

## EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2015

|  | ----- Individual Quarter -----                    |  | ---- Cumulative Quarter ----                      |   |
|--|---|--|---|---|
|  | Current<br>year<br>quarter<br>31 December<br>2015 | Preceding<br>year<br>corresponding<br>quarter<br>31 December<br>2014 | Current<br>year<br>to date<br>31 December<br>2015 | Preceding<br>year<br>corresponding<br>period<br>31 December<br>2014 |
|  | RM'000  | RM'000   | RM'000  | RM'000  |
| <b>Revenue</b>   | 7,076   | 6,527  | 22,786  | 40,309  |
| Cost of Sales  | <u>(4,969)</u>                                    | <u>(4,697)</u>   | <u>(15,412)</u>                                   | <u>(25,668)</u>   |
| <b>Gross Profit</b>  | 2,107   | 1,830  | 7,374   | 14,641  |
| Other Operating Income                                     | 10  | 59   | 45  | 224   |
| Operating Expenses   | (3,569)   | (3,276)  | (12,333)  | (7,873)   |
| Depreciation and amortization                              | <u>(455)</u>                                      | <u>(279)</u>   | <u>(1,747)</u>                                    | <u>(970)</u>  |
| Operating Profit   | (1,907)   | (1,666)  | (6,661)   | 6,022   |
| Share of associate's results                               | 767   | -  | 1,861   | -   |
| Finance cost   | <u>(61)</u>                                       | <u>(80)</u>  | <u>(264)</u>                                      | <u>(422)</u>  |
| <b>Profit/(Loss) Before Tax</b>                            | (1,201)   | (1,746)  | (5,064)   | 5,600   |
| Taxation   | <u>-</u>  | <u>858</u>   | <u>-</u>  | <u>(892)</u>  |
| <b>Profit/(Loss) After Tax</b>                             | (1,201)   | (888)  | (5,064)   | 4,708   |
| Other comprehensive income                                 | -   | -  | -   | -   |
| <b>Total comprehensive income/(loss)</b>                   | <u><b>(1,201)</b></u>                             | <u><b>(888)</b></u>  | <u><b>(5,064)</b></u>                             | <u><b>4,708</b></u>   |
| <b>Profit/(Loss) attributable to :</b>                     |   |  |   |   |
| Equity holders of the Company                              | (1,228)   | (874)  | (4,897)   | 4,581   |
| Non-controlling interests                                  | <u>27</u>   | <u>(14)</u>  | <u>(167)</u>                                      | <u>126</u>  |
|  | <u><b>(1,201)</b></u>                             | <u><b>(888)</b></u>  | <u><b>(5,064)</b></u>                             | <u><b>4,707</b></u>   |
| <b>Total comprehensive (loss)/income attributable to :</b> |   |  |   |   |
| Equity holders of the Company                              | (1,228)   | (874)  | (4,897)   | 4,581   |
| Non-controlling interests                                  | <u>27</u>   | <u>(14)</u>  | <u>(167)</u>                                      | <u>126</u>  |
|  | <u><b>(1,201)</b></u>                             | <u><b>(888)</b></u>  | <u><b>(5,064)</b></u>                             | <u><b>4,707</b></u>   |
| Weighted average no. of ordinary shares<br>in issue ('000) | 1,490,824   | 850,354  | 1,157,428   | 710,569   |
| Earnings/(Loss) per share (sen):-                          |   |  |   |   |
| a) Basic   | (0.08)  | (0.10)   | (0.42)  | 0.64  |

^ As at 31 December 2015, Cepak Air Sdn Bhd recorded unaudited profit after tax of RM15.084 million.

The Group's share of profit is based on 20% of equity in Cepak 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 year ended ("FYE") 31 December 2014 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 DECEMBER 2015**

|   | As at<br>31 December<br>2015<br>(Unaudited)<br>RM'000 | As at<br>31 December<br>2014<br>(Audited)<br>RM'000 |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| <b>Non-current assets</b>   |   |   |
| Property, plant and equipment   | 7,594   | 6,709   |
| Investment in Associate Company   | 48,901  | -   |
| Intangible Assets - Goodwill on consolidation                                       | 30,751  | 30,751  |
| Intangible Assets - Intellectual Property Rights                                    | 3,238   | 3,413   |
| Intangible Assets - R&D expenditure   | 11,528  | 11,155  |
|   | <u>102,012</u>  | <u>52,028</u>                                       |
| <b>Current assets</b>   |   |   |
| Inventories   | 1,162   | 475   |
| Receivables   | 31,990  | 40,195  |
| Fixed Deposits with licensed banks  | 3,354   | 3,181   |
| Cash And Cash Equivalents   | 25,863  | 30,671  |
|   | <u>62,369</u>   | <u>74,522</u>                                       |
| <b>Total Assets</b>   | <u><u>164,381</u></u>                                 | <u><u>126,550</u></u>                               |
| <b>EQUITY AND LIABILITIES</b>   |   |   |
| <b>Equity Attributable to Equity Holders of the Company</b>                         |   |   |
| Share capital   | 149,082   | 85,035  |
| Share premium   | -   | 8,072   |
| Warrants reserve  | 15,623  | 15,623  |
| Other reserve   | (13,738)  | (13,738)  |
| Retained profits  | 5,230   | 20,007  |
|   | <u>156,197</u>  | <u>114,999</u>                                      |
| Non-controlling interests   | 2,193   | 2,360   |
| <b>Total equity</b>   | <u>158,390</u>  | <u>117,359</u>                                      |
| <b>Non-current liabilities</b>  |   |   |
| Hire purchase creditors   | 816   | 915   |
| Term loans  | 1,972   | 1,042   |
| Deferred tax liabilities  | 405   | 402   |
|   | <u>3,193</u>  | <u>2,359</u>  |
| <b>Current liabilities</b>  |   |   |
| Payables  | 578   | 3,651   |
| Hire purchase creditors   | 338   | 288   |
| Bills payables  | -   | 1,040   |
| Amount due to director  | -   | 12  |
| Bank overdraft  | 883   | -   |
| Term loans  | 104   | 148   |
| Provision for taxation  | 895   | 1,693   |
|   | <u>2,798</u>  | <u>6,832</u>  |
| <b>Total liabilities</b>  | <u>5,991</u>  | <u>9,191</u>  |
| <b>Total equity and liabilities</b>   | <u><u>164,381</u></u>                                 | <u><u>126,550</u></u>                               |
| Net assets per share attributable to ordinary equity holders<br>of the Company (RM) | <u>0.10</u>   | <u>0.14</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 2014 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 PERIOD ENDED 31 DECEMBER 2015**

|   | Current<br>year to date<br>31 December<br>2015<br>(Unaudited)<br>RM'000 | Preceding year<br>corresponding<br>period<br>31 December<br>2014<br>(Unaudited)<br>RM'000 |
|---|---|---|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                  |   |   |
| Profit Before Taxation                                      | (5,064)   | 5,600   |
| Adjustments for :-  |   |   |
| Depreciation and amortization                               | 1,747   | 970   |
| Share of associate's results                                | (1,861)   | -   |
| Interest expenses   | 264   | 422   |
| Interest income   | (45)  | (219)   |
| Gain on disposal of property, plant and equipment           | -   | (3)   |
|   | <u>105</u>  | <u>1,170</u>  |
| <b>Operating profit before working capital changes</b>      | <b>(4,959)</b>  | <b>6,770</b>  |
| Changes in working capital                                  |   |   |
| Net change in directors                                     | (12)  | 1   |
| Net change in inventories                                   | (687)   | (281)   |
| Net change in trade and other receivables                   | 8,205   | 11,210  |
| Net change in trade and other payables                      | (3,073)   | (9,179)   |
| <b>Net cash from operations</b>                             | <b>(526)</b>  | <b>8,521</b>  |
| Interest received   | 45  | 219   |
| Interest paid   | (264)   | (422)   |
| Tax paid  | (796)   | (573)   |
| <b>Net cash used in operating activities</b>                | <b>(1,541)</b>  | <b>7,745</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                  |   |   |
| R&D expenditure paid  | (759)   | (1,482)   |
| Purchase of plant and equipment                             | (2,071)   | (1,708)   |
| Proceeds from disposal of property, plant and equipment     | -   | 12  |
| Acquisition of investment in associate                      | -   | (17,551)  |
| Placement of fixed deposits                                 | (173)   | (886)   |
| <b>Net cash used in investing activities</b>                | <b>(3,003)</b>  | <b>(21,615)</b>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                  |   |   |
| Proceeds from Rights Issue                                  | -   | 41,277  |
| Listing expenses paid                                       | (944)   | -   |
| Term loans  | 886   | (1,040)   |
| Hire Purchase   | (49)  | (288)   |
| Bills payable   | -   | (1,586)   |
| <b>Net cash generated from financing activities</b>         | <b>(107)</b>  | <b>38,363</b>   |
| <b>Net Change in Cash and Cash Equivalents</b>              | <b>(4,651)</b>  | <b>24,493</b>   |
| <b>Cash and Cash Equivalents at beginning of the period</b> | <b>29,631</b>   | <b>5,138</b>  |
| <b>Cash and Cash Equivalents at end of the period</b>       | <b><u>24,980</u></b>  | <b><u>29,631</u></b>  |
| <b>Represented by :</b>                                     |   |   |
| Cash and bank balances                                      | 25,863  | 30,671  |
| Bank overdrafts   | (883)   | (1,040)   |
|   | <u>24,980</u>   | <u>29,631</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 2014 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 PERIOD ENDED 31 DECEMBER 2015**

|  | <----- Attributable to equity holders of the Company -----> |                  |                     |                   |                     |                | Non-<br>controlling<br>interests | Total<br>Equity |
|--|---|------------------|---------------------|-------------------|---------------------|----------------|----------------------------------|-----------------|
|  | <----- Non-distributable ----->                             |                  |                     |                   | <Distributable>     |                |                                  |                 |
|  | Share<br>Capital  | Share<br>Premium | Warrants<br>Reserve | Other<br>Reserves | Retained<br>Profits | Total          |                                  |                 |
| RM'000   | RM'000  | RM'000           | RM'000              | RM'000            | RM'000              | RM'000         | RM'000                           |                 |
| Balance as at 1 January 2015                                       | 85,035  | 8,072            | 15,623              | (13,738)          | 20,007              | 114,999        | 2,360                            | <b>117,359</b>  |
| Investment in associate company                                    | 47,040  | -                | -                   | -                 | -                   | 47,040         | -                                | <b>47,040</b>   |
| Bonus Issue  | 17,007  | (8,072)          | -                   | -                 | (9,880)             | (945)          | -                                | <b>(945)</b>    |
| Profit for the period  | -   | -                | -                   | -                 | (4,897)             | (4,897)        | (167)                            | <b>(5,064)</b>  |
| <b>Balance as at 31 December 2015</b>                              | <b>149,082</b>  | <b>-</b>         | <b>15,623</b>       | <b>(13,738)</b>   | <b>5,230</b>        | <b>156,197</b> | <b>2,193</b>                     | <b>158,390</b>  |
| <b>As at preceding year corresponding quarter 31 December 2014</b> |   |                  |                     |                   |                     |                |                                  |                 |
| Balance as at 1 January 2014                                       | 42,518  | 9,312            | 6,120               | (13,738)          | 24,929              | 69,141         | 2,234                            | <b>71,375</b>   |
| Bonus Issue of Warrants  | -   | (258)            | -                   | -                 | -                   | (258)          | -                                | <b>(258)</b>    |
| Rights Issue   | 42,517  | (982)            | 9,503               | -                 | (9,503)             | 41,535         | -                                | <b>41,535</b>   |
| Profit for the period  | -   | -                | -                   | -                 | 4,581               | 4,581          | 126                              | <b>4,707</b>    |
| <b>Balance as at 31 December 2014</b>                              | <b>85,035</b>   | <b>8,072</b>     | <b>15,623</b>       | <b>(13,738)</b>   | <b>20,007</b>       | <b>114,999</b> | <b>2,360</b>                     | <b>117,359</b>  |

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 2014 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. Change in Financial Year End**

As announced on 23 December 2015, the Group has changed its financial year end from 31 December 2015 to 31 March 2016. Accordingly, the current financial period covers a fifteen (15) months period from 1 January 2015 to 31 March 2016.

##### **A2. 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 ("FYE") 31 December 2014 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").

##### **A3. 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 January 2015. 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.

##### **A4. 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 2014.

**A5. Seasonal or cyclical factors**

The business operations within the industry are not affected by seasonal and cyclical factors.

**A6. 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.

**A7. 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.

**A8. 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. On 7 July 2015, pursuant to the Bonus Issue of one (1) Bonus Share for every five (5) existing EAH Shares held, 170,070,600 Bonus Shares, additional 30,212,649 Warrants A, additional 24,555,364 Warrants B and additional 42,517,650 Warrants C consequential to the Bonus Issue were issued.
- ii. On 10 July 2015, 470,400,000 new EAH Shares were issued pursuant to the acquisition of 800,000 ordinary shares of RM1.00 each in Cepak Air Sdn Bhd (“Cepak”).
- iii. On 14 December 2015, 4,116 new EAH shares were issued arising from the exercise of the Company’s Warrants A 2010/2015 (“Warrants A”). The Warrants A had expired on 7 December 2015.

As at 31 December, no Warrants B or C had been exercised.

**A9. Dividend paid**

There was no dividend paid nor declared during the financial year-to-date.

#### A10. Segmental information

The Group is organised into the following operating segments:-

- a) ICT services;
- b) Software solutions; and
- c) RFID, access control systems (“ACS”) and building automation system (“BAS”)

| <b>Quarter Ended<br/>30 September 2015</b> | <b>ICT<br/>Services</b> | <b>Software<br/>Solutions</b> | <b>RFID,<br/>ACS &amp;<br/>BAS</b> | <b>Elimi-<br/>nations</b> | <b>Consoli-<br/>dated</b> |
|--|-------------------------|-------------------------------|------------------------------------|---------------------------|---------------------------|
|  | <b>RM'000</b>           | <b>RM'000</b>                 | <b>RM'000</b>                      | <b>RM'000</b>             | <b>RM'000</b>             |
| Revenue from external customers            | 490                     | 5,575                         | 1,011                              | -                         | 7,076                     |
| Cost of sales                              | (397)                   | (3,604)                       | (968)                              | -                         | (4,696)                   |
| Segment profit                             | 885                     | 563                           | 170                                | -                         | 2,107                     |
| Share of associate's results               |                         |                               |                                    |                           | 767                       |
| Loss before taxation                       |                         |                               |                                    |                           | (1,201)                   |
| Income tax expenses                        |                         |                               |                                    |                           | -                         |
| <b>Loss after tax</b>                      |                         |                               |                                    |                           | (1,201)                   |
| Other comprehensive income                 |                         |                               |                                    |                           | -                         |
| <b>Total Comprehensive Loss</b>            |                         |                               |                                    |                           | (1,201)                   |

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.

#### A11. 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.

#### A12. Capital commitments

There are no material capital commitments in respect of property, plant and equipment as at 31 December 2015.

**A13. 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:-

|   | <b>Current Quarter<br/>Ended<br/>31 December<br/>2015<br/>RM'000</b> | <b>Cumulative<br/>Year-to-Date<br/>31 December<br/>2015<br/>RM'000</b> |
|---|--|--|
| Property, plant & equipment:<br>Additions | 118  | 2,071  |

**A14. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review.

**A15. 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 2014.

**A16. Subsequent material events**

There are no material events subsequent to the financial period ended 31 December 2015 that has not been reflected in this interim financial report.

**A17. 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 December 2015, the Group recorded revenue of RM7.076 million and loss before tax of RM1.201 million.

Compared to the previous corresponding financial quarter, the Group recorded increase of RM0.549 million in revenue and reduced its loss before tax by RM0.545 million correspondingly. The weak results for the current financial quarter were mainly attributable to the lack of new major projects for the ICT Services segment and RFID, ACS & BAS segment. Consequently, the Group recorded a loss before tax as the lower revenue was insufficient to cover the Group's operating and administrative expenses. The weak results were mitigated by contribution of profit from the Group's new investment in its associated company. The share of associate's profit for the current financial quarter is RM0.767 million. The Group aims to mitigate this downward trend by expanding its range of products and service deliverables.

**Revenue by segment :**

|                    | Current financial quarter ended 31 December 2015 (RM'000) | Preceding financial quarter ended 31 December 2014 (RM'000) | Current Financial Year-to-date 31 December 2015 (RM'000) | Preceding Financial Year-to-date 31 December 2014 (RM'000) |
|--------------------|---|---|--|--|
| ICT Services       | 490   | 2,011   | 5,698  | 20,692   |
| Software Solutions | 5,575   | 1,350   | 14,267   | 12,796   |
| RFID, ACS & BAS    | 1,011   | 4,366   | 2,821  | 6,821  |

**ICT Services Segment**

For current financial quarter and year-to-date, ICT services segment recorded decrease in revenue of RM1.521 million and RM14.994 million respectively as compared to the same periods in the preceding year, which was attributable to lack of new projects completed during the current year.

**Software Solutions Segment**

For current financial quarter and year-to-date, this segment recorded increase in revenue of RM4.225 million and RM1.471 million respectively as compared to the same periods in the preceding year. The increase in revenue is due to stronger contribution from its subsidiary company, Murasaki Technology Sdn Bhd.

### **RFID, Access Control Systems (“ACS”) And Building Automation Systems (“BAS”) Segment**

For current financial quarter and year-to-date, this segment recorded decrease in revenue of RM3.355 million and RM4.000 million respectively as compared to the same periods in the preceding year. The decrease in revenue during the year is mainly due to the lower revenue from the sale of RFID tags and lack of new projects during the current financial year.

#### **B2. Comparison to the results of the preceding quarter**

|         | <b>Current<br/>Quarter<br/>31 December<br/>2015<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>30 September<br/>2015<br/>RM'000</b> |
|---------|--|---|
| Revenue | 7,076  | 6,095   |
| Loss    | (1,201)  | (1,480)   |

Compared to the preceding financial quarter, the Group recorded slight increase in revenue of RM0.981 million while loss before tax decreased correspondingly by RM0.279 million. The increase in revenue is mainly attributable to the increased contributions from the Software Solutions segment and the RFID, ACS and BAS segment.

#### **B3. Prospects for 2016**

The Malaysian Institute of Economic Research (MIER) estimates Malaysia's Gross Domestic Product growth for 2016 at 4.7 per cent, compared to the estimated 4.9 per cent growth for 2015. Executive Director Dr Zakariah Abdul Rashid said the country's economy will continue to be domestically driven and remain fundamentally strong but stabilisation issues will need to be addressed. The stabilisation issues include weakening domestic macroeconomic fundamentals like narrowing net current account surplus of the balance of payment, continuing net portfolio outflows, ringgit depreciation and tightening of domestic liquidity conditions, he said. "We urgently need to correct mistakes and misadventures on the domestic front and move forward with a clean slate, avoiding to a large extent political upheavals and shocks and applying prudent macroeconomic management in attaining fiscal sustainability and encouraging a greater role for private sector investment," he added.

(Source: The Star – 27 January 2016)

#### **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**

|             | <b>Current Quarter<br/>Ended<br/>31 December<br/>2015<br/>RM'000</b> | <b>Cumulative<br/>Year-to-Date<br/>31 December<br/>2015<br/>RM'000</b> |
|-------------|--|--|
| Current tax | -  | -  |
|             | -  | -  |

For the current financial quarter and cumulative financial quarter, no taxation was provided as the Group was in a tax loss position. The effective tax rate of the Group is nil for both the current financial and cumulative quarter respectively.

**B6. Status of corporate proposals**

There are no corporate proposals announced but not completed as at the date of issuance of this interim financial report.

**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 31 December 2015 are as follows:-

| <b>Purposes</b>           | <b>Proposed<br/>Utilisation<br/>RM'000</b> | <b>Amount<br/>Utilised<br/>RM'000</b> | <b>Amount<br/>Unutilised<br/>RM'000</b> | <b>Deviation<br/>RM'000</b> | <b>Intended<br/>Timeframe<br/>for<br/>Utilisation</b> | <b>Explanation</b>   |
|---------------------------|--|---------------------------------------|---|-----------------------------|---|--|
| Future viable investments | 30,000                                     | 18,000                                | 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                                       |  |
| <b>Total</b>              | <b>42,518</b>                              | <b>31,518</b>                         | <b>11,000</b>                           | <b>-</b>                    |   |  |

## B8. Realised and Unrealised Profits

The breakdown of retained profits of the Group and the Company for the financial quarter ended 31 December 2015 and the preceding year corresponding quarter ended 31 December 2014, is as follows :-

|  | <b>Group<br/>Quarter<br/>Ended<br/>31 December<br/>2015<br/>RM'000</b> | <b>Group<br/>Quarter<br/>Ended<br/>31 December<br/>2014<br/>RM'000</b> |
|--|--|--|
| Total retained profits of the Group:   |  |  |
| - Realised   | 16,647   | 33,535   |
| - Unrealised<br>(in respect of deferred tax recognised in the<br>income statement) | (405)  | (402)  |
|  | <hr/> 16,242   | <hr/> 33,133   |
| Less : Consolidation adjustments   | (11,012)   | (13,125)   |
| Total Group retained profits as per consolidated<br>accounts                       | <hr/> <hr/> 5,230  | <hr/> <hr/> 20,007   |

## B9. Group borrowings and debt securities

The Group's borrowings as at 31 December 2015 are as follows:-

|                         | <b>Short Term<br/>RM'000</b> | <b>Long Term<br/>RM'000</b> |
|-------------------------|------------------------------|-----------------------------|
| <b><u>Secured</u></b>   |                              |                             |
| Bank overdrafts         | 883                          | -                           |
| Term Loans              | 104                          | 1,972                       |
| Hire Purchase Creditors | 338                          | 816                         |
|                         | <hr/> 1,325                  | <hr/> 2,788                 |

## 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**

|   | <b>Current Quarter<br/>Ended<br/>31 December<br/>2015<br/>RM'000</b> | <b>Cumulative<br/>Year-to-Date<br/>31 December<br/>2015<br/>RM'000</b> |
|---|--|--|
| This is arrived at after (charging)<br>/crediting:- |  |  |
| Interest income                                     | 4  | 39   |
| Interest expenses                                   | (61)   | (264)  |
| Depreciation and amortization                       | (455)  | (1,747)  |

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.

|  | <b>Individual Quarter</b>                                |   | <b>Cumulative Quarter</b>                                     |  |
|--|--|---|---|--|
|  | <b>Current<br/>Quarter<br/><br/>31 December<br/>2015</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/><br/>31 December<br/>2014</b> | <b>Current<br/>Year-To-Date<br/><br/>31 December<br/>2015</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Period<br/><br/>31 December<br/>2014</b> |
| (Loss)/Profit attributable to the equity holders of the Company (RM'000) | (1,228)  | (874)   | (4,897)   | 4,581  |
| Weighted average number of shares in issue ('000)                        | 1,490,824  | 425,177   | 1,157,428   | 425,177  |
| Effect of issuance of shares pursuant to Rights Issue ('000)             | N/A  | 425,177   | N/A   | 285,392  |
| Adjusted weighted average number of shares in issue ('000)               | 1,490,824  | 850,354   | 1,157,428   | 710,569  |
| Basic (loss)/ earnings per share (sen)                                   | (0.08)   | (0.10)  | (0.42)  | 0.64   |

(b) Diluted earnings per share

|  | Individual Quarter  |   | Cumulative Quarter      |  |
|--|---------------------|---|-------------------------|--|
|  | Current<br>Quarter  | Preceding<br>Year<br>Corresponding<br>Quarter | Current<br>Year-To-Date | Preceding<br>Year<br>Corresponding<br>Period |
|  | 31 December<br>2015 | 31 December<br>2014                           | 31 December<br>2015     | 31 December<br>2014                          |
| (Loss)/Profit attributable to the equity holders of the Company (RM'000) | (1,228)             | (874)   | (4,897)                 | 4,581  |
| Weighted average number of shares in issue ('000)                        | 1,490,824           | 850,354                                       | 1,157,428               | 710,569                                      |
| Effect of dilution on assumed exercise of warrants ('000)                | N/A *               | 55,912  | N/A *                   | 35,876                                       |
| Adjusted weighted average number of shares in issue ('000)               | 1,490,824           | 906,266                                       | 1,157,428               | 746,444                                      |
| Diluted (loss)/earnings per share (sen)                                  | N/A                 | (0.10)  | N/A                     | 0.61   |

(\*) *Diluted earnings per share is not applicable 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 during the current financial quarter.*

By Order of the Board

Laang Jhe How (MIA 25193)  
(Company Secretary)

Date: 26 February 2016