Increase in authorised share capital	50,000,000
22.11.2012	500,000,000	0.10	Increase in authorised share capital	100,000,000
29.04.2014	1,500,000,000	0.10	Increase in authorised share capital	250,000,000

The details of the changes in our issued and paid-up share capital for the past three (3) years preceding the LPD are set out below:-

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
22.08.2011	48,450,000	0.10	Acquisition of 51% equity interest in DDSB	20,345,100
13.01.2012	101,725,500	0.10	Bonus issue	30,517,650
22.11.2012	120,000,000	0.10	Acquisition of a further 35% equity interest in DDSB	42,517,650

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of our substantial shareholders as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

					I				II			
	Shareholding as at the LPD				After the Rights Issue with Warrants				After I and assuming full exercise of the Warrants C			
	<----------Direct--------->		<------Indirect------->		<---------Direct--------->		<-------Indirect------>		<---------Direct---------->		<------Indirect------>	
Substantial shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Mohammad Sobri bin Saad	79,834,833	18.78	-	-	159,669,666	31.62	-	-	199,587,082	36.63[*1]	-	-

Maximum Scenario 1

					I				II			
	Shareholding as at the LPD				After the Rights Issue with Warrants				After I and assuming full exercise of the Warrants C			
	<----------Direct--------->		<------Indirect------->		<---------Direct--------->		<-------Indirect------->		<---------Direct--------->		<-------Indirect------->	
Substantial shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Mohammad Sobri bin Saad	79,834,833	18.78	-	-	159,669,666	18.78	-	-	199,587,082	18.78	-	-

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Maximum Scenario 2

Substantial shareholder	Shareholding as at the LPD: Direct No. of Shares	%	Indirect No. of Shares	%	I Assuming all of the outstanding Warrants A are exercised: Direct No. of Shares	%	Indirect No. of Shares	%	II After I and assuming all of the outstanding Warrants B are exercised: Direct No. of Shares	%	Indirect No. of Shares	%
Mohammad Sobri bin Saad	79,834,833	18.78	-	-	107,794,925	19.91	54[*2]	-[*3]	118,870,428	18.69	54[*2]	-[*3]

Substantial shareholder	III After II and the Rights Issue with Warrants: Direct No. of Shares	%	Indirect No. of Shares	%	IV After III and assuming full exercise of the Warrants C: Direct No. of Shares	%	Indirect No. of Shares	%
Mohammad Sobri bin Saad	237,740,856	18.69	108[*2]	-[*3]	297,176,070	18.69	135[*2]	-[*3]

Notes:-

*1 *Assuming the full exercise of the Warrants C held by him upon completion of the Rights Issue with Warrants under the Minimum Scenario, his equity interest in EAH may increase from approximately 31.62% to 36.63% and in such event, he shall have an obligation to undertake a mandatory take-over offer pursuant to the Code*

Mohammad Sobri bin Saad does not intend to undertake a mandatory take-over offer to acquire all the remaining EAH Shares and convertible securities in EAH not already held by him and the persons acting in concert with him, if any, upon completion of the Rights Issue with Warrants. In this regard, he shall observe his shareholding in the Company at all times as well as prior to any exercise of the convertible securities in EAH held by him, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Code

*2 *Deemed interested under Section 132(12)(c) of the Act by virtue of his spouse's shareholding in EAH pursuant to his spouse's holding of Warrant A*

*3 *Negligible*

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4. DIRECTORS

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Azahar Bin Rasul	33, Jalan 8/ 2B Desa Bakti Selayang 68100 Kuala Lumpur	52	Malaysian	Company Director	Group Chairman/ Independent Non-Executive Director
Mohammad Sobri Bin Saad	40, Jalan Kubah U8/ 56 Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan	53	Malaysian	Company Director	Chief Executive Officer
Basir Bin Bachik	J3-5-502, Block J Pangsapuri Sri Meranti Bandar Sri Damansara 62200 Kuala Lumpur	55	Malaysian	Company Director	Executive Director
Choo Seng Choon	22A, Jalan SU 2B Sering Ukay 68000 Ampang Selangor Darul Ehsan	40	Malaysian	Company Director	Senior Independent Non-Executive Director
Abdul Fattah Bin Mohamed Yatim	628, Jalan 8 Taman Ampang Utama Jalan Ampang 68000 Ampang Selangor Darul Ehsan	58	Malaysian	Company Director	Independent Non-Executive Director

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The shareholdings of our Directors as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

	Shareholding as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants C			
	<----------Direct--------->		<------Indirect------->		<---------Direct--------->		<-------Indirect------->		<---------Direct---------->		<------Indirect------>	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Mohammad Sobri bin Saad	79,834,833	18.78	-	-	159,669,666	31.62	-	-	199,587,082	36.63[*1]	-	-
Basir bin Bachik	410,000	0.10	-	-	410,000	0.08	-	-	410,000	0.08	-	-
Abdul Fattah bin Mohamed Yatim	15	-[*3]	-	-	15	-[*3]	-	-	15	-[*3]	-	-
Choo Seng Choon	-	-	-	-	-	-	-	-	-	-	-	-
Azahar bin Rasul	-	-	-	-	-	-	-	-	-	-	-	-

Maximum Scenario 1

	Shareholding as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants C			
	<----------Direct--------->		<------Indirect------->		<---------Direct--------->		<-------Indirect------->		<---------Direct--------->		<-------Indirect------->	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Mohammad Sobri bin Saad	79,834,833	18.78	-	-	159,669,666	18.78	-	-	199,587,082	18.78	-	-
Basir bin Bachik	410,000	0.10	-	-	820,000	0.10	-	-	1,025,000	0.10	-	-
Abdul Fattah bin Mohamed Yatim	15	-[*3]	-	-	30	-[*3]	-	-	37	-[*3]	-	-
Choo Seng Choon	-	-	-	-	-	-	-	-	-	-	-	-
Azahar bin Rasul	-	-	-	-	-	-	-	-	-	-	-	-

Company No. 878041-A

Maximum Scenario 2

Directors	Shareholding as at the LPD				I Assuming all of the outstanding Warrants A are exercised				II After I and assuming all of the outstanding Warrants B are exercised			
	<----Direct---->		<----Indirect---->		<----Direct---->		<----Indirect---->		<----Direct---->		<----Indirect---->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mohammad Sobri bin Saad	79,834,833	18.78	-	-	107,794,925	19.91	54*2	-*3	118,870,428	18.69	54*2	-*3
Basir bin Bachik	410,000	0.10	-	-	410,000	0.08	-	-	501,111	0.08	-	-
Abdul Fattah bin Mohamed Yatim	15	-*3	-	-	22	-*3	-	-	25	-*3	-	-
Choo Seng Choon	-	-	-	-	-	-	-	-	-	-	-	-
Azahar bin Rasul	-	-	-	-	-	-	-	-	-	-	-	-

Directors	III After II and the Rights Issue with Warrants				IV After III and assuming full exercise of the Warrants C			
	<----Direct---->		<----Indirect---->		<----Direct---->		<----Indirect---->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mohammad Sobri bin Saad	237,740,856	18.69	108*2	-*3	297,176,070	18.69	135*2	-*3
Basir bin Bachik	1,002,222	0.08	-	-	1,252,777	0.08	-	-
Abdul Fattah bin Mohamed Yatim	50	-*3	-	-	62	-*3	-	-
Choo Seng Choon	-	-	-	-	-	-	-	-
Azahar bin Rasul	-	-	-	-	-	-	-	-

Notes:-

*1 *Assuming the full exercise of the Warrants C held by him upon completion of the Rights Issue with Warrants under the Minimum Scenario, his equity interest in EAH may increase from approximately 31.62% to 36.63% and in such event, he shall have an obligation to undertake a mandatory take-over offer pursuant to the Code*

Mohammad Sobri bin Saad does not intend to undertake a mandatory take-over offer to acquire all the remaining EAH Shares and convertible securities in EAH not already held by him and the persons acting in concert with him, if any, upon completion of the Rights Issue with Warrants. In this regard, he shall observe his shareholding in the Company at all times as well as prior to any exercise of the convertible securities in EAH held by him, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Code

*2 *Deemed interested under Section 132(12)(c) of the Act by virtue of his spouse's shareholding in EAH pursuant to his spouse's holding of Warrant A*

*3 *Negligible*

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5. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Subsidiary companies	Date and place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Colwyn Bay Technologies Sdn Bhd	20.11.2012 Malaysia	5,001,000	100	Provision of IT services and investment holding
CSS MSC Sdn Bhd	28.11.2005 Malaysia	3,500,000	100	Provision of business intelligence software and development, IT service and management consultancy and system integration
DDSB (M) Sdn Bhd	08.07.1999 Malaysia	2,500,000	86	IT, consultancy services and software development
Subsidiary company of Colwyn Bay Technologies Sdn Bhd				
EASS Sdn Bhd	22.09.2006 Malaysia	5,000,000	100	E-Business consultancy and hardware system integration specialists
Subsidiary company of EASS Sdn Bhd				
EA MSC Sdn Bhd	04.04.2008 Malaysia	3,000,000	100	Research, design, development, sales and distribution of RFID-based tracking system

As at the LPD, we do not have any associate company.

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6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) financial years up to the FYE 31 December 2013:-

	<--------Audited--------		-------->
	FYE 31 December 2011 RM'000	FYE 31 December 2012 RM'000	FYE 31 December 2013 RM'000
Revenue	36,584	46,015	91,655
Cost of sales	(14,234)	(27,871)	(72,559)
Gross profit	**22,350**	**18,144**	**19,096**
Other operating income	7	31	98
Administrative expenses	(2,706)	(3,319)	(3,196)
Staff cost	(6,412)	(4,553)	(4,661)
Distribution costs	(282)	(351)	(238)
Other operating expenses	(624)	(327)	(440)
Profit/ (loss) from operations	12,333	**9,625**	**10,659**
Finance cost	(375)	(573)	(674)
Profit/ (loss) before tax	**11,958**	**9,052**	**9,985**
Income tax expense	(170)	(185)	(730)
Profit/ (loss) for the year	**11,788**	**8,867**	**9,255**
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	**11,788**	**8,867**	**9,255**
Profit attributable to:			
Owners of the Company	8,035	6,095	8,985
Non-controlling interest	3,743	2,773	270
Net profit/ (loss) for the year	**11,788**	**8,867**	**9,255**
Weighted average number of shares in issue ('000)	172,257	318,291	425,177
Earnings/ (losses) before interest, taxation, depreciation and amortisation (RM'000)	13,644	10,318	11,344
Gross profit margin (%)	61.09	39.43	20.83
Profit/ (loss) margin (%)	21.96	13.25	10.10
Earnings/ (losses) per Share (sen)			
- Basic	4.66	1.91	2.11
- Diluted[*1]	n.a.	n.a.	n.a.
Dividends paid (RM'000)	-	-	-

Note:-

[*1] *Diluted earnings per share is not applicable for the financial year/ period as the unexercised Warrants A of the Company were anti-dilutive in nature. This is due to the average market share price of the Company being below the exercise price of the Warrants A*

Commentary on past performance:-

FYE 31 December 2011

For the FYE 31 December 2011, our Group recorded revenue of RM36.58 million, representing an increase of RM15.87 million or approximately 76.6% as compared to the revenue for the previous financial year. The increase in revenue was mainly attributable to the contribution from the acquisition of 51.0% equity interest in DDSB which had brought various synergies to our Group besides value adding to our Group's revenue and profit growth. In addition, our Group had secured new and larger projects during the FYE 31 December 2011, most notably the project awarded by a federal statutory body to our wholly-owned subsidiary company, EASS Sdn Bhd ("EASS"), which was accepted by EAH on 3 October 2011.

The gross profit margin for the financial year under review was 61.1%, representing an increase from the gross profit margin for the FYE 31 December 2010 of 45.6%. The increase in gross profit margin was attributable to the mixture of projects completed in FYE 31 December 2013, which comprised substantially of projects providing software solutions to our clients, which had higher profit margins.

The administrative expenses had increased by RM1.11 million to RM2.71 million as compared to the previous financial year, which was mainly due to the consolidation of DDSB's results from 26 August 2011 to 31 December 2011. Meanwhile, the staff cost had increased by RM2.85 million to RM6.41 million as compared to the previous financial year, which was mainly due to the consolidation of DDSB's results mentioned above.

In line with our revenue, our Group recorded a PBT of RM11.96 million for the FYE 31 December 2011, representing an increase of RM7.91 million or approximately 195.0% as compared to the PBT for the previous financial year. The increase in PBT was mainly due to the increase in revenue and better margins obtained from our completed projects as well as the consolidation of DDSB's results mentioned above.

FYE 31 December 2012

For the FYE 31 December 2012, our Group recorded revenue of RM46.02 million, representing an increase of RM9.43 million or approximately 25.8% as compared to the revenue for the previous financial year. The increase in revenue was mainly attributable to the contribution from DDSB.

The gross profit margin for the financial year under review was 39.4%, representing a decrease from the gross profit margin for the FYE 31 December 2011 of 61.1%. The decrease in gross profit margin was attributable to the mixture of projects completed during the financial year under review that required a higher amount of hardware and third-party software and services, which had in turn decreased our profit margin. In addition, from FYE 31 December 2012 onwards, staff costs directly related to the projects were apportioned to cost of sales, thereby further reducing the gross profit margin. The said change in reclassification of expenses is to give a more accurate representation between direct and indirect costs incurred by our Group.

The administrative expenses had increased by RM0.61 million to RM3.32 million as compared to the previous financial year, which was mainly due to the consolidation of DDSB's full year's results. Meanwhile, the staff cost had decreased by RM1.86 million to RM4.55 million as compared to the previous financial year, which was mainly due to the apportionment of staff costs to cost of sales, as mentioned above.

Notwithstanding the increase in revenue, our Group recorded a lower PBT of RM9.05 million for the FYE 31 December 2012, representing a decrease of RM2.91 million or approximately 24.3% as compared to the PBT for the previous financial year. The decrease in PBT was mainly due to the pricing of our products and services at more competitive prices amidst the stiff competition in the market which had effects on our profit margin.

FYE 31 December 2013

For the FYE 31 December 2013, our Group recorded revenue of RM91.65 million, representing an increase of RM45.64 million or approximately 99.2% as compared to the revenue for the previous financial year. The increase in revenue was mainly attributable to the progress billing under the two (2) projects awarded by a federal statutory body to our wholly-owned subsidiary company, EASS, with contract values of RM59.14 million and RM12.00 million, respectively, and which were accepted by EAH on 10 July 2013 and 15 July 2013, respectively. The first project was mainly for mainframe upgrade, which was completed in early 2014 and is extended for another three (3) years for licensing and maintenance services up to January 2017. Meanwhile, the second project was mainly for software renewal and maintenance, which is expected to be delivered over a period of three (3) years and five (5) months from July 2013 until January 2017.

The gross profit margin for the financial year under review was 20.8%, representing a decrease from the gross profit margin for the FYE 31 December 2012 of 39.4%. The decrease in gross profit margin was attributable to the higher amount of third-party hardware, software and services required for the projects.

The administrative expenses had decreased by RM0.12 million to RM3.20 million as compared to the previous financial year, which was mainly due to the lower depreciation charges as some equipment were fully depreciated during the FYE 31 December 2013. Meanwhile, the staff cost had increased by RM0.11 million to RM4.66 million as compared to the previous financial year, which was mainly due to the increase in manpower during the FYE 31 December 2013.

Despite the increase in our revenue, our Group recorded a PBT of RM9.98 million for the FYE 31 December 2013, representing a marginal increase of RM0.93 million or approximately 10.3% as compared to the PBT for the previous financial year. The increase in PBT was mainly due to the higher revenue generated. Notwithstanding the increase in revenue, the higher mixture of external costs such as third-party hardware, software and services used in the projects mentioned above attributed to the lower profit margin for these projects.

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7. HISTORICAL PRICES

The monthly high and low transacted market prices of EAH Shares for the past 12 months from May 2013 to April 2014 are as follows:-

	High RM	Low RM
2013		
May	0.15	0.12
June	0.14	0.12
July	0.14	0.12
August	0.13	0.11
September	0.14	0.12
October	0.17	0.13
November	0.22	0.15
December	0.23	0.19
2014		
January	0.22	0.19
February	0.21	0.17
March	0.20	0.17
April	0.22	0.17

The last transacted price of EAH Shares on 14 April 2014, being the day prior to the date of announcement on the Corporate Exercises, was RM0.18.

The last transacted price of EAH Shares on 29 April 2014, being the LPD, was RM0.19.

The last transacted price of EAH Shares on 21 May 2014, being the day prior to the ex-date of the Rights Issue with Warrants, was RM0.18.

(Source: Bloomberg)

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

STYL Associates *(AF1929)*
107B Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur
Tel: 03 -7727 5573 Fax: 03 -7727 0771 Email: stylaudit@gmail.com

The Board of Directors
EA Holdings Berhad
Unit J-3A-7 & J-3A-8
Level 3A, Block J
Solaris, Mont Kiara 2
50480 Kuala Lumpur

Date: 14 MAY 2014

Dear Sirs,

EA HOLDINGS BERHAD ("EAH" OR THE "COMPANY")

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statement of financial position of EAH and its subsidiaries ("the Group") as at 31 December 2013 together with the accompanying notes and assumptions thereto, for which has been compiled by the Directors of the Company for inclusion in the Abridged Prospectus in connection with the renounceable right issue of up to 635,910,916 new ordinary shares of RM0.10 each in EAH ("EAH Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every one (1) existing EAH Share held, together with up to 317,955,458 free detachable warrants in EAH ("Warrant(s) C") on the basis of one (1) free Warrant C for every two (2) Rights Shares subscribed for, at an issue price of RM0.10 per Rights Share ("Rights Issue with Warrants").

The pro forma consolidated statement of financial position of the Group have been compiled by the Directors, for illustrative purpose only, to show the effects of the Rights Issue with Warrants on the audited consolidated statement of financial position of the Group as at 31 December 2013 had the Rights Issue with Warrants been effected on that date.

The Directors' Responsibility for the Pro Forma Consolidated Statement of Financial Position of the Group

The Directors are responsible for compiling the pro forma consolidated statement of financial position of the Group for inclusion in the Abridged Prospectus in relation to the Rights Issue of Warrants.

Our responsibilities

Our responsibility is to express an opinion whether the pro forma consolidated statement of financial position of the Group have been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our work in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statement of financial position of the Group on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statement of financial position of the Group, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statement of financial position of the Group.

The purpose of pro forma consolidated statement of financial position of the Group included in the Abridged Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statement of financial position of the Group has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma consolidated statement of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The pro forma consolidated statement of financial position of the Group reflect the proper application of those adjustments to the unadjusted financial information

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statement of financial position of the Group has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma consolidated statement of financial position of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion,

(a) the pro forma consolidated statement of financial position of the Group have been properly compiled in accordance with the basis of preparation set out in the accompanying notes thereto and such basis is consistent with the format of the financial statements and accounting policies adopted by the Group;

(b) the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 used in the preparation of the pro forma consolidated statement of financial position of the Group were prepared in accordance with the Malaysian Financial Reporting Standards; and

(c) each material adjustment made to the information used in the preparation of the pro forma consolidated statement of financial position of the Group are appropriate for the purpose of preparing such pro forma consolidated statement of financial position of the Group.

Other Matter

This letter is issued for the sole purpose of inclusion in the Abridged Prospectus in connection with the Rights Issue with Warrants. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any purpose contrary to the above. This letter should not be reproduced, referred to in any other documents, or used for any other purpose without our prior written consent.

Yours faithfully,

STYL ASSOCIATES
FIRM NUMBER: AF1929
CHARTERED ACCOUNTANTS

SI CHAY BENG
1200/08/14(J)
CHARTERED ACCOUNTANTS

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

1. Basis of Preparation

The Proforma Consolidated Statements of Financial Position of EA Holdings Berhad ("EAH" or "the Company") and its subsidiary companies ("EAH Group" or "the Group") as at 31 December 2013 together with the accompanying notes thereon, have been prepared based on accounting principles and basis which are consistent with those adopted in the preparation of the audited consolidated financial statements of the EAH Group for the financial year ended 31 December 2013 assuming that all the transactions mentioned below had taken place on 31 December 2013:-

(i) Renounceable right issue of up to 635,910,916 new ordinary shares of RM0.10 each in EAH ("EAH Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every one (1) existing EAH Share held, together with up to 317,955,458 free detachable warrants in EAH ("Warrant(s) C") on the basis of one (1) free Warrant C for every two (2) Rights Shares subscribed for, at an issue price of RM0.10 per Rights Share ("Rights Issue with Warrants");

(ii) Increase in the authorised share capital of EAH from RM100,000,000 comprising 1,000,000,000 EAH Shares to RM250,000,000 comprising 2,500,000,000 EAH Shares ("Increase in Authorised Share Capital"); and

(iii) Amendment to the Memorandum of Association of EAH ("Amendment").

The above shall be collectively referred as the "Corporate Exercises".

For illustrative purposes, the effects of the Rights Issue with Warrants shall be illustrated based on the following three (3) scenarios:-

Minimum Scenario	:	Assuming none of the outstanding Warrants A and Warrants B are exercised prior to the implementation of the Corporate Exercises and the Rights Issue with Warrants is undertaken on a minimum subscription level basis
Maximum Scenario 1	:	Assuming none of the outstanding Warrants A and Warrants B are exercised prior to the implementation of the Corporate Exercises and the Rights Issue with Warrants is undertaken on a maximum subscription level basis
Maximum Scenario 2	:	Assuming all of the outstanding Warrants A and Warrants B are exercised prior to the implementation of the Corporate Exercises and the Rights Issue with Warrants is undertaken on a maximum subscription level basis

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

1. Basis of Preparation (cont'd)

The proceeds from the Rights Issue with Warrants is intended to be utilised as follows:

	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario 1 RM'000	Maximum Scenario 2 RM'000
Future viable investments*1	Within 24 months	-	30,000	30,000
Repayment of borrowings*2	Within 24 months	4,290	4,290	4,290
General working capital*3	Within 24 months	2,893	7,428	28,501
Estimated expenses in relation to the Corporate Exercises*4	Upon completion	800	800	800
Total		**7,983**	**42,518**	**63,591**

Notes:-

*1 *The proceeds for future viable investments arising from the Rights Issue with Warrants shall be utilised to finance any suitable and viable potential business(es)/ investment(s)*

*2 *The proceeds for repayment of borrowings will be utilised to repay EAH Group's total bank borrowings amounting to approximately RM4.29 million as at 29 April 2014. The repayment of the Group's bank borrowings is expected to result in an interest cost savings of approximately RM0.35 million per annum based on the effective interest rate at 8.10% per annum*

*3 *The proceeds for general working capital shall be utilised to finance the day-to-day operations of EAH Group, including salaries, repayment of creditors and general expenses*

*4 *The proceeds earmarked for estimated expenses in relation to the Corporate Exercises shall be utilised as set out below:-*

	RM'000
Professional fees (i.e. adviser, reporting accountants and solicitors)	*600*
Regulatory fees	*70*
Other incidental expenses in relation to the Corporate Exercises	*130*
Total	***800***

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

2. Notes to the Proforma Consolidated Statement of Financial Position

Minimum Scenario

2.1 Proforma I – After adjusting for the bonus issue of Warrants B exercise

Proforma I incorporates the bonus issue of 94,483,666 Warrants 2014/2019 in EAH ("Warrants B") on the basis of two (2) free Warrants B for every nine (9) EAH Shares held on 24 February 2014, of which the said bonus Warrants B were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 3 March 2014.

The estimated expenses in relation to the said exercise was approximately RM190,000, which was deducted from the share premium account.

2.2 Proforma II – After Proforma I and the Rights Issue with Warrants

Proforma II incorporates the cumulative effects of Proforma I and the Rights Issue with Warrants as follows:

(i) EAH is expected to raise total proceeds of RM7,983,483 from the Rights Issue with Warrants based on an issue price of RM0.10 per Rights Share under the minimum subscription level basis;

(ii) The share premium after the deduction of estimated expenses of RM800,000 in relation to the Corporate Exercises amounting to RM8,321,952;

(iii) Warrant reserve arising from the Rights Issue with Warrants amounting to RM2,275,293 based on the theoretical fair value of the Warrants C of RM0.057 per Warrant C using the Black Scholes option pricing model;

(iv) The retained profit after the adjustment for warrant reserve amounting to RM2,275,293 based on (iii) above; and

(v) The proceeds arising from the Rights Issue with Warrants is intended to be utilised to repay bank borrowings amounting to RM4,290,000 and an amount of RM2,893,000 will be included in cash and cash equivalents account, earmarked for working capital.

The warrant reserve is computed based on the theoretical fair value per Warrant C of RM0.057.

As the above variables are subject to change upon the implementation of the Rights Issue with Warrants, the actual quantum of the share premium and the warrant reserve will only be determined upon issuance of the Rights Shares and Warrants C. As such the actual quantum may differ from the amount computed above.

2.3 Proforma III – After Proforma II and assuming the full exercise of the Warrants C

Proforma III incorporates the cumulative effects of Proforma II and the full exercise of 39,917,416 Warrants C as follows:

(i) Assuming the full exercise of Warrants C at an exercise price of RM0.12 each, EAH will raise total proceeds of RM4,790,090; and

(ii) An increase in share premium arising from the full exercise of the Warrants C at an exercise price of RM0.12 per Warrant C amounting to RM798,348 and the transfer of RM2,275,293 from the warrant reserve account.

2. Notes to the Proforma Consolidated Statement of Financial Position

<u>Maximum Scenario 1</u>

2.1 Proforma I – After adjusting for the bonus issue of Warrants B exercise

Proforma I incorporates the bonus issue of 94,483,666 Warrants 2014/2019 in EAH ("Warrants B") on the basis of two (2) free Warrants B for every nine (9) EAH Shares held on 24 February 2014, of which the said bonus Warrants B were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 3 March 2014.

The estimated expenses in relation to the said exercise was approximately RM190,000, which was deducted from the share premium account.

2.2 Proforma II – After Proforma I and the Rights Issue with Warrants

Proforma II incorporates the cumulative effects of Proforma I and the Rights Issue with Warrants as follows:

(i) EAH is expected to raise total proceeds of RM42,517,650 from the Rights Issue with Warrants based on an issue price of RM0.10 per Rights Share under the maximum subscription level basis;

(ii) The share premium after the deduction of estimated expenses of RM800,000 in relation to the Corporate Exercises amounting to RM8,321,952;

(iii) Warrant reserve arising from the Rights Issue with Warrants amounting to RM12,117,530 based on the theoretical fair value of the Warrants C of RM0.057 per Warrant C using the Black Scholes option pricing model;

(iv) The retained profit after the adjustment for warrant reserve amounting to RM12,117,530 based on (iii) above; and

(v) The proceeds arising from the Rights Issue with Warrants is intended to be utilised to repay bank borrowings amounting to RM4,290,000, and the amount of RM7,428,000 and RM30,000,000 will be included in cash and cash equivalents account, earmarked for working capital and future viable investment, respectively.

The warrant reserve is computed based on the theoretical fair value per Warrant C of RM0.057.

As the above variables are subject to change upon the implementation of the Rights Issue with Warrants, the actual quantum of the share premium and the warrant reserve will only be determined upon issuance of the Rights Shares and Warrants C. As such the actual quantum may differ from the amount computed above.

2.3 Proforma III – After Proforma II and assuming the full exercise of the Warrants C

Proforma III incorporates the cumulative effects of Proforma II and the full exercise of 212,588,250 Warrants C as follows:

(i) Assuming the full exercise of Warrants C at an exercise price of RM0.12 each, EAH will raise total proceeds of RM25,510,590; and

(ii) An increase in share premium arising from the full exercise of the Warrants C at an exercise price of RM0.12 per Warrant C amounting to RM4,251,765 and the transfer of RM12,117,530 from the warrant reserve account.

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

2. Notes to the Proforma Consolidated Statement of Financial Position

Maximum Scenario 2

2.1 Proforma I – After adjusting for the bonus issue of Warrants B exercise

Proforma I incorporates the bonus issue of 94,483,666 Warrants 2014/2019 in EAH ("Warrants B") on the basis of two (2) free Warrants B for every nine (9) EAH Shares held on 24 February 2014, of which the said bonus Warrants B were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 3 March 2014.

The estimated expenses in relation to the said exercise was approximately RM190,000, which was deducted from the share premium account.

2.2 Proforma II – After Proforma I and assuming all of the outstanding Warrants A are exercised

Proforma II incorporates the cumulative effects of Proforma I and assuming all of the 116,250,750 outstanding Warrants A are exercised as follows:

(i) Assuming the full exercise of Warrants A at an exercise price of RM0.40 each, EAH will raise total proceeds of RM46,500,300; and

(ii) An increase in share premium arising from the full exercise of the Warrants A at an exercise price of RM0.40 per Warrant amounting to RM34,875,225 and the transfer of RM6,119,827 from the warrant reserve account

2.3 Proforma III – After Proforma II and assuming all of the outstanding Warrants B are exercised

Proforma III incorporates the cumulative effects of Proforma II and assuming all of the 94,483,666 outstanding Warrants B are exercised as follows:

(i) Assuming the full exercise of Warrants B at an exercise price of RM0.18 each, EAH will raise total proceeds of RM17,007,060; and

(ii) An increase in share premium arising from the full exercise of the Warrants B at an exercise price of RM0.18 per Warrant B amounting to RM7,558,693.

2.4 Proforma IV – After Proforma III and the Rights Issue with Warrants

Proforma IV incorporates the cumulative effects of Proforma III and the Rights Issue with Warrants as follows:

(i) EAH is expected to raise total proceeds of RM63,591,091 from the Rights Issue with Warrants based on an issue price of RM0.10 per Rights Share under the maximum subscription level basis;

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

2.4 Proforma IV – After Proforma III and the Rights Issue with Warrants (cont'd)

(ii) The share premium after the deduction of estimated expenses of RM800,000 in relation to the Corporate Exercises amounting to RM56,875,472;

(iii) Warrant reserve arising from the Rights Issue with Warrants amounting to RM18,123,461 based on the theoretical fair value of the Warrants C of RM0.057 per Warrant C using the Black Scholes option pricing model;

(iv) The retained profit after the adjustment for warrant reserve amounting to RM18,123,461 based on (iii) above; and

(vi) The proceeds arising from the Rights Issue with Warrants is intended to be utilised to repay bank borrowings amounting to RM4,290,000, and the amount of RM28,501,000 and RM30,000,000 will be included in cash and cash equivalents account, earmarked for working capital and future viable investment, respectively.

The warrant reserve is computed based on the theoretical fair value per Warrant C of RM0.057.

As the above variables are subject to change upon the implementation of the Rights Issue with Warrants, the actual quantum of the share premium and the warrant reserve will only be determined upon issuance of the Rights Shares and Warrants C. As such the actual quantum may differ from the amount computed above.

2.5 Proforma V – After Proforma IV and assuming the full exercise of the Warrants C

Proforma V incorporates the cumulative effects of Proforma IV and the full exercise of 317,955,458 Warrants C as follows:

(i) Assuming the full exercise of Warrants C at an exercise price of RM0.12 each, EAH will raise total proceeds of RM38,154,655; and

(ii) An increase in share premium arising from the full exercise of the Warrants C at an exercise price of RM0.12 per Warrant C amounting to RM6,359,109 and the transfer of RM18,123,461 from the warrant reserve account.

Company No. 878041-A

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

The pro forma consolidated statements of financial position of the Group as set out below, have been prepared for illustrative purposes only based on the audited consolidated statement of financial position of the Group as at 31 December 2013, and should be read in conjuction with the accompanying notes to the pro forma consolidated statements of financial position.

			Proforma I	Proforma II	Proforma III
MINIMUM SCENARIO	Note	Audited Consolidated Statement of Financial Position as at 31 Dec 2013 RM'000	After adjusting for the bonus issue of Warrants B exercise RM'000	After I and the Rights Issue with Warrants RM'000	After II and assuming full exercise of the Warrants C RM'000
Non-Current Assets					
Property, plant and equipment		1,306	1,306	1,306	1,306
Goodwill on consolidation		19,675	19,675	19,675	19,675
Development expenditure		10,097	10,097	10,097	10,097
		31,078	31,078	31,078	31,078
Current Assets					
Inventories		194	194	194	194
Trade receivables		48,025	48,025	48,025	48,025
Other receivables		890	890	890	890
Fixed deposit with licensed banks		2,470	2,470	2,470	2,470
Cash and cash equivalents	3	6,848	6,658	9,551	14,341
		58,427	58,237	61,130	65,920
Current Liabilities					
Trade payables		10,179	10,179	10,179	10,179
Other payables		1,068	1,068	1,068	1,068
Hire purchase payables	8	265	265	265	265
Bill payables	8	2,626	2,626	-	-
Amount owing to director		10	10	10	10
Current tax liabilities		1,049	1,049	1,049	1,049
Bank overdrafts	8	1,886	1,886	222	222
		17,083	17,083	12,793	12,793
Net Current Assets		41,344	41,154	48,337	53,127
		72,422	72,232	79,415	84,205
Represented By:					
Capital And Reserves					
Share capital	4	42,518	42,518	50,501	54,493
Share premium	5	9,312	9,122	8,322	11,395
Warrant reserves	6	6,120	6,120	8,395	6,120
Retained profit	7	24,928	24,928	22,653	22,653
Transaction with non-controlling interest reserve		(13,738)	(13,738)	(13,738)	(13,738)
Equity attributable to owner of the company		69,140	68,950	76,133	80,923
Non-controlling interest		2,234	2,234	2,234	2,234
		71,374	71,184	78,367	83,157
Non-Current Liabilities					
Hire purchase payables	8	999	999	999	999
Dreferred tax liabilities		49	49	49	49
		72,422	72,232	79,415	84,205
Number of Shares in issue ('000)		425,177	425,177	505,011	544,929
NA per Share (RM)		0.16	0.16	0.15	0.15
Borrowings (RM'000)		5,776	5,776	1,486	1,486
Gearing ratio (times)		0.08	0.08	0.02	0.02

Company No. 878041-A

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

The pro forma consolidated statements of financial position of the Group as set out below, have been prepared for illustrative purposes only based on the audited consolidated statement of financial position of the Group as at 31 December 2013, and should be read in conjuction with the accompanying notes to the pro forma consolidated statements of financial position.

MAXIMUM SCENARIO 1	Note	Audited Consolidated Statement of Financial Position as at 31 Dec 2013 RM'000	Proforma I After adjusting for the bonus issue of Warrants B exercise RM'000	Proforma II After I and the Rights Issue with Warrants RM'000	Proforma III After II and assuming full exercise of the Warrants C RM'000
Non-Current Assets					
Property, plant and equipment		1,306	1,306	1,306	1,306
Goodwill on consolidation		19,675	19,675	19,675	19,675
Development expenditure		10,097	10,097	10,097	10,097
		31,078	31,078	31,078	31,078
Current Assets					
Inventories		194	194	194	194
Trade receivables		48,025	48,025	48,025	48,025
Other receivables		890	890	890	890
Fixed deposit with licensed banks		2,470	2,470	2,470	2,470
Cash and cash equivalents	3	6,848	6,658	44,085	69,596
		58,427	58,237	95,664	121,175
Current Liabilities					
Trade payables		10,179	10,179	10,179	10,179
Other payables		1,068	1,068	1,068	1,068
Hire purchase payables	8	265	265	265	265
Bill payables	8	2,626	2,626	-	-
Amount owing to director		10	10	10	10
Current tax liabilities		1,049	1,049	1,049	1,049
Bank overdrafts	8	1,886	1,886	222	222
		17,083	17,083	12,793	12,793
Net Current Assets		41,344	41,154	82,871	108,382
		72,422	72,232	113,949	139,460
Represented By:					
Capital And Reserves					
Share capital	4	42,518	42,518	85,035	106,294
Share premium	5	9,312	9,122	8,322	24,692
Warrant reserves	6	6,120	6,120	18,238	6,120
Retained profit	7	24,928	24,928	12,810	12,810
Transaction with non-controlling interest reserve		(13,738)	(13,738)	(13,738)	(13,738)
Equity attributable to owner of the company		69,140	68,950	110,667	136,178
Non-controlling interest		2,234	2,234	2,234	2,234
		71,374	71,184	112,901	138,412
Non-Current Liabilities					
Hire purchase payables	8	999	999	999	999
Dreferred tax liabilities		49	49	49	49
		72,422	72,232	113,949	139,460
Number of Shares in issue ('000)		425,177	425,177	850,353	1,062,941
NA per Share (RM)		0.16	0.16	0.13	0.13
Borrowings (RM'000)		5,776	5,776	1,486	1,486
Gearing ratio (times)		0.08	0.08	0.01	0.01

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

The pro forma consolidated statements of financial position of the Group as set out below, have been prepared for illustrative purposes only based on the audited consolidated statement of financial position of the Group as at 31 December 2013, and should be read in conjuction with the accompanying notes to the pro forma consolidated statements of financial position.

MAXIMUM SCENARIO 2	Note	Audited Consolidated Statement of Financial Position as at 31 Dec 2013 RM'000	Proforma I After adjusting for the bonus issue of Warrants B exercise RM'000	Proforma II After I and assuming all the outstanding Warrants A are exercised RM'000	Proforma III After II and assuming all the outstanding Warrants B are exercised RM'000	Proforma IV After III and the Rights Issue with Warrants RM'000	Proforma V After IV and assuming the full exercise of the Warrants C RM'000
Non-Current Assets							
Property, plant and equipment		1,306	1,306	1,306	1,306	1,306	1,306
Goodwill on consolidation		19,675	19,675	19,675	19,675	19,675	19,675
Development expenditure		10,097	10,097	10,097	10,097	10,097	10,097
		31,078	31,078	31,078	31,078	31,078	31,078
Current Assets							
Inventories		194	194	194	194	194	194
Trade receivables		48,025	48,025	48,025	48,025	48,025	48,025
Other receivables		890	890	890	890	890	890
Fixed deposit with licensed banks		2,470	2,470	2,470	2,470	2,470	2,470
Cash and cash equivalents	3	6,848	6,658	53,158	70,165	128,666	166,821
		58,427	58,237	104,737	121,744	180,245	218,400
Current Liabilities							
Trade payables		10,179	10,179	10,179	10,179	10,179	10,179
Other payables		1,068	1,068	1,068	1,068	1,068	1,068
Hire purchase payables	8	265	265	265	265	265	265
Bill payables	8	2,626	2,626	2,626	2,626	-	-
Amount owing to director		10	10	10	10	10	10
Current tax liabilities		1,049	1,049	1,049	1,049	1,049	1,049
Bank overdrafts	8	1,886	1,886	1,886	1,886	222	222
		17,083	17,083	17,083	17,083	12,793	12,793
Net Current Assets		41,344	41,154	87,654	104,661	167,452	205,607
		72,422	72,232	118,732	135,739	198,530	236,685
Represented By:							
Capital And Reserves							
Share capital	4	42,518	42,518	54,143	63,591	127,182	158,978
Share premium	5	9,312	9,122	50,117	57,676	56,876	81,358
Warrant reserves	6	6,120	6,120	-	-	18,123	-
Retained profit	7	24,928	24,928	24,928	24,928	6,805	6,805
Transaction with non-controlling interest reserve		(13,738)	(13,738)	(13,738)	(13,738)	(13,738)	(13,738)
Equity attributable to owner of the company		69,140	68,950	115,450	132,457	195,248	233,403
Non-controlling interest		2,234	2,234	2,234	2,234	2,234	2,234
		71,374	71,184	117,684	134,691	197,482	235,637
Non-Current Liabilities							
Hire purchase payables	8	999	999	999	999	999	999
Dreferred tax liabilities		49	49	49	49	49	49
		72,422	72,232	118,732	135,739	198,530	236,685
Number of Shares in issue ('000)		425,177	425,177	541,427	635,911	1,271,822	1,589,777
NA per Share (RM)		0.16	0.16	0.21	0.21	0.15	0.15
Borrowings (RM'000)		5,776	5,776	5,776	5,776	1,486	1,486
Gearing ratio (times)		0.08	0.08	0.05	0.04	0.01	0.01

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

3. Movement in Cash and Cash Equivalents

	Amount RM'000
Minimum Scenario	
Audited consolidated statement of financial position as at 31 December 2013	6,848
Estimated expenses incurred in relation to the previously completed bonus issue of warrants	(190)
As per Proforma I	6,658
Right Issue with Warrants	7,983
Repayment of borrowings	(4,290)
Estimated expenses incurred in relation to the Corporate Exercises	(800)
As per Proforma II	9,551
Full exercise of Warrants C	4,790
As per Proforma III	14,341

	Amount RM'000
Maximum Scenario 1	
Audited consolidated statement of financial position as at 31 December 2013	6,848
Estimated expenses incurred in relation to the previously completed bonus issue of warrants	(190)
As per Proforma I	6,658
Right Issue with Warrants	42,517
Repayment of borrowings	(4,290)
Estimated expenses incurred in relation to the Corporate Exercises	(800)
As per Proforma II	44,085
Full exercise of Warrants C	25,511
As per Proforma III	69,596

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

3. Movement in Cash and Cash Equivalents

	Amount RM'000
Maximum Scenario 2	
Audited consolidated statement of financial position as at 31 December 2013	6,848
Estimated expenses incurred in relation to the previously completed bonus issue of warrants	(190)
As per Proforma I	6,658
Full exercise of Warrants A	46,500
As per Proforma II	53,158
Full exercise of Warrants B	17,007
As per Proforma III	70,165
Rights Issue with Warrants	63,591
Repayment of borrowings	(4,290)
Estimated expenses incurred in relation to the Corporate Exercises	(800)
As per Proforma IV	128,666
Full exercise of Warrants C	38,155
As per Proforma V	166,821

4. Movement in Share Capital

	Number of Shares '000	Amount RM'000
Minimum Scenario		
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	425,177	42,518
Rights Issue with Warrants	79,834	7,983
As per Proforma II	505,011	50,501
Full exercise of Warrants C	39,918	3,992
As per Proforma III	544,929	54,493
Maximum Scenario 1		
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	425,177	42,518
Rights Issue with Warrants	425,176	42,517
As per Proforma II	850,353	85,035
Full exercise of Warrants C	212,588	21,259
As per Proforma III	1,062,941	106,294

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

4. Movement in Share Capital

	Number of Shares '000	Amount RM'000
Maximum Scenario 2		
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	425,177	42,518
Full exercise of Warrants A	116,250	11,625
As per Proforma II	541,427	54,143
Full exercise of Warrants B	94,484	9,448
As per Proforma III	635,911	63,591
Rights Issue with Warrants	635,911	63,591
As per Proforma IV	1,271,822	127,182
Full exercise of Warrants C	317,955	31,796
As per Proforma V	1,589,777	158,978

5. Movements in Share Premium

	Amount RM'000
Minimum Scenario	
Audited consolidated statement of financial position as at 31 December 2013	9,312
Estimated expenses incurred in relation to the previously completed bonus issue bonus issue of warrants	(190)
As per Proforma I	9,122
Estimated expenses incurred in relation to the Corporate Exercises	(800)
As per Proforma II	8,322
Full exercise of Warrants C	798
Transfer from warrant reserve account	2,275
As per Proforma III	11,395

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

5. Movements in Share Premium

	Amount RM'000
Maximum Scenario 1	
Audited consolidated statement of financial position as at 31 December 2013	9,312
Estimated expenses incurred in relation to the previously completed bonus issue bonus issue of warrants	(190)
As per Proforma I	9,122
Estimated expenses incurred in relation to the Corporate Exercises	(800)
As per Proforma II	8,322
Full exercise of Warrants C	4,252
Transfer from warrant reserve account	12,118
As per Proforma III	24,692

	Amount RM'000
Maximum Scenario 2	
Audited consolidated statement of financial position as at 31 December 2013	9,312
Estimated expenses incurred in relation to the previously completed bonus issue of warrants	(190)
As per Proforma I	9,122
Full exercise of Warrants A	34,875
Transfer from warrant reserve account	6,120
As per Proforma II	50,117
Full exercise of Warrants B	7,559
As per Proforma III	57,676
Expenses incurred in relation to the Corporate Exercises	(800)
As per Proforma IV	56,876
Full exercise of Warrants C	6,359
Transfer from warrant reserve account	18,123
As per Proforma V	81,358

6. Movements in Warrant Reserve

	Amount RM'000
Minimum Scenario	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	6,120
Rights Issue with Warrants	2,275
As per Proforma II	8,395
Transfer to share premium upon full exercise of Warrants C	(2,275)
As per Proforma III	6,120
Maximum Scenario 1	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	6,120
Rights Issue with Warrants	12,118
As per Proforma II	18,238
Transfer to share premium upon full exercise of Warrants C	(12,118)
As per Proforma III	6,120
Maximum Scenario 2	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	6,120
Transfer to share premium upon full exercise of Warrants A	(6,120)
As per Proforma II / Proforma III	-
Rights Issue with Warrants	18,123
As per Proforma IV	18,123
Transfer to share premium upon full exercise of Warrants C	(18,123)
As per Proforma V	-

EA HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

7. Movements in Retained Profit

	Amount RM'000
Minimum Scenario	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	24,928
Transfer to warrant reserve account	(2,275)
As per Proforma II / Proforma III	22,653
Maximum Scenario 1	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	24,928
Transfer to warrant reserve account	(12,118)
As per Proforma II / Proforma III	12,810
Maximum Scenario 2	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I / Proforma II / Proforma III	24,928
Transfer to Warrant reserve account	(18,123)
As per Proforma IV / Proforma V	6,805

8. Movements in Borrowings

	Amount RM'000
Minimum Scenario	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	5,776
Repayment of borrowings	(4,290)
As per Proforma II / Proforma III	1,486
Maximum Scenario 1	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I	5,776
Repayment of borrowings	(4,290)
As per Proforma II / Proforma III	1,486
Maximum Scenario 2	
Audited consolidated statement of financial position as at 31 December 2013 / As per Proforma I / Proforma II / Proforma III	5,776
Repayment of borrowings	(4,290)
As per Proforma IV / Proforma V	1,486

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORT OF THE DIRECTORS
AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER 2013
(In Ringgit Malaysia)

STYL ASSOCIATES

Chartered Accountants

Company No. 878041-A

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

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Company No. 878041-A

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, management and consultancy services. The principal activities of the subsidiaries are as disclosed in Note 8 to the Financial Statements. There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

The results of the operations of the Group and of the Company for the financial year are as follows:

	GROUP RM	COMPANY RM
Profit/(Loss) before tax	9,984,910	(1,413,257)
Income tax expense	(729,645)	-
Net profit/(loss) for the financial year	9,255,265	(1,413,257)
Attributable to:		
Equity holders of the Company	8,984,795	(1,413,257)
Non-controlling interests	270,470	-
	9,255,265	(1,413,257)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the Financial Statements.

ISSUE OF SHARES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

2010/2015 WARRANTS

In 2010, the Company completed the listing of bonus issue of 77,500,500 free warrants on the basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.10 each in the Company. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.59 per warrant.

The exercise price of the warrant was revised downwards from RM0.59 to RM0.40 in 2012 and an additional 38,750,250 warrants was issued pursuant to the adjustment.

All the warrants issued are constituted under a Deed Poll executed and constituted by the Company.

The salient features of the warrants are as follows:

a) Each warrant entitles the registered holder, at any time during the exercise period to subscribe for one (1) new ordinary share at an exercise price of RM0.40 each, subject to adjustments in accordance with the provisions of the Deed Poll.

b) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of the warrants and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 5th anniversary of the date of issuance of the warrants and if such date is not a market day, then on the preceding market day.

c) The new ordinary shares to be issued pursuant to the exercise of the warrants upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of the Company except that the new ordinary shares shall not be entitled to any dividend, rights, allotment and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the rights shares.

DIRECTORS

The names of the directors in office since the date of the last report are as follows:

Mohammad Sobri Bin Saad
Basir Bin Bachik
Azahar Bin Rasul
Abdul Fattah Bin Mohamed Yatim
Choo Seng Choon

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors in the financial statements or the fixed salary of full-time employee of the Company or a related corporation) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.10 each			
	Balance as at 1.1.2013	Bought	Sold	Balance as at 31.12.2013
Shares in the Company				
Registered in name of directors				
Mohammad Sobri Bin Saad	124,478,778	-	-	124,478,778
Basir Bin Bachik	410,000	-	-	410,000
Abdul Fattah Bin Mohamed Yatim	15	-	-	15
Deemed interest by virtue of shares held by immediate family members of a director				
Mohammad Sobri Bin Saad	21,825,210	-	(21,825,210)	-

	Number of warrants			
	Balance as at 1.1.2013	Acquired	Disposed	Balance as at 31.12.2013
Registered in name of directors				
Mohammad Sobri Bin Saad	37,894,092	-	(9,934,000)	27,960,092
Abdul Fattah Bin Mohamed Yatim	7	-	-	7
Deemed interest by virtue of warrants held by immediate family members of a director				
Mohammad Sobri Bin Saad	5,231,354	-	(5,231,300)	54

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company during and at the end of the financial year.

OTHER STATUTORY INFORMATION

a) Before the statements of profit or loss and other comprehensive income and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that no known bad debts need to be written off and that no allowance for doubtful debts is required; and

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the financial statements of the Group and of the Company had been written down to an amount which they might be expected to realise.

b) At the date of this report, the directors are not aware of any circumstances:

(i) which would require the writing off of bad debts or the making of allowance for doubtful debts in the financial statements of the Group and of the Company; or

(ii) which would render the values attributable to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

f) In the opinion of the directors, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Messrs. STYL Associates, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,

MOHAMMAD SOBRI BIN SAAD	**BASIR BIN BACHIK**
Director	Director

Kuala Lumpur

Date: 29 APR 2014

Company No. 878041-A

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, MOHAMMAD SOBRI BIN SAAD and BASIR BIN BACHIK, being two of the directors of EA Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2013 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

The supplementary information set out in Note 28 to the Financial Statements, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors,

MOHAMMAD SOBRI BIN SAAD
Director

BASIR BIN BACHIK
Director

Kuala Lumpur

Date: 29 APR 2014

STATUTORY DECLARATION

I, TAY MUN KIT, being the officer primarily responsible for the financial management of EA Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAY MUN KIT

PESURUHJAYA SUMPAH
NO. B 390
S. AROKIADASS
MALAYSIA

Subscribed and solemnly declared by the abovenamed TAY MUN KIT
at ~~Kuala Lumpur~~ PETALING JAYA, on 29 APR 2014

Before me:

PESURUHJAYA SUMPAH
NO. B 390
S. AROKIADASS A.M.N
MALAYSIA

No. 34A (Tkt. 1), Jalan SS2/37
47300 Petaling Jaya
Selangor Darul Ehsan

STYL ASSOCIATES
AF 1929
Chartered Accountants

No: 107B Jalan Aminuddin Baki
Taman Tun Dr. Ismail 60000 Kuala Lumpur
Tel: 03-77275573
Fax: 03-77270771

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of EA Holdings Berhad, which comprise the statements of financial position as at 31st December 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 40.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material mistatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2013 and of their financial performance and cash flows for the year then ended.

STYL ASSOCIATES
AF 1929
Chartered Accountants

No: 107B Jalan Aminuddin Baki
Taman Tun Dr. Ismail 60000 Kuala Lumpur
Tel: 03-77275573
Fax: 03-77270771

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under Subsection (3) of Section 174 of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 28 to the Financial Statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The financial statements for the year ended 31st December 2012 were audited by another firm of auditors and have expressed an unmodified opinion on those statements on 29th April 2013.

STYL ASSOCIATES
Firm No. AF 1929
Chartered Accountants

SI CHAY BENG
Approval No: 1200/08/14(J)
Chartered Accountant

Date: 29 APR 2014
Kuala Lumpur

Company No. 878041-A

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER 2013

	Note	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	6	1,306,315	1,911,064	163,169	255,510
Intangible assets	7	29,771,749	27,664,488	-	-
Investment in subsidiaries	8	-	-	53,381,000	51,130,000
Total Non-Current Assets		31,078,064	29,575,552	53,544,169	51,385,510
Current Assets					
Inventories	9	193,569	294,234	-	-
Trade receivables	10	48,025,543	31,711,863	-	-
Other receivables and prepaid expenses	10	889,816	1,487,281	67,161	24,661
Amount owing by subsidiaries	8	-	-	6,823,174	12,161,275
Deposits, cash and bank balances	11	9,318,120	7,527,703	1,581,967	531,573
Total Current Assets		58,427,048	41,021,081	8,472,302	12,717,509
Total Assets		89,505,112	70,596,633	62,016,471	64,103,019
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	12	42,517,650	42,517,650	42,517,650	42,517,650
Reserves	13	26,622,690	17,637,895	16,724,791	18,138,048
		69,140,340	60,155,545	59,242,441	60,655,698
Non-controlling interests		2,234,139	1,963,669	-	-
Total Equity		71,374,479	62,119,214	59,242,441	60,655,698
Non-Current Liabilities					
Hire purchase creditors	14	999,097	1,262,199	138,829	185,532
Deferred tax liabilities	15	48,959	67,533	-	-
Total Non-Current Liabilities		1,048,056	1,329,732	138,829	185,532
Current Liabilities					
Trade payables	16	10,178,788	338,303	-	-
Accrued expenses and deferred income	16	1,067,839	961,675	248,347	617,643
Bank borrowings	17	4,512,000	3,198,786	986,982	1,013,989
Amount owing to subsidiaries	8	-	-	1,353,169	1,586,391
Amount owing to director	18	10,100	-	-	-
Hire purchase creditors	14	264,798	2,254,920	46,703	43,766
Tax liabilities		1,049,052	394,003	-	-
Total Current Liabilities		17,082,577	7,147,687	2,635,201	3,261,789
Total Liabilities		18,130,633	8,477,419	2,774,030	3,447,321
Total Equity and Liabilities		89,505,112	70,596,633	62,016,471	64,103,019

The accompanying Notes form an integral part of the Financial Statements.

Company No. 878041-A

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2013

	Note	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Revenue	19	91,654,503	46,015,311	-	1,785,000
Other operating income		98,393	31,277	18,317	1,394
Changes in inventories of trading merchandise		(100,665)	(25,437)	-	-
Purchases and other direct costs		(72,458,437)	(27,845,707)	-	-
Staff costs		(3,749,164)	(4,553,230)	(325,289)	(236,072)
Amortisation of intangible assets		(59,897)	11,738	-	-
Depreciation of property, plant and equipment		(625,287)	(704,635)	(96,722)	(95,451)
Directors' remuneration	20	(911,697)	(1,075,861)	(63,000)	(54,000)
Other operating expenses		(3,188,700)	(2,227,993)	(731,275)	(661,985)
Profit/(Loss) from operations		10,659,049	9,625,463	(1,197,969)	738,886

Profit/(Loss) from operations is stated after charging/(crediting):

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Auditors' remuneration				
- current year	94,000	90,000	25,000	20,000
- overprovision in prior year	(14,610)	(420)	-	-
Amortisation of intangible assets				
- current year	59,897	-	-	-
- overprovision in prior year	-	(11,738)	-	-
Depreciation of property, plant and equipment	625,287	704,635	96,722	95,451
Directors' remuneration	911,697	1,075,861	63,000	54,000
Rental of premises	467,492	555,770	64,500	63,625
Deposits written off	3,565	-	-	-
Dividend income	-	-	-	(1,785,000)
Interest income from fixed deposits	(98,393)	(11,277)	(18,317)	(1,394)

	Note	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Finance costs	21	(674,139)	(572,526)	(215,288)	(66,580)
Profit/(Loss) before tax		9,984,910	9,052,937	(1,413,257)	672,306
Income tax expense	22	(729,645)	(185,451)	-	-
Total comprehensive income/(loss) for the year		9,255,265	8,867,486	(1,413,257)	672,306
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		8,984,795	6,094,579	(1,413,257)	672,306
Non-controlling interests		270,470	2,772,907	-	-
		9,255,265	8,867,486	(1,413,257)	672,306

Earnings per share attributable to equity holders of the Company:

	Note	GROUP 2013	GROUP 2012
Basic (sen)	23	2.11	1.91
Diluted (sen)	23	N/A	N/A

The accompanying Notes form an integral part of the Financial Statements.

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2013

	<--------Attributable to Equity Holders of the Company-------->							
		Non distributable reserve -		Distributable reserve -				
	Share capital RM	Share premium RM	Warrants reserve RM	Retained earnings RM	Other reserve RM	Total RM	Non-controlling interests RM	Total equity RM
GROUP								
Balance as at 1st January 2012	20,345,100	14,051,054	6,119,827	9,849,282	-	50,365,263	5,168,014	55,533,277
Issuance of shares during the year								
- Bonus issue	10,172,550	(10,318,301)	-	-	-	(145,751)	-	(145,751)
- Acquisition of subsidiary	12,000,000	5,579,199	-	-	(13,737,745)	3,841,454	(4,262,252)	(420,798)
Total comprehensive income for the financial year	-	-	-	6,094,579	-	6,094,579	2,772,907	8,867,486
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,715,000)	(1,715,000)
Balance as at 31st December 2012	42,517,650	9,311,952	6,119,827	15,943,861	(13,737,745)	60,155,545	1,963,669	62,119,214
Total comprehensive income for the financial year	-	-	-	8,984,795	-	8,984,795	270,470	9,255,265
Balance as at 31st December 2013	42,517,650	9,311,952	6,119,827	24,928,656	(13,737,745)	69,140,340	2,234,139	71,374,479

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2013

	Issued capital RM	Non distributable reserve Share premium RM	Non distributable reserve Warrants reserve RM	Distributable reserve - Retained earnings RM	Total equity RM
COMPANY					
As at 1st January 2012	20,345,100	14,051,054	6,119,827	2,033,963	42,549,944
Total comprehensive income for the financial year	-	-	-	672,306	672,306
Issuance of shares during the year					
- Bonus issue	10,172,550	(10,318,301)	-	-	(145,751)
- Acquisition of subsidiary	12,000,000	5,579,199	-	-	17,579,199
Balance as at 31st December 2012	42,517,650	9,311,952	6,119,827	2,706,269	60,655,698
Total comprehensive loss for the financial year	-	-	-	(1,413,257)	(1,413,257)
Balance as at 31st December 2013	42,517,650	9,311,952	6,119,827	1,293,012	59,242,441

The accompanying Notes form an integral part of the Financial Statements.

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2013

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	9,984,910	9,052,937	(1,413,257)	672,306
Adjustments for:				
Amortisation of intangible assets				
- current year	59,897	-	-	-
- overprovision in prior year	-	(11,738)	-	-
Depreciation of property, plant and equipment	625,287	704,635	96,722	95,451
Deposits written off	3,565	-	-	-
Dividend income	-	-	-	(1,785,000)
Finance costs	674,139	572,526	215,288	66,580
Interest income	(98,393)	(11,277)	(18,317)	(1,394)
Operating profit/(loss) before working capital changes	11,249,405	10,307,083	(1,119,564)	(952,057)
Changes in working capital:				
Decrease in inventories	100,665	25,437	-	-
(Increase)/Decrease in trade receivables	(16,313,680)	(709,022)	-	79,500
(Increase)/Decrease in other receivables and prepaid expenses	593,900	162,159	(42,500)	15,240
(Increase)/Decrease in amount owing by subsidiaries	-	-	3,088,101	(1,381,163)
Increase/(Decrease) in trade payables	9,840,485	(977,283)	-	-
Increase/(Decrease) in accrued expenses and deferred income	106,164	108,575	(369,296)	183,940
Increase/(Decrease) in amount owing to subsidiaries	-	-	(233,222)	1,086,391
Increase/(Decrease) in amount owing to director	10,100	(750,000)	-	(750,000)
Cash Generated From/(Used In) Operations	5,587,039	8,166,949	1,323,519	(1,718,149)
Finance costs paid	(674,139)	(572,526)	(215,288)	(66,580)
Interest received	98,393	11,277	18,317	1,394
Tax paid	(93,170)	(82,378)	-	-
Net Cash From/(Used In) Operating Activities	4,918,123	7,523,322	1,126,548	(1,783,335)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(20,538)	(163,211)	(4,381)	(10,034)
Additions in development costs	(2,167,158)	(2,965,519)	-	-
Acquisition of investment in subsidiary (Note 8)	-	-	(1,000)	-
Acquisition of additional shares in subsidiary	-	(420,798)	-	(566,552)
Dividends received	-	-	-	1,785,000
Net Cash From/(Used In) Investing Activities	(2,187,696)	(3,549,528)	(5,381)	1,208,414

EA HOLDINGS BERHAD
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STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2013

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase/(Decrease) in bank borrowings	1,443,795	(1,190,651)	-	-
Increase in deposits pledged for banking facilities granted	(1,243,233)	(1,051,100)	(1,059,713)	(522,254)
Repayment of hire purchase payables	(2,253,224)	(561,863)	(43,766)	(40,830)
Payment of share issue expenses	-	(145,751)	-	-
Dividends paid to non-controlling interests	-	(1,715,000)	-	-
Net Cash Used In Financing Activities	(2,052,662)	(4,664,365)	(1,103,479)	(563,084)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	677,765	(690,571)	17,688	(1,138,005)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,460,256	5,150,827	(1,004,670)	133,335
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 24)	5,138,021	4,460,256	(986,982)	(1,004,670)

Note:

During the financial year, the Group acquired 100% equity interest in a subsidiary for a cash consideration of RM1,000. The Group further acquired 2,250,000 ordinary shares in the subsidiary through the capitalisation of amount owing to the Company.

In 2012, the Company entered into a share sale agreement for the acquisition of 875,000 ordinary shares in DDSB (M) Sdn. Bhd., representing 35% equity interest for a purchase consideration of RM18,000,000 satisfied with the issuance of 120,000,000 ordinary shares of RM0.10 each at RM0.15 per share in the Company.

Also, the issued and paid-up share capital of the Company in 2012 was increased from RM20,345,100 to RM30,517,650 by way of bonus issue of 10,172,550 new ordinary shares of RM0.10 each credited as fully paid-up to the shareholders of the Company on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held through the capitalisation of the share premium account.

The accompanying Notes form an integral part of the Financial Statements.

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1) GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company is principally engaged in investment holding, management and consultancy services. The principal activities of the subsidiaries are as disclosed in Note 8 to the Financial Statements. There have been no significant changes in the nature of these principal activities during the financial year.

The registered office of the Company is located at No: 149-A, Jalan Amminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur.

The principal place of business of the Company is located at Units J-3A-7 & J-3A-8, Level 3A, Block J, Solaris Mont Kiara, 50480 Kuala Lumpur.

The financial statements are presented in Ringgit Malaysia (RM).

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 29th April 2014.

2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1965 in Malaysia.

Adoption of Standards, Amendments and Issues Committee ("IC") Interpretations

At the beginning of the current financial year, the Group and the Company adopted the new and revised MFRSs which are mandatory for financial period beginning on or after 1st January 2013.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year, except as follows:

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income

Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle

The adoption of the above standards and interpretations did not have any impact on the financial statements of the Group and of the Company.

Standards and Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the following new and revised standards and amendments were in issue but not yet effective. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

		Effective for annual period beginning on or after
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1st January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1st January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1st January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1st January 2014
IC Interpretation 21	Levies	1st January 2014
Amendments to MFRS 201	Property Development Activities	1st January 2014
Amendments to MFRS 2	Share-based Payment	1st July 2014
Amendments to MFRS 3	Business Combinations	1st July 2014
Amendments to MFRS 8	Operating Segments	1st July 2014
Amendments to MFRS 13	Fair Value Measurement	1st July 2014
Amendments to MFRS 116	Annual Improvements to MFRSs 2010 - 2012 Cycle	1st July 2014
Amendments to MFRS 119	Defined Benefit Plans: Employee Contribution	1st July 2014
Amendments to MFRS 124	Related Party Disclosures	1st July 2014
Amendments to MFRS 138	Intangible Assets	1st July 2014
Amendments to MFRS 140	Investment Property	1st July 2014
MFRS 9	Financial Instruments	1st January 2015

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments, addresses the classification, measurement and recognition of financial assets and financial liabilities. The amendments to MFRS 9 were issued in November 2009 and October 2010. It replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks, including market risk (including interest rate risk), credit risk, and liquidity risk. The Group has adopted a financial risk management framework with the principal objective of effectively managing these risks and minimising any potential adverse effects on the financial performance of the Group and of the Company.

Market risk: Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. The Group's investment in financial assets are mainly short term in nature and mostly placed in financial deposits.

Changes in interest rates are not expected to have a significant impact on the Group's profit or loss.

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from trade receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

The ageing of trade receivables as at the end of the reporting period was:

	GROUP	
	2013	2012
	RM	RM
Not past due	24,769,030	8,778,474
Past due 31 to 60 days	2,112,455	2,768,446
Past due 61 to 90 days	373,145	2,079,673
Past due 91 - 120 days	5,989,042	5,211,406
Past due more than 120 days	14,781,871	12,873,864
	48,025,543	31,711,863

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funds for contingent funding requirement of working capital.

Fair values

The fair value of financial instruments refer to the amount at which the instrument could be exchanged for or settled between knowledgeable and willing parties in an arm's length transactions.

The carrying amounts of the financial assets and financial liabilities as reported in the statements of financial position as at 31st December 2013 approximate their fair values of these assets and liabilities because they are either within the normal credit terms or they have short-term maturity period.

Capital Risk Management Policies and Procedures

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, and to maintain an optimal capital structure so as to provide returns for shareholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes compared to the previous financial year.

The Group is not subject to any externally imposed capital requirements.

4) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

b) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is calculated to write off the cost of the property, plant and equipment on a straight-line basis over the expected useful lives of the property, plant and equipment concerned. The annual depreciation rates used are as follows:

	%
Office equipment	20
Furniture and fittings	20
Computers	20
Motor vehicles	20
Moulds	20
Renovation	20

The carrying values of property, plant and equipment are reviewed for impairment when events or change in circumstances indicate that the carrying value may not be recoverable. The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceed and the carrying amount of the asset, and is recognised in profit or loss.

c) Subsidiaries and Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company. Control is achieved when the Group:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Disposal of Subsidiaries

When the Group losses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

d) Investments in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between disposal proceeds and their carrying amounts are recognised in profit or loss.

e) Intangible Assets

i) Goodwill on Consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and portion of the cash-generating unit retained.

ii) Research and Development Costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) the intention to complete the intangible asset and use or sell it;

(iii) the ability to use or sell the intangible asset;

(iv) how the intangible asset will generate probable future economic benefits;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. The average expected life of the development projects is ten (10) years.

f) Financial Instruments

i) Initial recognition and measurement

Financial instruments are recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

ii) Financial instrument categories and subsequent measurement

The Group categories financial instruments as follows:

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

a) *Financial assets at fair value through profit or loss*

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

b) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

c) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when the Group's right to receive payment is established.

Available-for-sale financial assets are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) *Financial liabilities at fair value through profit or loss*

Financial liabilities are classified as financial liabilities at fair value through profit or loss when the financial liability is either held for trading or it is designated as financial liabilities at fair value through profit or loss.

A financial liability is classified as held for trading if:

a) it has been acquired principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as financial liabilities at fair value through profit or loss upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of profit or loss and other comprehensive income.

b) *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

iii) Impairment of Financial Assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

g) Impairment of Non Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

h) Hire Purchase Arrangement

Assets held under hire purchase are treated as if they had been purchased at cost at the commencement of the hire purchase agreements. These costs are included under property, plant and equipment and depreciation is provided accordingly. The corresponding obligations under hire purchase are included under liabilities. The charges of instalments payable are charged to profit or loss over the period of the hire purchase agreements.

i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, term deposits and other short term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value against which bank overdraft, if any, are deducted.

l) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

m) Warrants Reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

n) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group in the current and previous financial year ends.

o) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

p) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable, net of returns, allowances and trade discounts.

Revenue from services are recognised when services are rendered. Revenue represents the invoiced value of services rendered net of discounts and allowances. Interest income is recognised on accrual basis.

Dividend income is recognised when the Group's right to receive payment is established while interest income is recognised on accrual basis.

q) Foreign Currency Conversion

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

r) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contributions plans

As required by law, companies in Malaysia make contributions to the state pension scheme, Employees Provident Fund. Such contributions are recognised as an expense in profit or loss as incurred.

s) Income Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the financial year end.

Current taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported results during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the director's best knowledge of current events and actions, actual results may differ.

Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, management is of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

(i) Capitalisation of Development Expenditure

During the year, the directors reconsidered the recoverability of the Group's internally generated intangible assets arising from its sofware application solutions development, which is included in the statements of financial position.

The project continues to progress in a very satisfactory manner, and customer reaction has reconfirmed the directors' previous estimates of anticipated revenues from the project. However, increased competitor activity has caused the directors to reconsider their assumptions regarding future market share and anticipated margins on these products. Detailed sensitivity analysis has been carried out and the directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

(ii) Impairment of investment in subsidiaries

The Group assesses whether there is any indication that investments in subsidiaries may be impaired at each reporting date.

If indicators are present, these assets are subject to impairment review. The impairment review comprises a comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgements made by management in the process of applying the Group's accounting policies in respect of investments in subsidiaries is to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earning ratio methods.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst other, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

Management believes that no reasonably expected possible change in the key assumptions described above would cause the carrying amounts of the investment to materially exceed their recoverable amount.

(iii) Impairment on receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

6) PROPERTY, PLANT AND EQUIPMENT

GROUP

	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles under hire purchase RM	Moulds RM	Renovation RM	Total RM
2013							
Cost							
As at 1st January 2013	635,491	102,752	1,029,554	2,492,062	65,065	470,333	4,795,257
Additions	7,935	-	12,603	-	-	-	20,538
As at 31st December 2013	643,426	102,752	1,042,157	2,492,062	65,065	470,333	4,815,795
Accumulated depreciation							
As at 1st January 2013	523,680	71,258	768,058	1,130,950	48,179	342,068	2,884,193
Charge for the year	42,717	12,503	150,816	359,768	10,735	48,748	625,287
As at 31st December 2013	566,397	83,761	918,874	1,490,718	58,914	390,816	3,509,480
Net book value as at 31st December 2013	77,029	18,991	123,283	1,001,344	6,151	79,517	1,306,315
2012							
Cost							
As at 1st January 2012	602,724	101,727	961,035	2,492,062	65,065	409,433	4,632,046
Additions	32,767	1,025	68,519	-	-	60,900	163,211
As at 31st December 2012	635,491	102,752	1,029,554	2,492,062	65,065	470,333	4,795,257
Accumulated depreciation							
As at 1st January 2012	476,885	55,880	574,963	754,981	35,166	281,683	2,179,558
Charge for the year	46,795	15,378	193,095	375,969	13,013	60,385	704,635
As at 31st December 2012	523,680	71,258	768,058	1,130,950	48,179	342,068	2,884,193
Net book value as at 31st December 2012	111,811	31,494	261,496	1,361,112	16,886	128,265	1,911,064

6) PROPERTY, PLANT AND EQUIPMENT

COMPANY

	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles under hire purchase RM	Renovation RM	Total RM
2013						
Cost						
As at 1st January 2013	9,398	23,306	11,306	392,180	43,403	479,593
Additions	-	-	4,381	-	-	4,381
As at 31st December 2013	9,398	23,306	15,687	392,180	43,403	483,974
Accumulated depreciation						
As at 1st January 2013	2,595	10,099	3,027	189,553	18,809	224,083
Charge for the year	1,880	4,661	3,064	78,436	8,681	96,722
As at 31st December 2013	4,475	14,760	6,091	267,989	27,490	320,805
Net book value as at 31st December 2013	4,923	8,546	9,596	124,191	15,913	163,169
2012						
Cost						
As at 1st January 2012	4,391	23,306	6,279	392,180	43,403	469,559
Additions	5,007	-	5,027	-	-	10,034
As at 31st December 2012	9,398	23,306	11,306	392,180	43,403	479,593
Accumulated depreciation						
As at 1st January 2012	827	5,438	1,122	111,118	10,127	128,632
Charge for the year	1,768	4,661	1,905	78,435	8,682	95,451
As at 31st December 2012	2,595	10,099	3,027	189,553	18,809	224,083
Net book value as at 31st December 2012	6,803	13,207	8,279	202,627	24,594	255,510

Included in property, plant and equipment of the Group are fully depreciated assets which are still in use with a cost of RM872,145 (2012: RM396,294).

7) INTANGIBLE ASSETS

GROUP	Goodwill on consolidation RM	Development costs RM	Total RM
2013			
Cost			
As at 1st January 2013	19,674,544	11,811,471	31,486,015
Additions	-	2,167,158	2,167,158
As at 31st December 2013	19,674,544	13,978,629	33,653,173
Accumulated amortisation			
As at 1st January 2013	-	3,821,527	3,821,527
Amortisation for the year	-	59,897	59,897
As at 31st December 2013	-	3,881,424	3,881,424
Net carrying amount as at 31st December 2013	19,674,544	10,097,205	29,771,749
2012			
Cost			
As at 1st January 2012	19,674,544	8,845,952	28,520,496
Additions	-	2,965,519	2,965,519
As at 31st December 2012	19,674,544	11,811,471	31,486,015
Accumulated amortisation			
As at 1st January 2012	-	3,833,265	3,833,265
Amortisation for the year	-	(11,738)	(11,738)
As at 31st December 2012	-	3,821,527	3,821,527
Net carrying amount as at 31st December 2012	19,674,544	7,989,944	27,664,488

The recoverable amounts of the goodwill on consolidation and development costs have been determined based on value in use calculations using cash flow projections from financial budget approved by management covering a period of ten (10) years.

Sensitivity to change in assumptions

Management believes that no reasonable possible changes in any of the key assumptions that would cause the carrying values of the cash-generating unit to materially exceed their recoverable amounts.

8) INVESTMENT IN SUBSIDIARIES

	COMPANY 2013 RM	COMPANY 2012 RM
Unquoted shares - At cost	53,381,000	51,130,000

The amount owing by/(to) subsidiaries arose mainly from advances given and payments made on behalf which are unsecured, interest-free and repayable on demand.

The details of the subsidiaries are as follows:

Name of Company	Place of Incorporation	Equity Interest 2013 %	Equity Interest 2012 %	Principal Activities
Direct Subsidiaries				
CSS MSC Sdn. Bhd.	Malaysia	100	100	Provision of business intelligence software and development, IT service and management consultancy and system integration
DDSB (M) Sdn. Bhd.	Malaysia	86	86	Information technology, consultancy services and software development
EASS Sdn. Bhd.	Malaysia	-	100	E-Business consultancy and hardware system integration specialists
Colwyn Bay Technologies Sdn. Bhd. ("CBTSB")	Malaysia	100	-	Investment holding
Indirect Subsidiaries				
EASS Sdn. Bhd. *	Malaysia	100	-	E-Business consultancy and hardware system integration specialists
EA MSC Sdn. Bhd. ^	Malaysia	100	100	Research, design, development, sales & distribution of RFID-based tracking system

* Held through Colwyn Bay Technologies Sdn. Bhd.

^ Held through EASS Sdn. Bhd.

During the financial year, the Group acquired 100% equity interest in CBTSB, a company incorporated in Malaysia, for a total consideration of RM1,000. The effects of the acquisition on the financial results of the Group during the financial year are as follows:

Post-acquisition results of the subsidiary acquired:

	2013 RM
Other operating expenses	(18,504)
Loss before tax	(18,504)
Income tax expense	-
Decrease in Group's profit attributable to shareholders	(18,504)

The effect of this acquisition on the financial position of the Group during the financial year is as follows:

	2013 RM
Net assets acquired:	
Cash and bank balances	1,000
Less: Cash and cash balances acquired	(1,000)
Cash flow on acquisition, net of cash and cash equivalents acquired	-

The Company further subscribed for an additional 2,250,000 ordinary shares of RM1 each in CBTSB for a total consideration of RM2,250,000 via capitalisation of amount owing to the Company.

Subsequent to the acquisition of CBTSB, EASS Sdn. Bhd., a wholly owned subsidiary of the Company is placed under CBTSB as a wholly owned subsidiary of CBTSB, with the Company as the ultimate holding company.

9) INVENTORIES

	GROUP	
	2013 RM	2012 RM
At cost:		
Raw materials	120,107	122,335
Finished goods	73,462	171,899
	193,569	294,234

10) TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables comprise amounts receivable for services rendered. The credit period granted on services rendered is 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Other receivables and prepaid expenses consist of:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Other receivables	310,572	5,080	-	-
Deferred costs	42,500	-	42,500	-
Prepaid expenses	5,000	88,204	-	-
Refundable deposits	531,744	1,393,997	24,661	24,661
	889,816	1,487,281	67,161	24,661

The trade and other receivables are all denominated in Ringgit Malaysia.

11) DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Deposits with licensed banks	2,469,692	1,676,100	1,569,733	522,254
Cash and bank balances	6,848,428	5,851,603	12,234	9,319
	9,318,120	7,527,703	1,581,967	531,573

The deposits with licensed banks of the Group and of the Company amounting to RM2,294,3333 (2012: RM1,051,100) and RM1,581,967 (2012: RM522,254) respectively are pledged as security for bank guarantee facility granted to the Group. The deposits have maturity periods ranging from 30 days to 365 days (2012: 30 days to 365 days). Deposits of the Group and of the Company earn return at 2.55% to 3.10% (2012: 2.55% to 3.10%) per annum.

The deposit, cash and bank balances are all denominated in Ringgit Malaysia.

12) SHARE CAPITAL

	GROUP AND COMPANY No. of ordinary shares of RM0.10 each		GROUP AND COMPANY Amount	
	2013	2012	2013 RM	2012 RM
Authorised				
As at beginning of financial year	1,000,000,000	500,000,000	100,000,000	50,000,000
Created during the financial year	-	500,000,000	-	50,000,000
As at end of financial year	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Issued and fully paid				
As at beginning of financial year	425,176,500	203,451,000	42,517,650	20,345,100
Issued during the financial year	-	221,725,500	-	22,172,550
As at end of financial year	425,176,500	425,176,500	42,517,650	42,517,650

As approved by the shareholders at the Extraordinary General Meeting held on 20th November 2012, the authorised share capital of the Company in 2012 was increased from RM500,000,000 to RM1,000,000,000 by the creation of 500,000,000 new ordinary shares of RM0.10 each.

As approved by the shareholders of the Company at the Extraordinary General Meeting held on 27th December 2011, the issued and paid-up share capital of the Company in 2012 was increased from RM20,345,100 to RM30,517,650 by way of bonus issue of 10,172,550 new ordinary shares of RM0.10 each credited as fully paid-up to the shareholders of the Company on the basis of one new ordinary share for every two existing ordinary shares held through the capitalisation of the share premium account.

Also, as approved by the shareholders via Extraordinary General Meeting held on 20th November 2012, the issued and paid-up share capital of the Company in 2012 was further increased from RM30,517,650 to RM42,517,650 by the allotment of 120,000,000 new ordinary shares of RM0.10 each at RM0.15 per share for the purposes of the acquisition of additional equity interest in a subsidiary company.

All the new shares issued rank pari passu in all respects with the then existing shares of the Company.

2010/2015 WARRANTS

In 2010, the Company completed the listing of bonus issue of 77,500,500 free warrants on the basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.10 each in the Company. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.59 per warrant.

The exercise price of the warrant was revised downwards from RM0.59 to RM0.40 in 2012 and an additional 38,750,250 warrants was issued pursuant to the adjustment.

All the warrants issued are constituted under a Deed Poll executed by the Company.

The salient features of the warrants are as follows:

a) Each warrant entitles the registered holder, at any time during the exercise period to subscribe for one (1) new ordinary share at an exercise price of RM0.40 each, subject to adjustments in accordance with the provisions of the Deed Poll.

b) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of the warrants and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 5th anniversary of the date of issuance of the warrants and if such date is not a market day, then on the preceding market day.

c) The new ordinary shares to be issued pursuant to the exercise of the warrants upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of the Company except that the new ordinary shares shall not be entitled to any dividend, rights, allotment and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the rights shares.

13) RESERVES

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Non Distributable Reserves:				
Share premium	9,311,952	9,311,952	9,311,952	9,311,952
Warrants reserve	6,119,827	6,119,827	6,119,827	6,119,827
Other reserve:				
Transaction with non-controlling interests	(13,737,745)	(13,737,745)	-	-
Distributable Reserves:				
Retained earnings	24,928,656	15,943,861	1,293,012	2,706,269
	26,622,690	17,637,895	16,724,791	18,138,048

Share premium reserve

The reserve comprises the premium paid on subscription of shares in the Company over and above the par value of the shares net of share issue expenses.

Warrants reserve

Warrants reserve, which is non-distributable, represents the total value of the free warrants of 77,500,500 computed based on the theoretical fair value of about RM0.08 per warrant, which was arrived at using Black-Scholes option pricing model as at 24th September 2010. The warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

14) HIRE PURCHASE CREDITORS

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Total outstanding	1,434,409	3,844,540	205,720	261,844
Less: Interest-in-suspense outstanding	(170,514)	(327,421)	(20,188)	(32,546)
Principal outstanding	1,263,895	3,517,119	185,532	229,298
Repayable as follows:				
Portion payable within the next 1 year (Included in current liabilities)	264,798	2,254,920	46,703	43,766
Portion payable after the next 12 months:				
Payable between 1 and 2 years	251,740	208,208	49,639	46,703
Payable between 2 and 5 years	689,725	827,756	89,190	138,829
Payable after 5 years	57,632	226,235	-	-
	999,097	1,262,199	138,829	185,532
Total	1,263,895	3,517,119	185,532	229,298

The effective interest rates on the hire purchase for the Group and for the Company range from 4.36% to 6.89% (2012: 4.36% to 9.00%) and at 6.01% (2012: 6.01%) per annum respectively.

15) DEFERRED TAX LIABILITIES

	GROUP	
	2013	2012
	RM	RM
Balance as at beginning of the year	67,533	121,313
Recognised in profit or loss (Note 22)	(18,574)	(53,780)
Balance as at end of the year	48,959	67,533

The recognised deferred tax liabilities are made up of temporary difference between tax capital allowances and book depreciation of property, plant and equipment.

16) TRADE PAYABLES, ACCRUED EXPENSES AND DEFERRED INCOME

Trade and other payables comprise amounts outstanding for trade and ongoing costs. The average credit period granted to the Group for trade purchases ranges from 30 to 90 days.

Accrued expenses and deferred income consist of:

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Accrued expenses	947,839	961,675	248,347	617,643
Deferred income	120,000	-	-	-
	1,067,839	961,675	248,347	617,643

The trade and other payables are all denominated in Ringgit Malaysia.

17) BANK BORROWINGS

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Revolving credit	2,626,234	1,182,439	-	-
Bank overdraft (Note 24)	1,885,766	2,016,347	986,982	1,013,989
	4,512,000	3,198,786	986,982	1,013,989

As at 31st December 2013, the Group and the Company have bank credit facilities totalling RM17,500,000 (2012: RM17,500,000) and RM7,500,000 (2012: RM7,500,000) respectively obtained from the licensed bank. The facilities bear interest ranging from 1.2% to 8.6% (2012: 1.2% to 8.6%) per annum and are secured by the following:

i) Pledge of fixed deposits of the Company:
ii) Corporate guarantee from the Company; and
iii) Joint and several guarantee by the directors of the Company.

18) AMOUNT OWING TO DIRECTOR

The amount owing to director, which arose mainly from expenses paid on behalf and advances given, which is unsecured, interest-free and repayable on demand.

19) REVENUE

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Information and communications technologies ("ICT") services	61,691,980	14,197,348	-	-
Software solutions	26,062,943	28,262,442	-	-
Biometrics	3,899,580	3,555,521	-	-
Dividend income	-	-	-	1,785,000
	91,654,503	46,015,311	-	1,785,000

20) DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Executive directors:				
Salary and other emoluments	775,860	892,600	-	-
Defined contribution plan	72,837	129,261	-	-
	848,697	1,021,861	-	-
Non-executive directors:				
Fees	63,000	54,000	63,000	54,000
	911,697	1,075,861	63,000	54,000

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2013	2012
Non-Executive Directors:		
Below RM50,000	3	3

21) FINANCE COSTS

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Interest on:				
bank overdraft	280,526	59,671	202,931	51,286
bank guarantee	70,396	-	-	-
hire purchase	160,055	294,668	12,357	15,294
revolving credit	163,162	218,187	-	-
	674,139	572,526	215,288	66,580

22) INCOME TAX EXPENSE

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Estimated current tax payable				
- current year	752,325	253,708	-	-
- overprovision in prior year	(4,106)	(14,477)	-	-
	748,219	239,231	-	-
Deferred tax liabilities (Note 15)	(18,574)	(53,780)	-	-
	729,645	185,451	-	-

A numerical reconciliation of income tax expense and the product of the accounting profit/(loss) multiplied by the applicable statutory income tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Accounting profit/(loss)	9,984,910	9,052,937	(1,413,257)	672,306
Tax at the applicable statutory income tax rate of 25%	2,496,228	2,263,235	(353,314)	168,077
Tax effects in respect of:				
Expenses that are not deductible for tax purposes	508,937	146,902	218,427	18,461
Income exempted from tax	(2,239,676)	(2,014,802)	-	(446,250)
Income not subject to tax	(161,573)	(446,250)	-	-
Utilisation of deferred tax assets not recognised previously	(26,528)	(10,593)	-	(1,996)
Deferred tax not recognised	142,968	261,708	134,887	261,708
(Over)/underprovision of deferred tax in prior year	9,289	(14,749)	-	-
Income tax expense	729,645	185,451	-	-

The Company's subsidiaries namely EA MSC Sdn. Bhd., CSS MSC Sdn. Bhd. and DDSB (M) Sdn Bhd. have been awarded Multimedia Super Corridor ("MSC") status by the Government of Malaysia and were granted pioneer status under the Promotion of Investments (Amendment) Act, 1997, which exempt 100% of the statutory business income from taxation for a period of 10 years commencing from 15th May 2008, 2nd July 2009 and 1st October 2003 respectively. The pioneer status granted to DDSB (M) Sdn. Bhd. expired during the financial year.

23) EARNINGS PER ORDINARY SHARE

Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2013	2012
Profit attributable to equity holders of the Company (RM)	8,984,795	6,094,579
Number or ordinary shares at beginning of year	425,176,500	172,257,000
Effect of issue of shares during the year	-	146,034,000
Weighted average number of ordinary shares in issue	425,176,500	318,291,000
Basic earnings per share (sen)	2.11	1.91

Diluted

The effect on the diluted earnings per share in 2013 and 2012 arising from the assumed exercise of warrant is anti-dilutive.

24) CASH AND CASH EQUIVALENTS

For the purposes of the statements of cash flows, cash and cash equivalents include deposits, cash and banks balances net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Deposits with licensed banks	2,469,692	1,676,100	1,569,733	522,254
Cash and bank balances	6,848,428	5,851,603	12,234	9,319
Bank overdraft (Note 17)	(1,885,766)	(2,016,347)	(986,982)	(1,013,989)
	7,432,354	5,511,356	594,985	(482,416)
Less: Fixed deposits pledged to licensed banks	(2,294,333)	(1,051,100)	(1,581,967)	(522,254)
	5,138,021	4,460,256	(986,982)	(1,004,670)

25) SEGMENTAL INFORMATION

Primary Reporting Format - Business Segments

2013	ICT services RM	Software solutions RM	Biometrics RM	Investment holding RM	Eliminations RM	Consolidated RM
REVENUE						
External revenue	61,691,980	26,062,943	3,899,580	-	-	91,654,503
Intersegment revenue	-	1,800,000	480,000	-	(2,280,000)	-
	61,691,980	27,862,943	4,379,580	-	(2,280,000)	91,654,503
RESULTS						
Profit from operations	2,361,189	9,114,781	399,552	(1,216,473)		10,659,049
Finance costs						(674,139)
Profit before tax						9,984,910
Income tax expense						(729,645)
Profit after tax						9,255,265
OTHER INFORMATION						
Segment assets	25,665,614	46,691,127	9,735,057	67,017,471	(59,604,157)	89,505,112
Segment liabilities	17,807,489	11,452,283	3,944,391	2,792,534	(17,915,023)	18,081,674
Capital expenditure	-	2,013,139	170,176	4,381	-	2,187,696
Non-cash expenses						
Depreciation of property, plant and equipment	77,066	415,761	35,738	96,722	-	625,287
Amortisation of intangible assets	-	59,897	-	-	-	59,897
Non-cash expenses other than depreciation and amortisation	-	3,565	-	-	-	3,565

25) SEGMENTAL INFORMATION

Primary Reporting Format - Business Segments

	ICT services RM	Software solutions RM	Biometrics RM	Investment holding RM	Eliminations RM	Consolidated RM
2012						
REVENUE						
External revenue	14,197,348	28,262,442	3,555,521	-	-	46,015,311
Intersegment revenue	-	840,000	-	1,785,000	(2,625,000)	-
	14,197,348	29,102,442	3,555,521	1,785,000	(2,625,000)	46,015,311
RESULTS						
Profit from operations	921,391	9,588,908	161,278	738,886	(1,785,000)	9,625,463
Finance costs						(572,526)
Profit before tax						9,052,937
Income tax expense						(185,451)
Profit after tax						8,867,486
OTHER INFORMATION						
Segment assets	11,580,734	39,953,734	8,974,925	64,103,019	(54,015,779)	70,596,633
Segment liabilities	7,505,436	13,451,676	3,583,098	3,447,321	(19,577,645)	8,409,886
Capital expenditure	27,218	2,466,301	625,177	10,034	-	3,128,730
Non-cash expenses						
Depreciation of property, plant and equipment	99,703	466,136	43,345	95,451	-	704,635
Amortisation of development costs	-	(11,738)	-	-	-	(11,738)

Secondary Reporting Format - Geographical Segments

The Group has no secondary reporting format as the contribution from foreign operations is not significant compared to the Group's operations.

26) SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company.

The remuneration of directors and other members of key management during the year is as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Executive directors:				
Salary and other emoluments	775,860	892,600	-	-
Defined contribution plan	72,837	129,261	-	-
	848,697	1,021,861	-	-
Non-executive directors:				
Fees	63,000	54,000	63,000	54,000
	911,697	1,075,861	63,000	54,000

27) CORPORATE PROPOSAL

On 25th November 2013, the Company undertook a bonus issue of warrants exercise on the basis of two (2) free warrants for every nine (9) existing ordinary shares of RM0.10 each in the Company. The bonus issue of warrants was completed on 3rd March 2014 with the listing of 94,483,666 warrants on the ACE Market of Bursa Malaysia Securities Berhad.

28) SUPPLEMENTARY INFORMATION

Supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad are as follow:

	GROUP		COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Retained earnings carried forward are analysed as follows:				
Unrealised	(48,959)	(67,533)	-	-
Realised	36,162,143	26,925,450	1,293,012	2,706,269
	36,113,184	26,857,917	1,293,012	2,706,269
Add: Consolidation adjustments	(11,184,528)	(10,914,056)	-	-
Total retained earnings	24,928,656	15,943,861	1,293,012	2,706,269

Company No. 878041-A

APPENDIX V

DIRECTORS' REPORT

EA HOLDINGS BERHAD (878041-A)
Units J-3A-7 & J-3A-8, Level 3A, Block J, Solaris Mont Kiara, No.2, Jalan Solaris, 50480 Kuala Lumpur
Tel: (603) 6204 0050 | Fax: (603) 6204 0051 | Web: www.eah.com.my

Registered Office:

Units J-3A-7 & J-3A-8
Level 3A, Block J
Solaris Mont Kiara
50480 Kuala Lumpur

Date: 14 MAY 2014

To: The Shareholders of EA Holdings Berhad ("EAH" or the "Company")

On behalf of the Board of Directors of EAH ("Board"), I wish to report that after making due enquiries in relation to EAH and its subsidiaries ("Group") during the period between 31 December 2013, being the date to which the latest audited consolidated financial statements have been made up, and the date of this letter, being a date not earlier than 14 days before the date of this Abridged Prospectus:-

(a) In the opinion of the Board, the business of our Group has been satisfactorily maintained;

(b) In the opinion of the Board, no circumstances have arisen since the latest audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(c) The current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) Save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(e) There has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/ or principal sums in relation to any borrowings in our Group since the latest audited consolidated financial statements of our Group; and

(f) Save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the latest audited consolidated financial statements.

Yours faithfully
For and on behalf of the Board of
EA HOLDINGS BERHAD

MOHAMMAD SOBRI BIN SAAD
Chief Executive Officer

ADDITIONAL INFORMATION

1. SHARE CAPITAL

i. Save for the Rights Shares, the Warrants C and the new EAH Shares to be issued pursuant to the exercise of the Warrants C, no other securities in our Company will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.

ii. As at the LPD, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely the ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.

iii. As at the LPD, save for the Provisional Allotment pursuant to the Rights Issue with Warrants, the outstanding Warrants A and outstanding Warrants B, no person has been or is entitled to be given an option to subscribe for any shares or stocks of our Company or our subsidiary companies.

iv. All the Rights Shares and the new EAH Shares to be issued arising from the exercise of the Warrants C shall, upon allotment and issuance, rank *pari passu* in all respects with the existing EAH Shares, save and except that such Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such Shares.

2. DIRECTORS' REMUNERATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are set out below:-

Article 95

The Directors shall be paid by way of remuneration for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS THAT:-

(a) Fees payable to Directors who hold non executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

(b) Salaries and other emoluments payable to Directors who hold an executive office in the Company may not include a commission on or percentage of turnover;

(c) Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; any Director holding office for a part of a year shall be entitled to a proportionate part of such fee;

(d) Any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 96 (1)

The directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company or any committee of the Directors of the Company.

Article 96 (2)

If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determine by the Board provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

Article 97

Any director who is appointed to any executive office or who serves on any committee or who service which in the opinion of the directors are outside the scope of ordinary duties of a director may be paid such extra remuneration by way of salary, percentage of profits or otherwise but not by way of commission on or percentage of turnover as the directors may determine.

Article 98

The director shall also have power and shall be deemed always to have had power to establish and maintain and to concur with associated companies in establishing and maintaining any schemes or funds for providing pensions, sickness or compassionate allowance, life assurance or other benefit for staff (including any director for the time being holding any executive office or any office of profit) or employees of the company or of any such associates company and for the widows or other dependents of such persons and to make contributions out of the company's moneys for any such schemes or funds.

3. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus:-

i. Heads of agreement dated 6 May 2013 entered into between Bioenergy Design Sdn Bhd, Rising Star Yields Sdn Bhd, Tanah Surian Saujana Sdn Bhd, Mutiara Zainal Farid, Pey Biing Kuen, Tneo Tong Seng and Loh Pit Kong as vendors and EAH as purchaser in respect of the proposed acquisition by EAH of 75,000,005 ordinary shares of RM0.10 each in Plant Offshore Berhad representing 25% equity interest in Plant Offshore Berhad for an indicative purchase consideration of RM21,375,000 to be fully satisfied by the issuance of 194,318,182 EAH Shares at an issue price of RM0.11 per EAH Share upon terms and conditions therein contained. The said heads of agreement automatically terminated upon expiry of the exclusivity period on 5 November 2013;

ii. Share sale and purchase agreement dated 8 August 2012 entered into between Syed Shah Redza bin Syed Mohamed Redza and Peter Ambrose Sequerah as vendors and EAH as purchaser in respect of the acquisition of 875,000 ordinary shares of RM1.00 each in DDSB representing 35% of the issued and paid up share capital of DDSB for a total purchase consideration of RM18,000,000 satisfied entirely by the issuance of 120,000,000 new ordinary shares of RM0.10 each in EAH at an issue price of RM0.15 per EAH Share upon terms and conditions therein contained. The said acquisition was completed on 26 November 2012;

iii. The Deed Poll B for the Warrants B; and

iv. The Deed Poll C for the Warrants C.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group has not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

5. GENERAL

i. As at the LPD, there is no other existing or proposed service contract (contact for services) entered into or to be entered into between our Group and our Directors, other than those which are expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.

ii. Save as disclosed in Sections 6, 7 and 9 of this Abridged Prospectus, and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-

a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of fundings;

c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;

d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

e) fluctuation in revenues; and

f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Adviser, Company Secretary, Share Registrar, Principal Banker, Due Diligence Solicitors for the Rights Issue with Warrants, Bloomberg LP and PIKOM have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consent to the inclusion in this Abridged Prospectus of its name, the proforma consolidated statements of financial position of our Group as at 31 December 2013 together with the reporting accountants' letter thereon, the audited consolidated financial statements of our Group for the FYE 31 December 2013 together with the auditors' report thereon and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 149A, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur during normal business hours (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

i. Memorandum and Articles of Association of our Company;

ii. Audited consolidated financial statements of our Group for the past two (2) financial years up to the FYE 31 December 2013;

iii. The proforma consolidated statements of financial position of our Group as at 31 December 2013 together with reporting accountants' letter thereon, as set out in Appendix III of this Abridged Prospectus;

iv. The irrevocable undertaking letter referred to in Section 5 of this Abridged Prospectus;

v. The Directors' Report, as set out in Appendix V of this Abridged Prospectus;

vi. The material contracts referred to in Section 3 of this Appendix VI;

vii. The letters of consent referred to in Section 6 of this Appendix VI; and

viii. The Deed Poll C.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the NPA and the RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

RHBIB, being the Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.