

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 31 March 2012	Preceding year corresponding quarter 31 March 2011	Current year to date 31 March 2012	Preceding year corresponding period 31 March 2011
	RM'000	RM'000	RM'000	RM'000
Revenue	11,583	11,334	11,583	11,334
Cost of Sales	<u>(5,174)</u>	<u>(7,891)</u>	<u>(5,174)</u>	<u>(7,891)</u>
Gross Profit	6,409	3,443	6,409	3,443
Other Operating Income	2	3	2	3
Operating Expenses	(2,997)	(1,619)	(2,997)	(1,619)
Depreciation and amortization	<u>(174)</u>	<u>(100)</u>	<u>(174)</u>	<u>(100)</u>
Operating Profit	3,240	1,727	3,240	1,727
Finance cost	<u>(102)</u>	<u>(10)</u>	<u>(102)</u>	<u>(10)</u>
Profit Before Tax	3,138	1,717	3,138	1,717
Taxation	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
Profit After Tax	3,138	1,716	3,138	1,716
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>3,138</u>	<u>1,716</u>	<u>3,138</u>	<u>1,716</u>
Profit attributable to :				
Equity holders of the Company	2,084	1,716	2,084	1,716
Non-controlling interests	<u>1,054</u>	<u>-</u>	<u>1,054</u>	<u>-</u>
	<u>3,138</u>	<u>1,716</u>	<u>3,138</u>	<u>1,716</u>
Total comprehensive income attributable to :				
Equity holders of the Company	2,084	1,716	2,084	1,716
Non-controlling interests	<u>1,054</u>	<u>-</u>	<u>1,054</u>	<u>-</u>
	<u>3,138</u>	<u>1,716</u>	<u>3,138</u>	<u>1,716</u>
Weighted average no. of ordinary shares in issue ('000)	291,613	155,001	291,613	155,001
Earnings per share (sen):-				
a) Basic	0.71	1.11	0.71	1.11

(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 2011 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 31 MARCH 2012**

	As at 31 March 2012 (Unaudited) RM'000	As at 31 December 2011 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,291	2,452
Intangible Assets - Goodwill on consolidation	19,675	19,675
Intangible Assets - R&D expenditure	5,577	5,013
	<u>27,543</u>	<u>27,140</u>
Current assets		
Inventories	112	320
Receivables	36,467	33,388
Cash And Cash Equivalents	2,042	4,415
	<u>38,621</u>	<u>38,123</u>
Total Assets	<u><u>66,164</u></u>	<u><u>65,263</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	30,518	20,345
Share premium	3,748	14,051
Warrants reserve	6,120	6,120
Retained profits	11,933	9,849
	<u>52,319</u>	<u>50,365</u>
Non-controlling interests	6,222	5,168
Total equity	<u>58,541</u>	<u>55,533</u>
Non-current liabilities		
Hire purchase creditors	1,944	1,515
Deferred tax liabilities	121	121
	<u>2,065</u>	<u>1,636</u>
Current liabilities		
Payables	1,858	4,175
Directors	1,790	750
Hire purchase creditors	1,414	558
Bills payables	258	2,373
Provision for taxation	238	238
	<u>5,558</u>	<u>8,094</u>
Total liabilities	<u>7,623</u>	<u>9,730</u>
Total equity and liabilities	<u><u>66,164</u></u>	<u><u>65,263</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.17</u>	<u>0.25</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 2011 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 FIRST QUARTER ENDED 31 MARCH 2012**

	Current year to date 31 March 2012 (Unaudited) RM'000	Preceding year corresponding period 31 March 2011 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	3,138	1,717
Adjustments for :-		
Depreciation and amortization	174	100
Interest expenses	102	10
Interest income	(2)	(3)
	<u>274</u>	<u>107</u>
Operating profit before working capital changes	3,412	1,824
Changes in working capital		
Net change in directors	1,040	-
Net change in inventories	208	(93)
Net change in trade and other receivables	(3,079)	(2,973)
Net change in trade and other payables	(2,317)	(979)
	<u>(736)</u>	<u>(2,221)</u>
Net cash from operations		
Tax paid	-	-
Net cash used in operating activities	<u>(736)</u>	<u>(2,221)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
R&D expenditure paid	(564)	(161)
Purchase of plant and equipment	(12)	(8)
Net cash used in investing activities	<u>(576)</u>	<u>(169)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Listing expenses paid	(131)	-
Hire Purchase	1,285	(20)
Bills payable	(2,115)	-
Interest received	2	3
Interest paid	(102)	(10)
Net cash generated from financing activities	<u>(1,061)</u>	<u>(27)</u>
Net Change in Cash and Cash Equivalents	(2,373)	(2,417)
Cash and Cash Equivalents at beginning of the period	4,415	6,935
Cash and Cash Equivalents at end of the period	<u><u>2,042</u></u>	<u><u>4,518</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 2011 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 FIRST QUARTER ENDED 31 MARCH 2012**

	<----- Attributable to equity holders of the Company ----->					Non- controlling interests	Total Equity	
	Share Capital	<----- Non-distributable ----->		<Distributable>				Total
		Share Premium	Warrants Reserve	Retained Profits				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 January 2012	20,345	14,051	6,120	9,849	50,365	5,168	55,533	
Issuance of Bonus Shares	10,173	(10,303)	-	-	(130)	-	(130)	
Profit for the period	-	-	-	2,084	2,084	1,054	3,138	
Balance as at 31 March 2012	30,518	3,748	6,120	11,933	52,319	6,222	58,541	
As at preceding year corresponding quarter 31 March 2011								
Balance as at 1 January 2011	15,500	-	6,120	1,814	23,434	-	23,434	
Profit for the period	-	-	-	1,716	1,716	-	1,716	
Balance as at 31 March 2011	15,500	-	6,120	3,530	25,150	-	25,150	

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 2011 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 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 Malaysia Securities Berhad ("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 2011 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 2011, except for the adoption of the following new/revised FRSs effective for financial period beginning 1 January 2012:-

FRSs, Amendments to FRSs, IC Interpretation, TR and SOP		Effective for financial periods beginning on or after
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19	Extinguish Financial Liabilities with Equity Instruments	1 July 2011
FRS 124	Related Party Disclosures (revised)	1 January 2012
Amendments to FRS7	Financial Instruments: Disclosures - Transfer of Financial Assets	1 January 2012

FRSs, Amendments to FRSs, IC Interpretation, TR and SOP		Effective for financial periods beginning on or after
Amendments to FRS112	Income Taxes - Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to FRS101	Presentation of Financial Statement - Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 9	Financial Instruments (2009)	1 January 2013
FRS 9	Financial Instruments (2010)	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Agreements	1 January 2013
FRS12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits (2011)	1 January 2013
FRS 127	Separate Financial Statements (2011)	1 January 2013
FRS 128	Investments in Associates and Joint Ventures (2011)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

On 19 November 2011, the MASB announced the adoption of the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS framework is effective from 1 January 2012 to facilitate convergence with the International Financial Reporting Standards (“IFRS”). Following the announcement, the Group and the Company’s next set of financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the MFRS framework issued by MASB and IFRS. As a result for the Group and the Company’s adoption of the MFRS framework, the Group and the Company will not be adopting the above FRSs, Interpretations and Amendments.

The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and 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 2011.

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

Save as disclosed below, there were 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:-

(i) Share Capital

Date of allotment	No. of shares	Par value (RM)	Consideration	Total (RM)
13.01.2012	101,725,500	0.10	Bonus Issue	10,172,550

(ii) Warrants

Pursuant to Clause 7, Conditions 3(A)(ii) of the Third Schedule and item 1(B) of the Fourth Schedule of the deed poll dated 25 November 2010 constituting the Warrants ("Deed Poll"), the exercise price of the Warrants was revised downwards from RM0.59 to RM0.40 and an additional 38,750,250 Warrants were issued pursuant to the adjustments for the bonus issue of 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.

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 31 March 2012	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	4,270	5,561	1,752	-	11,583
Total revenue	4,270	5,561	1,752	-	11,583
Profit before taxation					3,138
Income tax expenses					-
Profit after tax					3,138
Other comprehensive income					-
Total Comprehensive Income					3,138

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 31 March 2012.

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 31 March 2012 RM'000	Cumulative Year-to-Date 31 March 2012 RM'000
Property, plant & equipment: Additions	12	12

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 December 2011.

A15. Subsequent material events

There are no material events subsequent to the financial period ended 31 March 2012 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

For the current financial quarter ended 31 March 2012, the Group recorded revenue of RM11.583 million and profit before tax of RM3.138 million.

Notwithstanding the shorter number of working days for the current financial quarter attributable to the long public holidays, the Group's revenue and profit before tax only differ marginally from the previous financial quarter. However, when compared to the corresponding period in 2011, the Group's profit before tax recorded a significant increase of RM1.421 million or 82.76%.

ICT Services Segment

Revenue from the ICT services segment for the first and current financial quarter of 2012 were RM4.270 million, compared with RM3.000 million for the corresponding period in 2011, representing an increase of RM1.270 million respectively. The improvement in the segment is attributable to the strong order book and new projects secured during the current financial quarter.

Software Solutions Segment

Revenue from the software solutions segment for the first and current financial quarter of 2012 were RM5.561 million, compared with RM8.000 million for the corresponding period in 2011, representing a decrease of RM2.439 million. The decrease in revenue is attributable to the different project milestones payment and progress billing for the current projects being undertaken.

RFID and Access Control Systems Segment

Revenue from the RFID and access control systems segment for the first and current financial quarter of 2012 were RM1.752 million, compared with RM0.334 million for the corresponding period in 2011, representing an increase of RM1.418 million. The improved revenue for this segment is attributable to the higher-value projects secured during the current financial quarter.

Profit attributable to the Group for the current financial quarter is RM2.084 million, after deducting the share of profit attributable to the non-controlling interests. The profit attributable to the Group represents an increase of RM0.368 million or 21.4% from the corresponding period in 2011.

B2. Comparison to the results of the preceding quarter

	Current Quarter 31 March 2012 RM'000	Preceding Quarter 31 December 2011 RM'000
Revenue	11,583	12,128
Profit before tax	3,138	3,765

Notwithstanding the shorter number of working days for the current financial quarter attributable to the long public holidays, the Group's revenue and profit before tax only differ only marginally from the previous financial quarter. Revenue decreased marginally by RM0.545 million whilst profit before tax decreased marginally by RM0.627 million. The decrease is mainly attributable to the different project milestones payment and progress billing for the current projects being undertaken under Software Solutions segment and mitigated by the stronger revenue from the other two revenue segments.

B3. Prospects for 2012

IT spending in Malaysia is expected to hit US\$8.2 billion (RM24.6 billion) by end of 2012. According to International Data Corp (IDC), it predicts that 10 key information and communication technology (ICT) trends will have the biggest commercial impact in Malaysia. Amongst the 10 key areas are:-

1. The rise of ICT prominence in traditional sectors will see organisations positioning IT spending and utilise IT to reach out to a wider market.
2. Customer centricity will see the increase in the focus on technologies that will aid enterprises in heightening customer focus and customer engagement.
3. Cost reduction remains top in mind for SMBs and enterprises as focus is placed on how enterprises can reduce their overall cost structure within the organisations.
4. IT started to play a significant role within the nation's economy as well as the betterment of the society with the Economic Transformation Programme ensuring that ICT remains a significant tool for the future development of the country by the government.

(Source : The Malaysian Reserve, 10 February 2012)

Barring any unforeseen circumstances and in view of the positive developments mentioned above, the Board is optimistic of achieving a satisfactory performance for the current financial year ending 31 December 2012.

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 31 March 2012 RM'000	Cumulative Year-to-Date 31 March 2012 RM'000
Current tax	-	-
	-	-

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 whilst the income tax payable for the other income generating activities of the Group are mitigated by the various tax deductions available. This has resulted in a NIL effective tax rate of the Group for the current financial and cumulative quarter.

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

There were no corporate proposals announced but not completed as at the date of issuance of this announcement.

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 31 March 2012 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	2,000	-	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	8,500	1,500	

* 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 31 March 2012 and the preceding year corresponding quarter ended 31 March 2011, is as follows :-

	Group Quarter Ended 31 March 2012 RM'000	Group Quarter Ended 31 March 2011 RM'000
Total retained profits of the Group:		
- Realised	22,860	9,291
- Unrealised (in respect of deferred tax recognised in the income statement)	(121)	(28)
	<hr/>	<hr/>
	22,739	9,263
Less : Consolidation adjustments	(10,806)	(5,733)
Total Group retained profits as per consolidated accounts	<hr/> <hr/>	<hr/> <hr/>
	11,933	3,530

	Company Quarter Ended 31 March 2012 RM'000	Company Quarter Ended 31 March 2011 RM'000
Total retained profits of the Company :		
- Realised	1,597	2,961
- Unrealised (in respect of deferred tax recognised in the income statement)	-	-
Total Company's retained profits as per accounts	1,597	2,961

B11. Group borrowings and debt securities

The Group's borrowings as at 31 March 2012 are as follows:-

	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Hire Purchase Creditors	1,414	1,944
Bills Payable	258	-
	1,672	1,944

B12. Material Litigation

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

B13. Dividends

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

B14. Profit for the period

	Current Quarter Ended 31 March 2012 RM'000	Cumulative Year-to-Date 31 March 2012 RM'000
This is arrived at after (charging) /crediting:-		
Interest income	2	2
Interest expenses	(102)	(102)
Depreciation and amortization	(174)	(174)

Other disclosure items pursuant to Note 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Securities are not applicable.

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	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Profit attributable to the equity holders of the Company (RM'000)	2,084	1,716	2,084	1,716
Weighted average number of shares in issue ('000)	291,613	155,001	291,613	155,001
Basic earnings per share (sen)	0.71	1.11	0.71	1.11

(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: 31 May 2012