

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 30 September 2011	Preceding year corresponding quarter 30 September 2010	Current year to date 30 September 2011	Preceding year corresponding period 30 September 2010
	RM'000	RM'000	RM'000	RM'000
Revenue	9,618	6,529	24,423	17,116
Cost of Sales	<u>(1,798)</u>	<u>(4,461)</u>	<u>(10,163)</u>	<u>(9,600)</u>
Gross Profit	7,820	2,068	14,260	7,516
Other Operating Income	1	9	5	12
Operating Expenses	<u>(2,735)</u>	<u>(1,235)</u>	<u>(6,063)</u>	<u>(3,669)</u>
Operating Profit	5,086	842	8,202	3,859
Finance cost	<u>(9)</u>	<u>(5)</u>	<u>(29)</u>	<u>(5)</u>
Profit Before Tax	5,077	837	8,173	3,854
Taxation	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>(2)</u>
Profit After Tax	5,077	836	8,172	3,852
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>5,077</u>	<u>836</u>	<u>8,172</u>	<u>3,852</u>
Profit attributable to :				
Equity holders of the Company	2,824	836	5,919	3,852
Non-controlling interests	<u>2,253</u>	<u>-</u>	<u>2,253</u>	<u>-</u>
	<u>5,077</u>	<u>836</u>	<u>8,172</u>	<u>3,852</u>
Total comprehensive income attributable to :				
Equity holders of the Company	2,824	836	5,919	3,852
Non-controlling interests	<u>2,253</u>	<u>-</u>	<u>2,253</u>	<u>-</u>
	<u>5,077</u>	<u>836</u>	<u>8,172</u>	<u>3,852</u>
Weighted average no. of ordinary shares in issue ('000)	175,013	150,218	161,745	110,862
Earnings per share (sen):-				
a) Basic	1.61	0.56	3.66	3.47

- (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 year ended ("FYE") 31 December 2010 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 SEPTEMBER 2011**

	As at 30 September 2011 (Unaudited) RM'000	As at 31 December 2010 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,585	1,433
Intangible Assets - Goodwill on consolidation	19,675	1,767
Intangible Assets - R&D expenditure	3,807	1,462
	<u>26,067</u>	<u>4,662</u>
Current assets		
Inventories	514	205
Receivables	32,378	14,968
Cash And Cash Equivalents	2,079	6,935
	<u>34,971</u>	<u>22,108</u>
Total Assets	<u><u>61,038</u></u>	<u><u>26,770</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	20,345	15,500
Share premium	14,051	-
Warrants reserve	6,120	6,120
Retained profits	7,733	1,814
	<u>48,249</u>	<u>23,434</u>
Non-controlling interests	3,667	-
Total equity	<u>51,916</u>	<u>23,434</u>
Non-current liabilities		
Hire purchase creditor	2,126	557
Deferred tax liabilities	106	65
	<u>2,232</u>	<u>622</u>
Current liabilities		
Payables	5,166	2,630
Hire purchase creditors	126	80
Bills payables	1,502	-
Provision for taxation	96	4
	<u>6,890</u>	<u>2,714</u>
Total liabilities	<u>9,122</u>	<u>3,336</u>
Total equity and liabilities	<u><u>61,038</u></u>	<u><u>26,770</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.24</u>	<u>0.15</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2010 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 THIRD QUARTER ENDED 30 SEPTEMBER 2011**

	Current year to date 30 September 2011 (Unaudited) RM'000	Preceding year corresponding period 30 September 2010 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	8,173	3,854
Adjustments for Non-cash items	<u>374</u>	<u>197</u>
Operating profit before working capital changes	8,547	4,051
Changes in working capital		
Net change in inventories	(309)	(24)
Net change in trade and other receivables	(12,462)	(9,193)
Net change in trade and other payables	<u>(62)</u>	<u>1,047</u>
	(4,286)	(4,119)
Net cash from operations		
Tax paid	<u>-</u>	<u>(1)</u>
Net cash used in operating activities	<u>(4,286)</u>	<u>(4,120)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
R&D expenditure paid	(521)	(1,305)
Purchase of plant and equipment	<u>(92)</u>	<u>(921)</u>
Net cash used in investing activities	<u>(613)</u>	<u>(2,226)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	10,000
Listing expenses paid	-	(1,990)
Acquisition of subsidiary	228	-
Hire Purchase	(161)	658
Interest received	5	11
Interest paid	<u>(29)</u>	<u>(6)</u>
Net cash generated from financing activities	<u>43</u>	<u>8,673</u>
Net Change in Cash and Cash Equivalents	(4,856)	2,327
Cash and Cash Equivalents at beginning of the period	6,935	2,628
Cash and Cash Equivalents at end of the period	<u><u>2,079</u></u>	<u><u>4,955</u></u>

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 December 2010 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 THIRD QUARTER ENDED 30 SEPTEMBER 2011**

	<----- Attributable to equity holders of the Company ----->					Non- controlling interests	Total Equity
	<----- Non-distributable ----->			<Distributable>			
	Share Capital	Share Premium	Warrants Reserve	Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2011	15,500	-	6,120	1,814	23,434	-	23,434
Acquisition of subsidiary	4,845	14,535	-	-	19,380	1,414	20,794
Share issuance expenses	-	(484)	-	-	(484)	-	(484)
Profit for the period	-	-	-	5,919	5,919	2,253	8,172
Balance as at 30 September 2011	20,345	14,051	6,120	7,733	48,249	3,667	51,916
As at preceding year corresponding quarter 30 September 2010							
Balance as at 1 January 2010	- ^	-	-	-	- ^	-	- ^
Issue of share capital	15,500	6,000	-	-	21,500	-	21,500
Listing expenses	-	(1,990)	-	-	(1,990)	-	(1,990)
Profit for the period	-	-	-	3,852	3,852	-	3,852
Balance as at 30 September 2010	15,500	4,010	-	3,852	23,362	-	23,362

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 December 2010 and the accompanying explanatory notes attached to the interim financial report.

Note :-

^ Representing RM100

EA HOLDINGS BERHAD (878041-A)

NOTES TO THE QUARTERLY REPORT

PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("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 Financial Reporting Standards ("FRS") 134 : Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

The accounting policies and methods of computation adopted by 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.

A2. Adoption of new and revised accounting policies

The accounting policies and methods of computation adopted by the Group in these condensed consolidated financial statements are consistent with those adopted in the audited financial statements for the FYE 31 December 2010, except for the adoption of the following new/revised FRSs effective for financial period beginning 1 January 2011:-

FRSs, Amendments to FRSs, IC Interpretation, TR and SOP		Effective for financial periods beginning on or after
FRS 1	First-Time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations (Revised)	1 July 2010
FRS 124	Related Party Disclosures	1 January 2012
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1	Limited Exemption from Comparatives FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011

FRSs, Amendments to FRSs, IC Interpretation, TR and SOP		Effective for financial periods beginning on or after
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2011
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 2	Company Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 3	Business Combinations	1 January 2011
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 7	Financial Instruments: Disclosures	1 January 2011
Amendments to FRS 101	Presentation of Financial Statements	1 January 2011
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2011
Amendments to FRS 128	Investments in Associates	1 January 2011
Amendments to FRS 131	Interests in Joint Ventures	1 January 2011
Amendments to FRS 132	Classification of Rights Issues	1 March 2010
Amendments to FRS 134	Interim Financial Reporting	1 January 2011
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2011

FRSs, Amendments to FRSs, IC Interpretation, TR and SOP		Effective for financial periods beginning on or after
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
Amendments to IC Interpretation 13	Customer Loyalty Programmes	1 January 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
TR 3	Guidance on Disclosures of Transition to IFRSs	1 January 2011
TR i-4	Shariah Compliant Sale Contracts	1 January 2011

The Group and the Company plans to adopt the above FRSs, Amendments to FRSs, IC Interpretations, TR and SOP in the respective annual periods based on their effective dates and applicability.

The initial application of the above FRSs, Amendments to FRSs, IC Interpretations, TR and SOP are not expected to have any material impact on the financial statements of the Company.

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 December 2010.

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 were no issuance or repayment of debt or equity securities, share buy-backs, share cancellations, shares 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) RFID and access control systems.

Quarter Ended 30 September 2011	ICT Services	Software Solutions	RFID and Access Control Systems	Elimi- nations	Consoli- dated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	2,309	5,565	1,744	-	9,618
Total revenue	2,309	5,565	1,744	-	9,618
Profit before taxation					5,077
Income tax expenses					-
Profit after tax					5,077
Other comprehensive income					-
Total Comprehensive Income					5,077

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 September 2011.

A12. Capital Expenditure

The major additions and disposals of the property, plant and equipment during the current financial quarter under review and financial year-to-date were as follows:-

	Current Quarter Ended 30 September 2011 RM'000	Cumulative Year-to-Date 30 September 2011 RM'000
Property, plant & equipment: Additions	<u>57</u>	<u>92</u>

A13. Changes in the composition of the Group

Save as disclosed below, there were no changes in the composition of the Group for the current financial quarter under review:-

On 16 June 2011, OSK Investment Bank Berhad ("OSK") had, on behalf of the Board of Directors of EAH ("Board"), announced, amongst others, that the Company had on even date, entered into a share sale agreement with Farisah binti Mohd Farid, Tan Soon Moi, Syed Shah Redza bin Syed Mohamed Redza and Peter Ambrose Sequerah (collectively referred to as "Vendors") of DDSB (M) Sdn Bhd ("DDSB") for the proposed acquisition by the Company of 1,275,000 ordinary shares of RM1.00 each in DDSB, representing 51% of the issued and paid-up share capital of DDSB for a total purchase consideration of RM19,380,000 which will be fully satisfied by the issuance of 48,450,000 new ordinary shares of RM0.10 each in EAH ("EAH Shares") at an issue price of RM0.40 per EAH Share ("Consideration Shares") ("Proposed Acquisition").

On 18 August 2011, EAH had announced that the Proposed Acquisition was duly passed by the shareholders of the Company at the extraordinary general meeting held on the same date. Subsequently, the Consideration Shares were listed and quoted on 25 August 2011, marking the completion of the Proposed Acquisition.

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 December 2010.

A15. Subsequent material events

Save as disclosed below, there are no material events subsequent to the financial period ended 30 September 2011 that has not been reflected in this interim financial report:-

On 8 November 2011, OSK had, on behalf of the Board, announced that the Company proposed to undertake a bonus issue of up to 140,475,750 new EAH Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing EAH Shares held on an entitlement date to be determined later.

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

For the current financial quarter ended 30 September 2011, the Group recorded revenue of RM9.62 million and profit before tax of RM5.08 million.

The Group's revenue and profit before tax for the current financial quarter was strengthened by the consolidation of the results of its newly acquired subsidiary, DDSB. In addition, the Group had also secured new projects, which contributed to the increase in revenue and profit.

Revenue from the software solutions segment provided the largest contribution to the Group's revenue, amounting to RM5.57 million, representing 57.9% of the total Group's revenue, whilst the ICT services segment and the RFID and access control system contributed revenue of RM2.31 million (24.0%) and RM1.74 million (18.1%) respectively.

For the current financial year-to-date, the Group recorded revenue of RM24.42 million and profit before tax of RM8.17 million. The increase in profit before tax as compared to the preceding year is attributable to the organic growth of the Group in addition to the growth via its merger and acquisition strategy.

B2. Comparison to the results of the preceding quarter

	Current Quarter 30 September 2011 RM'000	Preceding Quarter 30 June 2011 RM'000
Revenue	9,618	3,471
Profit before tax	5,077	1,379

The Group's revenue and profit before tax for the current financial quarter was strengthened by the consolidation of the results of its newly acquired subsidiary, DDSB. In addition, the Group had also secured new projects, which contributed to the increase in revenue and profit.

For the current financial quarter ended 30 September 2011, revenue has increased by RM6.15 million as compared to the preceding financial quarter ended 30 June 2011. Profit before tax increased in tandem by RM3.70 million. The higher profit margin was attributable to the revenue mix generated from the various projects invoiced in the current reporting quarter.

B3. Prospects for 2011

The local ICT sector is expected to carry its recovery momentum into 2011, with the government linked agencies leading the way in ICT spending and fuelled largely by government incentives and tax breaks. The introduction of new applications and services especially in the banking industry together with the expected release of pent-up spending on ICT, which resulted from curtailed spending in the recent years, have opened up opportunities for the Group's operations. Furthermore, the acquisition of DDSB has enabled the Group to diversify its earnings base further into the area of enterprise resource planning, human capital management solutions and geographical information system, which augurs well for the Group.

Barring any unforeseen circumstances and in view of the positive developments mentioned above, the Board is optimistic of achieving a satisfactory performance for the financial year ending 31 December 2011.

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 September 2011 RM'000	Cumulative Year-to-Date 30 September 2011 RM'000
Current tax	-	1
	-	1

The effective tax rate for the current financial quarter and cumulative year-to-date is Nil and 0.01%, respectively, as compared to the statutory tax rate of 25%. The current taxation comprised of tax payable on interests received and deferred tax payable. The Group's income from approved Multimedia Super Corridor activities carried out by its subsidiary companies, namely CSS MSC Sdn Bhd, EA MSC Sdn Bhd and DDSB are not subjected to income tax.

B6. Sale of unquoted investment and/ or property

There was no sale of unquoted investment and/ or property in the current financial quarter under review and financial year-to-date.

B7. Purchase and disposal of quoted security

The Company does not hold any quoted security nor was there any purchase or disposal of quoted security in the current financial quarter under review and financial year-to-date.

B8. Status of corporate proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of issuance of this announcement:-

On 8 November 2011, OSK had, on behalf of the Board, announced that the Company proposed to undertake a bonus issue of up to 140,475,750 new EAH Shares to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing EAH Shares held on an entitlement date to be determined later ("Proposed Bonus Issue").

The Proposed Bonus Issue is currently pending the submission to the relevant authority and subsequent completion.

B9. Status of utilisation of proceeds

EAH was listed on 20 July 2010 on the ACE Market of Bursa Securities. The status of utilisation of the gross proceeds of RM10.0 million from the public issue by the Group as at 30 September 2011 are as follows:-

Purposes	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation
Business expansion	3,000	1,500	1,500	Within 24 months from date of listing
Enhance R&D capabilities	2,000	1,506	494	Within 24 months from date of listing
Working capital	3,500	3,500*	-	Within 24 months from date of listing
Estimated listing expenses	1,500	1,500	-	Upon listing
Total	10,000	8,006	1,994	

* Inclusive of excess in listing expenses amounting to RM489,516.

B10. Realised and Unrealised Profits

The breakdown of retained profits of the Group and the Company for the financial quarter ended 30 June 2011 and 30 September 2011, is as follows :-

	Group Quarter Ended 30 September 2011 RM'000	Group Quarter Ended 30 June 2011 RM'000
Total retained profits of the Group:		
- Realised	16,213	10,670
- Unrealised (in respect of deferred tax recognised in the income statement)	(106)	(28)
	<hr/> 16,107	<hr/> 10,642
Less : Consolidation adjustments	(8,374)	(5,733)
Total Group retained profits as per consolidated accounts	<hr/> <hr/> 7,733	<hr/> <hr/> 4,909
	Company Quarter Ended 30 September 2011 RM'000	Company Quarter Ended 30 June 2011 RM'000
Total retained profits of the Company :		
- Realised	2,128	2,598
- Unrealised (in respect of deferred tax recognised in the income statement)	-	-
Total Company's retained profits as per accounts	<hr/> <hr/> 2,128	<hr/> <hr/> 2,598

B11. Group borrowings and debt securities

The Group's borrowings as at 30 September 2011 are as follows:-

	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Hire Purchases	126	2,126
Bills Payable	1,502	-
	<hr/> <hr/> 1,628	<hr/> <hr/> 2,126

B12. Off balance sheet financial instruments

The Group does not have any off balance sheet financial instrument as at the date of issuance of this announcement.

B13. Material Litigation

There was no material litigation as at the date of issuance of this announcement.

B14. Dividends

No interim dividends have been declared during the current financial quarter under review.

B15. 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	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
Basic Earnings Per Share	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Profit attributable to the equity holders of the Company (RM'000)	2,824	836	5,919	3,852
Weighted average number of shares in issue ('000)	175,013	150,218	161,745	110,862
Basic earnings per share (sen)	1.61	0.56	3.66	3.47

(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: 25 November 2011