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, and the accompanying NPA and 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 (Company No. 76260-W) at 149, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur.

This Abridged Prospectus has been registered by 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, and the accompanying NPA and RSF have also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 6 July 2017. The approval from Bursa Securities has also been obtained vide its letter dated 1 June 2017 for the admission of the Warrants D to the Official List and the listing of and quotation for the Rights Shares, the Warrants D and the new EAH Shares to be issued arising from the exercise of the Warrants D on the ACE Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants. The admission of the Warrants D to the Official List and the listing of and quotation for all the said new securities on the ACE Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The admission of the Warrants D to the Official List and the listing of and quotation for all the said new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/ or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Directors have seen and approved all the documentation relating to this Rights Issue with Warrants. 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, and the accompanying NPA and RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Monday, 2 October 2017. This Abridged Prospectus, and the accompanying NPA and RSF are not intended to be (and will not 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 Domplies with the laws of any countries or jurisdictions other than the laws of Malaysia. 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/ or 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 Shares and the Warrants D 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 (as the case may be) of the entitlements to the Rights Shares and the Warrants D 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 2,524,354,400 NEW ORDINARY SHARES IN EA HOLDINGS BERHAD ("EAH") ("EAH SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY THREE (3) EXISTING EAH SHARES HELD, TOGETHER WITH UP TO 1,262,177,200 FREE DETACHABLE WARRANTS IN EAH ("WARRANT(S) D") ON THE BASIS OF TWO (2) FREE WARRANTS D FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR, AS AT 5.00 P.M. ON MONDAY, 2 OCTOBER 2017 AT AN ISSUE PRICE OF RM0.02 PER RIGHTS SHARE

Adviser

RHB InvestmentBank

RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	:	Monday, 2 October 2017 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Monday, 9 October 2017 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Thursday, 12 October 2017 at 4.00 p.m.
Last date and time for acceptance and payment	:	Tuesday, 17 October 2017 at 5.00 p.m.
Last date and time for excess application and payment	:	Tuesday, 17 October 2017 at 5.00 p.m.

This Abridged Prospectus is dated 2 October 2017

Company No. 878041-A

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 BY 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 D TO THE OFFICIAL LIST AND THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, THE WARRANTS D AND THE NEW EAH SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF THE WARRANTS D 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 THE RIGHTS SHARES AND THE WARRANTS D. 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 AND 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.

THIS ABRIDGED PROSPECTUS TOGETHER WITH THE NPA AND RSF HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

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 2 October 2017
"Act"	:	The Companies Act, 2016 of Malaysia as may be amended from time to time and any re-enactment thereof
"Board"	:	The Board of Directors of EAH
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"Capital Reduction"	:	The capital reduction exercise via the reduction and cancellation of the share capital of EAH which is lost or unrepresented by available assets to the extent of RM44,615,533 as at 31 December 2016 pursuant to Section 115(a) read together with Section 116 of the Act. The sealed copy of the order obtained from the High Court of Malaya at Kuala Lumpur confirming the Capital Reduction has been lodged with the Companies Commission of Malaysia on 12 September 2017, marking the effective date and completion of the Capital Reduction
"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"	:	The Capital Markets and Services Act, 2007 of Malaysia as may be amended from time to time and any re-enactment thereof
"Corporate Exercises"	:	The Capital Reduction and the Rights Issue with Warrants, collectively
"Deed Poll B"	:	The deed poll dated 11 February 2014, constituting the Warrants B which provides the right to the holder of Warrant B to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants B up to 24 February 2019 at the exercise price of RM0.12 per Warrant B
"Deed Poll C"	:	The deed poll dated 9 May 2014, constituting the Warrants C which provides the right to the holder of Warrant C to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants C up to 18 June 2019 at the exercise price of RM0.10 per Warrant C
"Deed Poll D"	:	The deed poll dated 12 September 2017, constituting the Warrants D which provides the right to the holder of Warrant D to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants D at the exercise price of RM0.05 per Warrant D
"Director(s)"	:	The director(s) of EAH and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
"EAH" or the "Company"	:	EA Holdings Berhad (878041-A)

DEFINITIONS (CONT'D)

"EAH Group" or the "Group"	:	EAH and its subsidiary companies, collectively
"EAH Share(s)" or "Share(s)"	:	Ordinary share(s) in EAH
"EGM"	:	Extraordinary general meeting
"Entitled Shareholder(s)"	:	Our shareholders 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, 2 October 2017, being the time and date on which the names of our Entitled Shareholders must be registered as a member and whose names appear in the Record of Depositors of the Company in order to participate in the Rights Issue with Warrants
"EPS/ (LPS)"	:	Earnings per share/ (Loss per share)
"Excess Rights Shares with Warrants D"	:	Rights Shares with Warrants D which are not taken up or not validly taken up by our Entitled Shareholders and/ or their renouncee(s) (if applicable) prior to excess application pursuant to the Rights Issue with Warrants
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended/ ending
"ICT"	:	Information and communications technology
"IT"	:	Information technology
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	12 September 2017, being the latest practicable date prior to the registration of this Abridged Prospectus by 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 147,332,186 outstanding Warrants B and 255,105,900 Warrants C are exercised prior to the implementation of the Rights Issue with Warrants, and the Rights Issue with Warrants is fully subscribed by the Entitled Shareholders and/ or their renouncee(s)
"Maximum Scenario 2"	:	Assuming all the 147,332,186 outstanding Warrants B and 255,105,900 Warrants C are exercised prior to the implementation of the Rights Issue with Warrants, and the Rights Issue with Warrants is fully subscribed by the Entitled Shareholders and/ or their renouncee(s)
"M&E engineering"	:	Mechanical and electrical engineering
"Minimum Scenario"	:	Assuming none of the 147,332,186 outstanding Warrants B and 255,105,900 Warrants C are exercised prior to the implementation of the Rights Issue with Warrants, and the Rights Issue with Warrants is undertaken on the Minimum Subscription Level basis

"Minimum Subscription Level"	:	A minimum level of subscription based upon the Undertakings. Based on the irrevocable and unconditional written undertakings dated 25 January 2017 as supplemented by supplemental irrevocable and unconditional written undertakings dated 20 March 2017 and 13 September 2017 from Chong Mui Fun and Mohammad Sobri bin Saad, being the substantial shareholders of EAH, they have provided their respective irrevocable and unconditional Undertakings to subscribe in full for their respective entitlements under the Rights Issue with Warrants based on their respective shareholdings in EAH as at the Entitlement Date and based on the fixed issue price of RM0.02 per Rights Share
"NA"	:	Net assets
"NPA"	:	Notice of provisional allotment
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"PAT/ (LAT)"	:	Profit after taxation/ (Loss after taxation)
"PBT/ (LBT)"	:	Profit before taxation/ (Loss before taxation)
"Provisional Rights Shares with Warrants D"	:	Rights Shares with Warrants D provisionally allotted to the Entitled Shareholders
"Record of Depositors"	:	A record consisting of names of depositors established by Bursa Depository under the Rules of Bursa Depository
"RHBIB" or the "Principal Adviser"	:	RHB Investment Bank Berhad (19663-P)
"Rights Issue with Warrants"	:	The renounceable rights issue of up to 2,524,354,400 Rights Shares on the basis of four (4) Rights Shares for every three (3) existing EAH Shares held, together with up to 1,262,177,200 free detachable Warrants D on the basis of two (2) free Warrants D for every four (4) Rights Shares subscribed for, on the Entitlement Date at an issue price of RM0.02 per Rights Share
"Rights Share(s)"	:	Up to 2,524,354,400 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
"SC"	:	Securities Commission Malaysia
"TERP"	:	Theoretical ex-rights price

DEFINITIONS (CONT'D)

"Undertakings"	:	Irrevocable and unconditional written undertakings dated 25 January 2017 as supplemented by supplemental irrevocable and unconditional written undertakings dated 20 March 2017 and 13 September 2017 from Chong Mui Fun and Mohammad Sobri bin Saad, being the substantial shareholders of EAH, to subscribe in full for their respective entitlements under the Rights Issue with Warrants based on their respective shareholdings in EAH as at the Entitlement Date and based on the fixed issue price of RM0.02 per Rights Share
"WAMP"	:	Weighted average market price
"Warrant(s) B"	:	147,332,186 outstanding Warrants 2014/ 2019 in EAH as at the LPD, constituted by the Deed Poll B. Each Warrant B provides the right to the holder of Warrant B to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants B up to 24 February 2019 at the exercise price of RM0.12 per Warrant B
"Warrant(s) C"	:	255,105,900 outstanding Warrants 2014/ 2019 in EAH as at the LPD, constituted by the Deed Poll C. Each Warrant C provides the right to the holder of Warrant C to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants C up to 18 June 2019 at the exercise price of RM0.10 per Warrant C
"Warrant(s) D"	:	Up to 1,262,177,200 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" or " EAH Group" are made to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are made to our 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	Profession
Dato' Azahar bin Rasul *(Chairman/ Independent Non-Executive Director)*	Lot 39684, Jalan Daya 11 Taman Daya Kepong 52100 Kuala Lumpur	Malaysian	Company Director
Mohammad Sobri bin Saad *(Chief Executive Officer/ Executive Director)*	Unit 25-5, Level 25 Oval Damansara 685, Jalan Damansara 60000 Kuala Lumpur	Malaysian	Company Director
Basir bin Bachik *(Executive Director)*	Lot 6.13A, Level 6, One Tech Park Jalan Tanjung Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Abdul Fattah bin Mohamed Yatim *(Senior Independent Non-Executive Director)*	628, Jalan 8 Taman Ampang Utama Jalan Ampang 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director/ ICT Consultant
Leou Thiam Lai *(Independent Non-Executive Director)*	107-B, Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur	Malaysian	Company Director/ Chartered Accountant

AUDIT COMMITTEE

Name	Designation	Directorship
Leou Thiam Lai	Chairman	Independent Non-Executive Director
Dato' Azahar bin Rasul	Member	Chairman/ Independent Non-Executive Director
Abdul Fattah bin Mohamed Yatim	Member	Senior Independent Non-Executive Director

COMPANY SECRETARY : Laang Jhe How (MIA 25193)
149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 1519
Fax: 03-7728 5948

REGISTERED OFFICE : 149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 1519
Fax: 03-7728 5948

CORPORATE DIRECTORY (CONT'D)

PRINCIPAL OFFICE	:	Unit 25-5, Level 25 Oval Damansara 685, Jalan Damansara 60000 Kuala Lumpur Tel: 03-7733 9762 Fax: 03-7733 9765 Website: www.eah.com.my E-mail: 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: 03-7729 5529 Fax: 03-7728 5948
AUDITORS AND REPORTING ACCOUNTANTS	:	Messrs Moore Stephens Associates PLT (LLP0000963-LCA & AF002096) Chartered Accountants Unit 3.3A, 3rd Floor, Surian Tower No. 1, Jalan PJU 7/3, Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel: 03-7724 1033 Fax: 03-7733 1033
PRINCIPAL BANKERS	:	Hong Leong Bank Berhad (97141-X) Level 9, Commercial & SME banking Menara Hong Leong No.6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel: 03-2081 8888 Fax: 03-2081 8935 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 Selangor Darul Ehsan Tel: 03-7724 3833 Fax: 03-7724 3838
DUE DILIGENCE SOLICITORS	:	Messrs Tan, Goh & Associates Unit 821, 8th Floor, Block A, Lift Lobby 6 Damansara Intan No. 1, Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel: 03-7727 7228 Fax: 03-7731 9238

CORPORATE DIRECTORY (CONT'D)

ADVISER	:	RHB Investment Bank Berhad (19663-P) Level 9, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-9287 3888 Fax: 03-9287 4770
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	ACE Market of Bursa Securities

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EA HOLDINGS BERHAD

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

Registered Office

No. 149A, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur

2 October 2017

Board of Directors

Dato' Azahar bin Rasul *(Chairman/ Independent Non-Executive Director)*
Mohammad Sobri bin Saad *(Chief Executive Officer/ Executive Director)*
Basir bin Bachik *(Executive Director)*
Abdul Fattah bin Mohamed Yatim *(Senior Independent Non-Executive Director)*
Leou Thiam Lai *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,524,354,400 NEW EAH SHARES ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY THREE (3) EXISTING EAH SHARES HELD, TOGETHER WITH UP TO 1,262,177,200 FREE DETACHABLE WARRANTS D ON THE BASIS OF TWO (2) FREE WARRANTS D FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR, AS AT 5.00 P.M. ON MONDAY, 2 OCTOBER 2017 AT AN ISSUE PRICE OF RM0.02 PER RIGHTS SHARE

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1. INTRODUCTION

On 25 January 2017, RHBIB had, on behalf of our Board, announced that our Company proposes to undertake the following:-

i. A par value reduction via the cancellation of RM0.09 of the par value of every existing ordinary share of RM0.10 each in the issued and paid-up share capital of EAH pursuant to Section 64 of the Companies Act, 1965;

ii. A renounceable rights issue of up to 2,524,354,400 new ordinary shares of RM0.01 each in EAH ("rights share(s)") at an indicative issue price of RM0.01 per rights share on the basis of four (4) rights shares for every three (3) existing ordinary share of RM0.01 each in EAH held, together with up to 1,262,177,200 free detachable warrants in EAH on the basis of two (2) free warrants for every four (4) rights shares subscribed for, on an entitlement date after the abovementioned proposed par value reduction; and

iii. Amendment to the Memorandum of Association of EAH.

Subsequently, on 20 March 2017, RHBIB had, on behalf of our Board, announced that after having taken into consideration the relevant provisions under the Act which had come into effect on 31 January 2017 including, amongst others, the abolishment of par value regime, our Board had deliberated and decided to revise the earlier proposals announced on 25 January 2017 to the Corporate Exercises as set out below:-

i. The Capital Reduction exercise via the reduction and cancellation of the share capital of EAH which is lost or unrepresented by available assets to the extent of RM44,615,533 as at 31 December 2016 pursuant to Section 115(a) read together with Section 116 of the Act; and

ii. The renounceable rights issue of up to 2,524,354,400 Rights Shares at an indicative issue price of RM0.01 per Rights Share on the basis of four (4) Rights Shares for every three (3) existing EAH Shares held, together with up to 1,262,177,200 free detachable Warrants D on the basis of two (2) free Warrants D for every four (4) Rights Shares subscribed for, on an entitlement date after the Capital Reduction.

On 1 June 2017, RHBIB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 1 June 2017, resolved to approve the listing of the following:-

(a) Admission to the Official List and the initial listing and quotation of up to 1,262,177,200 Warrants D to be issued pursuant to the Rights Issue with Warrants; and

(b) Listing of:-

    (i) Up to 2,524,354,400 Rights Shares to be issued pursuant to the Rights Issue with Warrants;

    (ii) Up to 130,332,318 additional Warrants B to be issued arising from the adjustments in accordance with provisions of the Deed Poll B, pursuant to the Rights Issue with Warrants;

    (iii) Up to 225,670,603 additional Warrants C to be issued arising from the adjustments in accordance with provisions of the Deed Poll C, pursuant to the Rights Issue with Warrants;

    (iv) Up to 1,262,177,200 new EAH Shares to be issued arising from the exercise of the Warrants D;

    (v) Up to 130,332,318 new EAH Shares to be issued arising from the exercise of the additional Warrants B; and

    (vi) Up to 225,670,603 new EAH Shares to be issued arising from the exercise of the additional Warrants C,

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 the 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; and	To be complied

	Conditions	Status of compliance
(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 D as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 6 July 2017, 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 7 September 2017, RHBIB had, on behalf of our Board, announced that the High Court of Malaya at Kuala Lumpur had on 7 September 2017 granted an order confirming the Capital Reduction pursuant to Section 115(a) read together with Section 116 of the Act ("Court Order"). Subsequently, on 12 September 2017, RHBIB had, on behalf of our Board, announced that the sealed copy of the Court Order has been lodged with the Companies Commission of Malaysia on 12 September 2017, marking the effective date and completion of the Capital Reduction.

In our Circular to shareholders dated 14 June 2017 in relation to the Corporate Exercises, it was disclosed that the Rights Issue with Warrants may raise gross proceeds of up to approximately RM25.24 million based on the indicative issue price of RM0.01 per Rights Share. Subsequently, on 12 September 2017, RHBIB had, on behalf of our Board, announced that the issue price of the Rights Shares and the exercise price of the Warrants D have been fixed at RM0.02 per Rights Share and RM0.05 per Warrant D, respectively. Arising from the above, our Board had resolved to allocate the additional amount of up to approximately RM25.24 million in the manner as set out in Section 5 of this Abridged Prospectus.

Subsequently, on 15 September 2017, RHBIB had, on behalf of our Board, announced the Entitlement Date along with other relevant dates pertaining to the Rights Issue with Warrants.

The admission of the Warrants D to the Official List and the listing of and quotation for the Rights Shares and the Warrants D 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 2,524,354,400 Rights Shares on a renounceable basis of four (4) Rights Shares for every three (3) existing EAH Shares held, together with up to 1,262,177,200 free detachable Warrants D on the basis of two (2) free Warrants D for every four (4) Rights Shares subscribed for by the Entitled Shareholders and/ or their renouncee(s) (if applicable), on the Entitlement Date at an issue price of RM0.02 per Rights Share.

The actual number of the Rights Shares and the Warrants D 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 share capital of EAH is RM104,467,238.60 comprising 1,490,827,716 EAH Shares. In addition, as at the LPD, our Company has the following outstanding convertible securities:-

i. A total of 147,332,186 outstanding Warrants B. Each Warrant B provides the right to the holder of Warrant B to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants B up to 24 February 2019 at the exercise price of RM0.12 per Warrant B; and

ii. A total of 255,105,900 outstanding Warrants C. Each Warrant C provides the right to the holder of Warrant C to subscribe for one (1) new EAH Share during the five (5)-year exercise period of the Warrants C up to 18 June 2019 at the exercise price of RM0.10 per Warrant C.

The Rights Issue with Warrants will give rise to adjustments to the number and exercise price of the outstanding Warrants B and Warrants C pursuant to the provisions of the Deed Poll B and Deed Poll C, respectively. On 15 September 2017, RHBIB had, on behalf of our Board, announced the entitlement date pertaining to the aforementioned adjustments to Warrants B and Warrants C, which is 5.00 p.m. on Monday, 2 October 2017, being the same Entitlement Date for the Rights Issue with Warrants. The notice setting out the details of the aforementioned adjustments will be despatched to the holders of Warrant B and Warrant C, respectively.

Assuming all the outstanding Warrants B and Warrants C are exercised prior to the implementation of the Rights Issue with Warrants, and the Rights Issue with Warrants is fully subscribed by the Entitled Shareholders and/ or their renouncee(s), a total of up to 2,524,354,400 Rights Shares together with a total of up to 1,262,177,200 Warrants D may be issued. In addition, assuming all the 1,262,177,200 Warrants D are exercised, a total of 1,262,177,200 new EAH Shares will be issued therefrom.

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

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

The Rights Issue with Warrants has been structured based on the Minimum Subscription Level basis via the Undertakings from Chong Mui Fun and Mohammad Sobri bin Saad, being the substantial shareholders of EAH, to subscribe in full for their respective entitlements under the Rights Issue with Warrants, details of which has been set out in Section 4 of this Abridged Prospectus.

As the Rights Shares and the Warrants D are prescribed securities, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants D 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 Rights Shares with Warrants D, as well as to apply for the Excess Rights Shares with Warrants D if you choose to do so.

Any dealing in our securities will be subject to, inter-alia, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, the Warrants D and the new EAH Shares to be allotted and issued arising from the exercise of the Warrants D will be credited directly into the respective CDS Accounts of the successful applicants and the shareholders who exercise the Warrants D (as the case may be). No physical share or warrant certificates will be issued.

We will allot and issue the Rights Shares with Warrants D, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares and the Warrants D within eight (8) Market Days from the last date for acceptance of and payment for the Rights Shares with Warrants D or such other period as may be prescribed by Bursa Securities. The Rights Shares and the Warrants D 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 and justification of determining the issue price of the Rights Shares

On 12 September 2017, RHBIB had, on behalf of our Board, announced that our Board has fixed the issue price of the Rights Shares at RM0.02 per Rights Share. This represents a discount of approximately 56.62% to the TERP of EAH Shares of RM0.0461, calculated based on the five (5)-day WAMP of EAH Shares up to and including 11 September 2017 of RM0.0810 per EAH Share, being the last trading day of EAH Shares immediately preceding the price-fixing date for the Rights Shares.

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

i. The amount to be raised from the Rights Issue with Warrants which will be channelled towards the proposed utilisation of proceeds as set out in Section 5 of this Abridged Prospectus;

ii. The issue price of the Rights Shares shall be deemed sufficiently attractive to encourage the subscription of the Rights Shares by the Entitled Shareholders and/ or their renouncee(s);

iii. The historical trading prices of EAH Shares for the past 12 months and the TERP of EAH Shares based on the five (5)-day WAMP of EAH Shares immediately preceding the price-fixing date; and

iv. The maximum discount for the issue price of the Rights Shares shall not be more than 75% to the TERP of EAH Shares based on the five (5)-day WAMP of EAH Shares immediately preceding the price-fixing date. The said maximum discount of not more than 75% was determined by our Board after taking into consideration the need of our Company to price the Rights Shares at an issue price deemed sufficiently attractive to encourage the subscription of the Rights Shares to enable our Group to raise the necessary funds for the purposes as set out in Section 5 of this Abridged Prospectus.

The financial performance of our Group has been lacklustre in the recent years, details of which are set out in Section 6 of Appendix II of this Abridged Prospectus, and as such the deep discount was considered reasonable by the Board as it could possibly entice the Entitled Shareholders and/ or their renouncee(s) to subscribe for their respective entitlements, and shall accordingly allow our Group to raise the maximum amount of approximately RM39.76 million under the Maximum Scenario 1 (assuming none of the outstanding Warrants B and Warrants C are exercised prior to the implementation of the Rights Issue with Warrants).

Our Group's plans to improve our financial performance have been set out in Section 7.5 of this Abridged Prospectus. The proceeds to be raised from the Rights Issue with Warrants shall allow our Group to possibly further improve the turnaround time of the financial performance of our Group. Given the aforementioned, the Board is of the opinion that the deep discount shall possibly entice the Entitled Shareholders and/ or their renouncee(s) to subscribe for their respective entitlements, and accordingly it is in the best interest of our Group.

2.3 Basis and justification of determining the exercise price of the Warrants D

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

On 12 September 2017, RHBIB had, on behalf of our Board, announced that our Board has fixed the exercise price of the Warrants D at RM0.05 per Warrant D. This represents a premium of approximately 8.46% to the TERP of EAH Shares of RM0.0461, calculated based on the five (5)-day WAMP of EAH Shares up to and including 11 September 2017 of RM0.0810 per EAH Share, being the last trading day of EAH Shares immediately preceding the price-fixing date for the exercise price of the Warrants D.

The exercise price of the Warrants D was determined and fixed by our Board after taking into consideration the following:-

i. The Warrants D will be issued at no cost to the Entitled Shareholders and/ or their renouncee(s) who successfully subscribe for the Rights Shares; and

ii. The historical trading prices of EAH Shares for the past 12 months and the TERP of EAH Shares based on the five (5)-day WAMP of EAH Shares immediately preceding the price-fixing date.

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

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 that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

The new EAH Shares to be issued arising from the exercise of the Warrants D 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 D will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the said new EAH Shares.

2.5 Principal terms of the Warrants D

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

Issue size	:	Up to 1,262,177,200 Warrants D
Form	:	The Warrants D will be issued in registered form and constituted by the Deed Poll D
Exercise period	:	The Warrants D may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants D ("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, and if such a day is not a Market Day, on the immediately preceding Market Day. Any Warrants D not exercised during the exercise period will thereafter lapse and cease to be valid
Mode of exercise	:	The registered holder of the Warrant D is required to lodge a subscription form, as set out in the Deed Poll D, with our 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 D
Mode of transfer	:	The transfer of the Warrants D shall be subject to the provisions of the Securities Industry (Central Depositories) Act 1991, the Rules of Central Depository and any other relevant legislation
Exercise price	:	RM0.05 per Warrant D
Exercise rights	:	Each Warrant D carries the entitlement, at any time during the exercise period, to subscribe for one (1) new EAH Share at the exercise price, subject to the terms and conditions of the Deed Poll D
Board lot	:	For the purpose of trading on Bursa Securities, one (1) board lot of Warrants D shall comprise 100 Warrants D 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 D in any distribution and/ or offer of further securities	:	The holders of the Warrants D 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 our Company unless and until the holder of the Warrants D becomes a shareholder of EAH by exercising his/ her Warrants D into new EAH Shares or unless otherwise resolved by EAH in a general meeting

Adjustments in the exercise price and/ or number of Warrants D	:	The exercise price and/ or number of unexercised Warrants D shall be adjusted in the event of alteration to the share capital of our Company, capital distribution or issue of shares in accordance with the provisions of the Deed Poll D. If our Company in any way modify the rights attached to any share or loan capital which is not described in the Deed Poll D so as to convert or make convertible such share or loan capital into, or attached thereto any rights to acquire or subscribe for new shares, our Company must appoint the adviser or the auditors (who shall act as experts) to consider whether any adjustment is appropriate, and if the Directors after such consultation determines that any adjustment is appropriate, the exercise price or the number of Warrants D or both, will be adjusted accordingly
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 our 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 our Company or the amalgamation of our Company with one (1) or more companies, then to the extent permitted by law every holder of the Warrants D shall be entitled upon and subject to the provisions of the Deed Poll D at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our 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 D to our 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 D to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of our 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	:	The Warrants D 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 D shall require the approval of the holders of Warrants D sanctioned by special resolution and may be effected only by the Deed Poll D, executed by our Company and expressed to be supplemental hereto and subject to the approval of the relevant authorities, if necessary
Constitution	:	The Warrants D will be constituted by the Deed Poll D
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 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 5 of this Abridged Prospectus while potentially enhancing our Company's capital base as the Rights Issue with Warrants shall:-

i. Enable our Company to raise funds without incurring interests expenses as compared to bank borrowings;

ii. Strengthen our Group's capital structure by increasing our NA and reducing our current gearing level.

The NA of our Group is expected to increase after the Rights Issue with Warrants. The gearing level of our Group is also expected to reduce after the intended utilisation of the proceeds earmarked for repayment of borrowings:-

		I	II		
			After I and the Rights Issue with Warrants (prior to any exercise of Warrants D)		
	Audited as at 31 March 2017	**After the Capital Reduction**	**Minimum Scenario**	**Maximum Scenario 1**	**Maximum Scenario 2**
NA of our Group (RM'000)	132,376	132,376	143,872	171,131	225,053
Gearing ratio (times)	0.04	0.04	-*1	-*1	-*1

Note:-

*1 Negligible.

Further details on the proforma NA and gearing level of our Group are set out in Section 8.2 of this Abridged Prospectus; and

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

The Warrants D 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) to subscribe for the Rights Shares. The Warrants D will allow the Entitled Shareholders and/ or their renouncee(s) who successfully subscribe for the Rights Shares to benefit from any potential capital appreciation of the Warrants D and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants D. In addition, our Company would also be able to raise further proceeds as and when the Warrants D are exercised.

4. IRREVOCABLE AND UNCONDITIONAL UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

Our Board has determined to undertake the Rights Issue with Warrants on a Minimum Subscription Level. The Minimum Subscription Level has been determined by our Board after taking into consideration the level of funds that we wish to raise from the Rights Issue with Warrants which will be channeled towards the proposed utilisation of proceeds as set out in Section 5 of this Abridged Prospectus.

The substantial shareholders of EAH, namely Chong Mui Fun and Mohammad Sobri bin Saad, had vide their letters dated 25 January 2017, provided their respective irrevocable and unconditional Undertakings to subscribe in full for their entitlements under the Rights Issue with Warrants based on their shareholdings as at the Entitlement Date. Further, they had also provided their respective supplemental irrevocable and unconditional undertakings dated 20 March 2017 that their Undertakings remain unaffected and continue notwithstanding the revision to the Corporate Exercises as announced on 20 March 2017. Subsequently, pursuant to our announcement dated 12 September 2017 wherein the issue price of the Rights Shares and the exercise price of the Warrants D have been respectively fixed at RM0.02 per Rights Share and RM0.05 per Warrant D, they had further provided their respective supplemental irrevocable and unconditional undertakings dated 13 September 2017 that their Undertakings remain unaffected and continue based on the fixed issue price of RM0.02 per Rights Share.

A summary of the irrevocable and unconditional Undertakings is set out below:-

	Shareholdings as at the LPD		Entitlements/ Undertakings				Funding requirements*3
Substantial shareholders	**No. of Shares**	**%*1**	**No. of Rights Shares**	**%*2**	**No. of Warrants D**	**%*2**	**RM**
Chong Mui Fun	293,547,240	19.69	391,396,320	62.64	195,698,160	62.64	7,827,926
Mohammad Sobri bin Saad	175,052,949	11.74	233,403,932	37.36	116,701,966	37.36	4,668,079
Total	**468,600,189**	**31.43**	**624,800,252**	**100.00**	**312,400,126**	**100.00**	**12,496,005**

Notes:-

*1 Computed based on 1,490,827,716 EAH Shares in issue as at the LPD.

*2 Computed based on 624,800,252 Rights Shares together with 312,400,126 free Warrants D available for subscription under the Minimum Scenario.

*3 Computed based on the issue price of RM0.02 per Rights Share.

Chong Mui Fun and Mohammad Sobri bin Saad had, vide their letters dated 25 January 2017 as supplemented by supplemental irrevocable and unconditional undertakings dated 20 March 2017 and 13 September 2017, provided their respective confirmations that they have sufficient financial resources to subscribe for their respective irrevocable and unconditional Undertakings and based on the fixed issue price of RM0.02 per Rights Share. The said confirmations have been verified by RHBIB, the Adviser for the Rights Issue with Warrants.

As the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level basis, EAH will not procure any underwriting arrangement for the remaining portion of the Rights Shares for which no irrevocable written undertaking to subscribe for the Rights Shares has been obtained from other shareholders of EAH.

Upon completion of the Rights Issue with Warrants under the Minimum Scenario, Chong Mui Fun's equity interest in EAH may increase from approximately 19.69% to 32.38% while Mohammad Sobri bin Saad's equity interest in EAH may increase from approximately 11.74% to 19.31%. For shareholders' information, Chong Mui Fun and Mohammad Sobri bin Saad are not persons acting in concert with each other. Further details on their respective shareholdings as at the LPD and after the Rights Issue with Warrants are set out in Section 3 of Appendix II of this Abridged Prospectus. Based on the aforementioned, they do not trigger the obligation to undertake a mandatory take-over offer for all the remaining EAH Shares and convertible securities not already held by him/ her and the persons acting in concert with him/ her, if any, pursuant to Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC ("Rules") upon completion of the Rights Issue with Warrants.

Further, assuming the full exercise of the Warrants D held by Chong Mui Fun upon completion of the Rights Issue with Warrants under the Minimum Scenario, her equity interest in EAH may increase from approximately 32.38% to 36.27% and in such event, she shall have an obligation to undertake a mandatory take-over offer pursuant to the Rules. However, Chong Mui Fun does not intend to undertake a mandatory take-over offer in such event. In this regard, she shall observe her shareholding in our Company at all times as well as prior to any exercise of the convertible securities in EAH held by her, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Rules. In addition, should the need arises, she may make an application to the SC to seek an exemption under Paragraph 4.08(1) of the Rules from the obligation to undertake a mandatory take-over offer prior to any exercise of the convertible securities in EAH held by her.

For clarity purpose, in the event of the completion of the Rights Issue with Warrants under the Minimum Scenario, the total shareholdings of Chong Mui Fun and Mohammad Sobri bin Saad in EAH may increase from 31.43% to 51.69%, and assuming full exercise of the Warrants D held by them, their total shareholdings in EAH may increase from 51.69% to 57.90%. Accordingly, EAH will still be in compliance with the minimum public shareholding spread of 25% pursuant to Rule 8.02(1) of the Listing Requirements upon completion of the Rights Issue with Warrants as well as assuming upon full exercise of the Warrants D by Chong Mui Fun and Mohammad Sobri bin Saad.

5. UTILISATION OF PROCEEDS

For shareholders' information, in our Circular to shareholders dated 14 June 2017 in relation to the Corporate Exercises, it was disclosed that the Rights Issue with Warrants may raise gross proceeds of up to approximately RM25.24 million based on the indicative issue price of RM0.01 per Rights Share. Subsequently, on 12 September 2017, our Board had resolved to fix the issue price at RM0.02 per Rights Share after taking into consideration the factors set out in Section 2.2 of this Abridged Prospectus. Arising from the above, our Board had resolved to allocate the additional amount of up to approximately RM25.24 million in the manner as set out below.

Based on the issue price of RM0.02 per Rights Share, the total gross proceeds that are expected to be raised from the Rights Issue with Warrants and the intended utilisation are set out below:-

Details of utilisation	Time frame for utilisation	Minimum Scenario RM'000	Maximum Scenario 1 RM'000	Maximum Scenario 2 RM'000
Future viable investments[*1]	Within 24 months upon completion	-	15,000	15,000
Repayment of borrowings[*2]	Within 24 months upon completion	5,000	5,000	5,000
Working capital[*3]	Within 24 months upon completion	6,496	18,755	29,487
Estimated expenses in relation to the Corporate Exercises[*4]	Upon completion	1,000	1,000	1,000
Total		**12,496**	**39,755**	**50,487**

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, which may include joint ventures, of similar and/ or complementary businesses or investments in the core business of our Group in the ICT industry as well as the M&E engineering business and construction project management consultancy business. For shareholders' information, our Group had obtained shareholders' approval for diversification of the principal activities of our Group to include M&E engineering business and construction project management consultancy business in June 2015. In line with the above, up to RM15.00 million of the proceeds raised from the Rights Issue with Warrants shall be utilised to 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, 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.

As at the LPD, our management is still exploring options for identifying suitable business(es)/ investment(s) or strategic acquisition(s) and will continuously seek and identify such opportunities. Our Company shall make the necessary announcements (in accordance with the Listing Requirements) as and when new business(es)/ investment(s) which are likely to materialise have been identified by our Group. If the nature of the transaction requires shareholders' approval pursuant to the Listing Requirements, our Company will seek the necessary approval from our shareholders.

Once our management has identified any suitable business(es)/ investment(s) or strategic acquisition(s), our management will firstly present the proposal to our Audit Committee for their review, deliberation and approval. Upon procuring the approval from the Audit Committee, only then our management will present the proposal to our Board for their review, deliberation and approval.

In the event our management is not able to identify any suitable business(es)/ investment(s) or strategic acquisition(s) within the time frame of 24 months from completion of the Rights Issue with Warrants, our Board intends to channel the funds to expand our existing business, amongst others, our Industrial Security Division which we started in 2015. In any event should our Board wishes to vary the utilisation of proceeds for the purposes of our internal expansion of our Industrial Security Division as mentioned above, we will firstly procure our shareholders' approval for the variation of the use of funds.

Our Industrial Security Division is principally engaged in the sales, support and maintenance of industry-grade and enterprise-level security solutions for large infrastructures such as office buildings, warehouses and factories. For shareholders' information, these are scalable integrated security system designed to control access, reduce potential theft and implement an effective risk management system, which are especially critical for large access areas such as warehouses and large buildings. The components of the system could comprise, amongst others, integrated closed-circuit television systems, access control, off-site monitoring, integrated alarm monitoring, lift controller, time attendance, visitor management system and public announcement system.

As we have only started our Industrial Security Division in 2015, our Industrial Security Division is currently operating at a smaller scale and we are still nurturing and growing the division on a cautious basis. As of now, our offices for our Industrial Security Division are based in Kuala Lumpur and Penang. Presently, the majority of the revenue for the Industrial Security Division is mainly derived from servicing the warehouses owned by various multi-national companies based in Penang. We have also been actively seeking for more contracts for the provision of our industry-grade and enterprise-levels security solutions to office buildings and factories in Penang as well as large buildings, warehouses and factories in the Selangor and Kuala Lumpur region. Our management plans to expand our existing office in Penang and set up a new office in Johor as well as hiring of new staff with the intention to nurture and grow our Industrial Security Division within the next 12 months.

Depending on the prevailing operating landscape, and provided that in the event our management is not able to identify any suitable business(es)/ investment(s) or strategic acquisition(s) within the stipulated time frame of 24 months, our Board plans to utilise the funds to expand our Industrial Security Division at a more aggressive manner to other states and industrial areas in Malaysia as well as to our regional neighbouring developing countries with more concentration of large infrastructures such as office buildings, warehouses and factories.

Pending the utilisation of the proceeds of RM15.00 million earmarked for future viable investments, the proceeds will be placed in interest-bearing bank deposits and/ or money market financial instruments under a separate bank account from other proceeds earmarked for the repayment of borrowings, working capital and expenses in relation to the Corporate Exercises. Further, any form of utilisation from this account shall be subject to the approval of our Audit Committee. The status of utilisation will also be reported in our quarterly financial results announcements as well as annual reports.

*2 As at the LPD, our Group's total borrowings amounted to approximately RM5.14 million, details of which are set out below:-

Type of facility	**Purpose of facility**	**Interest rate per annum**	**Amount outstanding RM'000**
Short-term borrowings			
Bank overdrafts	Working capital	7.35% - 8.35%	1,555
Blanket contract financing line	Finance projects	8.35%	924
Term loans	Purchase of office units	4.70%	83
Hire purchase payables	Purchase of vehicles	4.98% - 6.10%	53
			2,615
Long-term borrowings			
Term loans	Purchase of office units	4.70%	1,841
Hire purchase payables	Purchase of vehicles	4.98% - 6.10%	682
			2,523
			5,138

For illustrative purpose, the repayment of our Group's borrowings of RM5.00 million is expected to result in an interest cost savings of approximately RM0.33 million per annum as set out below, which translates into an effective interest rate of approximately 6.53% per annum:-

Type of facility	Repayment amount RM'000	Interest cost savings per annum RM'000
Bank overdrafts	1,555	90
Blanket contract financing line	924	77
Term loans	1,924	126
Hire purchase payables	597	33
Total	**5,000**	**326**
Effective interest rate per annum		**6.53%**

*3 The proceeds earmarked for 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
Payment to trade creditors	5,000	13,000	20,000
General expenses such as traveling expenses to our customers' premises for the provision of our products and services and staff training	1,496	5,755	9,487
Total	**6,496**	**18,755**	**29,487**

For shareholders' information, for the past three (3) financial years up to the FYE 31 March 2017, our average payment to trade creditors and general expenses are approximately RM27.60 million per annum and RM3.13 million per annum, respectively.

*4 The gross 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	80
Other incidental expenses in relation to the Corporate Exercises (comprising printing and despatch costs and other expenses)	320
Total	**1,000**

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 of our Group.

The gross proceeds to be raised from the exercise of the Warrants D is dependent on the total number of Warrants D exercised during the tenure of the Warrants D. For illustrative purpose only, the gross proceeds that is expected to be raised upon full exercise of the Warrants D based on the exercise price of RM0.05 per Warrant D is approximately RM15.62 million under the Minimum Scenario, RM49.69 million under the Maximum Scenario 1 and RM63.11 million under the Maximum Scenario 2. The gross proceeds to be raised from the exercise of the Warrants D will be utilised as additional working capital of our Group. The proceeds may be utilised to finance, amongst others, payment to trade creditors and general expenses such as traveling and staff training. The breakdown of the utilisation of proceeds in respect of each of the additional working capital is not available at this juncture as the actual amount to be utilised by each component of working capital may differ subject to the operating requirements at the time of utilisation as well as the actual number and timing of the exercise of the Warrants D.

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.

6. RISK FACTORS

The principal activities of our Group are the provision of ICT services, software solutions and automation systems comprising radio frequency identification, access control system, building automation system and industrial security system. In addition, our associate companies are principally engaged in the provision of hydraulic M&E engineering services for water supply and treatment plant as well as the provision of construction project management consultancy and related activities.

In addition to other information contained elsewhere in this Abridged Prospectus, you and/ or your renouncee(s) (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 Shares and the Warrants D.

6.1 Risks relating to the industries we operate in

6.1.1 Business and operational risks

Our Group is inherent to the business and operational risks in the ICT industry, water industry and construction industry which include, among others, entry of new players, competition from existing players, shortage in skilled workforce, increase in staff costs, cost of sales and operations, changes in government policies affecting the industry, changes in general economic, business and credit conditions and introduction of new technologies.

Although our Group may seek to mitigate the abovementioned risks through efforts such as our continued initiative in research and development and innovation in products and services, employment of highly skilled technical personnel, implementing prudent business strategies and carrying out continuous review of our operations, there is no assurance that any changes to these risk factors will not have a material adverse effect on our Group's business in the future.

6.1.2 Project risks

Most of our Group's contracts with customers in the ICT segment are entered into on a project basis. Due to the complexity of the projects 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 may reduce profits and adversely affect our financial performance; and

ii. Our customers may delay or cancel their projects. Delays may arise from incomplete specifications or unanticipated difficulties in developing the solutions. Project delays may affect profit margins as time spent negotiating and resolving issues may delay the recognition of revenues. Additional costs may also incur as a result of these delays. Further, any changes in our customers' management or delays may also cause cancellation of projects awarded to us.

To mitigate the abovementioned risks, our Group will conduct in-depth studies on the complexity and the specification of each project in order to ensure smooth implementation and minimise costs overrun. Further, 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. Notwithstanding the above, there is no assurance that we would be able to mitigate the risk of a project fee quotation being underestimated and delay or cancellation of projects awarded to us.

6.1.3 Technological obsolescence

Our Group operates in the ICT 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, among others, 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 may be adversely affected if our competitors are able to develop new or enhanced products and services, in a timely manner and cost-effective basis that meet or best suit our customers' needs.

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

6.1.4 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 customers' specifications or expectations could adversely affect our financial performance as many of the IT solutions we develop are critical to the operations of our customers' businesses.

Our Group seeks to mitigate this risk by, where permissible, including relevant and reasonable clauses in our contracts with our customers to protect our interests such as the compensation for delay (including 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 prior to the acceptance from our customers for the IT solutions and the installation of the IT solutions at their premises. Notwithstanding the above, there can be no assurance that material defects or errors in IT solutions developed by us will not occur in the future.

6.1.5 Political, economic and regulatory risks

Any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of our Group despite our Group taking necessary measures, including but not limited to, keeping abreast with local policies and laws as well as prudent management and operating procedures.

Any change in the political situation and/ or government policies in Malaysia may also affect the business of our Group. Political or regulatory changes and changes in interest rates or taxes may impact our Group's business, financial condition, results of operations and prospects. Other adverse political situations include the risks of wars, terrorism, nationalisation and expropriation which may also affect the performance of our Group.

6.2 Risks relating to our Group

6.2.1 Dependence on major customers/ contracts

Our Group's revenue from the ICT segment 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.

We intend to mitigate this risk factor by maintaining close business relationships with our major customers and we endeavour to ensure that our projects and work schedules are completed in a timely manner and satisfactorily delivered to our customers. However, there is no assurance that we would be able to procure future or recurring contracts from our major customers.

6.2.2 Dependence on key management and personnel

The performance and success of our Group's business and operations are dependent, among others, on the skills, abilities, experience, competencies and on-going efforts of our Group's key management and personnel. The loss of and failure to recruit suitable candidates to timely replace any such key management or personnel may adversely affect our Group's business and operations.

In order to mitigate this risk, our Group has taken into consideration effective human resource management and development which includes competitive remuneration packages and training to attract and retain our key management and personnel as well as experienced and competent staff. However, there is no assurance that our staff retention efforts above would be successful.

6.2.3 Performance risk of our associate companies

Our 20%-owned associate companies are principally engaged in the provision of hydraulic M&E engineering services for water supply and treatment plant as well as the provision of construction project management consultancy and related activities.

Our Group takes note of the inclusion of the share of profits of associate companies in the financial performance of our Group. We will continuously monitor the financial performance of our associate companies to safeguard our investment in our associate companies. However, there can be no assurance that our associate companies may continue to contribute positively to the profits of our Group.

6.3 Risks relating to the Rights Issue with Warrants

6.3.1 Market risks

The market price of our Shares as traded on Bursa Securities is influenced by, amongst others, the prevailing market sentiments, the liquidity of our Shares, the volatility of equity markets, the outlook of the industry which we operate in and our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares or the TERP of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities.

Shareholders should also consider carefully that each Warrant D derives its value from giving its holder the right to subscribe for new EAH Shares at a predetermined exercise price over the exercise period. The Warrants D have a finite lifespan during which tenure the holders can exercise the subscription rights comprised in the Warrant D. If the sum of the price of the Warrants D as quoted on Bursa Securities and the exercise price of the Warrants D is higher than the market price of EAH Shares, the Warrants D are deemed to be 'out-of-the-money'. The value of the Warrants D is directly related to the market price of EAH Shares. The higher the market price of EAH Shares exceeds the exercise price of the Warrants D, the higher the value of the Warrants D will be. Shareholders are reminded, however, that other factors may also affect the market price of our Warrants D or the market price of our Shares. Other than the fundamentals of our Group, the future price performance of the Warrants D will also depend on various external factors as mentioned above.

As the Warrants D are a new type of securities issued by our Company, there can also be no assurance that an active market for the Warrants D will develop upon their listing on Bursa Securities or if developed, that it will sustain.

Accordingly, there can be no assurance that the market price of our Rights Shares and the Warrants D will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares and the Warrants D.

6.3.2 Delay in or abortion of the implementation of Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be delayed or aborted on the occurrence of any material adverse change of events/ circumstances, unfavourable changes in the government's policies 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 D. However, there can be no assurance that the abovementioned 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 with Warrants D 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 D is aborted/ terminated, and the Rights Shares with Warrants D 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 recovered within a short period of time or at all in such circumstances.

6.4 Forward-looking statements

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

All forward-looking statements contained in this Abridged Prospectus are based on assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements 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 uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy recorded a growth of 5.8% in the second quarter of 2017. Private sector spending continued to be the main driver of growth. On the external front, growth was further supported by the expansion in real exports of goods and services (9.6%) following demand for manufactured and commodity products. Real imports moderated slightly to 10.7% following more moderate expansion in investment. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.3%. Domestic demand grew by 5.7% in the second quarter of the year, supported by continued expansion in both private sector expenditure (7.2%) and public sector spending (0.2%). Private consumption recorded a growth of 7.1%, supported by the improvement in private sector wages amid continued strength in employment growth. During the quarter, consumer sentiments continued to improve, providing further impetus to household spending. Private investment expanded by 7.4% in the second quarter, mainly in the services and manufacturing sectors. In line with the recovery in demand, manufacturers undertook capacity expansions, machinery and equipment acquisitions and replacements to cater for new orders. This was evident across both the export-and domestic-oriented manufacturing sub-sectors. In the services sector, investment was supported mainly by expansions in the utilities, healthcare and food and beverage and accommodation sub-sectors. During the quarter, business sentiments continued to improve in tandem with better external and domestic conditions amid lower financial market volatility. Public consumption growth moderated to 3.3% following slower growth in the spending on emoluments, and supplies and services. Public investment declined by 5.0% in the second quarter. This was attributable to the lower spending on fixed assets by public corporations, which more than offset the higher expenditure by the Federal Government.

On the supply side, all economic sectors continued to expand. The services sector registered higher growth during the quarter. Growth in the wholesale and retail sub-sector improved, driven by higher household spending. The finance and insurance sub-sector also continued to benefit from the improvement in performance of the capital market and insurance segment. In the transportation and storage sub-sector, growth was principally supported by higher external trade and higher air passenger traffic. The manufacturing sector growth was driven by both the export- and domestic-oriented industries. The performance of electronics and electrical segment, in line with higher global demand for semiconductors, continued to spur the export-oriented industries. The domestic-oriented industries benefitted from the strength in demand for food-related products in view of the improved consumer sentiments, and higher production of construction-related materials supported by higher construction activity. In the agriculture sector, growth remained firm as crude palm oil yields continued to recover from the negative impact of El Niño. Growth in the construction sector was higher, driven mainly by civil engineering activity in the transportation and power plant segments. Growth in the mining sector moderated on lower crude oil production as part of the global initiative to reduce oil supply. The performance of the sector was also affected by lower natural gas production amid a major maintenance shutdown of a large gas field in Sabah.

Given the continued performance in the second quarter of 2017, the Malaysian economy recorded a growth of 5.7% in first half of 2017. At this point, compared to the beginning of the year, there are considerable improvements in the operating environment of the economy. Looking ahead, it is likely for the Malaysian economy to expand by more than 4.8% for the whole year of 2017. Private consumption will be underpinned by continued wage and employment growth, with support from various policy measures to raise disposable income. Investments will be driven by the implementation of new and ongoing infrastructure projects, and higher capacity expansion in the manufacturing and services sectors. The stabilisation of commodity prices is also expected to lend support to investments in the mining sector. On the external front, exports are expected to benefit from the improvement in global growth, especially among Malaysia's key trading partners. Overall, the economy is expected to record a stronger growth in 2017.

On the supply side, the improvement in both external and domestic demand conditions will benefit the manufacturing and services sectors. The agriculture sector's growth will be underpinned by a recovery in crude palm oil yields post-El Niño. Growth in the mining sector is projected to be mainly supported by output from the ramping up of production in new gas facilities. In the construction sector, new and existing civil engineering projects will drive the sector going forward.

(Source: Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2017, Bank Negara Malaysia Quarterly Bulletin)

7.2 Overview and outlook of the ICT industry

The information and communication subsector continued to record a growth of 8.7% during the first half of 2016. The communication segment remained as the major contributor to growth, sustaining its pace at 10.1% following new and expansion of internet-based applications as well as enhanced data plans. This was supported by growing number of ICT devices as well as continuous initiatives to enhance network coverage and communication access. Growth of the subsector was partly driven by infrastructure expansion to cater for the rising demand for reliable and high-speed internet, including 4G Long-Term Evolution network and fibre optic. As at end-August 2016, 432 kilometres of fibre optic cables were installed in Peninsular Malaysia to transmit data at a faster rate, while 160,688 ports were installed in suburban and rural areas to further boost broadband penetration rate.

The information and communication subsector is anticipated to expand 9.6% in 2017 driven by growing adoption of digital services and devices by small and medium enterprises as well as households.

(Source: Chapter 3: Economic Performances and Prospects, Economic Report 2016/ 2017, Ministry of Finance Malaysia)

Malaysia's vision of being an advanced economy and inclusive nation will be built among others, upon a knowledgeable and skilled society supported by a robust, vibrant and sustainable ICT industry. This transformation will hinge on mindset and behaviour change of businesses, citizens and the public service towards a data driven culture. This calls for the industry to further capitalise on the Internet for revenue generation and to nurture a high-knowledge and skilled workforce. In this regard, efforts will be strengthened to drive ICT in the knowledge economy through four main strategies, namely re-energising ICT industry, ensuring supply of high quality ICT human capital, improving digital infrastructure and pursuing digital inclusion. These will increase productivity through innovation to enhance competitiveness and wealth creation.

Re-energising ICT industry

In order to achieve an 18.2% or approximately RM324.9 billion ICT contributions to gross domestic products by the year 2020, initiatives to be undertaken during the Eleventh Malaysia Plan period of 2016-2020 include the development of technology focus areas, infusion of ICT in other sectors and building the support ecosystem. It is targeted that the ICT industry registers an annual average growth rate of 10.7% and Malaysia to maintain its position as a net exporter of ICT products and services valued at RM56.8 billion in 2020. To ensure the shift from supply to demand, consumption to production and low to high knowledge-add is sustainable, nine (9) strategies have been identified as follows:-

i. Reduce dependency on foreign technology;
ii. Improving research, development and commercialisation;
iii. Infusion of ICT in small and medium enterprises;
iv. Strengthening ICT governance;
v. Promoting internalisation support;
vi. Intensifying capability development;
vii. Building competitive start-ups; and
viii. Developing technology focus area.

Developing high quality ICT talent

The supply of human capital with specialised skills and capabilities is required to support the potential of the ICT industry. As such, six (6) strategies have been identified as follows. It is targeted that towards the end of the Eleventh Malaysia Plan period of 2016-2020, the gross value added per employee in the ICT industry will increase:-

i. Eliminating outdated ICT curriculum in schools and institutions of higher education;
ii. Reducing skills gap of ICT graduates with industry needs;
iii. Strengthening ICT education in school;
iv. Enhancing employability of ICT graduates;
v. Inculcating training culture in ICT small and medium enterprises; and
vi. Institutionalising standards and professional recognition.

Improving digital infrastructure

The capacity and coverage of digital infrastructure will be further improved to support socio-economic growth, whereby focus will be given to efficiency and affordability of services. Eight (8) strategies have been identified as follows:-

i. Eliminating non-viable one-off programmes such as the supply of devices and infrastructure. Focus will be given to digital infrastructure programmes which contribute to socio-economic growth;
ii. Deploying broadband as an essential service;
iii. Improving international to last-mile connectivity;
iv. Integrating digital infrastructure planning;
v. Migrating to digital terrestrial television;
vi. Improving the access pricing framework to facilitate competition and infrastructure sharing among service providers;
vii. Ensuring better consumer protection; and
viii. Strengthening infrastructure for smart cities.

Pursuing digital inclusion

The strategies proposed to ensure digital inclusion consist of customisation and replication of programmes, provision of business support through digital platforms for micro enterprises, micro-sourcing for the bottom 40% households income group as well as collaboration with institutions of higher education, private sector and non-governmental organisations. Four (4) strategies have been identified as follows:-

i. Customising and replicating programmes;
ii. Providing business support through digital platforms for micro enterprises;
iii. Expanding micro-sourcing for the bottom 40% households income group; and
iv. Increasing collaboration with institutions of higher education, private sector and non-governmental organisations.

(Source: Strategy Paper 15: Driving ICT in the Knowledge Economy, Eleventh Malaysia Plan, Economic Planning Unit, Prime Minister's Department)

7.3 Overview and outlook of the water industry

During the first half of 2016, the water, sewerage and waste management segment rose 7.1%. Total water consumption grew 3.5% to 9,368 million litres per day. Consumption by households as well as industrial and commercial segments increased 2.2% and 5.6%, respectively. As at end-June 2016, water supply coverage in urban and rural areas were at 96.7% and 95.7% of population, respectively.

(Source: Chapter 3: Economic Performances and Prospects, Economic Report 2016/ 2017, Ministry of Finance Malaysia)

The Government remains committed to implement Rakyat Centric projects and programmes in urban and rural areas, which include increasing the supply of clean water with an allocation of RM732 million, targeting 5,200 houses, including the upgrading of FELDA water supply system. In recent times, the country has been facing various water supply issues in several states including lack of supply capacity, drought, pollution from industrial wastage and logging, and pipe leakages. To improve capacity and ensure water supply, the Government will allocate grants totalling RM156 million and loans amounting to RM509 million. In addition, a Water Supply Fund will be established with an allocation of RM500 million to address water supply issues throughout the nation. The Budget 2017 also allocates RM222 million for water treatment project in 42 Orang Asli villages, economic and entrepreneurship development programmes as well as Village Resettlement between Sungai Ruil, Cameron Highlands, Pahang Darul Makmur.

(Source: The 2017 Budget Speech by the Prime Minister and Minister of Finance, Ministry of Finance Malaysia)

7.4 Overview and outlook of the construction industry

Value-added of the construction sector recorded a growth of 8.4% during the first half of 2016. The acceleration of civil engineering works and sustained expansion in residential activities outweighed the tapering growth in the non-residential subsector. Overall, these three property subsectors contributed the highest share (more than 80%) of all construction activities. Total value of construction works completed during the first half of 2016 expanded 11.4% to RM62 billion with 11,881 projects. The civil engineering subsector contributed 33.2% to the total value of construction works, followed by non-residential (32.1%), residential (29.8%) and specialised construction activities (4.9%) subsectors. The private sector continued to dominate construction activity with a share of 66.3% in the first half of 2016.

The construction sector is projected to grow 8.3% in 2017 mainly supported by the commencement of large infrastructure projects such as MRT Sungai Buloh – Serdang – Putrajaya Line, Pan Borneo Highway, Sungai Besi – Ulu Klang Elevated Expressway and Damansara – Shah Alam Elevated Expressway. The upgrading road works from Klang Container Terminal – North Port and the construction of infrastructure in Malaysia Vision Valley are expected to further support the sector. The residential subsector is projected to expand driven by affordable housing programmes, particularly 1Malaysia Civil Servants Housing. Meanwhile, the non-residential subsector is expected to benefit from the mixed commercial development mainly in Klang Valley, Johor Darul Takzim and Pahang Darul Makmur.

(Source: Chapter 3: Economic Performances and Prospects, Economic Report 2016/ 2017, Ministry of Finance Malaysia)

7.5 Future prospects of our Group

The principal activities of our Group are the provision of ICT services, software solutions and automation systems comprising radio frequency identification, access control system, building automation system and industrial security system. In addition, our associate companies are principally engaged in the provision of hydraulic M&E engineering services for water supply and treatment plant as well as the provision of construction project management consultancy and related activities.

Our Group's plans to improve our financial performance include but not limited to implementing measures to better manage costs, actively searching and participating in tenders for projects, and undertaking business expansions to improve overall income contribution to our Group, of which further details are set out in the ensuing paragraphs.

Our Group has been implementing measures to better manage costs by streamlining our operations which involve, amongst others, tighter controls for expenses and greater sharing of resources between subsidiary companies such as staff and office space.

As at the LPD, our Group has secured several projects for statutory bodies, enterprise clients and government-linked companies, of which the remaining current jobs in hand amounted to approximately RM18.02 million as set out below[*1]:-

Customers	Description of project	Month of commencement	Month of completion	Total contract value RM'000	Remaining contract value as at the LPD RM'000
A revenue collecting agency of Ministry of Finance	Software maintenance	February 2016	January 2019	15,659	5,220
A revenue collecting agency of Ministry of Finance	Software development	August 2015	August 2020	7,672	2,995
A financial institution	Software implementation	July 2016	June 2021	7,459	3,800
A financial institution	Software implementation	January 2015	December 2019	1,650	500
An infrastructure Company	Software implementation	January 2014	December 2019	880	440

Customers	Description of project	Month of commencement	Month of completion	Total contract value RM'000	Remaining contract value as at the LPD RM'000
An infrastructure Company	Software implementation	June 2016	April 2021	1,670	1,200
A property development company	Building management system	May 2015	December 2017	3,950	1,200
A property development company	Software implementation	April 2017	January 2018	1,956	1,594
An engineering company	Building management system	May 2017	December 2017	1,250	1,075
			Total	**42,146**	**18,024**

Note:-

*1 Purely for shareholders' information, none of the contracts as set out above are renewable.

In addition, as at the LPD, our Group has tendered for a total of 21 projects other than the projects stated above of which the total value of the said project tenders amounted to approximately RM46.60 million, and the outcome of the said project tenders are still unknown as at the LPD. Further details on our project tenders as at the LPD are set out below:-

Customers	No. of project tenders pending outcome as at the LPD	Total contract value RM'000	Average tenure of projects	Expected date of project tender outcome
Statutory bodies	8	19,842	2 years	4th quarter of 2017
Enterprise clients	8	12,291	1 year	4th quarter of 2017
Government-linked companies	5	14,466	3 years	4th quarter of 2017
Total	**21**	**46,599**		

Further, our Group had started a new division under our Automation Systems Segment in 2015, namely the Industrial Security Division, for the sales, support and maintenance of industry-grade and enterprise-level security solutions for large infrastructures such as office buildings, warehouses and factories. For shareholders' information, these are scalable integrated security system designed to control access, reduce potential theft and implement an effective risk management system, which are especially critical for large access areas such as warehouses and large buildings. The components of the system could comprise, amongst others, integrated closed-circuit television systems, access control, off-site monitoring, integrated alarm monitoring, lift controller, time attendance, visitor management system and public announcement system.

Presently, the majority of the revenue for the Industrial Security Division are derived from servicing the warehouses owned by various multi-national companies based in Penang. At this juncture, our Group is still nurturing and growing our Industrial Security Division to improve the income stream from and performance of our Automation Systems Segment. As set out in Section 5 of this Abridged Prospectus, as we have only started our Industrial Security Division in 2015, our Industrial Security Division is currently operating at a smaller scale and we are still nurturing and growing the division on a cautious basis. As of now, our offices for our Industrial Security Division are based in Kuala Lumpur and Penang. Presently, the majority of the revenue for the Industrial Security Division is mainly derived from servicing the warehouses owned by various multi-national companies based in Penang. We have also been actively seeking for more contracts for the provision of our industry-grade and enterprise-levels security solutions to office buildings and factories in Penang as well as large buildings, warehouses and factories in the Selangor and Kuala Lumpur region. Our management plans to expand our existing office in Penang and set up a new office in Johor as well as hiring of new staff with the intention to nurture and grow our Industrial Security Division within the next 12 months. Depending on the prevailing operating landscape, our Group plans to expand our Industrial Security Division at a more aggressive manner to other states and industrial areas in Malaysia as well as to our regional neighbouring developing countries with more concentration of large infrastructures such as office buildings, warehouses and factories.

Apart from expanding EAH Group's business organically via the internal growth of our existing businesses, our Group's future plans also include expanding inorganically, via mergers and acquisitions, which may also include joint ventures, of similar and/ or complementary businesses or investments in the core business of our Group in the ICT industry as well as the M&E engineering business and construction project management consultancy business, which may generate positive returns to our Group in the future, thereby further increasing EAH's shareholders' value.

Our Board, after having considered all the relevant aspects including the above-mentioned prospects as well as the outlook of the ICT industry, water industry and construction industry as set out in Sections 7.2, 7.3 and 7.4 of this Abridged Prospectus, respectively, is optimistic of the future prospects of our Group.

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8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Issued share capital

The proforma effects of the Rights Issue with Warrants on our issued 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 share capital as at the LPD	1,490,827,716	104,467,239	1,490,827,716	104,467,239	1,490,827,716	104,467,239
Shares to be issued assuming all the outstanding Warrants B are exercised prior to the implementation of the Rights Issue with Warrants	-	-	-	-	147,332,186	17,679,862*1
Shares to be issued assuming all the outstanding Warrants C are exercised prior to the implementation of the Rights Issue with Warrants	-	-	-	-	255,105,900	25,510,590*2
Reversal of warrants reserve to share capital assuming all the outstanding Warrants B and Warrants C are exercised prior to the implementation of the Rights Issue with Warrants	-	-	-	-	-	9,502,695
	1,490,827,716	104,467,239	1,490,827,716	104,467,239	1,893,265,802	157,160,386
Shares to be issued pursuant to the Rights Issue with Warrants	624,800,252	12,496,005*3	1,987,770,288	39,755,406*3	2,524,354,400	50,487,088*3
	2,115,627,968	116,963,244	3,478,598,004	144,222,645	4,417,620,202	207,647,474
Shares to be issued assuming full exercise of the Warrants D	312,400,126	15,620,006*4	993,885,144	49,694,257*4	1,262,177,200	63,108,860*4
Reversal of warrants reserve to share capital assuming full exercise of Warrants D	-	3,124,001*5	-	9,938,851*5	-	12,621,772*5
Enlarged issued share capital	**2,428,028,094**	**135,707,251**	**4,472,483,148**	**203,855,753**	**5,679,797,402**	**283,378,106**

Notes:-

*1 Calculated based on the exercise price of Warrants B of RM0.12 per Warrant B.

*2 Calculated based on the exercise price of Warrants C of RM0.10 per Warrant C.

*3 Calculated based on the issue price of the Rights Shares of RM0.02 per Rights Share.

*4 Calculated based on the exercise price of Warrants D of RM0.05 per Warrant D.

*5 Calculated based on the theoretical fair value of Warrants D of RM0.01 per Warrant D.

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8.2 NA per Share and gearing

Based on the audited consolidated statements of financial position of our Group as at 31 March 2017, and after taking into consideration the Capital Reduction, 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

		I	II	III
	Audited as at 31 March 2017 RM'000	**After the Capital Reduction RM'000**	**After I and the Rights Issue with Warrants RM'000**	**After II and assuming full exercise of the Warrants D RM'000**
Share capital	149,083[*1]	104,468	116,963[*3]	135,707[*6]
Warrants reserve	9,503	9,503	12,627	9,503
Capital reserve	-	12,126[*2]	12,126	12,126
Other reserve	(13,738)	(13,738)	(13,738)	(13,738)
Retained earnings/ (Accumulated losses)	(12,472)	20,017[*2]	15,894[*3]	15,894
Shareholders' funds/ NA	**132,376**	**132,376**	**143,872**	**159,492**
Number of shares in issue ('000)	1,490,828	1,490,828	2,115,628	2,428,028
NA per Share (RM)	0.09	0.09	0.07	0.07
Total borrowings (RM'000)	5,276	5,276	276[*4]	276
Gearing ratio (times)	0.04	0.04	-[*5]	-[*5]

Notes:-

*1 In accordance with the transitional provision of the Act, the amount standing to the credit of our Company's share premium of RM617 has become part of our Company's share capital. These changes do not have an impact on the number of shares in issue or the related entitlement of any of our shareholders. However, our Company has a period of 24 months from the effective date of the Act to use the existing balance credited in the share premium of RM617 in a manner as specified by the Act, which includes the utilisation of the said balance for the expenses in relation to the Rights Issue with Warrants.

*2 After applying the credit arising from the Capital Reduction of approximately RM44.62 million towards the writing-off of the Accumulated Losses at the Company level, the excess credit after offsetting the Accumulated Losses at the Company level is credited to a capital reserve account. For shareholders' information, the Accumulated Losses at the Company level as at 31 March 2017 is approximately RM32.49 million.

*3 After deducting estimated expenses of RM1.00 million in relation to the Corporate Exercises from the credit standing to the share premium of RM617 (which was transferred to share capital as per note (1) above) and retained earnings account of RM999,383, and after recognising the theoretical fair value of the Warrants D of RM0.01 per Warrant D amounting to approximately RM3.12 million from the retained earnings account.

*4 For illustrative purposes only, assuming the proceeds for the repayment of borrowings amounting to RM5.00 million is utilised at this juncture.

*5 Negligible.

*6 After the issuance of new EAH Shares arising from the full exercise of Warrants D and adjusting for the reversal of warrants reserve amounting to approximately RM3.12 million to the share capital account pursuant to the full exercise of the Warrants D at the exercise price of RM0.05 per Warrant D.

Maximum Scenario 1

	Audited as at 31 March 2017 RM'000	I After the Capital Reduction RM'000	II After I and the Rights Issue with Warrants RM'000	III After II and assuming full exercise of the Warrants D RM'000
Share capital	149,083*1	104,468	144,222*3	203,855*6
Warrants reserve	9,503	9,503	19,442	9,503
Capital reserve	-	12,126*2	12,126	12,126
Other reserve	(13,738)	(13,738)	(13,738)	(13,738)
Retained earnings/ (Accumulated losses)	(12,472)	20,017*2	9,079*3	9,079
Shareholders' funds/ NA	**132,376**	**132,376**	**171,131**	**220,825**
Number of shares in issue ('000)	1,490,828	1,490,828	3,478,598	4,472,483
NA per Share (RM)	0.09	0.09	0.05	0.05
Total borrowings (RM'000)	5,276	5,276	276*4	276
Gearing ratio (times)	0.04	0.04	-*5	-*5

Notes:-

*1 In accordance with the transitional provision of the Act, the amount standing to the credit of our Company's share premium of RM617 has become part of our Company's share capital. These changes do not have an impact on the number of shares in issue or the related entitlement of any of our shareholders. However, our Company has a period of 24 months from the effective date of the Act to use the existing balance credited in the share premium of RM617 in a manner as specified by the Act, which includes the utilisation of the said balance for the expenses in relation to the Rights Issue with Warrants.

*2 After applying the credit arising from the Capital Reduction of approximately RM44.62 million towards the writing-off of the Accumulated Losses at the Company level, the excess credit after offsetting the Accumulated Losses at the Company level is credited to a capital reserve account. For shareholders' information, the Accumulated Losses at the Company level as at 31 March 2017 is approximately RM32.49 million.

*3 After deducting estimated expenses of RM1.00 million in relation to the Corporate Exercises from the credit standing to the share premium of RM617 (which was transferred to share capital as per note (1) above) and retained earnings account of RM999,383, and after recognising the theoretical fair value of the Warrants D of RM0.01 per Warrant D amounting to approximately RM9.94 million from the retained earnings account.

*4 For illustrative purposes only, assuming the proceeds for the repayment of borrowings amounting to RM5.00 million is utilised at this juncture.

*5 Negligible.

*6 After the issuance of new EAH Shares arising from the full exercise of Warrants D and adjusting for the reversal of warrants reserve amounting to approximately RM9.94 million to the share capital account pursuant to the full exercise of the Warrants D at the exercise price of RM0.05 per Warrant D.

Maximum Scenario 2

		I	II	III	IV
	Audited as at 31 March 2017 RM'000	**After the Capital Reduction RM'000**	**After I and assuming all the outstanding Warrants B and Warrants C are exercised RM'000**	**After II and the Rights Issue with Warrants RM'000**	**After III and assuming full exercise of the Warrants D RM'000**
Share capital	149,083[*1]	104,468	157,161[*3]	207,647[*4]	283,378[*7]
Warrants reserve	9,503	9,503	-	12,622	-
Capital reserve	-	12,126[*2]	12,126	12,126	12,126
Other reserve	(13,738)	(13,738)	(13,738)	(13,738)	(13,738)
Retained earnings/ (Accumulated losses)	(12,472)	20,017[*2]	20,017	6,396[*4]	6,396
Shareholders' funds/ NA	**132,376**	**132,376**	**175,566**	**225,053**	**288,162**
Number of shares in issue ('000)	1,490,828	1,490,828	1,893,266	4,417,620	5,679,797
NA per Share (RM)	0.09	0.09	0.09	0.05	0.05
Total borrowings (RM'000)	5,276	5,276	5,276	276[*5]	276
Gearing ratio (times)	0.04	0.04	0.03	-[*6]	-[*6]

Notes:-

*1 In accordance with the transitional provision of the Act, the amount standing to the credit of our Company's share premium of RM617 has become part of our Company's share capital. These changes do not have an impact on the number of shares in issue or the related entitlement of any of our shareholders. However, our Company has a period of 24 months from the effective date of the Act to use the existing balance credited in the share premium of RM617 in a manner as specified by the Act, which includes the utilisation of the said balance for the expenses in relation to the Rights Issue with Warrants.

*2 After applying the credit arising from the Capital Reduction of approximately RM44.62 million towards the writing-off of the Accumulated Losses at the Company level, the excess credit after offsetting the Accumulated Losses at the Company level is credited to a capital reserve account. For shareholders' information, the Accumulated Losses at the Company level as at 31 March 2017 is approximately RM32.49 million.

*3 After the issuance of new EAH Shares arising from the exercise of all the outstanding Warrants B and Warrants C, and adjusting for the reversal of warrants reserve amounting to approximately RM9.50 million to the share capital account pursuant to the exercise of all of the outstanding Warrants B at the exercise price of RM0.12 per Warrant B and Warrants C at the exercise price of RM0.10 per Warrant C.

*4 After deducting estimated expenses of RM1.00 million in relation to the Corporate Exercises from the credit standing to the share premium of RM617 (which was transferred to share capital as per note (1) above) and retained earnings account of RM999,383, and after recognising the theoretical fair value of the Warrants D of RM0.01 per Warrant D amounting to approximately RM12.62 million from the retained earnings account.

*5 For illustrative purposes only, assuming the proceeds for the repayment of borrowings amounting to RM5.00 million is utilised at this juncture.

*6 Negligible.

*7 After the issuance of new EAH Shares arising from the full exercise of Warrants D and adjusting for the reversal of warrants reserve amounting to approximately RM12.62 million to the share capital account pursuant to the full exercise of the Warrants D at the exercise price of RM0.05 per Warrant D.

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 March 2018. However, the EPS of our Group for the FYE 31 March 2018 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 fourth quarter of 2017, and as and when the Warrants D are exercised into new EAH Shares.

For illustrative purpose only, assuming the Capital Reduction and the Rights Issue with Warrants had been completed and all the Warrants D had been exercised into new EAH Shares on 1 April 2016, being the beginning of the FYE 31 March 2017, the proforma dilution effect on the basic EPS of our Group as a result of the increase in number of EAH Shares in issue, is set out below:-

Minimum Scenario

	Audited FYE 31 March 2017	I After the Capital Reduction	II After I and the Rights Issue with Warrants	III After II and assuming full exercise of the Warrants D
PAT attributable to the equity holders of the Company (RM'000)	2,831	2,831	2,831	2,831
No. of Shares in issue ('000)	1,490,828	1,490,828	2,115,628	2,428,028
Basic EPS (sen)	0.19	0.19	0.13	0.12

Maximum Scenario 1

	Audited FYE 31 March 2017	I After the Capital Reduction	II After I and the Rights Issue with Warrants	III After II and assuming full exercise of the Warrants D
PAT attributable to the equity holders of the Company (RM'000)	2,831	2,831	2,831	2,831
No. of Shares in issue ('000)	1,490,828	1,490,828	3,478,598	4,472,483
Basic EPS (sen)	0.19	0.19	0.08	0.06

Maximum Scenario 2

	Audited FYE 31 March 2017	I After the Capital Reduction	II After I and assuming all the outstanding Warrants B and Warrants C are exercised	III After I and the Rights Issue with Warrants	IV After II and assuming full exercise of the Warrants D
PAT attributable to the equity holders of the Company (RM'000)	2,831	2,831	2,831	2,831	2,831
No. of Shares in issue ('000)	1,490,828	1,490,828	1,893,266	4,417,620	5,679,797
Basic EPS (sen)	0.19	0.19	0.15	0.06	0.05

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

9.1 Working capital

Our Board is of the opinion that, after taking into consideration the cash flow position of our Group, current cash in hand and banking facilities available as well as the 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 RM5.14 million. All the borrowings are denominated in local currency, interest-bearing and comprise the following:-

	Total RM'000
Short-term borrowings:-	
• Bank overdrafts	1,555
• Blanket contract financing line	924
• Term loans	83
• Hire purchase payables	53
	2,615
Long-term borrowings:-	
• Term loans	1,841
• Hire purchase payables	682
	2,523
Total	**5,138**

As at the LPD, our Group does not have any non-interest bearing borrowings from local and foreign financial institutions.

There has been no default on payments of either interest and/ or principal sums in respect of any borrowings during the FYE 31 March 2017 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Save as disclosed below, as at the LPD, our Board confirms that there are no other contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial result/ position of our Group:-

	RM'000
Corporate guarantees given to financial institutions in respect of banking facilities granted to subsidiary companies	7,000
Corporate guarantees given to financial institutions in respect of banking facilities granted to associate company	5,130
Total	**12,130**

9.4 Material commitments

As at the LPD, our Board confirms that there are no material commitments for capital expenditure incurred or known to be incurred by our Group that have 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, PAYMENT, SALE/ TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants D 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, the NPA notifying you of the crediting of such Provisional Rights Shares with Warrants D into your CDS Account and the RSF to enable you to subscribe for such Provisional Rights Shares with Warrants D, as well as to apply for the Excess Rights Shares with Warrants D if you choose to do so.

10.2 NPA

The Provisional Rights Shares with Warrants D are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Rights Shares with Warrants D 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. As an Entitled Shareholder, 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 of and payment for the Provisional Rights Shares with Warrants D is **5.00 p.m.** on **Tuesday, 17 October 2017**.

10.4 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Rights Shares with Warrants D to you as an Entitled Shareholder or your renouncee(s) (if applicable) 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 strictly conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained 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 RIGHTS SHARES WITH WARRANTS D, EXCESS RIGHTS SHARES WITH WARRANTS D AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL/ TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS 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 CONTAINED THEREIN CAREFULLY.

If you and/ or your renouncee(s) (if applicable) wish to accept either in full or in part of the Provisional Rights Shares with Warrants D of your entitlement, please complete Parts I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the envelope provided (at your own risk) by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** at the following address:-

Insurban Corporate Services Sdn Bhd (76260-W)
149, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 5529
Fax: 03-7728 5948

so as to arrive **not later than 5.00 p.m.** on **Tuesday, 17 October 2017**, being the last date and time for acceptance of and payment for the Provisional Rights Shares with Warrants D.

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

One (1) RSF can only be used for acceptance of Provisional Rights Shares with Warrants D standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares with Warrants D standing to the credit of more than one (1) CDS Account(s). If successful, the Rights Shares with Warrants D subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

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

The minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share. Successful applicants of the Rights Shares will be given Warrants D on the basis of two (2) Warrants D for every four (4) Rights Shares successfully subscribed for. However, you and/ or your renouncee(s) (if applicable) should take note that a trading board lot for the Rights Shares and the Warrants D comprises of 100 Rights Shares and 100 Warrants D, respectively. Fractions of Rights Shares with Warrants D, if any, shall be disregarded, and 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 of and payment for the Provisional Rights Shares with Warrants D allotted to you and/ or your renouncee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m.** on **Tuesday, 17 October 2017**, being the last date and time for acceptance of and payment for the Provisional Rights Shares with Warrants D, you and/ or your renouncee(s) (if applicable) will be deemed to have declined the provisional entitlement made to you and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Rights Shares with Warrants D are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants D to the applicants who have applied for the Excess Rights Shares with Warrants D in the manner as set out in Section 10.8 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS D 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", MADE PAYABLE TO "<u>EAH RIGHTS ISSUE ACCOUNT</u>" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

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 MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS D OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

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

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, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS D.

10.5 Procedures for part acceptance by Entitled Shareholders

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

You must complete both Part I(a) of the RSF by specifying the number of the Rights Shares with Warrants D which you are accepting and Part II of the RSF 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 Rights Shares with Warrants D 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 Rights Shares with Warrants D.

10.6 Procedures for sale/ transfer of Provisional Rights Shares with Warrants D

As the Provisional Rights Shares with Warrants D are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants D to one (1) or more person(s) through your stockbroker for the period up to the last date and time for sale/ transfer of such Provisional Rights Shares with Warrants D, without first having to request for a split of the Provisional Rights Shares with Warrants D standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants D, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Rights Shares with Warrants D, you may still accept the balance of the Provisional Rights Shares with Warrants D by completing Parts I(a) and II of the RSF. Please refer to Section 10.4 of this Abridged Prospectus for the procedures of acceptance and payment.

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

Purchaser(s) or transferee(s) of the Provisional Rights Shares with Warrants D may obtain a copy of this Abridged Prospectus and the RSF from his/ her/ their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (http://www.bursamalaysia.com).

10.7 Procedures for acceptance by renouncees

Renouncees who wish to accept the Provisional Rights Shares with Warrants D must obtain a copy of the RSF from their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (http://www.bursamalaysia.com), complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address 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 Rights Shares with Warrants D.

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 Procedures for application of Excess Rights Shares with Warrants D

You and/ or your renouncee(s) (if applicable) may apply for additional Rights Shares with Warrants D in excess of your entitlement by completing Part I(b) of the RSF (in addition to Parts I(a) and II and forwarding it with a **separate remittance made in RM** for the full amount payable for the Excess Rights Shares with Warrants D applied for, to our Share Registrar **not later than 5.00 p.m.** on **Tuesday, 17 October 2017**, being the last date and time for application of and payment for Excess Rights Shares with Warrants D.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS D 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", MADE PAYABLE TO "EAH EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE WITH WARRANTS.

It is the intention of our Board to allot the Excess Rights Shares with Warrants D, 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 Excess Rights Shares with Warrants D, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

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

iv. Finally, for allocation to renouncee(s) who have applied for Excess Rights Shares with Warrants D, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants D applied for.

In the event there is any remaining balance of the Excess Rights Shares with Warrants D applied for by the Entitled Shareholders and/ or renouncee(s) who have applied for the Excess Rights Shares with Warrants D after carrying out steps (i)-(iv) as set out above, steps (ii)-(iv) will be repeated to allocate the remaining balance of the Excess Rights Shares with Warrants D to the Entitled Shareholders and/ or renouncee(s) who have applied for the Excess Rights Shares with Warrants D until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants D applied for under Part I(b) 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 steps (i)-(iv) above are achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for the Excess Rights Shares with Warrants D without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS D. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS D OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

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

10.9 Form of issuance

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

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 will be issued to you under the Rights Issue with Warrants. The Rights Shares with Warrants D which you have successfully subscribed for will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/ or your renouncee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within eight (8) Market Days from the last date for acceptance of and payment for the Rights Shares with Warrants D.

10.9.1 Subscription for the Rights Shares with Warrants D by the Entitled Shareholders

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

10.9.2 Subscription for the Rights Shares with Warrants D by the renouncees

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

10.9.3 Application for the Excess Rights Shares with Warrants D by the Entitled Shareholders and/ or renouncees

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

10.10 Laws of foreign country or 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 country or jurisdiction, and have not been (and will not be) lodged, registered or approved under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue with Warrants will not be made or offered for subscription in any foreign country or 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, the 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 for the Rights Issue With Warrants, in which event our Share Registrar for the Rights Issue With Warrants 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 these documents relating to the Rights Issue with Warrants.

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

The foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or 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 issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. 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, our Company, our Directors and officers and other professional advisers 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 their renouncee(s) (if applicable) are or may be subject to;

ii. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares with Warrants D;

iii. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants D, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

iv. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are aware that the Rights Shares and the Warrants D can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

v. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask 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 the Warrants D; and

vi. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) 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 the Warrants D, 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 the Warrants D.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or 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 country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, and the accompanying NPA and RSF to any foreign country or 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 with Warrants D 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 with Warrants D as invalid if it is believed that such acceptance may violate any applicable legal or regulatory requirements.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and the Warrants D pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus, and the accompanying NPA and RSF.

12. FURTHER INFORMATION

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

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

MOHAMMAD SOBRI BIN SAAD
Chief Executive Officer/ Executive Director

APPENDIX I

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM HELD ON 6 JULY 2017

CERTIFIED TRUE COPY

EA HOLDINGS BERHAD
Company No. 878041-A
(Incorporated In Malaysia)

LAANG JHE HOW
Company Secretary
MIA 25193

CERTIFIED EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 6 JULY 2017

RESOLVED :-

AGENDA 1

PROPOSED CAPITAL REDUCTION EXERCISE VIA THE REDUCTION AND CANCELLATION OF THE SHARE CAPITAL OF EAH WHICH IS LOST OR UNREPRSENTED BY AVAILABLE ASSETS TO THE EXTENT OF RM44,615,533 AS AT 31 DECEMBER 2016 PURSUANT TO SECTION 115(A) READ WITH SECTION 116 OF THE COMPANIES ACT, 2016 ("CA 2016") ("PROPOSED CAPITAL REDUCTION")

Dato' Chairman informed the Meeting that the first item on the Agenda was to approve the proposed capital reduction exercise via the reduction and cancellation of the share capital of EAH which is lost or unreprsented by available assets to the extent of RM44,615,533 as at 31 December 2016.

The results of the polling was as follows:

	Number of Shares	%
Votes FOR	346,049,390	100.00
Votes AGAINST	0	0.00
	346,049,390	100.00

The Chairman declared the resolution 1 carried and the following were resolved :-

*"**THAT**, subject to and conditional upon the passing of Ordinary Resolution and the approvals of all relevant authorities/ parties being obtained, where required, including but not limited to the confirmation by the High Court of Malaya pursuant to Section 115(a) read with Section 116 of the CA 2016, approval be and is hereby given for EAH to reduce its issued share capital from RM149,082,771.60 to RM104,467,238.60 via the cancellation of its share capital which is lost or unrepresented by available assets to the extent of RM44,615,533 as at 31 December 2016;*

***THAT** an amount equal to RM44,615,533, being the credit arising from the cancellation of the share capital of the Company, be applied in writing-off of the accumulated losses of the Company ("Accumulated Losses");*

***THAT** any credit remaining that may be in excess of what is required towards offsetting the Accumulated Losses be and is hereby applied towards crediting into a capital reserve account of the Company which shall be applied towards setting off future losses and save for the aforementioned purpose, the amount standing to the credit of the capital reserve account shall not be distributable without leave of the High Court of Malaya;*

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LAANG JHE HOW
Company Secretary
MIA 25193

EA HOLDINGS BERHAD
Company No. 878041-A
(Incorporated In Malaysia)

CERTIFIED EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 6 JULY 2017

__AND THAT__ the Board of Directors of EAH ("Board") be and is hereby authorised with full powers to take all such steps as they may deem necessary to:-

i. assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities and/ or the High Court of Malaya;
ii. lodge an office copy of the order of the High Court of Malaya referred to in this Special Resolution with the Companies Commission of Malaysia on such date as the Directors of the Company may determine; and
iii. do all such acts, deeds and to execute, sign and deliver on behalf of the Company all such documents and/ or agreements and/ or things incidental and/ or as may be required or as they consider necessary and/ or expedient to finalise and implement in the best interest of the Company, to give full effect to and complete the Proposed Capital Reduction."

Certified True Copy

MOHAMMAD SOBRI BIN SAAD	**LAANG JHE HOW**
Director	MIA 25193
	Company Secretary

EDZ/TOM-2017-minutes

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EA HOLDINGS BERHAD
Company No. 878041-A
(Incorporated In Malaysia)

LAANG JHE HOW
Company Secretary
MIA 25193

CERTIFIED EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 6 JULY 2017

RESOLVED :-

AGENDA 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,524,354,400 NEW ORDINARY SHARES IN EAH ("EAH SHARE(S)") ("RIGHTS SHARE(S)") AT AN INDICATIVE ISSUE PRICE OF RM0.01 PER RIGHTS SHARE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY THREE (3) EXISTING EAH SHARES HELD, TOGETHER WITH UP TO 1,262,177,200 FREE DETACHABLE WARRANTS IN EAH ("WARRANT(S) D") ON THE BASIS OF TWO (2) FREE WARRANTS D FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED FOR, ON AN ENTITLEMENT DATE TO BE DETERMINED LATER AFTER THE PROPOSED CAPITAL REDUCTION ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

Dato' Chairman informed the Meeting that the second item on the Agenda was to approve the proposed renounceable rights issue of up to 2,524,354,400 new ordinary shares in EAH ("EAH share(s)") ("rights share(s)") at an indicative issue price of RM0.01 per rights share on the basis of four (4) rights shares for every three (3) existing EAH shares held, together with up to 1,262,177,200 free detachable warrants in EAH ("warrant(s) D") on the basis of two (2) free warrants D for every four (4) rights shares subscribed for.

The results of the polling was as follows:

	Number of Shares	%
Votes FOR	346,049,390	100.00
Votes AGAINST	0	0.00
	346,049,390	100.00

The Chairman declared the resolution 2 carried and the following were resolved :-

"THAT, subject to the passing of Special Resolution and the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to the Directors of the Company for the following:-

i. to provisionally allot and issue by way of a renounceable rights issue of up to 2,524,354,400 Rights Shares at an indicative issue price of RM0.01 per Rights Share on the basis of four (4) Rights Shares for every three (3) existing EAH Shares held, together with up to 1,262,177,200 free detachable Warrants D on the basis of two (2) free Warrants D for every four (4) Rights Shares subscribed for, by the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later after the Proposed Capital Reduction by the Board ("Entitlement Date");

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EA HOLDINGS BERHAD
Company No. 878041-A
(Incorporated In Malaysia)

LAANG JHE HOW
Company Secretary
MIA 25193

CERTIFIED EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 6 JULY 2017

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ii. *to determine the final issue price of the Rights Shares and the exercise price of Warrants D after taking into consideration the basis and justification for determining such prices, as set out in the Circular;*
iii. *wherein each of the Warrant D will carry the right to subscribe, subject to any adjustment in accordance with Deed Poll D, at any time during the exercise period, for one (1) new EAH Share at an exercise price to be determined and fixed at a later date by the Board;*
iv. *to allot and issue such number of new EAH Shares arising from the exercise of the Warrants D, from time to time during the tenure of the Warrants D, in accordance with the provisions of the Deed Poll D;*
v. *to allot and issue such further Warrants D and new EAH Shares arising from the exercise of such further Warrants D as a consequence of any adjustment in accordance with the provisions of the Deed Poll D and/ or as may be required by the relevant authorities; and*
vi. *to do all such acts and things including but not limited to the application to Bursa Malaysia Securities Berhad for the listing of and quotation for the new EAH Shares which may from time to time be allotted and issued arising from the exercise of the Warrants D.*

THAT any fractional entitlements of the Rights Shares and the Warrants D arising from the Proposed Rights Issue with Warrants shall be disregarded and dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of the Company;

THAT the Rights Shares will, upon allotment and issuance, rank pari passu in all respects with the existing EAH Shares after the Proposed Capital Reduction, save and except that the Rights Shares will not be entitled to any dividends, rights, allotment 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 the Rights Shares;

THAT the new EAH Shares arising from the exercise of the Warrants D will, upon allotment and issuance, rank pari passu in all respects with the existing EAH Shares after the Proposed Capital Reduction, save and except that the new EAH Shares to be issued arising from the exercise of the Warrants D 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 the said new EAH Shares;

THAT the Directors of the Company be and are hereby authorised to enter into and execute the Deed Poll D with full powers to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Directors of the Company, and with full powers to implement and give effect to the terms and conditions of the Deed Poll D;

EDZ/TOM-2017-minutes

CERTIFIED TRUE COPY

LAANG JHE HOW
Company Secretary
MIA 25193

EA HOLDINGS BERHAD
Company No. 878041-A
(Incorporated In Malaysia)

CERTIFIED EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 6 JULY 2017

***AND THAT**, the Directors of the Company be and are hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/ or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants."*

Certified True Copy

MOHAMMAD SOBRI BIN SAAD
Director

LAANG JHE HOW
MIA 25193
Company Secretary

EDZ/TOM-2017-minutes

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 6 November 2009 under the Companies Act, 1965 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.

Our Company is principally engaged in investment holding, management and consultancy services. Our subsidiary companies are principally engaged in the provision of ICT services, software solutions and automation systems comprising radio frequency identification, access control system, building automation system and industrial security system. In addition, our associate companies are principally engaged in the provision of hydraulic M&E engineering services for water supply and treatment plant as well as the provision of construction project management consultancy and related activities.

Further details on our subsidiary and associate companies are set out in Section 5 of this Appendix II.

2. SHARE CAPITAL

As at the LPD, our issued share capital is set out below:-

	No. of Shares	RM
Issued share capital	1,490,827,716	104,467,238.60

In addition, as at the LPD, our Company has a total of 147,332,186 outstanding Warrants B and 255,105,900 outstanding Warrants C.

Save as disclosed below, there are no changes in our issued share capital for the past three (3) years preceding the LPD:-

Date of change	No. of shares allotted	Par value*1 RM	Consideration/ Type of issue	Cumulated no. of shares	Cumulative issued share capital RM
06.07.2015	170,070,600	0.10	Bonus issue	1,020,423,600	102,042,360.00
08.07.2015	470,400,000	0.10	Acquisition of 20% equity interest in Cekap Air Sdn Bhd	1,490,823,600	149,082,360.00
10.12.2015	4,116	0.10	Exercise of Warrants A 2010/2015	1,490,827,716	149,082,772.00
12.09.2017	-	n.a.	Capital Reduction	1,490,827,716	104,467,238.60

Note:-

*1 Prior to the commencement of the Act on 31 January 2017, the par value of EAH Shares was RM0.10. Arising from the migration to the no par value regime under the Act, par or nominal value is no longer relevant.

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			
	Shareholdings as at the LPD				After the Rights Issue with Warrants				After I and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*3]**	**No. of Shares**	**%[*3]**
Chong Mui Fun	293,547,240	19.69	-	-	684,943,560	32.38	-	-	880,641,720	36.27[*4]	-	-
Mohammad Sobri bin Saad	175,052,949	11.74	-	-	408,456,881	19.31	-	-	525,158,847	21.63	-	-

Notes:-

*1 Computed based on 1,490,827,716 EAH Shares in issue as at the LPD.

*2 Computed based on 2,115,627,968 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants D under the Minimum Scenario.

*3 Computed based on 2,428,028,094 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants D under the Minimum Scenario.

*4 Assuming the full exercise of the Warrants D held by Chong Mui Fun upon completion of the Rights Issue with Warrants under the Minimum Scenario, her equity interest in EAH may increase from approximately 32.38% to 36.27% and in such event, she shall have an obligation to undertake a mandatory take-over offer pursuant to the Rules. However, Chong Mui Fun does not intend to undertake a mandatory take-over offer in such event. In this regard, she shall observe her shareholding in our Company at all times as well as prior to any exercise of the convertible securities in EAH held by her, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Rules. In addition, should the need arises, she may make an application to the SC to seek an exemption under Paragraph 4.08(1) of the Rules from the obligation to undertake a mandatory take-over offer prior to any exercise of the convertible securities in EAH held by her.

Maximum Scenario 1

					I				II			
	Shareholdings as at the LPD				After the Rights Issue with Warrants				After I and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	**No. of Shares**	**%*1**	**No. of Shares**	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**	**No. of Shares**	**%*3**
Chong Mui Fun	293,547,240	19.69	-	-	684,943,560	19.69	-	-	880,641,720	19.69	-	-
Mohammad Sobri bin Saad	175,052,949	11.74	-	-	408,456,881	11.74	-	-	525,158,847	11.74	-	-

Notes:-

*1 Computed based on 1,490,827,716 EAH Shares in issue as at the LPD.

*2 Computed based on 3,478,598,004 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants D under the Maximum Scenario 1.

*3 Computed based on 4,472,483,148 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants D under the Maximum Scenario 1.

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Maximum Scenario 2

	Shareholdings as at the LPD				I Assuming all the outstanding Warrants B and Warrants C are exercised			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**
Chong Mui Fun	293,547,240	19.69	-	-	293,547,240	15.50	-	-
Mohammad Sobri bin Saad	175,052,949	11.74	-	-	243,950,255[*5]	12.89	-	-

	II After I and the Rights Issue with Warrants				III After II and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	**No. of Shares**	**%[*3]**	**No. of Shares**	**%[*3]**	**No. of Shares**	**%[*4]**	**No. of Shares**	**%[*4]**
Chong Mui Fun	684,943,560	15.50	-	-	880,641,720	15.50	-	-
Mohammad Sobri bin Saad	569,217,259	12.89	-	-	731,850,761	12.89	-	-

Notes:-

*1 Computed based on 1,490,827,716 EAH Shares in issue as at the LPD.

*2 Computed based on 1,893,265,802 EAH Shares in issue, being the enlarged proforma number of EAH Shares in issue assuming all the outstanding Warrants B and Warrants C are exercised prior to the implementation of the Rights Issue with Warrants under the Maximum Scenario 2.

*3 Computed based on 4,417,620,202 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants D under the Maximum Scenario 2.

*4 Computed based on 5,679,797,402 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants D under the Maximum Scenario 2.

*5 As at the LPD, Mohammad Sobri bin Saad holds 17,271,729 outstanding Warrants B and 51,625,577 outstanding Warrants C.

4. DIRECTORS

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

Name	Address	Age	Nationality	Profession	Designation
Dato' Azahar bin Rasul	Lot 39684, Jalan Daya 11 Taman Daya Kepong 52100 Kuala Lumpur	55	Malaysian	Company Director	Chairman/ Independent Non-Executive Director
Mohammad Sobri bin Saad	Unit 25-5, Level 25 Oval Damansara 685, Jalan Damansara 60000 Kuala Lumpur	57	Malaysian	Company Director	Chief Executive Officer/ Executive Director
Basir bin Bachik	Lot 6.13A, Level 6, One Tech Park Jalan Tanjung Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	59	Malaysian	Company Director	Executive Director
Abdul Fattah bin Mohamed Yatim	628, Jalan 8 Taman Ampang Utama Jalan Ampang 68000 Ampang Selangor Darul Ehsan	61	Malaysian	Company Director/ ICT Consultant	Senior Independent Non-Executive Director
Leou Thiam Lai	107-B, Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur	60	Malaysian	Company Director/ Chartered Accountant	Independent Non-Executive Director

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The shareholdings of our Directors as at the LPD and after the Rights Issue with Warrants (assuming all the Directors fully subscribe for their respective entitlements, if any, save for the Minimum Scenario where only Mohammad Sobri bin Saad subscribes for his entitlements) are set out below:-

Minimum Scenario

					I				II			
	Shareholdings as at the LPD				After the Rights Issue with Warrants				After I and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Directors	**No. of Shares**	**%*1**	**No. of Shares**	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**	**No. of Shares**	**%*3**
Dato' Azahar bin Rasul	-	-	-	-	-	-	-	-	-	-	-	-
Mohammad Sobri bin Saad	175,052,949	11.74	-	-	408,456,881	19.31	-	-	525,158,847	21.63	-	-
Basir bin Bachik	492,000	0.03	-	-	492,000	0.02	-	-	492,000	0.02	-	-
Abdul Fattah bin Mohamed Yatim	18	-*4	-	-	18	-*4	-	-	18	-*4	-	-
Leou Thiam Lai	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

*1 Computed based on 1,490,827,716 EAH Shares in issue as at the LPD.

*2 Computed based on 2,115,627,968 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants D under the Minimum Scenario.

*3 Computed based on 2,428,028,094 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants D under the Minimum Scenario.

*4 Negligible.

Maximum Scenario 1

	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants D			
	<---------Direct--------->		<----------Indirect---------->		<----------Direct---------->		<----------Indirect---------->		<----------Direct---------->		<----------Indirect---------->	
Directors	**No. of Shares**	**%*1**	**No. of Shares**	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**	**No. of Shares**	**%*3**
Dato' Azahar bin Rasul	-	-	-	-	-	-	-	-	-	-	-	-
Mohammad Sobri bin Saad	175,052,949	11.74	-	-	408,456,881	11.74	-	-	525,158,847	11.74	-	-
Basir bin Bachik	492,000	0.03	-	-	1,148,000	0.03	-	-	1,476,000	0.03	-	-
Abdul Fattah bin Mohamed Yatim	18	-*4	-	-	42	-*4	-	-	54	-*4	-	-
Leou Thiam Lai	-	-	-	-	-	-	-	-	-	-	-	-

Notes:-

*1 Computed based on 1,490,827,716 EAH Shares in issue as at the LPD.

*2 Computed based on 3,478,598,004 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants D under the Maximum Scenario 1.

*3 Computed based on 4,472,483,148 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants D under the Maximum Scenario 1.

*4 Negligible.

Maximum Scenario 2

Directors	Shareholdings as at the LPD				I Assuming all the outstanding Warrants B and Warrants C are exercised			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%*1	No. of Shares	%*1	No. of Shares	%*2	No. of Shares	%*2
Dato' Azahar bin Rasul	-	-	-	-	-	-	-	-
Mohammad Sobri bin Saad	175,052,949	11.74	-	-	243,950,255*6	12.89	-	-
Basir bin Bachik	492,000	0.03	-	-	634,074*7	0.03	-	-
Abdul Fattah bin Mohamed Yatim	18	-*5	-	-	21*8	-*5	-	-
Leou Thiam Lai	-	-	-	-	-	-	-	-

Directors	II After I and the Rights Issue with Warrants				III After II and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%*3	No. of Shares	%*3	No. of Shares	%*4	No. of Shares	%*4
Dato' Azahar bin Rasul	-	-	-	-	-	-	-	-
Mohammad Sobri bin Saad	569,217,259	12.89	-	-	731,850,761	12.89	-	-
Basir bin Bachik	1,479,506	0.03	-	-	1,902,222	0.03	-	-
Abdul Fattah bin Mohamed Yatim	49	-*5	-	-	63	-*5	-	-
Leou Thiam Lai	-	-	-	-	-	-	-	-

Notes:-

*1 Computed based on 1,490,827,716 EAH Shares in issue as at the LPD.

*2 Computed based on 1,893,265,802 EAH Shares in issue, being the enlarged proforma number of EAH Shares in issue assuming all the outstanding Warrants B and Warrants C are exercised prior to the implementation of the Rights Issue with Warrants under the Maximum Scenario 2.

*3 Computed based on 4,417,620,202 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants D under the Maximum Scenario 2.

*4 Computed based on 5,679,797,402 EAH Shares, being the enlarged proforma number of EAH Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants D under the Maximum Scenario 2.

*5 Negligible.

*6 As at the LPD, Mohammad Sobri bin Saad holds 17,271,729 outstanding Warrants B and 51,625,577 outstanding Warrants C.

*7 As at the LPD, Basir bin Bachik holds 142,074 outstanding Warrants B.

*8 As at the LPD, Abdul Fattah bin Mohamed Yatim holds 3 outstanding Warrants B.

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5. SUBSIDIARY AND ASSOCIATE COMPANIES

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

Name of company	Date and place of incorporation	Issued share capital RM	Effective equity interest %	Principal activities
CSS MSC Sdn Bhd	28.11.2005 Malaysia	3,500,000	100	Provision of business intelligence software and development, IT service management consultancy and system integration
DDSB (M) Sdn Bhd	08.07.1999 Malaysia	2,500,000	86	Information technology, consultancy services and software development
Colwyn Bay Technologies Sdn Bhd	20.11.2012 Malaysia	5,001,000	100	Investment holding
Murasaki Technology Sdn Bhd	11.09.2013 Malaysia	5,000,000	100	E-business consultancy and system integration
Subsidiary company of Colwyn Bay Technologies Sdn Bhd				
EASS Sdn Bhd	22.09.2006 Malaysia	5,000,000	100	E-business consultancy and system integration
Subsidiary company of EASS Sdn Bhd				
EA MSC Sdn Bhd	04.04.2008 Malaysia	3,000,000	100	E-business consultancy and hardware system integration

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

Name of company	Date and place of incorporation	Issued share capital RM	Effective equity interest %	Principal activities
Cekap Air Sdn Bhd	26.11.2001 Malaysia	4,000,000	20	Provision of hydraulic mechanical and electrical engineering services for water supply and treatment plant
Subsidiary company of Cekap Air Sdn Bhd				
Wyverntime Consultancy Sdn Bhd *(formerly known as WY Consultancy & Development Services Sdn Bhd)*[*1]	28.06.2012 Malaysia	1,000,000	20	Provision of construction project management consultancy and related activities

Note:-

*1 Wyverntime Consultancy Sdn Bhd (formerly known as WY Consultancy & Development Services Sdn Bhd) is a wholly-owned subsidiary company of Cekap Air Sdn Bhd.

6. PROFIT AND DIVIDEND RECORDS

For shareholders' information, we changed our financial year end from 31 December to 31 March during the FYE 31 March 2016. 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 March 2017 and the latest unaudited quarterly report of our Group for the three (3)-month FPE 30 June 2017:-

	Audited			Unaudited	
	12-month FYE 31 December 2014 RM'000	15-month FYE 31 March 2016 RM'000	12-month FYE 31 March 2017 RM'000	Three (3)-month FPE 30 June 2016 RM'000	Three (3)-month FPE 30 June 2017 RM'000
Revenue	40,309	35,898	38,375	8,227	4,046
Cost of sales	(25,669)	(30,238)	(26,704)	(6,420)	(1,698)
Gross profit	**14,640**	**5,660**	**11,671**	**1,807**	**2,348**
Other operating income	224	238	1,748	69	54
Operating expenses	(7,872)	(37,664)	(15,127)	(2,868)	(2,986)
Depreciation and amortisation	(970)	(2,576)	(2,101)	(584)	(555)
Profit/ (Loss) from operations	**6,022**	**(34,342)**	**(3,809)**	**(1,576)**	**(1,139)**
Finance costs	(422)	(444)	(414)	(27)	(23)
Share of results of associate, net of tax	-	2,479	7,680	1,627	1,335
PBT/ (LBT)	**5,600**	**(32,307)**	**3,457**	**24**	**173**
Taxation	(892)	(420)	(589)	(1)	-
PAT/ (LAT)	**4,708**	**(32,727)**	**2,868**	**23**	**173**
Other comprehensive income/ (expense), net of tax	-	-	-	-	-
Total comprehensive income/ (loss)	**4,708**	**(32,727)**	**2,868**	**23**	**173**
Profit/ (Loss) attributable to:-					
Owners of the parent	4,582	(31,551)	2,831	108	215
Non-controlling interest	126	(1,176)	37	(85)	(42)
	4,708	**(32,727)**	**2,868**	**23**	**173**
Total comprehensive income/ (loss) attributable to:-					
Owners of the parent	4,582	(31,551)	2,831	108	215
Non-controlling interest	126	(1,176)	37	(85)	(42)
	4,708	**(32,727)**	**2,868**	**23**	**173**
Earnings/ (Loss) before interests, taxes, depreciation and amortisation	6,992	(29,287)	5,972	635	751
Gross profit margin (%)	36.32	15.77	30.41	21.96	58.03
PAT/ (LAT) margin (%)	11.68	(91.17)	7.47	0.28	4.28
Weighted average number of shares in issue ('000)	880,640	1,294,394	1,490,828	1,490,828	1,490,828
EPS/ (LPS) (sen)					
- Basic	0.52	(2.44)	0.19	0.01	0.01
- Diluted	0.51[*1]	n.a.[*2]	n.a.[*2]	n.a.[*2]	n.a.[*2]
Dividend paid (RM'000)	-	-	-	-	-

Notes:-

*1 Computed based on the adjusted weighted average number of shares in issue and issuable of 916,515,085 shares.

*2 Diluted EPS/ (LPS) is not applicable for the financial year/ period under review as the unexercised warrants 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.

Commentary on past performance:-

12-month FYE 31 December 2014

For the 12-month FYE 31 December 2014, our Group recorded revenue of approximately RM40.31 million which represents a decrease of approximately RM51.35 million or 56.02% as compared to preceding financial year of approximately RM91.66 million. The decrease in revenue was mainly attributable to the decrease in revenue from the ICT services segment of approximately RM41.00 million mainly due to smaller projects awarded in the financial year under review in terms of contract value comparing to a major project awarded during the preceding financial year from a revenue collection agency of the Ministry of Finance with the contract value of approximately RM59.14 million. The software solutions segment recorded a decrease in revenue of approximately RM13.27 million mainly due to lesser number of new projects awarded and lower billings during the financial year under review. The automation systems segment recorded an increase in revenue of approximately RM2.92 million mainly due to higher billings under the building automation systems sub-segment during the financial year under review.

The gross profit margin for the financial year under review was approximately 36.32%, representing an increase of approximately 15.48% as compared to the gross profit margin of the preceding financial year of approximately 20.83%. The increase in gross profit margin was mainly attributable to the nature of the projects undertaken during the financial year under review which required lower amount of external costs such as hardware and third-party software and services, and which had in turn increased our gross profit margin.

The operating expenses for the financial year under review were approximately RM7.87 million which represents an increase of approximately RM0.02 million or 0.28% as compared to the preceding financial year of approximately RM7.85 million. The increase in operating expenses was mainly attributable to the increase in staff costs during the financial year under review.

Our Group recorded PBT of approximately RM5.60 million for the 12-month FYE 31 December 2014 which represents a decrease of approximately RM4.39 million or 43.92% as compared to preceding financial year of approximately RM9.99 million. The decrease in PBT was mainly attributable to the decrease in revenue generated which was partially offset by the higher margin from the projects undertaken during the financial year under review.

15-month FYE 31 March 2016

For the 15-month FYE 31 March 2016, our Group recorded revenue of approximately RM35.90 million which represents a decrease of approximately RM4.41 million or 10.94% as compared to preceding financial year 12-month FYE 31 December 2014 of approximately RM40.31 million. The decrease in revenue was mainly attributable to the decrease in revenue from the ICT services segment of approximately RM5.92 million mainly due to lack of new major projects awarded during the financial year under review. The software solutions segment recorded an increase in revenue of approximately RM2.97 million mainly due to the contribution of our new subsidiary company, namely Murasaki Technology Sdn Bhd ("MTSB") where we completed the acquisition in November 2014. The automation systems segment recorded a decrease in revenue of approximately RM1.46 million mainly due to lower sales from the radio-frequency identification tags and lesser projects awarded during the financial year under review.

The gross profit margin for the financial year under review was approximately 15.77%, representing a decrease of approximately 20.55% as compared to the gross profit margin of the preceding financial year of approximately 36.32%. The decrease in gross profit margin was mainly attributable to the nature of the projects undertaken during the financial year under review which required higher amount of external costs such as hardware and third-party software and services, and the recognition and reclassification of development costs incurred during the financial year under review as cost of sales as opposed to capitalising the development costs in the preceding years due to the impairment to development costs provided during the financial year under review.

The operating expenses for the financial year under review were approximately RM37.66 million which represents an increase of approximately RM29.79 million or 378.46% as compared to the preceding financial year of approximately RM7.87 million. The increase in operating expenses was mainly attributable to impairment on goodwill amounting to approximately RM17.36 million and impairment to development costs amounting to approximately RM4.10 million incurred. These impairments were provided as the cash generating units of our subsidiary companies related to the goodwill (namely DDSB (M) Sdn Bhd ("DDSB") and MTSB) and development costs (namely CSS MSC Sdn Bhd ("CSS MSC"), DDSB and EA MSC Sdn Bhd) were unable to justify its carrying value. In addition, staff costs increased during the financial year under review due to the reclassification of all staff costs from cost of sales to operating expenses, the increase in number of staff pursuant to the new subsidiary company acquired, namely MTSB, and based on the staff costs for 15 months for the financial year under review as compared to 12 months for the preceding financial year.

Our Group recorded adjusted LBT of approximately RM13.33 million (after excluding impairment losses amounting to approximately RM21.46 million and share of profits of associate companies of approximately RM2.48 million) for the 15-month FYE 31 March 2016 as compared to PBT of approximately RM5.60 million for the preceding financial year 12-month FYE 31 December 2014, mainly attributable to the decrease in revenue generated, lower margins from projects completed and transfer of costs from development expenditure capitalised to cost of sales as well as the increase in staff costs and depreciation and amortisation during the financial year under review pursuant to the new subsidiary company acquired, namely MTSB, and based on the period of 15 months as compared to 12 months.

12-month FYE 31 March 2017

For the 12-month FYE 31 March 2017, our Group recorded revenue of approximately RM38.38 million which represents an increase of approximately RM2.48 million or 6.90% as compared to the preceding financial year of approximately RM35.90 million. The increase in revenue was mainly attributable to the increase in revenue generated from the ICT services segment of approximately RM5.87 million mainly due to the increase in projects awarded during the financial year under review. The software solutions segment recorded a decrease in revenue of approximately RM5.59 million mainly due to lesser number of projects awarded during the financial year under review. The automation systems segment recorded an increase in revenue of approximately RM2.20 million mainly due to the increase in sales from the integrated security division and the increase in number of projects awarded for the building management systems sub-segment during the financial year under review.

The gross profit margin for the financial year under review was approximately 30.41%, representing an increase of approximately 14.65% as compared to the gross profit margin of the preceding financial year of approximately 15.77%. The increase in gross profit margin was mainly attributable to the nature of the projects undertaken during the financial year under review which required lower amount of external costs such as hardware and third-party software and services.

The operating expenses for the financial year under review were approximately RM15.13 million which represents a decrease of approximately RM22.54 million or 59.84% as compared to the preceding financial year of approximately RM37.66 million. The decrease in operating expenses was mainly attributable to the absence of the impairment losses amounting to approximately RM21.46 million incurred during the preceding financial year.

Our Group recorded adjusted LBT of approximately RM4.22 million (after excluding share of profits of associate companies of approximately RM7.68 million) for the 12-month FYE 31 March 2017 as compared to the adjusted LBT of approximately RM13.33 million (after excluding impairment losses amounting to approximately RM21.46 million and share of profits of associate companies of approximately RM2.48 million) for the preceding financial year 15-month FYE 31 March 2016, mainly attributable to the increase in revenue generated and higher margins from projects completed during the financial year under review as well as the increase in other income arising from a reversal of impairment of development costs of approximately RM1.44 million recorded in the 15-month FYE 31 March 2016 relating to development costs under CSS MSC and DDSB. The reversal of impairment of development costs was due to an increase in demands for the products developed by CSS MSC and DDSB in the FYE 31 March 2017. The demand for the said products were weaker in the FYE 31 March 2016 and at that time our Board, after consultation with our Auditors, had on a prudent basis decided to impair the development costs relating to the said products. In addition, we had also noted that there were slight over-provisions of impairment of development costs in the FYE 31 March 2016. Hence, after consultation with our Auditors on both the factors above (increase in demand and slight over-provisions), we had subsequently reversed the impairment of development costs relating to the said products in the FYE 31 March 2017.

Three (3)-month FPE 30 June 2017

For the three (3)-month FPE 30 June 2017, our Group recorded revenue of approximately RM4.05 million which represents a decrease of approximately RM4.18 million or 50.82% as compared to the corresponding period in the preceding financial year of approximately RM8.23 million. The decrease in revenue was mainly attributable to the decrease in revenue from the ICT services segment of approximately RM4.74 million mainly due to lower billings during the financial quarter under review. The software solutions segment recorded an increase in revenue of approximately RM0.72 million mainly due to higher number of deliverables during the financial quarter under review. The automation systems segment recorded a decrease in revenue of approximately RM0.16 million mainly due to lower billings under the building automation systems sub-segment during the financial quarter under review.

The gross profit margin for the financial period under review was approximately 58.03%, representing an increase of approximately 36.07% as compared to the gross profit margin of the corresponding period in the preceding financial year of approximately 21.96%. The increase in gross profit margin was mainly attributable to the nature of the projects undertaken during the financial period under review which required lower amount of external costs such as hardware and third-party software and services.

The operating expenses for the financial period under review were approximately RM2.99 million which represents an increase of approximately RM0.12 million or 4.11% as compared to the corresponding period in the preceding financial year of approximately RM2.87 million. The increase in operating expenses was mainly attributable to the increase in staff costs during the financial period under review.

Our Group recorded adjusted LBT of approximately RM1.16 million (after excluding share of profits of associate companies of approximately RM1.34 million) for the three (3)-month FPE 30 June 2017 as compared to the adjusted LBT of approximately RM1.60 million (after excluding share of profits of associate companies of approximately RM1.63 million) for the corresponding period in the preceding financial year. The improvement in the adjusted LBT was mainly attributable to the higher margin from the projects undertaken during the financial period under review despite the decrease in revenue.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months from October 2016 to September 2017 are set out below:-

	High RM	Low RM
2016		
October	0.075	0.065
November	0.070	0.060
December	0.070	0.060
2017		
January	0.070	0.050
February	0.060	0.050
March	0.090	0.050
April	0.120	0.075
May	0.115	0.095
June	0.110	0.085
July	0.100	0.085
August	0.090	0.070
September	0.095	0.045

Last transacted market price of EAH Shares on 24 January 2017 (being the date prior to the announcement on the Corporate Exercises)	RM0.055
Last transacted market price of EAH Shares on 12 September 2017 (being the LPD)	RM0.090
Last transacted market price of EAH Shares on 27 September 2017 (being the date prior to the ex-date for the Rights Issue with Warrants)	RM0.080

(Source: Bloomberg Finance LP)

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

MOORE STEPHENS

Date: 18 September 2017

The Board of Directors
EA Holdings Berhad
Unit 25-5, Level 25
Menara Permata Damansara
685, Jalan Damansara
60000 Kuala Lumpur

Moore Stephens Associates PLT
(LLP0000963-LCA & AF002096)
Chartered Accountants
Unit 3.3A, 3rd Floor, Surian Tower
No 1 Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya, Selangor, Malaysia
T 603 7728 1800 (General) ; 7724 1033 (Assurance)
F 603 7728 9800 (General) ; 7733 1033 (Assurance)

Dear Sirs,

EA HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of EA Holdings Berhad ("EAH" or "the Company") and its subsidiary companies (collectively referred to as "EAH Group" or "the Group") as at 31 March 2017 together with the accompany notes and assumptions thereto (which we have stamped for the purpose of identification), for which have been compiled by the Directors of the Company for inclusion in the Abridged Prospectus in relation to the renounceable rights issue of up to 2,524,354,400 new ordinary shares in EAH ("EAH Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of four (4) Rights Shares for every three (3) existing EAH Shares held, together with up to 1,262,177,200 free detachable warrants in EAH ("Warrant(s) D") on the basis of two (2) free Warrants D for every four (4) Rights Shares subscribed for, as at 5.00 p.m. on Monday, 2 October 2017 at an issue price of RM0.02 per Rights Share (" Rights Issue with Warrants").

The pro forma consolidated statements of financial position of the Group have been compiled by the Directors of the Company, for illustrative purposes only, to show the effects of the capital reduction exercise of the Company (which was completed on 12 September 2017) and the Rights Issue with Warrants on the audited consolidated statements of financial position of the Group as at 31 March 2017 had the Right Issue with Warrants been effected on that date. As part of this process, information about the Group's consolidated financial position has been extracted by the Directors of the Company from the audited consolidated statements of financial position as at 31 March 2017.

The Directors' responsibilities for the pro forma consolidated statements of financial position of the Group

The Directors of the Company are responsible for compiling the pro forma consolidated statements of financial position of the Group on the basis set out in notes to the pro forma consolidated statements of financial position of the Group and in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia.

Our responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines, about whether the pro forma consolidated statements of financial position of the Group have been compiled, in all material respects, by the Directors on the basis set out in the notes to the pro forma consolidated statements of financial position of the Group.

We conducted our engagement in accordance with International 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 of the Company have compiled, in all material respects, the pro forma consolidated statements of financial position of the Group on the basis set out in the notes to the pro forma consolidated statements of financial position of the Group.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the pro forma consolidated statements 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 statements of financial position of the Group.

The purpose of the pro forma consolidated statements 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 events had occurred or transactions had been undertaken at an earlier date selected for purposes of the 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 statements of financial position of the Group have 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 of the Company in the compilation of the pro forma consolidated statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

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

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

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statements of financial position of the Group have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements 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.

MOORE STEPHENS

Opinion

In our opinion,

(a) the pro forma consolidated statements of financial position of the Group have been properly compiled, in all material respects, on the basis set out in the notes to the pro forma consolidated statements of financial position of the Group and such basis is consistent with both the format of the financial statements and accounting policies adopted by EAH Group; and

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

Other matter

This report is issued for the sole purpose of inclusion in the Abridged Prospectus in relation to the Rights Issue with Warrants, and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any type of transaction other than the Rights Issue with Warrants.

Yours faithfully,

Moore Stephens

MOORE STEPHENS ASSOCIATES PLT
LLP0000963-LCA & AF002096
Chartered Accountants

Petaling Jaya, Selangor

MOORE STEPHENS ASSOCIATES PLT
Chartered Accountants
(LLP0000963-LCA & AF002096)
For Identification Purposes Only

EA Holdings Berhad ("EAH")
Pro forma Consolidated Statements of Financial Position as at 31 March 2017

The pro forma consolidated statements of financial position as set out below have been prepared for illustrative purposes only to show the effect on the consolidated statements of financial position of EAH Group as at 31 March 2017 and is also based on the assumptions that the following events had been effected on that date.

Minimum Scenario

	Note	Audited as at 31 March 2017 RM'000	Pro forma I After the Capital Reduction RM'000	Pro forma II After Pro forma I and the Rights Issue with with Warrants RM'000	Pro forma III After Pro forma II and assuming full exercise of Warrants D RM'000
NON-CURRENT ASSETS					
Property, plant and equipment		6,557	6,557	6,557	6,557
Intangible assets		21,771	21,771	21,771	21,771
Investment in associate		57,198	57,198	57,198	57,198
		85,526	85,526	85,526	85,526
CURRENT ASSETS					
Inventories		394	394	394	394
Trade receivables		32,342	32,342	32,342	32,342
Other receivables and deposits		1,654	1,654	1,654	1,654
Amount owing by associate		1,347	1,347	1,347	1,347
Deposits, cash and bank balances	3	20,849	20,849	27,345	42,965
		56,586	56,586	63,082	78,702
TOTAL ASSETS		142,112	142,112	148,608	164,228
EQUITY					
Share capital	4	149,083	104,468	116,963	135,707
Warrants reserve	4	9,503	9,503	12,627	9,503
Other reserve		(13,738)	(13,738)	(13,738)	(13,738)
Capital reserve	4	-	12,126	12,126	12,126
(Accumulated loss)/retained earnings	4	(12,472)	20,017	15,894	15,894
		132,376	132,376	143,872	159,492
Non-controlling interest		241	241	241	241
Total Equity		132,617	132,617	144,113	159,733
NON-CURRENT LIABILITIES					
Borrowings	5	2,453	2,453	276	276
Deferred tax liabilities		137	137	137	137
		2,590	2,590	413	413
CURRENT LIABILITIES					
Trade payables		931	931	931	931
Other payables and accruals		1,812	1,812	1,812	1,812
Borrowings	5	2,823	2,823	-	-
Amount owing to directors		104	104	104	104
Tax payables		1,235	1,235	1,235	1,235
		6,905	6,905	4,082	4,082
Total Liabilities		9,495	9,495	4,495	4,495
TOTAL EQUITY AND LIABILITIES		142,112	142,112	148,608	164,228
Number of shares in issue ('000)		1,490,828	1,490,828	2,115,628	2,428,028
Net assets attributable to the owners of the Company per share (RM)		0.09	0.09	0.07	0.07
Total borrowings (interest-bearing) (RM'000)		5,276	5,276	276	276
Gearing ratio (times)		0.04	0.04	0.00	0.00

MOORE STEPHENS ASSOCIATES PLT
Chartered Accountants
(LLP0000963-LCA & AF002096)
For Identification Purposes Only

EA Holdings Berhad ("EAH")
Pro forma Consolidated Statements of Financial Position as at 31 March 2017

The pro forma consolidated statements of financial position as set out below have been prepared for illustrative purposes only to show the effect on the consolidated statements of financial position of EAH Group as at 31 March 2017 and is also based on the assumptions that the following events had been effected on that date.

Maximum Scenario 1

	Note	Audited as at 31 March 2017 RM'000	Pro forma I After the Capital Reduction RM'000	Pro forma II After Pro forma I and the Rights Issue with with Warrants RM'000	Pro forma III After Pro forma II and assuming full exercise of Warrants D RM'000
NON-CURRENT ASSETS					
Property, plant and equipment		6,557	6,557	6,557	6,557
Intangible assets		21,771	21,771	21,771	21,771
Investment in associate		57,198	57,198	57,198	57,198
		85,526	85,526	85,526	85,526
CURRENT ASSETS					
Inventories		394	394	394	394
Trade receivables		32,342	32,342	32,342	32,342
Other receivables and deposits		1,654	1,654	1,654	1,654
Amount owing by associate		1,347	1,347	1,347	1,347
Deposits, cash and bank balances	3	20,849	20,849	54,604	104,298
		56,586	56,586	90,341	140,035
TOTAL ASSETS		142,112	142,112	175,867	225,561
EQUITY					
Share capital	4	149,083	104,468	144,222	203,855
Warrants reserve	4	9,503	9,503	19,442	9,503
Other reserve		(13,738)	(13,738)	(13,738)	(13,738)
Capital reserve	4	-	12,126	12,126	12,126
(Accumulated loss)/retained earnings	4	(12,472)	20,017	9,079	9,079
		132,376	132,376	171,131	220,825
Non-controlling interest		241	241	241	241
Total Equity		132,617	132,617	171,372	221,066
NON-CURRENT LIABILITIES					
Borrowings	5	2,453	2,453	276	276
Deferred tax liabilities		137	137	137	137
		2,590	2,590	413	413
CURRENT LIABILITIES					
Trade payables		931	931	931	931
Other payables and accruals		1,812	1,812	1,812	1,812
Borrowings	5	2,823	2,823	-	-
Amount owing to directors		104	104	104	104
Tax payables		1,235	1,235	1,235	1,235
		6,905	6,905	4,082	4,082
Total Liabilities		9,495	9,495	4,495	4,495
TOTAL EQUITY AND LIABILITIES		142,112	142,112	175,867	225,561
Number of shares in issue ('000)		1,490,828	1,490,828	3,478,598	4,472,483
Net assets attributable to the owners of the Company per share (RM)		0.09	0.09	0.05	0.05
Total borrowings (interest-bearing) (RM'000)		5,276	5,276	276	276
Gearing ratio (times)		0.04	0.04	0.00	0.00

MOORE STEPHENS ASSOCIATES PLT
Chartered Accountants
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For Identification Purposes Only

EA Holdings Berhad ("EAH")
Pro forma Consolidated Statements of Financial Position as at 31 March 2017

The pro forma consolidated statements of financial position as set out below have been prepared for illustrative purposes only to show the effect on the consolidated statements of financial position of EAH Group as at 31 March 2017 and is also based on the assumptions that the following events had been effected on that date.

Maximum Scenario 2

	Note	Audited as at 31 March 2017 RM'000	Pro forma I After the Capital Reduction RM'000	Pro forma II After I and assuming all the outstanding Warrants B and Warrants C are exercised RM'000	Pro forma III After Pro forma II and the Rights Issue with Warrants RM'000	Pro forma IV After Pro forma III and assuming full exercise of Warrants D RM'000
NON-CURRENT ASSETS						
Property, plant and equipment		6,557	6,557	6,557	6,557	6,557
Intangible assets		21,771	21,771	21,771	21,771	21,771
Investment in associate		57,198	57,198	57,198	57,198	57,198
		85,526	85,526	85,526	85,526	85,526
CURRENT ASSETS						
Inventories		394	394	394	394	394
Trade receivables		32,342	32,342	32,342	32,342	32,342
Other receivables and deposits		1,654	1,654	1,654	1,654	1,654
Amount owing by associate		1,347	1,347	1,347	1,347	1,347
Deposits, cash and bank balances	3	20,849	20,849	64,039	108,526	171,635
		56,586	56,586	99,776	144,263	207,372
TOTAL ASSETS		142,112	142,112	185,302	229,789	292,898
EQUITY						
Share capital	4	149,083	104,468	157,161	207,647	283,378
Warrants reserve	4	9,503	9,503	-	12,622	-
Other reserve		(13,738)	(13,738)	(13,738)	(13,738)	(13,738)
Capital reserve	4	-	12,126	12,126	12,126	12,126
(Accumulated loss)/retained earnings	4	(12,472)	20,017	20,017	6,396	6,396
		132,376	132,376	175,566	225,053	288,162
Non-controlling interest		241	241	241	241	241
Total Equity		132,617	132,617	175,807	225,294	288,403
NON-CURRENT LIABILITIES						
Borrowings	5	2,453	2,453	2,453	276	276
Deferred tax liabilities		137	137	137	137	137
		2,590	2,590	2,590	413	413
CURRENT LIABILITIES						
Trade payables		931	931	931	931	931
Other payables and accruals		1,812	1,812	1,812	1,812	1,812
Borrowings	5	2,823	2,823	2,823	-	-
Amount owing to directors		104	104	104	104	104
Tax payables		1,235	1,235	1,235	1,235	1,235
		6,905	6,905	6,905	4,082	4,082
Total Liabilities		9,495	9,495	9,495	4,495	4,495
TOTAL EQUITY AND LIABILITIES		142,112	142,112	185,302	229,789	292,898
Number of shares in issue ('000)		1,490,828	1,490,828	1,893,266	4,417,620	5,679,797
Net assets attributable to the owners of the Company per share (RM)		0.09	0.09	0.09	0.05	0.05
Total borrowings (interest-bearing) (RM'000)		5,276	5,276	5,276	276	276
Gearing ratio (times)		0.04	0.04	0.03	0.00	0.00

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

1. Corporate Exercises

The pro forma consolidated statements of financial position of EA Holdings Berhad ("EAH" or "the Company") and its subsidiary companies (collectively referred to as "EAH Group" or "the Group") as at 31 March 2017, of which the Directors of the Company are sole responsible, have been prepared for illustrative purposes only on the assumption that the following corporate exercises had taken place on 31 March 2017:-

(i) The capital reduction exercise via the reduction and cancellation of the share capital of EAH which is lost or unrepresented by available assets to the extent of RM44,615,533 as at 31 December 2016 pursuant to Section 115(a) read together with Section 116 of the Companies Act, 2016 ("Capital Reduction"). The sealed copy of the order obtained from the High Court of Malaya at Kuala Lumpur confirming the Capital Reduction has been lodged with the Companies Commission of Malaysia on 12 September 2017, marking the effective date and completion of the Capital Reduction; and

(ii) The renounceable rights issue of up to 2,524,354,400 new ordinary shares in EAH ("EAH Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of four (4) Rights Shares for every three (3) existing EAH Shares held, together with up to 1,262,177,200 free detachable warrants in EAH ("Warrant(s) D") on the basis of two (2) free Warrants D for every four (4) Rights Shares subscribed for, as at 5.00 p.m. on Monday, 2 October 2017 at an issue price of RM0.02 per Rights Share ("Rights Issue with Warrants").

(Collectively referred to as the "Corporate Exercises")

2. Basis of Preparation

The pro forma consolidated statements of financial position of the Group, of which the Directors of EAH are solely responsible, have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted in the preparation of the audited consolidated financial statements of EAH Group for the financial year ended 31 March 2017.

The audited consolidated financial statements of EAH Group for the financial year ended 31 March 2017 used in the preparation of the pro forma consolidated statements of financial position of the Group were prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards in Malaysia.

Warrants reserve

Amount allocated in related to the issuance of free warrants are credited to a warrant reserve which is non-distributable. Warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

Capital reserve

Amount allocated in relation to the excess after offsetting the accumulated losses of the Company as at 31 March 2017 are credited to a capital reserve which shall be applied towards setting off future loss of the Company. The capital reserve is non-distributable without confirmation of the High Court of Malaya.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

For the purpose of the pro forma consolidated statements of financial position of the Group, the following three (3) scenarios are illustrated:

Minimum Scenario	:	Assuming none of the 147,332,186 outstanding Warrants B and 255,105,900 outstanding Warrants C are exercised prior to the implementation of the Rights Issue with Warrants, and the Rights Issue with Warrants is undertaken on the minimum subscription level basis. The minimum subscription level basis is based upon the irrevocable and unconditional written undertakings provided by the substantial shareholders of EAH, namely Chong Mui Fun and Mohammad Sobri bin Saad, to subscribe in full for their respective entitlements under the Rights Issue with Warrants
Maximum Scenario 1	:	Assuming none of the 147,332,186 outstanding Warrants B and 255,105,900 outstanding Warrants C are exercised prior to the implementation of the Rights Issue with Warrants, and the Rights Issue with Warrants is fully subscribed by the entitled shareholders and/ or their renouncee(s)
Maximum Scenario 2	:	Assuming all the 147,332,186 outstanding Warrants B and 255,105,900 outstanding Warrants C are exercised prior to the implementation of the Rights Issue with Warrants, and the Rights Issue with Warrants is fully subscribed by the entitled shareholders and/ or their renouncee(s)

2.1 Minimum Scenario

Pro forma I *(Minimum Scenario)*

Pro forma I is arrived at after incorporating the effects of the Capital Reduction on the audited consolidated statements of financial position of EAH Group as at 31 March 2017.

The Capital Reduction was undertaken by EAH to write off its accumulated losses (at the company level) ("Accumulated Losses") to the extent of RM44,615,533.

The Capital Reduction had been effected in the following manner:-

(a) By reducing the share capital of the Company from RM149,082,772 to RM104,467,239 via the cancellation of the share capital of the Company which is lost or unrepresented by available assets to the extent of RM44,615,533; and

(b) Thereafter by applying an amount equal to RM44,615,533, being the credit arising from the cancellation of the share capital of the Company, towards the writing-off of the Accumulated Losses.

The excess credit after offsetting the Accumulated Losses of the Company is credited to a capital reserve account of the Company which shall be applied towards setting off future losses of the Company. The capital reserve is non-distributable without confirmation of the High Court of Malaya.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

Pro forma II *(Minimum Scenario)*

Pro forma II is arrived at after Pro forma I and incorporating the effects of the Rights Issue with Warrants as follows:-

i. The issuance and subscription of 624,800,252 Rights Shares together with 312,400,126 free Warrants D at an issue price of RM0.02 per Rights Share which raise gross proceeds of RM12,496,005 and give rise to an increase of RM12,496,005 in the issued share capital account.

ii. The theoretical fair value for the 312,400,126 Warrants D at RM0.01 per Warrant D is recognised from the retained earnings. Retained earnings decreases by RM3,124,001 with a creation of a warrant reserve of RM3,124,001.

The theoretical fair value of RM0.01 per Warrant D is determined using the Black-Scholes pricing model based on the following input date as at 12 September 2017:

Theoretical ex-rights price	:	RM0.04
Exercise price of Warrants D	:	RM0.05
Tenure of Warrants D	:	5 years
Volatility	:	Historically volatility extracted from Bloomberg of 27.99%

iii. The estimated expenses of RM1,000,000 in relation to the Corporate Exercises is deducted from the credit standing to the share premium of RM617 (which was transferred to share capital as at 31 March 2017) and retained earnings of RM999,383.

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

	RM'000
Repayment of borrowings [1]	5,000
Working capital [2]	6,496
Estimated expenses in relation to the Corporate Exercises	1,000
	12,496

Notes:

(1) The proceeds for repayment of borrowings will be utilised to repay EAH Group's borrowings, within 24 months from completion.

(2) The proceeds for working capital will be utilised to finance day-to-day operations of EAH Group, within 24 months from completion.

Pro forma III *(Minimum Scenario)*

Pro forma III is arrived at after Pro forma II and incorporating the effects assuming full exercise of the Warrants D as follows:-

i. The issuance of 312,400,126 new EAH Shares arising from the exercise of 312,400,126 Warrants D at an exercise price of RM0.05 per Warrant D which raises gross proceeds of RM15,620,006 and gives rise to an increase in the issued share capital by RM15,620,006.

ii. The reversal of warrants reserve of RM3,124,001 to the share capital account.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

2.2 Maximum Scenario 1

Pro forma I *(Maximum Scenario 1)*

Pro forma I is arrived at after incorporating the effects of the Capital Reduction on the audited consolidated statements of financial position of EAH Group as at 31 March 2017.

The Capital Reduction was undertaken by EAH to write off its Accumulated Losses (at the company level) to the extent of RM44,615,533.

The Capital Reduction had been effected in the following manner:-

(a) By reducing the share capital of the Company from RM149,082,772 to RM104,467,239 via the cancellation of the share capital of the Company which is lost or unrepresented by available assets to the extent of RM44,615,533; and

(b) Thereafter by applying an amount equal to RM44,615,533, being the credit arising from the cancellation of the share capital of the Company, towards the writing-off of the Accumulated Losses.

The excess credit after offsetting the Accumulated Losses of the Company is credited to a capital reserve account of the Company which shall be applied towards setting off future losses of the Company. The capital reserve is non-distributable without confirmation of the High Court of Malaya.

Pro forma II *(Maximum Scenario 1)*

Pro forma II is arrived at after Pro forma I and incorporating the effects of the Rights Issue with Warrants as follows:-

i. The issuance and subscription of 1,987,770,288 Rights Shares together with 993,885,144 free Warrants D at an issue price of RM0.02 per Rights Share which raise gross proceeds of RM39,755,406 and give rise to an increase of RM39,755,406 in the issued share capital account.

ii. The theoretical fair value for the 993,885,144 Warrants D at RM0.01 per Warrant D is recognised from the retained earnings. Retained earnings decreases by RM9,938,851 with a creation of a warrant reserve of RM9,938,851.

The theoretical fair value of RM0.01 per Warrant D is determined using the Black-Scholes pricing model based on the following input date as at 12 September 2017:

Theoretical ex-rights price	:	RM0.04
Exercise price of Warrants D	:	RM0.05
Tenure of Warrants D	:	5 years
Volatility	:	Historically volatility extracted from Bloomberg of 27.99%

iii. The estimated expenses of RM1,000,000 in relation to the Corporate Exercises is deducted from the credit standing to the share premium of RM617 available (which was transferred to share capital as at 31 March 2017) and retained earnings of RM999,383.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

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

	RM'000
Future viable investments (1)	15,000
Repayment of borrowings (2)	5,000
Working capital (3)	18,755
Estimated expenses in relation to the Corporate Exercises	1,000
	39,755

Notes:

(1) The proceeds for future viable investments will be utilised to finance any suitable and viable potential business(es)/investment(s), within 24 months from completion.
(2) The proceeds for repayment of borrowings will be utilised to repay EAH Group's borrowings, within 24 months from completion.
(3) The proceeds for working capital will be utilised to finance day-to-day operations of EAH Group, within 24 months from completion.

Pro forma III *(Maximum Scenario 1)*

Pro forma III is arrived at after Pro forma II and incorporating the effects assuming full exercise of the Warrants D as follows:-

i. The issuance of 993,885,144 new EAH Shares arising from the exercise of 993,885,144 Warrants D at an exercise price of RM0.05 per Warrant D which raises gross proceeds of RM49,694,257 and gives rise to an increase in the issued share capital by RM49,694,257.

ii. The reversal of warrants reserve of RM9,938,851 to the share capital account.

2.3 <u>Maximum Scenario 2</u>

Pro forma I *(Maximum Scenario 2)*

Pro forma I is arrived at after incorporating the effects of the Capital Reduction on the audited consolidated statements of financial position of EAH Group as at 31 March 2017.

The Capital Reduction was undertaken by EAH to write off its Accumulated Losses (at the company level) to the extent of RM44,615,533.

The Capital Reduction had been effected in the following manner:-

(a) By reducing the share capital of the Company from RM149,082,772 to RM104,467,239 via the cancellation of the share capital of the Company which is lost or unrepresented by available assets to the extent of RM44,615,533; and

(b) Thereafter by applying an amount equal to RM44,615,533, being the credit arising from the cancellation of the share capital of the Company, towards the writing-off of the Accumulated Losses.

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NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

The excess credit after offsetting the Accumulated Losses of the Company is credited to a capital reserve account of the Company which shall be applied towards setting off future losses of the Company. The capital reserve is non-distributable without confirmation of the High Court of Malaya.

Pro forma II *(Maximum Scenario 2)*

Pro forma II is arrived at after Pro forma I and incorporating the effects on the audited consolidated statements of financial position of EAH Group as at 31 March 2017 assuming all the 147,332,186 outstanding Warrants B and 255,105,900 outstanding Warrants C are exercised as follows:-

i. The issuance of 147,332,186 new EAH Shares arising from the exercise of 147,332,186 Warrants B at the exercise price of RM0.12 per Warrant B which raises gross proceeds of RM17,679,862 and gives rise to an increase in the issued share capital by RM17,679,862.

ii. The issuance of 255,105,900 new EAH Shares arising from the exercise of 255,105,900 Warrants C at the exercise price of RM0.10 per Warrant C which raises gross proceeds of RM25,510,590 and gives rise to an increase the issued share capital by RM25,510,590.

iii. The reversal of warrants reserve of a total of RM9,502,695 to the share capital account.

Pro forma III *(Maximum Scenario 2)*

Pro forma III is arrived at after Pro forma II and incorporating the effects of the Rights Issue with Warrants as follows:-

i. The issuance and subscription of 2,524,354,400 Rights Shares together with 1,262,177,200 free Warrants D at an issue price of RM0.02 per Rights Share which raise gross proceeds of RM50,487,088 and give rise to an increase of RM50,487,088 in the issued share capital account.

ii. The theoretical fair value for the 1,262,177,200 Warrants D at RM0.01 per Warrant D is recognised from the retained earnings. Retained earnings decreases by RM12,621,772 with a creation of a warrant reserve of RM12,621,772.

   The theoretical fair value of RM0.01 per Warrant D is determined using the Black-Scholes pricing model based on the following input date as at 12 September 2017:

Theoretical ex-rights price	:	RM0.04
Exercise price of Warrants D	:	RM0.05
Tenure of Warrants D	:	5 years
Volatility	:	Historically volatility extracted from Bloomberg of 27.99%

iii. The estimated expenses of RM1,000,000 in relation to the Corporate Exercises is deducted from the credit standing to the share premium of RM617 available (which was transferred to share capital as at 31 March 2017) and retained earnings of RM999,383.

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

	RM'000
Future viable investments (1)	15,000
Repayment of borrowings (2)	5,000
Working capital (3)	29,487
Estimated expenses in relation to the Corporate Exercises	1,000
	50,487

Notes:

(1) The proceeds for future viable investments will be utilised to finance any suitable and viable potential business(es)/investment(s), within 24 months from completion.

(2) The proceeds for repayment of borrowings will be utilised to repay EAH Group's borrowings, within 24 months from completion.

(3) The proceeds for working capital will be utilised to finance day-to-day operations of EAH Group, within 24 months from completion.

Pro forma IV *(Maximum Scenario 2)*

Pro forma IV is arrived at after Pro forma III and incorporating the effects assuming full exercise of the Warrants D as follows:-

i. The issuance of 1,262,177,200 new EAH Shares arising from the exercise of 1,262,177,200 Warrants D at an exercise price of RM0.05 per Warrant D which raises gross proceeds of RM63,108,860 and gives rise to an increase in the issued share capital account by RM63,108,860.

ii. The reversal of warrants reserve of RM12,621,772 to the share capital account.

3. Cash and bank balances

The movements in the cash and bank balances of EAH Group are as follows:

<u>**Minimum Scenario**</u>

	Cash and bank balances RM'000
As per audited consolidated financial statements as at 31 March 2017 and pro forma I	20,849
Proceeds from Right Issue with Warrants	12,496
Estimated expenses in relation to the Corporate Exercises	(1,000)
Repayment of borrowings	(5,000)
As per pro forma II	27,345
Proceeds from full exercise of the Warrants D	15,620
As per pro forma III	42,965

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Maximum Scenario 1

	Cash and bank balances RM'000
As per audited consolidated financial statements as at 31 March 2017 and pro forma I	20,849
Proceeds from Right Issue with Warrants	39,755
Estimated expenses in relation to the Corporate Exercises	(1,000)
Repayment of borrowings	(5,000)
As per pro forma II	54,604
Proceeds from full exercise of the Warrants D	49,694
As per pro forma III	104,298

Maximum Scenario 2

	Cash and bank balances RM'000
As per audited consolidated financial statements as at 31 March 2017 and pro forma I	20,849
Proceeds from exercise of all the outstanding Warrants B and Warrants C	43,190
As per pro forma II	64,039
Proceeds from Right Issue with Warrants	50,487
Estimated expenses in relation to the Corporate Exercises	(1,000)
Repayment of borrowings	(5,000)
As per pro forma III	108,526
Proceeds from full exercise of the Warrants D	63,109
As per pro forma IV	171,635

MOORE STEPHENS ASSOCIATES PLT
Chartered Accountants
(LLP0000963-LCA & AF002096)

For Identification Purposes Only

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

4. Share capital, accumulated losses, capital reserve and warrants reserve

The movements of the share capital, accumulated losses, capital reserve and warrants reserve of EAH are as follows:

Minimum Scenario

	Share capital RM'000	Warrants reserve RM'000	Capital reserve RM'000	(Accumulated loss)/ Retained earnings RM'000
Audited as at 31 March 2017	149,083	9,503	-	(12,472)
Capital Reduction	(44,615)	-	12,126	32,489
Pro forma I	104,468	9,503	12,126	20,017
Rights Issue with Warrants	12,496	3,124	-	(3,124)
Estimated expenses in relation to the Corporate Exercises	(1)	-	-	(999)
Pro forma II	116,963	12,627	12,126	15,894
Assuming full exercise of the Warrants D	18,744	(3,124)	-	-
Pro forma III	135,707	9,503	12,126	15,894

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For Identification Purposes Only

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

Maximum Scenario 1

	Share capital RM'000	Warrants reserve RM'000	Capital reserve RM'000	(Accumulated loss)/ Retained earnings RM'000
Audited as at 31 March 2017	149,083	9,503	-	(12,472)
Capital Reduction	(44,615)	-	12,126	32,489
Pro forma I	104,468	9,503	12,126	20,017
Rights Issue with Warrants	39,755	9,939	-	(9,939)
Estimated expenses in relation to the Corporate Exercises	(1)	-	-	(999)
Pro forma II	144,222	19,442	12,126	9,079
Assuming full exercise of the Warrants D	59,633	(9,939)	-	-
Pro forma III	203,855	9,503	12,126	9,079

Maximum Scenario 2

	Share capital RM'000	Warrants reserve RM'000	Capital reserve RM'000	(Accumulated loss)/ Retained earnings RM'000
Audited as at 31 March 2017	149,083	9,503	-	(12,472)
Capital Reduction	(44,615)	-	12,126	32,489
Pro forma I	104,468	9,503	12,126	20,017
Assuming full exercise of all the outstanding Warrants B and Warrants C	52,693	(9,503)	-	-
Pro forma II	157,161	-	12,126	20,017
Rights Issue with Warrants	50,487	12,622	-	(12,622)
Estimated expenses in relation to the Corporate Exercises	(1)	-	-	(999)
Pro forma III	207,647	12,622	12,126	6,396
Assuming full exercise of the Warrants D	75,731	(12,622)	-	-
Pro forma IV	283,378	-	12,126	6,396

MOORE STEPHENS ASSOCIATES PLT
Chartered Accountants
(LLP0000963-LCA & AF002096)

For Identification Purposes Only

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

5. Borrowings

The movements in the borrowings of EAH Group are as follows:

Minimum Scenario

	Borrowings RM'000
As per audited consolidated financial statements as at 31 March 2017 and pro forma I	5,276
Repayment of borrowings	(5,000)
As per pro forma II and III	276

Maximum Scenario 1

	Borrowings RM'000
As per audited consolidated financial statements as at 31 March 2017 and pro forma I	5,276
Repayment of borrowings	(5,000)
As per pro forma II and III	276

Maximum Scenario 2

	Borrowings RM'000
As per audited consolidated financial statements as at 31 March 2017 and pro forma I and II	5,276
Repayment of borrowings	(5,000)
As per pro forma III and IV	276

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

MOORE STEPHENS ASSOCIATES PLT
CERTIFIED TRUE COPY

....
STEPHEN WAN YENG LOENG CA(M), CPA(M)
AUDIT PARTNER

Company No. 878041-A

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Contents

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, management and consultancy services. The principal activities of its subsidiaries are set out in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	2,867,820	10,671,966
Attributable to:		
Owners of the Company	2,831,363	
Non-controlling interests	36,457	
	2,867,820	

DIVIDENDS

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

ISSUANCE OF SHARES OR DEBENTURES

The Company has not issued any shares or debentures during the financial year.

RESERVES AND PROVISIONS

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS OF THE COMPANY

The Directors in office during the financial year and at the date of this report:

Dato' Azahar Bin Rasul
Mohammad Sobri Bin Saad
Basir Bin Bachik
Abdul Fattah Bin Mohamed Yatim
Choo Seng Choon — Resigned on 5 May 2017

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares and warrants of the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares				Amount	
	At 1.4.2016 Unit	Addition Unit	Sold Unit	At 31.3.2017 Unit	At 1.4.2016 RM	At 31.3.2017 RM
Name of Director						
Ordinary shares in the Company						
Direct interest:						
- Mohammad Sobri Bin Saad	175,052,949	-	-	175,052,949	17,505,295	17,505,295
- Basir Bin Bachik	492,000	-	-	492,000	49,200	49,200
- Abdul Fattah Bin Mohamed Yatim	18	-	-	18	2	2

	Number of Warrants B 2014/2019			
	At 1.4.2016 Unit	Addition Unit	Exercised/ Sold Unit	At 31.3.2017 Unit
Warrants B 2014/2019				
Direct interest:				
- Mohammad Sobri Bin Saad	17,271,729	-	-	17,271,729
- Basir Bin Bachik	142,074	-	-	142,074
- Abdul Fattah Bin Mohamed Yatim	3	-	-	3

	Number of Warrants C 2014/2019			
	At 1.4.2016 Unit	Addition Unit	Exercised/ Sold Unit	At 31.3.2017 Unit
Warrants C 2014/2019				
Direct interest:				
- Mohammad Sobri Bin Saad	51,652,577	-	-	51,652,577

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

The amounts of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company or its subsidiaries for their services to the Company or its subsidiaries were as follows:

	Company RM	Subsidiries RM
Fee	36,000	-
Salary, bonus and allowances	180,000	-
Consultation fee	-	240,000
Contributions to defined contribution plan	21,600	-
Social security contributions	794	-
Total fees and other benefits	238,394	240,000

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) 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, other than as disclosed in Note 25(c) to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (cont'd)

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

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent;

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

(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; or

(iv) not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

(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 liabilities 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) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries is RM118,000.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiary by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Directors, officers or auditors of the Group and of the Company.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 33 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 19 July 2017.

MOHAMMAD SOBRI BIN SAAD

BASIR BIN BACHIK

Company No. 878041-A

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 13 to 95 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 96 has been prepared in accordance with the 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 presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 19 July 2017.

MOHAMMAD SOBRI BIN SAAD

BASIR BIN BACHIK

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act, 2016

I, TAY MUN KIT, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 13 to 95 are to the best of my knowledge and belief, 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.

Subscribed and solemnly declared by the abovenamed at
Kuala Lumpur in the Federal Territory
on 19 July 2017.

TAY MUN KIT

Before me,

PESURUHJAYA SUMPAH
W 661
TAN KIM CHOOI
MALAYSIA

16TH FLOOR, WISMA SIME DARBY
JALAN RAJA LAUT, 50350 KUALA LUMPUR

MOORE STEPHENS

Moore Stephens Associates PLT
(LLP0000963-LCA & AF002096)
Chartered Accountants
Unit 3.3A, 3rd Floor, Surian Tower
No 1 Jalan PJU 7/3, Mutiara Damansara
47810 Petaling Jaya, Selangor, Malaysia
T 603 7728 1800 (General) ; 7724 1033 (Assurance)
F 603 7728 9800 (General) ; 7733 1033 (Assurance)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EA HOLDINGS BERHAD
Company No: 878041-A
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EA HOLDINGS BERHAD, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 13 to 95.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EA HOLDINGS BERHAD (cont'd)
Company No: 878041-A
(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
Valuation of Goodwill	
As at 31 March 2017, as shown in Note 9 of the financial statements, the Group recorded goodwill amounted to RM11,876,662, which represented 8.4% of the Group's total assets. The Group is required to perform an annual impairment test on the goodwill which arose from the Group's acquisition of five (5) subsidiaries in prior years. The Group applies the value-in-use ("VIU") method to estimate the recoverable amounts of the goodwill. We have identified the valuation of goodwill as a key audit matter as the impairment test involves significant management judgement in determining the allocation of goodwill to the cash-generating unit ("CGU") and in estimating the underlying assumptions to be applied in the discounted cash flow projections of the VIU calculation. The recoverable amount of the goodwill is highly sensitive to key assumptions applied in respect of future revenue, gross margin, and the pre-tax discount rate used in the cash flow projections. A small change in the assumption can have a significant impact on the estimation of the recoverable amount.	We have performed the following procedures: • Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors; • Compared the key assumptions including forecasted revenue, gross margin and discount rates against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available; • Performed a sensitivity analysis by changing certain key assumptions used in the VIU calculations and assessed the impact to the recoverable amounts of the goodwill. • Assessed the appropriateness of the financial statements disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EA HOLDINGS BERHAD (cont'd)
Company No: 878041-A
(Incorporated in Malaysia)

Key Audit Matters (cont'd)

Key Audit Matters	**Our audit performed and responses thereon**
Valuation of investment in associate	
As at 31 March 2017, as shown in Note 11 of the financial statements, the Group has investment in an associate, Cekap Air Sdn Bhd ("CASB") of RM57,198,429 which represented 40% of the Group's total assets. We have focused on the valuation of investment in associate as a key audit matter due to the significance of the Group's investment in CASB in the context of the Group's consolidated financial statements, along with the judgements involved in the management's impairment assessment of the investment in CASB which is dependent on the future prospects of CASB. In addition, the revenue recognition by the CASB required exercise of judgement in determining the stage of completion, the extent of costs incurred, the estimated total revenue and costs, as well as the recoverability of the costs.	We have performed the following procedures: • Assessed the appropriateness of management's accounting for investment in CASB; • Understanding management's process for identifying the existence of impairment indicators in respect of the investment in CASB; • Assessed the reasonableness of the recoverable amount of CASB and obtaining an understanding from the management of the financial position and future prospects; • Compared the key assumptions including forecasted revenue, gross margin and discount rates to the historical financial information of the associate; • Performed sensitivity analysis by changing certain key assumptions used in the cash flows projections and assessed the impact to the recoverable amount of CASB; • Sent audit instructions to the CASB's auditors to perform an audit of the relevant financial information of CASB for the purposes of the Group's consolidated financial statements. Our audit instructions detailed the auditors' scope of work, audit strategy and reporting requirements. We discussed with the auditors their key audit areas, including areas of significant judgements and estimates and their audit findings; • Reviewed audit working papers of the CASB's auditors with emphasis on revenue recognition and impairment review of assets. We also discussed with the auditors to assist in evaluating the assumptions adopted in the cash flows projections prepared by the management; • Assessed the adequacy of the disclosures presented within the consolidated financial statements in Note 11 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EA HOLDINGS BERHAD (cont'd)
Company No: 878041-A
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Annual Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Annual Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Annual Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company 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, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are also responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EA HOLDINGS BERHAD (cont'd)
Company No: 878041-A
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

MOORE STEPHENS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EA HOLDINGS BERHAD (cont'd)
Company No: 878041-A
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

The supplementary information set out on page 96 is disclosed to meet the requirements 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 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The comparative figures were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements on 28 July 2016.

MOORE STEPHENS ASSOCIATES PLT
LLP0000963-LCA & AF002096
Chartered Accountants

STEPHEN WAN YENG LEONG
2963/07/17(J)
Chartered Accountant

Petaling Jaya, Selangor
Date: 19 July 2017

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

		Group		Company	
		01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016
	Note	RM	RM	RM	RM
Revenue	4	38,374,576	35,898,246	-	10,520,000
Other items of income					
Other income		309,512	238,234	176,360	129,132
Reversal of impairment on development costs	9	1,438,943	-	-	-
Reversal of impairment on investment in subsidiaries	10	-	-	12,508,297	-
Items of expense					
Changes in inventories of trading merchandise	12	(473,738)	392,169	-	-
Purchases and other direct costs		(26,229,718)	(30,630,472)	-	-
Employee benefits expense	5(a)	(9,441,244)	(11,048,487)	(447,621)	(572,516)
Directors' remuneration	5(b)	(1,391,917)	(1,739,220)	(238,394)	(314,535)
Depreciation of property, plant and equipment	8	(1,176,513)	(1,491,459)	(260,357)	(295,220)
Amortisation of intangible assets	9	(924,913)	(1,084,738)	-	-
Impairment loss on goodwill	9	(1,517,406)	(17,357,214)	-	-
Impairment loss on development costs	9	-	(4,102,309)	-	-
Impairment loss on investment in subsidiaries	10	-	-	-	(47,642,061)
Other expenses		(2,776,153)	(3,416,467)	(760,306)	(1,180,459)
(Loss)/profit from operations		(3,808,571)	(34,341,717)	10,977,979	(39,355,659)
Finance costs	5	(413,716)	(443,696)	(275,832)	(253,380)
Share of result of associate, net of tax	11	7,679,631	2,478,798	-	-
Profit/(loss) before tax	5	3,457,344	(32,306,615)	10,702,147	(39,609,039)
Tax expense	6	(589,524)	(420,406)	(30,181)	(53,432)
Profit/(loss) net of tax, representing total comprehensive income for the financial year/period		2,867,820	(32,727,021)	10,671,966	(39,662,471)

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (cont'd)

	Note	Group		Company	
		01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016
		RM	RM	RM	RM
Profit/(loss) net of tax, representing total comprehensive income attributable to:-					
Owners of the Company		2,831,363	(31,550,725)	10,671,966	(39,662,471)
Non-controlling interests		36,457	(1,176,296)	-	-
		2,867,820	(32,727,021)	10,671,966	(39,662,471)
Earnings/(loss) per ordinary share attributable to Owners of the Company					
Basic and diluted (sen):	7	0.19	(2.44)		

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	8	6,557,130	7,536,285	4,254,971	4,510,895
Intangible assets	9	21,770,940	22,774,316	-	-
Investment in subsidiaries	10	-	-	36,247,236	23,738,939
Investment in an associate	11	57,198,429	49,518,798	47,040,000	47,040,000
		85,526,499	79,829,399	87,542,207	75,289,834
Current assets					
Inventories	12	393,502	867,240	-	-
Trade receivables	13	32,341,849	32,521,825	-	-
Other receivables and deposits	14	1,654,183	1,695,134	185,046	118,814
Amounts owing by subsidiaries	15	-	-	30,187,571	36,924,239
Amount owing by an associate	15	1,346,862	4,551,065	2,306,862	3,551,065
Tax recoverable		-	-	2,200	-
Fixed deposits placed with licensed banks	16	3,753,110	3,569,255	1,933,861	1,883,003
Cash and bank balances		17,095,912	15,867,595	8,615,550	891,044
		56,585,418	59,072,114	43,231,090	43,368,165
TOTAL ASSETS		142,111,917	138,901,513	130,773,297	118,657,999

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017 (cont'd)

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity					
Share capital	17	149,083,389	149,082,772	149,083,389	149,082,772
Reserves	18	(16,707,149)	(19,537,895)	(22,987,170)	(33,658,519)
Total equity attributable to Owners of the Company		132,376,240	129,544,877	126,096,219	115,424,253
Non-controlling interests	10(a)	240,560	204,103	-	-
Total Equity		132,616,800	129,748,980	126,096,219	115,424,253
Non-current liabilities					
Borrowings	19	2,452,776	2,680,488	1,840,269	1,974,924
Deferred tax liabilities	20	137,142	239,313	-	-
		2,589,918	2,919,801	1,840,269	1,974,924
Current liabilities					
Trade payables	21	930,746	943,005	-	-
Other payables and accruals	22	1,812,721	2,054,902	163,572	606,121
Amounts owing to Directors	23	103,878	11,650	73,728	-
Borrowings	19	2,823,024	2,005,821	2,599,509	634,901
Tax payable		1,234,830	1,217,354	-	17,800
		6,905,199	6,232,732	2,836,809	1,258,822
Total Liabilities		9,495,117	9,152,533	4,677,078	3,233,746
TOTAL EQUITY AND LIABILITIES		142,111,917	138,901,513	130,773,297	118,657,999

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Group	Note	Share Capital RM	Share Premium RM	Warrants Reserve RM	Other Reserve RM	Retained Earnings/ (Accumulated Losses) RM	Total RM	Non-Controlling Interests RM	Total Equity RM
		<------Attributable to Owners of the Company				------>			
			<------Non-Distributable		------>	Distributable			
At 1 January 2015		85,035,300	8,071,502	15,622,522	(13,737,745)	20,007,390	114,998,969	2,360,399	117,359,368
Loss net of tax, representing total comprehensive income for the financial period		-	-	-	-	(31,550,725)	(31,550,725)	(1,176,296)	(32,727,021)
Dividend paid to non-controlling interests	24	-	-	-	-	-	-	(980,000)	(980,000)
Transactions with Owners of the Company:									
Issuance of ordinary shares pursuant to:									
- Bonus issue		17,007,060	(8,071,502)	-	-	(8,935,558)	-	-	-
- Exercise of warrants		412	617	-	-	-	1,029	-	1,029
- Acquisition of associate		47,040,000	-	-	-	-	47,040,000	-	47,040,000
Share issuance expenses		-	-	-	-	(944,396)	(944,396)	-	(944,396)
Warrants lapsed		-	-	(6,119,827)	-	6,119,827	-	-	-
Total transactions with Owners of the Company		64,047,472	(8,070,885)	(6,119,827)	-	(3,760,127)	46,096,633	-	46,096,633
At 31 March 2016		149,082,772	617	9,502,695	(13,737,745)	(15,303,462)	129,544,877	204,103	129,748,980

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (cont'd)

	<------Attributable to Owners of the Company------>							
	<------Non-Distributable------>				Distributable			
Group	**Share Capital RM**	**Share Premium RM**	**Warrants Reserve RM**	**Other Reserve RM**	**Accumulated Losses RM**	**Total RM**	**Non-Controlling Interests RM**	**Total Equity RM**
At 1 April 2016	149,082,772	617	9,502,695	(13,737,745)	(15,303,462)	129,544,877	204,103	129,748,980
Profit net of tax, representing total comprehensive income for the financial year	-	-	-	-	2,831,363	2,831,363	36,457	2,867,820
Transfer pursuant to Section 618(2) of the Companies Act, 2016	617	(617)	-	-	-	-	-	-
At 31 March 2017	149,083,389	-	9,502,695	(13,737,745)	(12,472,099)	132,376,240	240,560	132,616,800

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Company No. 878041-A

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	<--Non-Distributable-->			Distributable	
Company	**Share Capital RM**	**Share Premium RM**	**Warrants Reserve RM**	**Retained Earnings/ (Accumulated Losses) RM**	**Total Equity RM**
At 1 January 2015	85,035,300	8,071,502	15,622,522	260,767	108,990,091
Loss net of tax, representing total comprehensive income for the financial period	-	-	-	(39,662,471)	(39,662,471)
Transactions with Owners of the Company:					
Issuance of ordinary shares pursuant to:					
- Bonus issue	17,007,060	(8,071,502)	-	(8,935,558)	-
- Exercise of warrants	412	617	-	-	1,029
- Acquisition of associate	47,040,000	-	-	-	47,040,000
Share issuance expenses	-	-	-	(944,396)	(944,396)
Warrants lapsed	-	-	(6,119,827)	6,119,827	-
Total transactions with Owners of the Company	64,047,472	(8,070,885)	(6,119,827)	(3,760,127)	46,096,633
At 31 March 2016	149,082,772	617	9,502,695	(43,161,831)	115,424,253
At 1 April 2016	149,082,772	617	9,502,695	(43,161,831)	115,424,253
Profit net of tax, representing total comprehensive income for the financial year	-	-	-	10,671,966	10,671,966
Transfer pursuant to Section 618(2) of the Companies Act, 2016	617	(617)	-	-	-
At 31 March 2017	149,083,389	-	9,502,695	(32,489,865)	126,096,219

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Group 01.04.2016 to 31.03.2017 RM	Group 01.01.2015 to 31.03.2016 RM	Company 01.04.2016 to 31.03.2017 RM	Company 01.01.2015 to 31.03.2016 RM
Cash Flows from Operating Activities					
Profit/(loss) before tax:		3,457,344	(32,306,615)	10,702,147	(39,609,039)
Adjustments for:-					
Amortisation of:					
- development costs		749,913	865,988	-	-
- intellectual property		175,000	218,750	-	-
Depreciation of property, plant and equipment		1,176,513	1,491,459	260,357	295,220
Impairment loss on:					
- development costs		-	4,102,309	-	-
- goodwill		1,517,406	17,357,214	-	-
- investment in subsidiaries		-	-	-	47,642,061
- trade receivables		227,868	-	-	-
- other receivables		4,225	165,372	-	-
Deposits written off		8,395			
Interest expense		413,716	443,696	275,832	253,380
Inventory written off		53,258	-	-	-
Property, plant and equipment written off		59,865	-	-	-
Dividend income		-	-	-	(10,520,000)
Reversal of impairment loss on investment in subsidiairies		-	-	(12,508,297)	-
Reversal of impairment loss on development costs		(1,438,943)	-	-	-
Loss/(gain) on disposal of property, plant and equipment		14,348	(47,000)	-	-
Interest income		(204,061)	(150,620)	(53,960)	(102,132)
Share of result of associate, net of tax		(7,679,631)	(2,478,798)	-	-
Unrealised gain on foreign exchange		(12,231)	-	-	-
Operating loss before working capital changes		(1,477,015)	(10,338,245)	(1,323,921)	(2,040,510)
Changes in working capital:					
Inventories		420,480	(392,169)	-	-
Receivables		(19,561)	5,812,293	(66,232)	(92,747)
Payables		(254,440)	(1,632,905)	(442,549)	(990,451)
Cash used in operations		(1,330,536)	(6,551,026)	(1,832,702)	(3,123,708)
Tax paid		(674,219)	(1,060,890)	(50,181)	(35,632)
Tax refund		-	1,647	-	-
Interest paid		(413,716)	(443,696)	(275,832)	(253,380)
Interest received		204,061	150,620	53,960	102,132
Net cash used in operating activities		(2,214,410)	(7,903,345)	(2,104,755)	(3,310,588)

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (cont'd)

	Note	Group 01.04.2016 to 31.03.2017 RM	Group 01.01.2015 to 31.03.2016 RM	Company 01.04.2016 to 31.03.2017 RM	Company 01.01.2015 to 31.03.2016 RM
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	8(b)	(124,571)	(492,480)	(4,433)	(127,743)
Proceeds from disposal of property, plant and equipment		113,000	47,000	-	-
Net cash used in investing activities		(11,571)	(445,480)	(4,433)	(127,743)
Cash Flows from Financing Activities					
Repayment from/ (advances to) associate		3,204,203	(4,551,065)	1,244,203	(3,551,065)
Advances from Director		92,228	-	73,728	-
Repayment from/ (advances to) subsidiaries		-	-	6,736,668	(1,438,051)
Increased in fixed deposits pledged		(183,855)	(580,677)	(50,858)	(77,929)
Drawdown of borrowings		-	41,440	896,042	-
Repayment of borrowings		(765,139)	(1,087,328)	(160,719)	(758,418)
Proceeds from exercise of warrants		-	1,029	-	1,029
Payment of share issuance expenses		-	(944,396)	-	(944,396)
Net cash from/(used in) financing activities		2,347,437	(7,120,997)	8,739,064	(6,768,830)
Net increase/(decrease) in cash and cash equivalents		121,456	(15,469,822)	6,629,876	(10,207,161)
Effect of exchange rate changes on cash and cash equivalents		12,231	-	-	-
Cash and cash equivalents at beginning of financial year/period		15,393,413	30,863,235	416,862	10,624,023
Cash and cash equivalents at end of financial year/period	(i)	15,527,100	15,393,413	7,046,738	416,862

EA HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (cont'd)

Note:

(i) Cash and cash equivalents comprise:

		Group		Company	
		01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016
	Note	RM	RM	RM	RM
Fixed deposits with licensed banks		3,753,110	3,569,255	1,933,861	1,883,003
Cash and bank balances		17,095,912	15,867,595	8,615,550	891,044
		20,849,022	19,436,850	10,549,411	2,774,047
Less: Fixed deposits pledged as collaterals	16	(3,753,110)	(3,569,255)	(1,933,861)	(1,883,003)
Bank overdrafts	19(c)	(1,568,812)	(474,182)	(1,568,812)	(474,182)
		15,527,100	15,393,413	7,046,738	416,862

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

1. CORPORATE INFORMATION

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

The registered office of the Company is located at 149A, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The principal place of business of the Company is located at Unit 25-5, Menara Permata Damansara, No. 685, Jalan Damansara, 60000 Kuala Kumpur.

The principal activities of the Company are that of investment holding, management and consultancy services. The principal activities of its subsidiaries are set out in Note 10. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 19 July 2017.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int"), Amendments to IC Int

(i) Adoption of New MFRSs, Amendments/Improvements to MFRSs and IC Int

The Group and the Company had adopted the following new MFRSs, Amendments/Improvements to MFRSs and IC Int that are mandatory for the current financial year:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Annual Improvement to MFRSs 2012-2014 Cycle	

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

2. BASIS OF PREPARATION (cont'd)

(a) Statement of Compliance (cont'd)

New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int"), Amendments to IC Int (cont'd)

(ii) New MFRSs, Amendments/Improvements to MFRSs and IC Int that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and Amendments/Improvements to MFRSs and IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

Effective for financial periods beginning on or after 1 January 2017

Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 107	Statement of Cash Flows: Disclosure Initiative
Annual Improvements to MFRSs 2014-2016 Cycle	

Effective for financial periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Clarification to MFRS 15: Revenue from Contracts with Customers
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretations 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to MFRSs 2014-2016 Cycle	

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases

Effective date to be announced

Amendments MFRS 10 and and MFRS 124	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int"), Amendments to IC Int (cont'd)

(ii) New MFRSs, Amendments/Improvements to MFRSs and IC Int that are issued but not yet effective and have not been early adopted (cont'd)

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial applications, except as described below:

MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139. This Standard made changes to the requirements for classification and measurement, impairment, and hedge accounting. The adoption of this Standard will have an effect on the classification and measurement of the Group's and of the Company's financial assets, but no impact on the classification and measurement of the Group's and of the Company's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. The Group and the Company are currently assessing the impact of the adoption of this Standard in relation to the new requirements for classification and measurement and impairment, but the requirements for hedge accounting is not relevant to the Group and to the Company.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and establishes a new five-step model that will apply to recognition of revenue arising from contracts with customers. Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognising revenue.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group and the Company are currently assessing the impact of this Standard and plan to adopt this Standard on the required effective date.

2. BASIS OF PREPARATION (cont'd)

(b) Basis of Measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

(d) Significant Accounting Estimates and Judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line method over the assets' useful lives. The Directors estimate the useful lives of these property, plant and equipment to be within 5 to 20 years.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements (cont'd)

(ii) Intangible assets

The Group has intangible assets (other than goodwill) and the annual amortisation of intangible assets is charged to the statement of comprehensive income. The Group reviews the residual value and useful life of intangible assets at each balance sheet date in accordance with the accounting policy as disclosed in Note 3(j). The Group also assesses annually whether the intangible assets have been impaired based on future cash flow projections, which depend significantly on the procurement of future projects, using an appropriate discount factor. The impairment assessment could be materially affected by the changes in the assumptions and estimates used in the cash flow projections. Changes in the residual value arising from the impairment assessment and the review of useful life could have significant impact on the results of the Group.

The carrying amount of intangible assets at 31 March 2017 was RM9,894,278 (2016: RM9,380,248) and the annual amortisation charged for the financial year ended 31 March 2017 was RM924,913 (2016: RM1,084,738) as disclosed in Note 9.

(iii) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iv) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(v) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(vi) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a loans or receivables 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 or significant delay in payments.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements (cont'd)

(vi) Impairment of loans and receivables (cont'd)

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.

(vii) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(viii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(ix) Carrying value of investments in subsidiaries

Investments in subsidiaries are reviewed for any impairment indication in accordance with its accounting policy or whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

(x) Fair value estimates for certain financial assets and liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(xi) Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to Owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Business combination (cont'd)

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the profit or loss.

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combinations in the Company's separate financial statements, the excess of the cost of acquisition over the aggregate carrying amounts of assets and liabilities as of the date of the combination is taken to equity.

Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

Non-controlling Interests

Non-controlling interests represents the equity in subsidiaries not attributable directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the non-controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusting and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in Ringgit Malaysia using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates on the reporting date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable.

Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Services rendered

Revenue from services rendered is recognised in profit or loss when the services are performed.

Rental income

Rental income from property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the 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 absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(e) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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 capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services are not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance Lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating Lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(h) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial year, adjusted for the effects of all dilutive potential ordinary shares.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment at the following annual rates:

Freehold office units	5%
Office equipment	20%
Furniture and fittings	10%-20%
Computers	20%
Motor vehicles	20%
Moulds	20%
Renovation	20%

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the assets is derecognised.

(j) Intangible assets

Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in a subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the consolidated statement of comprehensive income.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to prepare the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Intangible assets (cont'd)

Other intangible assets

Intangible assets, other than goodwill, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets, other than goodwill, which have indefinite lives and are not yet available for use are stated at cost less impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Development costs	5 – 15 years
Intellectual property	20 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average cost, and includes expenditure incurred in acquiring the inventories and others costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand and fixed deposit with licensed banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, and pledged deposits, if any.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorised financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises debt instruments and financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Financial instruments (cont'd)

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially at fair value plus transaction costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amounts initially recognised less cumulative amortisation recognised.

(v) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment

(i) Financial assets

All financial assets, other than those at fair value through profit or loss, investment in subsidiaries and investment in associates are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. 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 risks specific to the asset.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

(o) Equity instruments

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

Ordinary shares

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.

(p) Warrant reserve

Amount allocated in related to the issuance of free warrants are credited to a warrant reserve which is non-distributable. Warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) 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 other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(s) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company used observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognised transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. REVENUE

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Information and communications technologies ("ICT") services	20,639,937	14,770,715	-	-
Radio frequency identification ("RFID"), access control system and building automation system	7,555,929	5,361,015	-	-
Software solutions	10,178,710	15,766,516	-	-
Dividend income	-	-	-	10,520,000
	38,374,576	35,898,246	-	10,520,000

5. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived at after charging/(crediting):

	Note	Group		Company	
		01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Auditors' remuneration					
- auditors of the Company					
- statutory audit		110,000	55,000	35,000	30,000
- underprovision in prior year		-	3,000	-	-
- other services		8,000	3,000	8,000	3,000
- component auditors of the Group					
- statutory audit		-	46,060	-	-
- overprovision in prior year		-	(26,600)	-	-
Amortisation of:					
- development costs		749,913	865,988	-	-
- intellectual property		175,000	218,750	-	-
Depreciation of property, plant and equipment	8	1,176,513	1,491,459	260,357	295,220
Employee benefits expenses	(a)	9,441,244	11,048,487	447,621	572,516
Directors' remuneration	(b)	1,391,917	1,739,220	238,394	314,535
Impairment loss on:					
- development costs	9	-	4,102,309	-	-
- goodwill	9	1,517,406	17,357,214	-	-
- investment in subsidiaries	10	-	-	-	47,642,061
- trade receivables	13	227,868	-	-	-
- other receivables	14	4,225	165,372	-	-
Deposits written off		8,395	-	-	-

5. PROFIT/(LOSS) BEFORE TAX (cont'd)

Profit/(loss) before tax is arrived at after charging/(crediting): (cont'd)

	Note	Group 01.04.2016 to 31.03.2017 RM	Group 01.01.2015 to 31.03.2016 RM	Company 01.04.2016 to 31.03.2017 RM	Company 01.01.2015 to 31.03.2016 RM
Interest expenses on:					
- bank overdrafts		217,414	222,807	133,489	106,106
- bank guarantee		49	-	49	-
- blanket contract financing line		44,207	18,904	44,207	18,904
- hire purchase payables		56,773	81,262	2,814	7,647
- term loans		95,273	120,723	95,273	120,723
Property, plant and equipment written off		59,865	-	-	-
Inventories written off	12	53,258	-	-	-
Rental of premises		203,515	432,053	-	6,750
Rental of office equipment		3,030	-	-	-
Loss/(gain) on disposal of property, plant and equipment		14,348	(47,000)	-	-
Gain on foreign exchange:					
- realised		(5,760)	(27,183)	-	-
- unrealised		(12,231)	-	-	-
Interest income		(204,061)	(150,620)	(53,960)	(102,132)
Rental income		(86,400)	(12,000)	(122,400)	(27,000)
Reversal of impairment loss on development costs	9	(1,438,943)	-	-	-
Reversal of impairment loss on investment in subsidiaries	10	-	-	(12,508,297)	-

(a) Employee benefits expense

	Group 01.04.2016 to 31.03.2017 RM	Group 01.01.2015 to 31.03.2016 RM	Company 01.04.2016 to 31.03.2017 RM	Company 01.01.2015 to 31.03.2016 RM
Salaries, wages allowances and bonuses	8,354,602	9,731,057	380,480	496,672
Contributions to defined contribution plan	885,731	1,083,538	44,194	59,401
Social security contributions	69,593	72,049	2,554	4,140
Other benefits	131,318	161,843	20,393	12,303
	9,441,244	11,048,487	447,621	572,516

5. PROFIT/(LOSS) BEFORE TAX (cont'd)

Profit/(loss) before tax is arrived at after charging/(crediting): (cont'd)

(b) The remuneration of the Directors are as follows:

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Directors of the Company				
Executive:				
Salaries, wages allowances and bonuses	180,000	225,000	180,000	225,000
Consultation fee	240,000	270,000	-	-
Contributions to defined contribution plan	21,600	27,000	21,600	27,000
Social security contributions	794	1,035	794	1,035
	442,394	523,035	202,394	253,035
Non-executive:				
Fees	36,000	61,500	36,000	61,500
	478,394	584,535	238,394	314,535
Directors of the subsidiaries				
Executive:				
Fees	180,000	225,000	-	-
Salaries, wages allowances and bonuses	653,600	828,000	-	-
Contributions to defined contribution plan	77,472	99,360	-	-
Social security contributions	2,451	2,325	-	-
	913,523	1,154,685	-	-
Total	1,391,917	1,739,220	238,394	314,535
Analysis excluding benefits-in-kind				
Total executive directors' remuneration	1,355,917	1,677,720	202,394	253,035
Total non-executive directors' remuneration	36,000	61,500	36,000	61,500
	1,391,917	1,739,220	238,394	314,535

5. PROFIT/(LOSS) BEFORE TAX (cont'd)

Profit/(loss) before tax is arrived at after charging/(crediting): (cont'd)

(b) The remuneration of the Directors are as follows: (cont'd)

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

	No. of Directors 2017	2016
Executive Directors:		
RM150,001 - RM200,000	1	-
RM200,001 - RM250,000	1	1
RM250,001 - RM300,000	-	1
Non-Executive Directors:		
Below RM50,000	2	3

6. TAX EXPENSE

	Group 01.04.2016 to 31.03.2017 RM	Group 01.01.2015 to 31.03.2016 RM	Company 01.04.2016 to 31.03.2017 RM	Company 01.01.2015 to 31.03.2016 RM
Income tax:				
Based on result for current year/period	673,146	297,700	-	-
Underprovision in prior financial year/period	18,549	285,785	30,181	53,432
	691,695	583,485	30,181	53,432
Deferred tax (Note 20):				
Origination and reversal of temporary differences	(70,377)	(112,160)	-	-
Overprovision in prior financial year/period	(31,794)	(50,919)	-	-
	(102,171)	(163,079)	-	-
Tax expense for the financial year/period	589,524	420,406	30,181	53,432

6. TAX EXPENSE (cont'd)

The tax reconciliation from the tax amount at statutory income tax rate to the Group's and the Company's tax expense is as follows:

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Profit/(loss) before tax	3,457,344	(32,306,615)	10,702,147	(39,609,039)
Tax at the Malaysian statutory income tax rate of 24%	829,763	(7,753,588)	2,568,515	(9,506,169)
Effect of changes in tax rate	-	(16,310)	-	(117)
Share of tax of equity-accounted associate	(1,843,111)	(594,912)	-	-
Income not subject to tax	-	-	-	(2,524,800)
Expenses not deductible for tax purpose	877,859	5,959,920	175,145	11,710,919
Utilisation of previously unrecognised deferred tax assets	(352,859)	-	(2,743,660)	-
Deferred tax assets not recognised	1,091,117	2,590,430	-	320,167
Under/(over) provision in prior financial year/period				
- current income tax	18,549	285,785	30,181	53,432
- deferred tax	(31,794)	(50,919)	-	-
Tax expense for the financial year/period	589,524	420,406	30,181	53,432

The Company's subsidiaries namely EA MSC Sdn. Bhd. and CSS MSC 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 Act, 1986, which exempt 100% of the statutory business income from taxation for a period of 10 years commencing from 15 May 2013 and 2 July 2014 respectively.

The Group has estimated unutilised tax losses and unabsorbed capital allowances of RM13,093,992 (2016: RM9,076,979) and RM435,891 (2016: RM347,996) respectively, available for set off against future profits.

The Company has estimated unutilised tax losses and unabsorbed capital allowances of RM1,067,600 (2016: RM NIL) and RM30,647 (2016: RM19,924) respectively, available for set off against future profits.

7. EARNINGS/(LOSS) PER ORDINARY SHARE

(a) Basic

Basic earnings/(loss) per ordinary share is calculated by dividing profit/(loss) for the financial year/period, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year/period.

	Group 2017	Group 2016
Basic earnings/(loss) per share		
Profit/(loss) attributable to Owners of the Company (RM)	2,831,363	(31,550,725)
Number of ordinary shares at beginning of year/period	1,490,827,716	850,353,000
Effect of bonus issue during the year/period	-	170,070,600
Effect of issue of shares during the year/period	-	273,970,208
Weighted average number of ordinary shares in issue	1,490,827,716	1,294,393,808
Basic eamings/(loss) per share (sen)	0.19	(2.44)

(b) Diluted

The Group has no dilution in their earnings per ordinary share as the exercise price of the warrants have exceeded the average market price of ordinary shares during the financial year/period, the options do not have any dilution effect on the weighted average number of ordinary shares.

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Group							
2017							
Cost							
At 1 April 2016	4,608,783	739,419	270,108	3,702,134	2,866,894	660,333	12,847,671
Additions	-	9,083	17,670	58,464	299,354	-	384,571
Disposals	-	-	-	-	(578,854)	-	(578,854)
Written off	-	(389,480)	(55,234)	-	-	(316,529)	(761,243)
At 31 March 2017	4,608,783	359,022	232,544	3,760,598	2,587,394	343,804	11,892,145
Accumulated Depreciation							
At 1 April 2016	223,670	636,431	109,170	1,821,984	2,113,151	406,980	5,311,386
Charge for the financial year	230,439	19,419	25,323	593,820	263,176	44,336	1,176,513
Disposals	-	-	-	-	(451,506)	-	(451,506)
Written off	-	(379,266)	(49,992)	-	-	(272,120)	(701,378)
At 31 March 2017	454,109	276,584	84,501	2,415,804	1,924,821	179,196	5,335,015
Net Carrying Amount							
At 31 March 2017	4,154,674	82,438	148,043	1,344,794	662,573	164,608	6,557,130

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles RM	Moulds RM	Renovation RM	Total RM
Group								
2016								
Cost								
At 1 January 2015	3,042,803	677,724	138,715	3,834,442	2,717,563	65,065	470,333	10,946,645
Additions	1,565,980	61,695	131,393	32,040	305,671	-	221,681	2,318,460
Disposals	-	-	-	-	(156,340)	-	-	(156,340)
Written off	-	-	-	(164,348)	-	(65,065)	(31,681)	(261,094)
At 31 March 2016	4,608,783	739,419	270,108	3,702,134	2,866,894	-	660,333	12,847,671
Accumulated Depreciation								
At 1 January 2015	-	599,763	94,955	1,235,550	1,833,001	64,710	409,382	4,237,361
Charge for the financial period	223,670	36,668	14,215	750,782	436,490	355	29,279	1,491,459
Disposals	-	-	-	-	(156,340)	-	-	(156,340)
Written off	-	-	-	(164,348)	-	(65,065)	(31,681)	(261,094)
At 31 March 2016	223,670	636,431	109,170	1,821,984	2,113,151	-	406,980	5,311,386
Net Carrying Amount								
At 31 March 2016	4,385,113	102,988	160,938	1,880,150	753,743	-	253,353	7,536,285

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Company							
2017							
Cost							
At 1 April 2016	4,608,783	21,384	23,306	24,782	392,180	153,572	5,224,007
Additions	-	-	-	4,433	-	-	4,433
At 31 March 2017	4,608,783	21,384	23,306	29,215	392,180	153,572	5,228,440
Accumulated Depreciation							
At 1 April 2016	223,670	10,604	23,305	14,232	392,179	49,122	713,112
Charge for the financial year	230,439	3,334	-	4,550	-	22,034	260,357
At 31 March 2017	454,109	13,938	23,305	18,782	392,179	71,156	973,469
Net Carrying Amount							
At 31 March 2017	4,154,674	7,446	1	10,433	1	82,416	4,254,971
2016							
Cost							
At 1 January 2015	3,042,803	9,398	23,306	19,194	392,180	43,403	3,530,284
Additions	1,565,980	11,986	-	5,588	-	110,169	1,693,723
At 31 March 2016	4,608,783	21,384	23,306	24,782	392,180	153,572	5,224,007
Accumulated Depreciation							
At 1 January 2015	-	6,355	19,421	9,520	346,425	36,171	417,892
Charge for the financial period	223,670	4,249	3,884	4,712	45,754	12,951	295,220
At 31 March 2016	223,670	10,604	23,305	14,232	392,179	49,122	713,112
Net Carrying Amount							
At 31 March 2016	4,385,113	10,780	1	10,550	1	104,450	4,510,895

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Assets pledged as security

As at 31 March 2017, freehold office units of the Group and of the Company with total net carrying amount of RM2,685,880 (2016: RM2,835,095) are pledged to financial institution for term loan facilities granted to the Group and to the Company as disclosed in Note 19 whilst freehold office units with total carrying amount of RM1,468,794 (2016: RM1,550,018) are pledged to financial institution for banking facilities granted to the associate.

(b) Assets held under hire purchase arrangements

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM384,571 and RM4,433 (2016: RM2,318,460; RM1,693,723) respectively, which are satisfied by the following:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Hire purchase arrangements	260,000	260,000	-	-
Term loans	-	1,565,980	-	1,565,980
Cash payments	124,571	492,480	4,433	127,743
	384,571	2,318,460	4,433	1,693,723

Net carrying amount of property, plant and equipment of the Group held under hire purchase arrangements as at reporting date is as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Motor vehicles	662,573	753,743	1	1

9. INTANGIBLE ASSETS

	Goodwill on consolidation RM	Intellectual property RM	Development costs RM	Total RM
Group				
2017				
Cost				
At 1 April 2016/ 31 March 2017	30,751,282	3,500,000	15,460,180	49,711,462
Accumulated Amortisation				
At 1 April 2016	-	306,250	5,171,373	5,477,623
Charge for the financial year	-	175,000	749,913	924,913
At 31 March 2017	-	481,250	5,921,286	6,402,536
Accumulated Impairment Loss				
At 1 April 2016	17,357,214	-	4,102,309	21,459,523
Impairment loss for the financial year	1,517,406	-	-	1,517,406
Reversal of impairment loss	-	-	(1,438,943)	(1,438,943)
At 31 March 2017	18,874,620	-	2,663,366	21,537,986
Net Carrying Amount				
At 31 March 2017	11,876,662	3,018,750	6,875,528	21,770,940
2016				
Cost				
At 1 January 2015/ 31 March 2016	30,751,282	3,500,000	15,460,180	49,711,462
Accumulated Amortisation				
At 1 January 2015	-	87,500	4,305,385	4,392,885
Charge for the financial period	-	218,750	865,988	1,084,738
At 31 March 2016	-	306,250	5,171,373	5,477,623
Accumulated Impairment Loss				
At 1 January 2015	-	-	-	-
Impairment loss for the financial period	17,357,214	-	4,102,309	21,459,523
At 31 March 2016	17,357,214	-	4,102,309	21,459,523
Net Carrying Amount				
At 31 March 2016	13,394,068	3,193,750	6,186,498	22,774,316

9. INTANGIBLE ASSETS (cont'd)

(a) Intellectual property

The intellectual property right relates to e-Enterprise Resources Planning Application that was assigned by the one of the subsidiary's Director on 18 June 2014. The intellectual property right are amortised over 20 years.

(b) Development costs

Development costs relate to costs incurred in developing software products and are capitalised until the products are available for general release to customers. The development costs have an average useful life of 5 years to 15 years. The amortisation of these costs is included in "amortisation of intangible assets", over the estimated life of the products.

(c) Amortisation expense

The amortisation expense is shown in the "amortisation of intangible assets" line item in the statements of comprehensive income.

Impairment testing for goodwill, intellectual property and development costs

Goodwill arising from business combinations, intellectual property and development costs has been allocated to five individual cash-generating units ("CGUs") for impairment testing as follows:

- Murasaki Technology Sdn. Bhd. ("MTSB")
- CSS MSC Sdn. Bhd. ("CSS MSC")
- DDSB (M) Sdn. Bhd ("DDSB")
- EASS Sdn. Bhd. ("EASS")
- EA MSC Sdn. Bhd. ("EA MSC")

The carrying amounts of goodwill, intellectual property and development costs allocated to each CGUs are as follows:

	MTSB RM	CSS MSC RM	DDSB RM	EASS RM	EA MSC RM	Total RM
Group						
2017						
Goodwill	9,957,024	272,026	676,403	359,255	611,954	11,876,662
Intellectual property	3,018,750	-	-	-	-	3,018,750
Development costs	-	3,422,206	2,324,019	-	1,129,303	6,875,528
	12,975,774	3,694,232	3,000,422	359,255	1,741,257	21,770,940
2016						
Goodwill	9,957,024	795,735	1,670,100	359,255	611,954	13,394,068
Intellectual property	3,193,750	-	-	-	-	3,193,750
Development costs	-	3,271,252	1,635,369	-	1,279,877	6,186,498
	13,150,774	4,066,987	3,305,469	359,255	1,891,831	22,774,316

9. INTANGIBLE ASSETS (cont'd)

Impairment testing for goodwill, intellectual property and development costs (cont'd)

The recoverable amounts of the CGUs have been determined based on value-in-use calculation using cash flows projection from financial budgets approved by Board of Directors covering a five-year period. The pre-tax discount rate applied to the cash flow projections on each of the CGUs is 9.40%.

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

(i) Revenue

Revenue is projected based on the current project on hand, projects on bidding as well as average historical revenue achieved in the four years. These are not expected to be higher than the four years average revenue achieved.

(ii) Gross margin

Gross margins are based on the average value achieved in the four years preceding the start of the budget period. Gross margin are assumed to be maintained over the budgeted period.

(iii) Pre-tax discount rate

Pre-tax discount rate of 9.4% per annum applied to the cash flows was in determining the recoverable amounts of the CGUs. This discount rate used is based on weighted average cost of capital.

Management believes that any reasonably possible change in the key assumptions on which the intangible assets recoverable amount is based on would not cause the carrying amount to exceed its recoverable amount. Actual outcomes could vary from these estimates. Management considered that any reasonable possible changes in the above key assumptions applied are not likely to cause the recoverable amount of the CGU to be lower than its carrying amount.

Impairment loss recognised

During the financial year, impairment loss was recognised to write-down the carrying amount of goodwill attributable to CSS MSC and DDSB. The impairment loss of RM523,709 (2016: RM Nil) on CSS MSC, RM993,697 (2016: RM16,237,500) on DDSB and RM Nil (2016: RM1,119,714) on MTSB have been recognised in the statements of comprehensive income under the line item "impairment loss on goodwill".

10. INVESTMENT IN SUBSIDIARIES

	Company 2017 RM	Company 2016 RM
Unquoted shares, at cost		
At 1 April 2016/1 January 2015	71,381,000	71,381,000
Accumulated impairment loss		
At beginning of the financial year/period	47,642,061	-
Impairment loss for the financial year/period	-	47,642,061
Reversal of impairment loss	(12,508,297)	-
At end of financial year/period	35,133,764	47,642,061
Net carrying amount		
At 31 March 2017/2016	36,247,236	23,738,939

The details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2017 %	Effective Equity Interest 2016 %
CSS MSC Sdn. Bhd.	Malaysia	Provision of business intelligence software and development, IT service management consultancy and system integration	100	100
DDSB (M) Sdn. Bhd.	Malaysia	Information technology, consultancy services and software development	86	86
Colwyn Bay Technologies Sdn. Bhd.	Malaysia	Investment holding	100	100
Murasaki Technology Sdn. Bhd.	Malaysia	E-business consultancy and system integration	100	100
Subsidiary of Colwyn Bay Technologies Sdn. Bhd.				
EASS Sdn. Bhd.	Malaysia	E-business consultancy and system integration	100	100
Subsidiary of EASS Sdn. Bhd.				
EA MSC Sdn. Bhd.	Malaysia	E-business consultancy and hardware system integration	100	100

10. INVESTMENT IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows: (cont'd)

(a) The subsidiary of the Group that has material non-controlling interest ("NCI") are as follow:-

	2017	2016
DDSB (M) Sdn. Bhd.		
NCI percentage of ownership interest and voting interest	14.00%	14.00%
Carrying amount of NCI (RM)	240,560	204,103
Profit/(loss) allocated to NCI (RM)	36,457	(1,176,296)

The summarised financial information before intra-group elimination of the subsidiary that has material NCI as at the end of each reporting period are as follows:-

	2017 RM	2016 RM
DDSB (M) Sdn. Bhd.		
Assets and liabilities		
Non-current assets	2,436,233	2,058,341
Current assets	5,958,112	11,659,267
Non-current liabilities	(133,019)	(376,909)
Current liabilities	(6,543,038)	(11,882,827)
Net assets	1,718,288	1,457,872
Results		
Revenue	2,347,108	3,027,659
Profit/(loss) for the financial year/period	260,416	(8,402,111)
Total comprehensive income	260,416	(8,402,111)
Cash flows		
Cash flows from operating activities	262,258	5,910,564
Cash flows from investing activities	110,687	37,368
Cash flows used in financing activities	(5,084,149)	(6,210,180)
	(4,711,204)	(262,248)

11. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Unquoted shares, at cost				
At beginning/end of the financial year/period	47,040,000	47,040,000	47,040,000	47,040,000
Add: Share of post-acquisition results				
At beginning of the financial year/period	2,478,798	-	-	-
Add: Additions	7,679,631	2,478,798	-	-
At end of the financial year/period	10,158,429	2,478,798	-	-
	57,198,429	49,518,798	47,040,000	47,040,000

11. INVESTMENT IN AN ASSOCIATE (cont'd)

(a) There is no quoted market price available for the shares as the associate is a private company.

(b) The details of the associate are as follows:

Name of Associate	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2017	2016
Cekap Air Sdn. Bhd.	Malaysia	Provision of hydraulic mechanical and electrical engineering services for water supply and treatment plant	20%	20%

(c) The contingent liabilities relating to the Group's interest in the associate are disclosed in Note 27.

(d) The summarised financial information of the associate, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	2017 RM	2016 RM
Assets and liabilities		
Non-current assets	1,667,332	2,408,023
Current assets	108,643,872	49,129,942
Non-current liabilities	(1,610,212)	(902,678)
Current liabilities	(39,666,394)	(21,320,510)
Net assets	69,034,598	29,314,777
Results		
Revenue	119,444,747	51,151,351
Profit for the financial year	39,719,821	17,014,993
Total comprehensive income	39,719,821	17,014,993
Cash flows		
Cash flows (used in)/from operating activities	(5,735,945)	5,661,850
Cash flows used in investing activities	(101,927)	(1,209,665)
Cash flows from/(used in) financing activities	775;957	(1,330,329)
	(5,061,915)	3,121,856

(e) The reconciliation of net assets of the associate to the carrying amount of the investment in associate is as follows:

	Group 2017 RM	2016 RM
Group's share of net assets	13,806,919	6,127,288
Goodwill	43,391,510	43,391,510
Carrying amount in the statements of financial position	57,198,429	49,518,798
Group's share of results	7,679,631	2,478,798

12. INVENTORIES

	Group 2017 RM	Group 2016 RM
At cost		
Inventories	393,502	867,240

The Group recognised inventories as cost of sales amounted to RM6,147,703 (2016: RM4,405,237).

The Group has written off inventories of RM53,258 (2016: RM NIL) which was recognised as an expense in the line item "changes in inventories of trading merchandise".

13. TRADE RECEIVABLES

	Group 2017 RM	Group 2016 RM
Trade receivables, gross	32,569,717	32,521,825
Less: Allowance for impairment loss		
At beginning of the financial year/period	-	-
Addition	(227,868)	-
At end of the financial year/period	(227,868)	-
Trade receivables, net	32,341,849	32,521,825

The normal trade credit terms extended to customers range from 30 to 60 days (2016: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

14. OTHER RECEIVABLES AND DEPOSITS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Other receivables, gross	418,597	536,369	87,429	76,847
Less: Allowance for impairment loss				
At beginning of the financial year/period	(165,372)	-	-	-
Addition	(4,225)	(165,372)	-	-
At end of the financial year/period	(169,597)	(165,372)	-	-
Other receivables, net	249,000	370,997	87,429	76,847
Deposits, net	1,405,183	1,324,137	97,617	41,967
Other receivables and deposits, net	1,654,183	1,695,134	185,046	118,814

15. AMOUNTS OWING BY SUBSIDIARIES AND AN ASSOCIATE

These amounts are non-trade in nature, unsecured, interest-free advances which are repayable on demand.

16. FIXED DEPOSITS PLACED WITH LINCENSED BANKS

The effective interest rates of the fixed deposits placed with licensed banks range from 2.55% to 3.35% (2016: 2.70% to 3.30%) per annum. The short-term deposit has maturity periods ranging from 1 month to 12 months (2016: 1 month to 12 months).

Included in the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM3,753,110 and RM1,933,861 (2016: RM3,569,255 and RM1,883,003) respectively, which has been pledged to licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 19.

17. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2017	2016	2017	2016
	Units	Units	RM	RM
Authorised:				
At beginning/end of the financial year/period	-	2,500,000,000	-	250,000,000
Issued and fully paid:				
At beginning of the financial year/period	1,490,827,716	850,353,000	149,082,772	85,035,300
Issued during the year/period	-	640,470,600	-	64,047,060
Exercise of Warrants A - 2010/2015	-	4,116	-	412
Transfer from share premium (Note 18(a))	-	-	617	-
At end of the financial year/period	1,490,827,716	1,490,827,716	149,083,389	149,082,772

(a) "No Par Value" Regime

The Company's issued and fully paid-up share capital comprises ordinary shares with a par value of RM0.10 each. The new Companies Act, 2016, which came into operation on 31 January 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

In accordance with the transitional provision of the Act, the amount standing to the credit of the Company's share premium has become part of the Company's share capital. These changes do not have an impact on the number of shares in issue or the related entitlement of any of the shareholders. However, the Company has a period of 24 months from the effective date of the Act to use the existing balances credited in the share premium in a manner as specified by the Act.

17. SHARE CAPITAL (cont'd)

(b) Ordinary Shares

In prior financial period, as approved by the shareholders of the Company at the Extraordinary General Meeting held on 18 June 2015, the issued and paid-up capital of the Company was increased from RM85,035,300 to RM102,042,360 during the financial period by way of issuance of 170,070,600 new ordinary shares of RM0.10 each pursuant to the bonus issue exercise on basis of one (1) new ordinary shares for every five (5) existing ordinary shares of RM0.10 each held by entitled shareholders, by way of capitalisation of RM8,071,502 from the share premium account and RM8,935,558 from the Company's retained earnings.

Also, as approved by the shareholders at the Extraordinary General Meeting held on 18 June 2015, the issued and paid-up share capital of the Company was further increased from RM102,042,360 to RM149,082,360 during the financial period by way of issuance of 470,400,000 new ordinary shares of RM0.10 each as purchase consideration for acquisition of 800,000 ordinary shares of RM1.00 each in associate.

The issued and paid-up share capital of the Company was further increased from RM149,082,360 to RM149,082,772 by way of issuance of 4,116 new ordinary shares of RM0.10 each pursuant to exercise of 4,116 Warrants A 2010/2015 at exercise price of RM0.25 per ordinary share.

During the financial year, the Company has not issued any shares.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual interests.

(c) Detachable Warrants

(i) Warrant A 2010/2015

In 2010, the Company completed the listing of bonus issue of 77,500,500 free warrants on the basis of (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. In 2012, the exercise price of the warrant was adjusted from RM0.59 to RM0.40 and additional 38,750,250 warrants were issued pursuant to the adjustment.

In 2014, the exercise price of the warrant was adjusted from RM0.40 to RM0.30 and additional 34,812,498 warrants were issued arising from the adjustments pursuant to the rights issue exercise.

In the previous financial period, the exercise price of the warrant was further adjusted from RM0.30 to RM0.25 and additional 30,212,649 warrants were issued arising from the adjustments pursuant to the bonus issue exercise.

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

17. SHARE CAPITAL (cont'd)

(c) Detachable Warrants (cont'd)

(i) Warrant A 2010/2015 (cont'd)

The movement in this warrant is as follows:

	Group and company	
	2017 Units	**2016 Units**
Balance as at beginning of the financial year/period	-	151,063,248
Adjustment pursuant to bonus issue	-	30,212,649
Exercised	-	(4,116)
Lapsed	-	(181,271,781)
Balance as at end of the financial year/period	-	-

The salient features of the warrants are as follows:

(1) 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 RM0.25 each, subject to adjustments in accordance with the provisions of the Deed Poll;

(2) 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 failing 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;

(3) 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 share 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.

Warrant A 2010/2015 expired on 7 December 2015.

(ii) Warrant B 2014/2019

In 2014, the Company issued 94,483,666 free warrants on the basis of two (2) free warrants for every nine (9) existing ordinary shares of RM0.10 each in the Company. Each warrants 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 RM0.18 per warrant. Subsequently, the exercise price of the warrant was adjusted from RM0.18 to RM0.14 and additional 28,293,156 warrants were issued arising from the adjustments pursuant to the rights issue exercise.

In the previous financial period, the exercise price of the warrant was further adjusted from RM0.14 to RM0.12 and additional 24,555,364 warrants were issued arising from the adjustments pursuant to the bonus issue exercise.

There was no movement in this warrant during the financial year.

17. SHARE CAPITAL (cont'd)

(c) Detachable Warrants (cont'd)

(ii) Warrant B 2014/2019 (cont'd)

The salient features of the warrants are as follows:

(1) 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 RM0.12 each, subject to adjustments in accordance with the provisions of Deed Poll;

(2) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of 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;

(3) 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.

(iii) Warrants C 2014/2019

In 2014, the Company issued 212,588,250 free detachable warrants pursuant to the rights issue with warrants on the basis of one (1) free warrant for every two (2) rights shares subscribed for. 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 RM0.12 per warrant.

In the previous financial period, the exercise price of the warrant was adjusted from RM0.12 to RM0.10 and additional 42,517,650 warrants were issued arising from the adjustments pursuant to the bonus issue exercise.

There was no movement in this warrant during the financial year.

The salient features of the warrants are as follows:

(1) The issue date of the warrants is 24 June 2014 and the expiry date is 23 June 2019. Any warrants not exercised at the expiry date will be lapse and cease to be valid for any purpose;

(2) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share of the RM0.10 in the Company at an exercise price of RM0.10 per ordinary share;

(3) The exercise price and the number of warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

(4) The warrant holders are not entitles to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mention in item (3) above), until and unless such holders exercise the rights under the warrants to subscribe for new ordinary shares; and

17. SHARE CAPITAL (cont'd)

(c) Detachable Warrants (cont'd)

(iii) Warrants C 2014/2019 (cont'd)

The salient features of the warrants are as follows: (cont'd)

(5) The new ordinary shares to be issued upon exercise of warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividend, rights, allotments or other distributions, except that they will not entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

18. RESERVES

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Non-distributable reserve:					
Share premium	(a)	-	617	-	617
Warrants reserve		9,502,695	9,502,695	9,502,695	9,502,695
		9,502,695	9,503,312	9,502,695	9,503,312
Other reserve	(b)	(13,737,745)	(13,737,745)	-	-
Distributable reserve:					
Accumulated losses		(12,472,099)	(15,303,462)	(32,489,865)	(43,161,831)
		(16,707,149)	(19,537,895)	(22,987,170)	(33,658,519)

(a) Share premium

	Group and Company 2017 RM	Group and Company 2016 RM
At beginning of the financial year/period	617	8,071,502
Issuance of new shares pursuant to bonus issue	-	(8,071,502)
Exercise of warrants	-	617
Transfer to share capital (Note 17(a))	(617)	-
At end of the financial year/period	-	617

This reserve comprises the premium paid on subscription of shares in the Company over and above the par values of the shares.

(b) Other reserve

The other reserve represents the excess of consideration over net assets acquired arising from step acquisition which is recognised as movement in equity of the Group.

19. BORROWINGS

		Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Non-current					
Hire purchase payables	(a)	612,507	728,575	-	23,011
Term loans	(b)	1,840,269	1,951,913	1,840,269	1,951,913
		2,452,776	2,680,488	1,840,269	1,974,924
Current					
Hire purchase payables	(a)	246,526	342,633	23,011	53,310
Term loans	(b)	111,644	107,409	111,644	107,409
Bank overdrafts	(c)	1,568,812	474,182	1,568,812	474,182
Blanket contract financing line	(d)	896,042	1,081,597	896,042	-
		2,823,024	2,005,821	2,599,509	634,901
Total borrowings		5,275,800	4,686,309	4,439,778	2,609,825

Maturity profile of borrowings:

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
On demand or within 1 year	2,823,024	2,005,821	2,599,509	634,901
More than 1 year and less than 2 years	322,179	393,446	117,007	134,655
More than 2 years and less than 5 years	732,533	903,103	385,829	502,836
More than 5 years	1,398,064	1,383,939	1,337,433	1,337,433
	5,275,800	4,686,309	4,439,778	2,609,825

Interest rate per annum at the reporting date for the bank borrowings are as follows:

	Group 2017 %	Group 2016 %	Company 2017 %	Company 2016 %
Bank overdrafts	7.35 - 8.35	7.35 - 8.35	7.35 - 8.35	7.35 - 8.35
Blanket contract financing line	8.35	8.35	8.35	-
Hire purchase payables	4.98 - 6.10	4.98 - 6.10	6.01	6.01
Term loans	4.70	4.85	4.70	4.85

19. BORROWINGS (cont'd)

(a) Hire purchase payables

The aggregate commitment for future hire purchase payments are as follows:

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Minimum hire purchase payments:				
Within 1 year	283,597	389,916	23,317	56,124
More than 1 year and less than 2 years	230,524	305,217	-	23,317
More than 2 years and less than 5 years	376,823	434,411	-	-
More than 5 years	62,516	47,752	-	-
	953,460	1,177,296	23,317	79,441
Less: Future finance charges	(94,427)	(106,088)	(306)	(3,120)
Present value of hire purchase payables	859,033	1,071,208	23,011	76,321
Present value of hire purchase payables:				
Within 1 year	246,526	342,633	23,011	53,310
More than 1 year and less than 2 years	205,172	281,802	-	23,011
More than 2 years and less than 5 years	346,704	400,267	-	-
More than 5 years	60,631	46,506	-	-
	859,033	1,071,208	23,011	76,321
Representing:				
Current portion	246,526	342,633	23,011	53,310
Non-current portion	612,507	728,575	-	23,011
	859,033	1,071,208	23,011	76,321

(b) Term loans

	Group and Company 2017 RM	Group and Company 2016 RM
Current liabilities		
Due in 1 year or less	111,644	107,409
Non-current liabilities		
More than 1 year and less than 2 years	117,007	111,644
More than 2 years and less than 5 years	385,829	368,149
More than 5 years	1,337,433	1,472,120
	1,840,269	1,951,913
	1,951,913	2,059,322

19. BORROWINGS (cont'd)

(b) Term loans (cont'd)

Term loans are secured as follows:

(i) Freehold buildings with a total carrying amount of RM2,685,880 (2016: RM2,835,095) as disclosed in Note 8(a); and

(ii) A legal assignment over the rights and interest to the rental income under the Tenancy Agreement between the Company and the tenants selected by the Company.

(c) Bank overdrafts

Bank overdrafts are secured as follows:

(i) Freehold buildings with a total carrying amount of RM2,685,880 (2016: RM2,835,095) as disclosed in Note 8(a); and

(ii) A legal assignment over the rights and interest to the rental income under the Tenancy Agreement between the Company and the tenants selected by the Company;

(iii) A charged by the Group and the Company on fixed deposits as disclosed in Note 16; and

(iv) A fresh guarantee of RM8,500,000 by Director of the Company.

(d) Blanket contract financing line

(i) A charged by the Group and the Company on fixed deposits as disclosed in Note 16;

(ii) A fresh guarantee of RM7,000,000 is to be executed separately by the Company's subsidiaries;

(iii) An assignment by the Group and the Company of the rights title and interest in and to the proceeds receivable from government department or ministries, statutory bodies or such other companies acceptable to the bank for which the existing deed of assignment of contract proceeds and power of attorney executed are to remain; and

(iv) A fresh guarantee of RM8,500,000 by Director of the Company.

20. DEFERRED TAX LIABILITIES

	Group	
	2017 RM	2016 RM
At beginning of the financial year/period	239,313	402,392
Recognised in profit or loss (Note 6)	(102,171)	(163,079)
At end of financial year/period	137,142	239,313

20. DEFERRED TAX LIABILITIES (cont'd)

The recognised deferred tax assets and deferred tax liabilities before offsetting as follows:-

	Unabsorbed capital allowance RM	Unutilised tax losses RM	Provision RM	Total RM
Group				
Deferred tax assets				
At 1 April 2016	(44,472)	-	(84,196)	(128,668)
Recognised in profit or loss	4,447	(20,920)	43,141	26,668
At 31 March 2017	(40,025)	(20,920)	(41,055)	(102,000)
At 1 January 2015	-	-	-	-
Recognised in profit or loss	(44,472)	-	(84,196)	(128,668)
At 31 March 2016	(44,472)	-	(84,196)	(128,668)

	Property, plant and equipment RM
Deferred tax liabilities	
At 1 April 2016	367,981
Recognised in profit or loss	(128,839)
At 31 March 2017	239,142
At 1 January 2015	402,392
Recognised in profit or loss	(34,411)
At 31 March 2016	367,981

	Property, plant and equipment RM	Unabsorbed capital allowance RM	Total RM
Company			
Deferred tax liabilities/assets			
At 1 April 2016	605	(605)	-
Recognised in profit or loss	466	(466)	-
At 31 March 2017	1,071	(1,071)	-
At 1 January 2015	-	-	-
Recognised in profit or loss	605	(605)	-
At 31 March 2016	605	(605)	-

20. DEFERRED TAX LIABILITIES (cont'd)

Deferred tax assets and liabilities are offset above where there is legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
		Restated		Restated
	2017	2016	2017	2016
	RM	RM	RM	RM
Unutilised tax losses	13,006,824	9,069,440	1,067,600	-
Unabsorbed capital allowances	269,120	229,111	30,647	19,924
Other deductible temporary differences	2,773,429	3,674,746	35,129,303	47,639,542
	16,049,373	12,973,297	36,227,550	47,659,466

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries and the Company can utilise the benefits therefrom.

The comparative figures have been restated to reflect the actual tax losses carry forwards, capital allowances and other deductible temporary differences available to the Company and subsidiaries.

21. TRADE PAYABLES

The normal trade credit terms granted to the Group and to the Company range from 30 to 90 days (2016: 30 to 90 days).

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other payables	1,273,935	1,547,982	84,179	538,356
Accruals	538,786	488,920	79,393	49,765
Deposits received	-	18,000	-	18,000
	1,812,721	2,054,902	163,572	606,121

23. AMOUNTS OWING TO DIRECTORS

These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

24. DIVIDEND

	Group 2017 RM	Group 2016 RM
Recognised by the Group during the financial year/period:		
- interim tax exempt (single tier) dividend for 2016: RM2.80 per share to non-controlling interests	-	980,000

25. RELATED PARTIES DISCLOSURES

(a) Identity of related parties

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

The Group and the Company have a related party relationship with its subsidiaries, associate and key management personnel. The related party balances are disclosed in Notes 15 and 23. The related party transactions of the Group and of the Company are shown below.

(b) Related party transactions

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Transactions with subsidiaries:				
Rental income	-	-	(38,160)	(15,900)
Repayment from	-	-	7,911,387	1,668,269
Dividend income	-	-	-	(10,520,000)
Advances to	-	-	(1,136,559)	(3,090,420)
Transactions with associate:				
Repayment from	3,204,203	-	1,885,000	-
Advances to	-	(4,551,065)	(640,797)	(3,551,065)
Transactions with Directors:				
Advances from	92,228	-	73,728	-

25. RELATED PARTIES DISCLOSURES (cont'd)

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any Directors of the Group and of the Company.

	Group		Company	
	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016
	RM	RM	RM	RM
Directors:				
- Fees	216,000	286,500	36,000	61,500
- Salary and wages	833,600	1,053,000	180,000	225,000
- Consultation fee	240,000	270,000	-	-
- Contributions to defined contribution plan	99,072	126,360	21,600	27,000
- Social security contributions	3,245	3,360	794	1,035
	1,391,917	1,739,220	238,394	314,535

26. CAPITAL AND OTHER COMMITMENTS

Non-cancellable operating lease commitment – Group as lessee

	Group	
	2017	2016
	RM	RM
Future minimum rental:		
Not more than 1 year	239,478	262,782
More than 1 year but not more than 2 years	132,402	91,950
	371,880	354,732

Operating lease payments represent rental payable by the Group for use of office and office equipment. Leases are negotiated for terms ranging from 1 years to 2 years.

27. CONTINGENT LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Secured				
Corporate guarantee given to subsidiaries for banking facilities granted	-	-	-	1,081,597
Corporate guarantee given to associate for banking facilities granted	2,552,162	2,103,472	2,552,162	2,103,472

28. SEGMENT INFORMATION

(a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

i.	ICT consultancy	E-business software application
ii.	Software solution	Provision of business intelligence software and development, IT service management consultancy and system integration
iii.	RFID system	E-business consultancy and hardware system integration
iv.	Investment holding	Investment in subsidiaries

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 (r). Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax assets.

Segment liabilities

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and tax liabilities.

(b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

28. SEGMENT INFORMATION (cont'd)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2017							
Revenue							
External sales		20,639,937	10,178,710	7,555,929	-	-	38,374,576
Inter-segment sales	A	-	441,000	-	-	(441,000)	-
Total revenue		20,639,937	10,619,710	7,555,929	-		38,374,576
Results							
Amortisation of:							
- development costs		-	599,339	150,574	-	-	749,913
- intellectual property		-	175,000	-	-	-	175,000
Depreciation of property, plant and equipment		164,477	701,157	50,522	260,357	-	1,176,513
Inventories written off		-	-	53,258	-	-	53,258
Impairment loss on:							
- goodwill		-	-	-	-	1,517,406	1,517,406
- trade receivables		-	62,210	165,658	-	-	227,868
- other receivables		-	4,225	-	-	-	4,225
Deposit written off		-	8,395	-	-	-	8,395
Property, plant and equipment written off		-	59,865	-	-	-	59,865
Loss on disposal of property, plant and equipment		-	14,348	-	-	-	14,348
Reversal of impairment loss on development costs		-	(1,438,943)	-	-	-	(1,438,943)
Interest income		(129,558)	(8,837)	(11,706)	(53,960)	-	(204,061)

28. SEGMENT INFORMATION (cont'd)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2017 (cont'd)							
Segment results		1,018,443	483,085	(2,257,311)	10,972,915	(14,025,703)	(3,808,571)
Interest expenses		(112,168)	(25,716)	-	(275,832)	-	(413,716)
Share of associate's results		-	-	-	-	7,679,631	7,679,631
(Loss)/profit before tax		906,275	457,369	(2,257,311)	10,697,083		3,457,344
Tax expenses		(30,247)	(528,287)	(809)	(30,181)	-	(589,524)
Profit/(loss) for the financial year		876,028	(70,918)	(2,258,120)	10,666,902		2,867,820
Segment assets							
Investment in associate		-	-	-	47,040,000	10,158,429	57,198,429
Other segment assets		27,821,353	40,306,663	10,496,393	91,725,993	(85,436,914)	84,913,488
Total assets	B	27,821,353	40,306,663	10,496,393	138,765,993		142,111,917
Segment liabilities	C	23,123,258	22,521,136	7,886,389	7,658,702	(53,066,340)	8,123,145
Other information							
Additions to non-current assets excluding deferred tax assets and financial assets	D	318,898	14,869	46,371	4,433	-	384,571

28. SEGMENT INFORMATION (cont'd)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2016							
Revenue							
External sales		14,770,715	15,766,516	5,361,015	-	-	35,898,246
Inter-segment sales	A	-	-	-	10,520,000	(10,520,000)	-
Total revenue		14,770,715	15,766,516	5,361,015	10,520,000		35,898,246
Results							
Amortisation of:							
- development costs		-	677,771	188,217	-	-	865,988
- intellectual property		-	218,750	-	-	-	218,750
Depreciation of property, plant and equipment		137,968	1,030,992	27,279	295,220	-	1,491,459
Impairment loss on:						-	
- development costs		-	4,102,309	-	-	-	4,102,309
- goodwill		-	-	-	-	17,357,214	17,357,214
- other receivables		-	165,372	-	-	-	165,372
Dividend income		-	-	-	(10,520,000)	10,520,000	-
Interest income		(37,252)	(3,027)	(8,209)	(102,132)	-	(150,620)

28. SEGMENT INFORMATION (cont'd)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2016 (cont'd)							
Segment results		(1,787,943)	(10,024,094)	(2,931,167)	(39,363,360)	19,764,847	(34,341,717)
Interest expenses		(141,728)	(48,588)	-	(253,380)	-	(443,696)
Share of associate's results		-	-	-	-	2,478,798	2,478,798
(Loss)/profit before tax		(1,929,671)	(10,072,682)	(2,931,167)	(39,616,740)		(32,306,615)
Tax expenses		(489,764)	124,147	(1,357)	(53,432)	-	(420,406)
Loss for the financial year		(2,419,435)	(9,948,535)	(2,932,524)	(39,670,172)		(32,727,021)
Segment assets							
Investment in associate		-	-	-	47,040,000	2,478,798	49,518,798
Other segment assets		26,964,751	47,661,962	10,172,756	79,613,530	(75,030,284)	89,382,715
Total assets	B	26,964,751	47,661,962	10,172,756	126,653,530		138,901,513
Segment liabilities	C	23,155,931	29,728,008	5,304,833	6,192,506	(56,685,412)	7,695,866
Other information							
Additions to non-current assets excluding deferred tax assets and financial assets	D	333,660	10,782	280,295	1,693,723	-	2,318,460

28. SEGMENT INFORMATION (cont'd)

Operating segments

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2017 RM	2016 RM
Investment in associate	10,158,429	2,478,798
Inter-segment assets	(53,066,340)	(56,685,413)
	(42,907,911)	(54,206,615)

C The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2017 RM	2016 RM
Inter-segment liabilities	(53,066,340)	(56,685,412)

D Additions to non-current assets excluding deferred tax assets and financial assets consist of:

	2017 RM	2016 RM
Property, plant and equipment	384,571	2,318,460

Geographical information

All of the segments are operated within Malaysia.

Major customer information

The Group has 3 customers which contribute approximately RM24 million or 63% (2016: 2 customers, RM23 million or 65%) of the Group's revenue during the financial year.

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categories as loans and receivables and others financial liabilities respectively.

Financial Risk Management Objectives and Policies

The Group's and the Company's risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its financial risks, including credit risk, interest risk, foreign currency risk and liquidity risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk arises primarily from their receivables (which consist of trade receivables, other receivables, amounts due from subsidiaries and amounts due from associate). For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating units, the Group does not offer credit terms without the approval of the executive directors.

<u>**Receivables**</u>

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk arising from receivables and financial assets is represented by the carrying amounts in the statements of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables (which consist of trade receivables and other receivables). The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Receivables (cont'd)

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the segments profits of its receivables on an ongoing basis.

As at 31 March 2017, the Group has significant concentration of credit risk arising from the amounts owing from 4 customers (2016: 3 customers) constituting 74% (2016: 71%) of net trade receivables of the Group.

Exposure to Credit Risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

Impairment loss

Information regarding the ageing and allowance of impairment loss of receivables are as follows:

	Gross RM	Individual impairment RM	Net RM
Group			
2017			
Neither past due nor impaired	7,257,553	-	7,257,553
Past due but not impaired:			
31 days to 60 days	2,351,057	-	2,351,057
61 days to 90 days	2,915	-	2,915
More than 90 days	22,730,324	-	22,730,324
	25,084,296	-	25,084,296
Impaired	227,868	(227,868)	-
	32,569,717	(227,868)	32,341,849

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Receivables (cont'd)

Impairment loss (cont'd)

Information regarding the ageing and allowance of impairment loss of trade receivables are as follows: (cont'd)

	Gross RM	Individual impairment RM	Net RM
Group			
2016			
Neither past due nor impaired	19,349,037	-	19,349,037
Past due but not impaired:			
31 days to 60 days	146,673	-	146,673
61 days to 90 days	92,382	-	92,382
More than 90 days	12,933,733	-	12,933,733
	13,172,788	-	13,172,788
	32,521,825	-	32,521,825

Receivables that are neither past nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM25,084,296 (2016: RM13,172,788) that are past due at the reporting date but not impaired.

These trade receivables relate mostly to customers with slower repayment patterns, for whom there is no history of default. The Group does not hold any collateral or other credit enhancement over these balances.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance account used to record the impairment loss are as follows:

	2017 RM	2016 RM
Group		
At beginning of the financial year/period	-	-
Charge for the financial year/period	227,868	-
At end of the financial year/period	227,868	-

The Group's other receivables that are impaired at the reporting date and the movement of the allowance account used to record the impairment are as follows:

	2017 RM	2016 RM
Group		
At beginning of the financial year/period	165,372	-
Charge for the financial year/period	4,225	165,372
At end of the financial year/period	169,597	165,372

The receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by collateral or credit enhancement.

Inter-company balances

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position as at the end of the financial year.

As at the end of the financial year, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to subsidiaries.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Credit risk (cont'd)

Receivables (cont'd)

Financial guarantees

The Group and the Company provide financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and associate. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries and associate.

The maximum exposure to credit risk amounts to RM2,552,162 (2016: RM3,185,069) representing the outstanding banking facilities of the subsidiaries and associate as at the end of the financial year.

As at the end of the reporting period, there was no indication that any subsidiary and associate would default on repayment.

The fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote at the initial recognition to the outstanding loans in the subsidiaries and associate are adequately secured by assets as disclosed in Note 8 and 19. Should the subsidiaries and associate default any loan repayments, the proceeds from the realisation of assets will be able to satisfy the outstanding debts.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates its effective interest rates at the reporting date and the period, in which they reprice or mature, whichever is earlier.

Exposure in interest rate risk

The interest rate profile of the Group's and the Company significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Floating rate instruments				
Financial assets	3,753,110	3,569,255	1,933,861	1,883,003
Financial liabilities	(4,416,767)	(3,615,101)	(4,416,767)	(2,533,504)
Net financial liabilities	(663,657)	(45,846)	(2,482,906)	(650,501)

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Interest Rate Risk (cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting per with all other variables held constant:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Effect on profit after tax				
Increase of 10 basis points	(504)	(35)	(1,887)	(494)
Decrease of 10 basis points	504	35	1,887	494
Effect on equity				
Increase of 10 basis points	(504)	(35)	(1,887)	(494)
Decrease of 10 basis points	504	35	1,887	494

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group holds cash and cash equivalents denominated in foreign currencies to pay its foreign purchases as natural hedge against fluctuations in foreign currency risk.

Foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level.

The net unhedged financial assets of the Group that are not denominated in the functional currencies of the Group are as follows:

	Group	
	2017	2016
	RM	RM
United States Dollar ("USD")		
Cash at bank	121,254	277,909

29. FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Foreign Currency Risk (cont'd)

Sensitivity analysis for foreign currency risk
The followings table demonstrates the sensitivity of the Group's profit/(loss) for the financial year to a reasonably possible change in USD exchange rate against RM, with all other variable held constant.

		Group Increase/(Decrease) in Profit net of tax	
		2017	2016
		RM	RM
USD/RM	- strengthened 10% (2016: 10%)	12,125	27,791
	- weakened 10% (2016: 10%)	(12,125)	(27,791)

(d) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

29. FINANCIAL INSTRUMENTS (cont'd)

(d) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

	Carrying Amount RM	<---- Contractual Cash Flows ---- On Demand/ Within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	----> Total RM
2017						
Group						
Financial liabilities:						
Trade payables	930,746	930,746	-	-	-	930,746
Other payables and accruals	1,812,721	1,812,721	-	-	-	1,812,721
Amount owing to Director	103,878	103,878	-	-	-	103,878
Term loans	1,951,913	200,667	200,667	602,000	1,597,248	2,600,582
Hire purchase payables	859,033	283,597	230,524	376,823	62,516	953,460
Bank overdrafts	1,568,812	1,699,808	-	-	-	1,699,808
Blanket contract financing line	896,042	970,862	-	-	-	970,862
	8,123,145	6,002,279	431,191	978,823	1,659,764	9,072,057
Company						
Financial liabilities:						
Other payables and accruals	163,572	163,572	-	-	-	163,572
Amount owing to Director	73,728	73,728	-	-	-	73,728
Term loans	1,951,913	200,667	200,667	602,000	1,597,248	2,600,582
Hire purchase payables	23,011	23,317	-	-	-	23,317
Bank overdrafts	1,568,812	1,699,808	-	-	-	1,699,808
Blanket contract financing line	896,042	970,862	-	-	-	970,862
	4,677,078	3,131,954	200,667	602,000	1,597,248	5,531,869

29. FINANCIAL INSTRUMENTS (cont'd)

(d) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	Carrying Amount RM	<------ Contractual Cash Flows ------> On Demand/ Within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	Total RM
2016						
Group						
Financial liabilities:						
Trade payables	943,005	943,005	-	-	-	943,005
Other payables and accruals	2,054,902	2,054,902	-	-	-	2,054,902
Amount owing to Director	11,650	11,650	-	-	-	11,650
Term loans	2,059,322	200,667	200,667	602,000	1,797,915	2,801,249
Hire purchase payables	1,071,208	389,916	305,217	434,411	47,752	1,177,296
Blanket contract financing line	1,081,597	1,171,910	-	-	-	1,171,910
Bank overdrafts	474,182	513,776	-	-	-	513,776
	7,695,866	5,285,826	505,884	1,036,411	1,845,667	8,673,788
Company						
Financial liabilities:						
Other payables and accruals	606,121	606,121	-	-	-	606,121
Term loans	2,059,322	200,667	200,667	602,000	1,797,915	2,801,249
Hire purchase payables	76,321	56,124	23,317	-	-	79,441
Bank overdrafts	474,182	513,776	-	-	-	513,776
	3,215,946	1,376,688	223,984	602,000	1,797,915	4,000,587

30. FAIR VALUE INFORMATION

Financial instrument at fair value

The fair value measurement hierarchies used to measure financial instruments at fair value in the statement of financial position are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of short term receivables and payable, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The fair values of hire purchase payable and fixed rate term loan are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

Table below analyses assets and liabilities carried at fair value and those not carried at fair value for which fair value is disclosed together with the carrying amounts shown in the statements of financial position.

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

	<--Fair value of liabilities not carried at fair value-->				Carrying amount
	Level 1	Level 2	Level 3	Total	
	RM	RM	RM	RM	RM
2017					
Group					
Financial liabilities					
Hire purchase payables (non-current)	-	-	561,983	561,983	612,507
2016					
Group					
Financial liabilities					
Hire purchase payables (non-current)	-	-	676,105	676,105	728,575

30. FAIR VALUE INFORMATION (cont'd)

Financial instrument other than those carried at fair value (cont'd)

	<--Fair value of liabilities not carried at fair value--> Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
2016					
Company					
Financial liabilities					
Hire purchase payables (non-current)	-	-	21,141	21,141	23,011

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business 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. No changes were made in the objectives, policies and processes during the financial year/period ended 31 March 2017 and 31 March 2016.

The Group and the Company are in compliance with all externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes loans and borrowings, trade and other payables, less cash and cash equivalents balances whilst total capital is the equity attributable to the Owners of the Company.

The gearing ratio as at 31 March 2017 and 31 March 2016, which are within the Group's objectives of capital management are as follows:

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Borrowings	5,275,800	4,686,309	4,439,778	2,609,825
Trade and other payables	2,743,467	2,997,907	163,572	606,121
Less: Cash and cash equivalents	(20,849,022)	(19,436,850)	(10,549,411)	(2,774,047)
Net debts	(12,829,755)	(11,752,634)	(5,946,061)	441,899
Equity attributable to the Owners of the Company, representing total capital	132,376,240	129,544,877	126,096,219	115,424,253
Capital and net debts	119,546,485	117,792,243	120,150,158	115,866,152
Gearing ratio	*	*	*	0.38%

Not meaningful

32. COMPARATIVE FIGURE

(i) The financial statements of the Group and of the Company for the year ended 31 March 2016, were audited by a firm of chartered accountants who expressed an unmodified opinion on those statements on 28 July 2016.

(ii) The Group and the Company changed their financial year end from 31 December to 31 March. Accordingly, the comparative figures of the preceding financial period covered a period of 15 months from 1 January 2015 to 31 March 2016 whilst the figures of current financial year's financial statements covered a period of 12 months from 1 April 2016 to 31 March 2017. Accordingly, the statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not in respect of comparable periods.

(iii) The comparative figures are classified to conform with the current year's presentation:-

	As reclassified RM	As previously reported RM
Group		
2016		
Statements of comprehensive income		
Employee benefit expenses	(11,048,487)	(11,038,059)
Directors' remuneration	(1,739,220)	(1,468,185)
Other expenses	(3,416,467)	(3,697,930)
Statements of financial position		
Current assets		
Deposits, cash and bank balances	-	19,436,850
Fixed deposits placed with licensed banks	3,569,255	-
Cash and bank balances	15,867,595	-
Non-current liabilities		
Hire purchase creditors	-	728,575
Term loans	-	1,954,203
Borrowings	2,680,488	-
Current liabilities		
Short-term borrowings	-	1,660,898
Hire purchase creditors	-	342,633
Borrowings	2,005,821	-

32. COMPARATIVE FIGURE (cont'd)

(iii) The comparative figures are classified to conform with the current year's presentation: - (cont'd)

	As reclassified RM	As previously reported RM
Group		
2016		
Statements of cash flows		
Cash flows from operating activities		
Adjustments for:		
Amortisation of intangible assets	-	1,084,738
Amortisation of development costs	865,988	-
Amortisation of intellectual property	218,750	-
Changes in working capital:		
Trade receivables	-	6,280,230
Other receivables	-	(467,937)
Amount due from associate	-	(4,551,065)
Trade payables	-	(693,441)
Other payables	-	40,536
Receivables	5,812,293	-
Payables	(1,632,905)	-
Interest paid	(443,696)	-
Interest received	150,620	-
Cash flows from investing activities		
Purchase of property, plant and equipment	(492,480)	(2,318,460)
Interest received	-	150,620
Cash flows from financing activities		
Repayment of term loans	-	(99,918)
Drawdown of term loans	-	969,988
Dividend paid to non-controlling interests	-	(980,000)
Repayment of hire purchase payables	-	(131,418)
Finance costs paid	-	(443,696)
Repayment from/(advances to) associate	(4,551,065)	-
Drawndown of borrowings	41,440	-
Repayments of borrowings	(1,087,328)	-
Cash and cash equivalents at beginning of financial year/period	30,863,235	29,823,078

32. COMPARATIVE FIGURE (cont'd)

(iii) The comparative figures are classified to conform with the current year's presentation: - (cont'd)

	As reclassified RM	As previously reported RM
Company		
2016		
Statements of comprehensive income		
Employee benefits expenses	(572,516)	(573,551)
Directors' remuneration	(314,535)	(313,500)
Statements of financial position		
Current assets		
Deposits, cash and bank balances	-	2,774,047
Fixed deposits placed with licensed banks	1,883,003	-
Cash and bank balances	891,044	-
Non-current liabilities		
Hire purchase creditors	-	(23,011)
Term loans	-	(1,954,203)
Borrowings	(1,974,924)	-
Current liabilities		
Short-term borrowings	-	(579,301)
Hire purchase creditors	-	(53,310)
Borrowings	(634,901)	-
Statements of cash flows		
Cash flows from operating activities		
Changes in working capital:		
Amount due from subsidiaries	-	(1,253,296)
Amount due from associate	-	(3,551,065)
Amount due to subsidiaries	-	(184,755)
Interest paid	(253,380)	-
Interest received	102,132	-
Cash flows from investing activities		
Purchase of property, plant and equipment	(127,743)	(1,693,723)
Interest received	-	102,132

32. COMPARATIVE FIGURE (cont'd)

(iii) The comparative figures are classified to conform with the current year's presentation: - (cont'd)

	As reclassified RM	As previously reported RM
Company		
2016		
Statements of cash flows (cont'd)		
Cash flows from financing activities		
Repayment of term loans	-	(99,918)
Drawdown of term loans	-	969,988
Repayment of hire purchase payables	-	(62,508)
Repayment from associate	(3,551,065)	-
Repayment from subsidiaries	(1,438,051)	-
Repayments of borrowings	(758,418)	-
Finance costs paid	-	(253,380)

33. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 June 2017, the Company announced that Bursa Malaysia Securities Berhad has resolved to approve the following subject to the approval from shareholders of the Company:-

(a) Admission to the Official List and the initial listing and quotation of up to 1,262,177,200 Warrants D to be issued pursuant to the Proposed Right Issue with the Warrants.

(b) Listing of:-

(i) Up to 2,524,354,400 new ordinary shares of the Company to be issued pursuant to the Proposed Right Issue with Warrants;

(ii) Up to 130,332,318 additional Warrants B arising from the adjustments in accordance with provisions of the deed poll for Warrants B, pursuant to the Proposed Rights Issue with Warrants ("Additonal Warrant(s) B");

(iii) Up to 225,670,603 additional Warrants C arising from the adjustments in accordance with provisions of the deed poll for Warrants C, pursuant to the Proposed Rights Issue with Warrants ("Additonal Warrant(s) C");

(iv) Up to 1,262,177,200 new ordinary shares of the Company to be issued pursuant to the exercise of Warrants D;

(v) Up to 130,332,318 new ordinary shares of the Company to be issued pursuant to the exercise of Warrants B; and

(iv) Up to 225,670,603 new ordinary shares of the Company to be issued pursuant to the exercise of Warrants C.

33. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (cont'd)

On 6 July 2017, the Company announced that approval being obtained from shareholders of the Company at the extraordinary general meeting the followings proposals:

(i) A capital reduction exercise via the reduction and cancellation of the share capital of the Company which is lost or unrepresented by available assets to the extent of RM44,615,533 as at 31 December 2016 pursuant to Section 115(a) read with Section 116 of the Companies Act 2016; and

(ii) A renounceable rights issue of up to 2,524,354,400 rights shares at an indicative issue price of RM0.01 per rights share on the basis of four (4) rights shares for every three (3) existing Company's shares held, together with up to 1,262,177,200 free detachable warrants D on the basis of two (2) free warrants D for every four (4) rights shares subscribed for, on the entitlement date after the proposed capital reduction.

The Company had on 6 July 2017 filed a petition to the High Court of Malaya in Kuala Lumpur ("High Court") to obtain the confirmation of the High Court for the proposed capital reduction pursuant to Section 115(a) read together with Section 116 of the Companies Act, 2016 ("Petition"). The outcome of the Petition will be announced in due course.

SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad issued a directive pursuant to paragraphs 2.06 and 2.23 of Bursa Malaysia Berhad Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

The following analysis of realised and unrealised profits or losses included in the retained earnings of the Group and of the Company at 31 March 2017 and 31 March 2016 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 March 2010 and prepared 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 Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Total accumulated losses of the Company and its subsidiaries				
- realised	(27,648,111)	(36,750,043)	(32,489,865)	(43,161,831)
- unrealised	(124,911)	(239,313)	-	-
	(27,773,022)	(36,989,356)	(32,489,865)	(43,161,831)
Total share of retained eamings from associate				
- realised:				
At beginning of the financial year/period	2,478,798	-	-	-
Share of profit for the financial year/period	7,679,631	2,478,798	-	-
At end of the financial year/period	10,158,429	2,478,798	-	-
	(17,614,593)	(34,510,558)	(32,489,865)	(43,161,831)
Less: Consolidation adjustments	5,142,494	19,207,096	-	-
Total accumulated losses	(12,472,099)	(15,303,462)	(32,489,865)	(43,161,831)

Company No. 878041-A

APPENDIX V

UNAUDITED QUARTERLY REPORT OF OUR GROUP FOR THE THREE (3)-MONTH FPE 30 JUNE 2017

CERTIFIED TRUE COPY
MOHAMMAD SOBRI BIN SAAD
Chief Executive Officer

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2017

	------- Individual Quarter -------		----- Cumulative Quarter -----	
	Current year quarter 30 June 2017	Preceding year corresponding quarter 30 June 2016	Current year to date 30 June 2017	Preceding year corresponding period 30 June 2016
	RM'000	RM'000	RM'000	RM'000
Revenue	4,046	8,227	4,046	8,227
Cost of Sales	(1,698)	(6,420)	(1,698)	(6,420)
Gross Profit	2,348	1,807	2,348	1,807
Other Operating Income	54	69	54	69
Operating Expenses	(2,986)	(2,868)	(2,986)	(2,868)
Depreciation and amortization	(555)	(584)	(555)	(584)
Operating Loss	(1,139)	(1,576)	(1,139)	(1,576)
Share of associate's results	1,335	1,627	1,335	1,627
Finance cost	(23)	(27)	(23)	(27)
Profit/(Loss) Before Tax	173	24	173	24
Taxation	-	(1)	-	(1)
Profit/(Loss) After Tax	173	23	173	23
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	**173**	**23**	**173**	**23**
Profit/(Loss) attributable to :				
Equity holders of the Company	215	108	215	108
Non-controlling interests	(42)	(85)	(42)	(85)
	173	**23**	**173**	**23**
Total comprehensive (loss)/income attributable to :				
Equity holders of the Company	215	108	215	108
Non-controlling interests	(42)	(85)	(42)	(85)
	173	**23**	**173**	**23**
Weighted average no. of ordinary shares in issue ('000)	1,490,828	1,490,828	1,490,828	1,490,828
Earnings/(Loss) per share (sen):-				
a) Basic	0.01	0.01	0.01	0.01

^ As at 30 June 2017, Cekap Air Sdn Bhd recorded unaudited profit after tax of RM6.675 million. The Group's share of profit is based on 20% of equity in Cekap Air Sdn Bhd.

(i) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.

(ii) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial period ended ("FYE") 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

	As at 30 June 2017 (Unaudited) RM'000	As at 31 March 2017 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,266	6,557
Investment in Associate Company	58,533	57,198
Intangible Assets - Goodwill on consolidation	11,877	11,877
Intangible Assets - Intellectual Property Rights	2,975	3,019
Intangible Assets - Development costs	6,663	6,875
	86,314	85,526
Current assets		
Inventories	352	394
Receivables	32,384	33,996
Amount owing by Associate Company	1,235	1,347
Fixed Deposits with licensed banks	3,753	3,753
Cash And Cash Equivalents	16,742	17,096
	54,466	56,586
Total Assets	140,780	142,112
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	149,083	149,083
Warrants reserve	9,503	9,503
Other reserve	(13,738)	(13,738)
Accumulated losses	(12,257)	(12,472)
	132,591	132,376
Non-controlling interests	199	241
Total equity	132,790	132,617
Non-current liabilities		
Hire purchase creditors	682	613
Term loans	1,841	1,840
Deferred tax liabilities	137	137
	2,660	2,590
Current liabilities		
Payables	2,141	2,743
Hire purchase creditors	53	246
Bills payable	1,775	2,465
Amount due to director	89	104
Term loans	83	112
Provision for taxation	1,189	1,235
	5,330	6,905
Total liabilities	7,990	9,495
Total equity and liabilities	140,780	142,112
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.09	0.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2017

	Current year to date 30 June 2017 (Unaudited) RM'000	Preceding year corresponding period 30 June 2016 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	173	24
Adjustments for :-		
Depreciation and amortization	555	584
Share of associate's results	(1,335)	(1,627)
Interest expenses	23	27
Interest income	(14)	(19)
	(771)	(1,035)
Operating profit before working capital changes	(598)	(1,011)
Changes in working capital		
Net change in directors	(15)	-
Net change in associate company	112	4,000
Net change in inventories	42	(870)
Net change in trade and other receivables	1,612	4,731
Net change in trade and other payables	(602)	(1,803)
Net cash from operations	551	5,047
Interest received	14	19
Interest paid	(23)	(27)
Tax paid	(47)	(288)
Net cash generated from operating activities	495	4,751
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Disposal of plant and equipment	(7)	16
Placement of fixed deposits	-	(1)
Net cash (used)/generated in investing activities	(7)	15
CASH FLOW FROM FINANCING ACTIVITIES		
Term loans	(28)	(26)
Hire Purchase	(124)	(84)
Bills payable	(690)	(650)
Net cash used in financing activities	(842)	(760)
Net Change in Cash and Cash Equivalents	(354)	4,006
Cash and Cash Equivalents at beginning of the period	17,096	15,868
Cash and Cash Equivalents at end of the period	16,742	19,874
Represented by :		
Cash and bank balances	16,742	19,874
	16,742	19,874

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FYE 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2017

	<---------------- Attributable to equity holders of the Company					---------------->		
		<---------------- Non-distributable		---------------->	<Distributable>			
	Share Capital	Share Premium	Warrants Reserve	Other Reserves	Accumulated Losses	Total	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2017	149,083	-	9,503	(13,738)	(12,472)	132,376	241	**132,617**
Profit for the period	-	-	-	-	215	215	(42)	**173**
Balance as at 30 June 2017	**149,083**	**-**	**9,503**	**(13,738)**	**(12,257)**	**132,591**	**199**	**132,790**
Balance as at 1 April 2016	149,083	1	9,503	(13,738)	(15,304)	129,545	204	**129,749**
Profit for the period	-	-	-	-	108	108	(85)	**23**
Balance as at 30 June 2016	**149,083**	**1**	**9,503**	**(13,738)**	**(15,196)**	**129,653**	**119**	**129,772**

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FYE 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

EA HOLDINGS BERHAD (878041-A)

NOTES TO THE QUARTERLY REPORT

PART A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("FRS") 134: INTERIM FINANCIAL REPORTING

A1. Accounting policies and methods of computation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is in compliance with International Accounting Standards IAS 34.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the Financial Year Ended ("FPE") 31 March 2017 and the accompanying explanatory notes attached to the interim financial report.

The accounting policies and methods of computation adopted by EA Holdings Berhad ("EAH") and its subsidiaries ("Group") for these interim financial statements are in compliance with the new and revised FRSs issued by the Malaysian Accounting Standards Board ("MASB").

A2. Adoption of new and revised accounting policies

The Group has adopted the Malaysian Financial Reporting Standards framework ("MFRS Framework") framework issued by MASB. This MFRS Framework was introduced by the MASB in order to fully converge the Malaysian's existing FRS framework with the International Financial Reporting Standards framework issued by the International Accounting Standard Boards.

The Group has adopted all the new and revised MFRSs, Interpretations and Technical Releases that are relevant and effective for accounting periods beginning on or after 1 April 2017. The adoption of these new and revised MFRSs, Interpretations and Technical Releases did not result in any changes to the significant accounting policies adopted by the Group.

A3. Qualification on the Auditors' Report of preceding annual financial statements

There was no audit qualification to the annual audited financial statements of the Group for the FYE 31 March 2017.

A4. Seasonal or cyclical factors

The business operations within the industry are not affected by seasonal and cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter under review and financial year-to-date.

A6. Changes in estimates of amounts reported

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the current financial quarter under review and financial year-to-date.

A7. Issuance or repayment of debt and equity securities

There was no issuance or repayment of debt or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review and financial year-to-date.

A8. Dividend paid

There was no dividend paid nor declared during the financial year-to-date.

A9. Segmental information

The Group is organised into the following operating segments:-

a) ICT services;
b) Software solutions; and
c) Automation systems comprising RFID, access control systems, building automation system and industrial security system

Quarter Ended 30 June 2017	**ICT Services RM'000**	**Software Solutions RM'000**	**Automation Systems RM'000**	**Elimi-nations RM'000**	**Consoli-dated RM'000**
Revenue from external customers	1,024	1,980	1,042	-	4,046
Cost of sales	(423)	(677)	(598)	-	(1,698)
Segment profit	601	1,303	444	-	2,348
Share of associate's results					1,335
Profit before taxation					173
Income tax expenses					-
Profit after tax					173
Other comprehensive income					-
Total Comprehensive Income					173

The Group's segmental information by geographical location is not shown as the activities of the Group are predominantly in Malaysia and the overseas segment does not contribute to more than 1% of the consolidated Group's revenue.

A10. Valuation of property, plant and equipment

The Company has not carried out valuation on its property, plant and equipment in the current financial quarter under review and financial year-to-date.

A11. Capital commitments

There are no material capital commitments in respect of property, plant and equipment as at 30 June 2017.

A12. Capital Expenditure

There was no major addition and disposal of the property, plant and equipment during the current financial quarter under review and financial year-to-date.

A13. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

A14. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets arising since the last audited financial statements of the Group for the FYE 31 March 2017.

A15. Subsequent material events

There are no material events subsequent to the financial period ended 30 June 2017 that has not been reflected in this interim financial report.

A16. Significant related party transactions

There were no related party transactions for the financial year-to-date.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of the performance of the Group

	Individual Period 1st quarter				Cumulative Period			
	Current Year Quarter 30.06.17 (RM'000)	Preceding Year Corresponding Quarter 30.06.16 (RM'000)	Changes (RM'000)	Changes (%)	Current Year To-Date 30.06.17 (RM'000)	Preceding Year Corresponding Period 30.06.16 (RM'000)	Changes (RM'000)	Changes (%)
Revenue	4,046	8,227	(4,181)	(50.8)	4,046	8,227	(4,181)	(50.8)
Operating Loss	(1,139)	(1,576)	437	(27.7)	(1,139)	(1,576)	437	(27.7)
Share of associate's results	1,335	1,627	(292)	(17.9)	1,335	1,627	(292)	(17.9)
Profit before tax	173	24	149	620.8	173	24	149	620.8
Profit after tax	173	23	150	652.2	173	23	150	652.2
Profit attributable to Equity holders of the Company	215	108	107	99.1	215	108	107	99.1

For the current financial quarter ended 30 June 2017, the Group recorded revenue of RM4.046 million and profit before tax of RM0.173 million.

ICT services segment contributed RM1.024 million in revenue, or approximately 25.3% of the total revenue, while Software Solutions contributed RM1.980 million (48.9%) and Automation Systems contributed RM1.042 million (25.8%). The ICT services segment recorded the biggest decrease amongst the segments of RM4.741 million as compared to the same financial quarter last year, mainly due to different billing milestones achieved for during the respective quarter. Notwithstanding the decrease in revenue, the Group recorded higher profit before tax for the current financial quarter, due to lower cost of sales as the revenue for the current financial quarter comprised mainly of training and services, and hence did not require high external input/costs.

Revenue by segment :

	Current financial quarter ended 30 June 2017 (RM'000)	Preceding financial quarter ended 30 June 2016 (RM'000)	Current financial Year-to-date 30 June 2017 (RM'000)	Preceding financial Year-to-date 30 June 2016 (RM'000)
ICT Services	1,024	5,765	1,024	5,765
Software Solutions	1,980	1,264	1,980	1,264
Automation Systems	1,042	1,198	1,042	1,198

ICT Services Segment

For current financial quarter, the ICT services segment recorded decrease in revenue of RM4.741 million as compared to the previous corresponding financial quarter. The decrease is due mainly to different billing milestones achieved for during the respective quarter.

Software Solutions Segment

For current financial quarter, the Software Solutions segment recorded increase in revenue of RM0.716 million as compared to the previous corresponding financial quarter. The increase was due to higher number of deliverables and billings during the current financial quarter.

Automation Systems Segment

For current financial quarter, the Automation Systems segment recorded decrease in revenue of RM0.156 million as compared to the previous corresponding financial quarter, which was due to the lower billings under the building automation sub-segment.

B2. Comparison to the results of the preceding quarter

	Current Year Quarter 30.06.17 (RM'000)	Immediate Preceding Quarter 31.03.17 (RM'000)	Changes (RM'000)	(%)
Revenue	4,046	15,535	(11,489)	(74.0)
Operating (Loss) / Profit	(1,139)	1,827	(2,966)	(162.3)
Share of associate's results	1,335	2,083	(748)	(35.9)
Profit before tax	173	3,800	(3,627)	(95.4)
Profit after tax	173	3,095	(2,922)	(94.4)
Profit attributable to Equity holders of the Company	215	3,079	(2,864)	(93.0)

Compared to the preceding financial quarter, the decrease in revenue is mainly due to higher deliverables and completion of projects in the immediate preceding quarter ended 31 March 2017, across all segments of the Group. As the Group continue to work on and complete its remaining projects in hand, the Group is also waiting for several new projects to be awarded and to commence work.

B3. Prospects for 2017/2018

The outlook for the ICT market is still very uncertain as there is no discernible pattern on the spending by both the public and private sectors. For the Group, we are currently bidding for projects with an aggregated value of approximately RM96 million, with our chances of winning ranging from 10% to 90%. This is a constantly revolving amount as the tender bids/discussions are lost and/or dropped during year and be replaced with new tenders and project targets.

B4. Profit forecast and profit estimate

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

B5. Taxation

	Current Quarter Ended 30 June 2017 RM'000	Cumulative Year-to-Date 30 June 2017 RM'000
Current tax	-	-
	-	-

For the current financial quarter and cumulative financial quarter, the effective tax rate of the Group is Nil for the current financial and cumulative quarter respectively as the subsidiary companies in the Group are in tax loss position.

B6. Status of corporate proposals

As at the date of issuance of this interim financial report, save as disclosed below, there are no corporate proposals announced but not completed :-

On 20 March 2017, RHB Investment Bank Berhad announced on behalf of the Board of Directors of the Company that the Company after having taking into consideration the relevant provisions under the Companies Act, 2016 ("CA 2016") which had come into effect on 31 January 2017 including, amongst others, the abolishment of par value regime, the Board had deliberated and decided to revise the earlier proposals announced on 25 January 2017 to the following proposals:-

a) A capital reduction exercise via the reduction and cancellation of the share capital of EAH which is lost or unrepresented by available assets to the extent of RM44,615,533 as at 31 December 2016 pursuant to Section 115(a) read with Section 116 of the CA 2016 ("Proposed Capital Reduction"); and
b) A renounceable rights issue of up to 2,524,354,400 new ordinary shares in EAH ("EAH Share(s)") ("Rights Share(s)") at an indicative issue price of RM0.01 per Rights Share on the basis of four (4) Rights Shares for every three (3) existing EAH Shares held, together with up to 1,262,177,200 free detachable warrants in EAH ("Warrant(s) D") on the basis of two (2) free Warrants D for every four (4) Rights Shares subscribed for, on an entitlement date to be determined later after the Proposed Capital Reduction ("Proposed Rights Issue with Warrants").

B7. Status of utilisation of proceeds

The status of utilisation of the gross proceeds of RM42.518 million from the Rights Issue by the Company as at 30 June 2017 are as follows:-

Purposes	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Deviation RM'000	Intended Timeframe for Utilisation	Explanation
Future viable investments	30,000	19,000	11,000	-	Within 24 months from completion	
Repayment of borrowings	4,290	4,290	-	-	Within 24 months from completion	
Working capital	7,428	7,252	-	176	Within 24 months from completion	Being the additional rights issue expenses of RM176,000 incurred
Rights Issue expenses	800	976	-	(176)	Upon completion	
Total	**42,518**	**31,518**	**11,000**	-		

B8. Realised and Unrealised Profits

The breakdown of retained profits of the Group and the Company for the financial quarter ended 30 June 2017 and the preceding year corresponding quarter ended 30 June 2016, is as follows :-

	Quarter Ended 30 June 2017 (RM'000)	Quarter Ended 30 June 2016 (RM'000)
Total accumulated loss of the Group		
- Realised	(27,648)	(28,810)
- Unrealised	(125)	(125)
	(27,773)	(28,935)
Total share of retained earnings from associate :		
- Realised	10,158	11,493
	(17,615)	(17,442)
Less : Consolidation adjustments	5,143	5,185
Total Group accumulated loss as per consolidated accounts	(12,472)	(12,257)

B9. Group borrowings and debt securities

The Group's borrowings as at 30 June 2017 are as follows:-

	Short Term RM'000	Long Term RM'000
Secured		
Bill payables	1,775	-
Term Loans	83	1,841
Hire Purchase Creditors	53	682
	1,911	2,523

B10. Material Litigation

There was no material litigation since the last annual statement of financial position of the Group up to the date of this interim financial report.

B11. Dividends

No interim dividends have been declared during the current financial year-to-date.

B12. Profit for the period

	Current Quarter Ended 30 June 2017 RM'000	Cumulative Year-to-Date 30 June 2017 RM'000
This is arrived at after (charging) /crediting:-		
Interest income	14	14
Interest expenses	(23)	(23)
Depreciation and amortization	(555)	(555)

Other disclosure items pursuant to Note 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Securities are not applicable.

B13. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue for the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30 June 2017	Preceding Year Corresponding Quarter 30 June 2016	Current Year-To-Date 30 June 2017	Preceding Year Corresponding Period 30 June 2016
Profit attributable to the equity holders of the Company (RM'000)	215	108	215	108
Weighted average number of shares in issue ('000)	1,490,828	1,490,828	1,490,828	1,490,828
Basic earnings per share (sen)	0.01	0.01	0.01	0.01

(b) Diluted earnings per share

Diluted earnings per share is not applicable for the financial period as the unexercised convertible warrants 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.

By Order of the Board

Laang Jhe How (MIA 25193)
(Company Secretary)

Date: 30 August 2017

DIRECTORS' REPORT

EA Holdings Berhad

EA HOLDINGS BERHAD (878041-A)
Unit 25-5, Level 25, Menara Permata Damansara (OVAL Damansara),
685, Jalan Damansara, 60000, Kuala Lumpur.
Tel: (603) 7733 9762 | Fax: (603) 7733 9765 |
Web: www.eah.com.my

Registered Office:-

No. 149A, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur

Date: 20 SEP 2017

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 subsidiary companies ("Group") during the period between 31 March 2017, being the date to which the latest audited consolidated financial statements of our Group 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:-

i. In the opinion of the Board, the business of our Group has been satisfactorily maintained;

ii. 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;

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

iv. 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;

v. 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

vi. 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 of our Group.

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

MOHAMMAD SOBRI BIN SAAD
Chief Executive Officer/ Executive Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

i. Save for the Rights Shares, the Warrants D and the new EAH Shares to be issued arising from the exercise of the Warrants D, no 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 date of this Abridged Prospectus, 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 EAH, all of which rank *pari passu* with one another.

iii. As at the date of this Abridged Prospectus, save for the Provisional Rights Shares with Warrants D, the outstanding Warrants B and the outstanding Warrants C, no person has been or is entitled to be granted an option to subscribe for any of our securities.

iv. All the Rights Shares and the new EAH Shares to be issued arising from the exercise of the Warrants D 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 Company's 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; and 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 to 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 for the Deed Poll D, 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.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and after having made all reasonable enquiries, our Board is not aware and does not have any knowledge of any such proceedings pending or threatened against our Group or of any facts which is likely to give rise to any proceedings which may materially or adversely affect the financial position or business of our Group.

5. GENERAL

i. There is no existing or proposed service contract entered or to be entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.

ii. Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries 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(s) of funding;

(c) unusual, infrequent events or transactions or significant economic changes which materially affect the amount of reported income from the operations of our Group;

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

(e) substantial increase 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 the profits of our Group.

6. CONSENTS

Our Adviser, Company Secretary, Share Registrar, Principal Bankers, Due Diligence Solicitors for the Rights Issue with Warrants and Bloomberg Finance LP have given and have not subsequently withdrawn their written consents for 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 for the inclusion in this Abridged Prospectus of their names, the proforma consolidated statements of financial position of our Group as at 31 March 2017 together with the reporting accountants' letter thereon, the audited consolidated financial statements of our Group for the FYE 31 March 2017 together with the auditors' report thereon, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

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7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company at No. 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. Our Memorandum and Articles of Association;

ii. The proforma consolidated statements of financial position of our Group as at 31 March 2017 together with the reporting accountants' letter thereon, as set out in Appendix III of this Abridged Prospectus;

iii. Our audited consolidated financial statements for the past two (2) financial years up to the FYE 31 March 2017;

iv. Our latest unaudited quarterly report for the three (3)-month FPE 30 June 2017, as set out in Appendix V of this Abridged Prospectus;

v. The Directors' Report, as set out in Appendix VI of this Abridged Prospectus;

vi. The letters of consent referred to in Section 6 of this Appendix VII;

vii. The irrevocable and unconditional undertaking letters dated 25 January 2017 as supplemented by the supplemental irrevocable and unconditional undertaking letters dated 20 March 2017 and 13 September 2017 as referred to in Section 4 of this Abridged Prospectus; and

viii. The material contract referred to in Section 3 of this Appendix VII, namely the Deed Poll D.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the accompanying NPA and 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 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 this Rights Issue with Warrants.

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