

## EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2020

	----- Individual Quarter -----		Cumulative
	Current year quarter 30 June 2020	Preceding year corresponding quarter 30 June 2019	Current year to date 30 June 2020
	RM'000	RM'000	RM'000
<b>Revenue</b>	5,003	8,486	38,725
Cost of Sales	<u>(3,216)</u>	<u>(4,679)</u>	<u>(22,033)</u>
<b>Gross Profit</b>	1,787	3,807	16,692
Other Operating Income	111	55	505
Operating Expenses	(2,530)	(2,756)	(14,129)
Depreciation and amortization	<u>(222)</u>	<u>(244)</u>	<u>(1,169)</u>
Operating (Loss)/Profit	(854)	862	1,899
Share of associate's results	(28)	221	256
Finance cost	<u>(67)</u>	<u>(6)</u>	<u>(301)</u>
<b>(Loss)/Profit Before Tax</b>	(949)	1,077	1,854
Taxation	<u>(267)</u>	<u>(479)</u>	<u>(1,981)</u>
<b>(Loss)/Profit After Tax</b>	(1,216)	598	(127)
Other comprehensive income	-	-	-
<b>Total comprehensive (loss)/profit</b>	<u><b>(1,216)</b></u>	<u><b>598</b></u>	<u><b>(127)</b></u>
<b>(Loss)/Profit attributable to :</b>			
Equity holders of the Company	(1,262)	454	(549)
Non-controlling interests	46	144	422
	<u><b>(1,216)</b></u>	<u><b>598</b></u>	<u><b>(127)</b></u>
<b>Total comprehensive (loss)/profit attributable to :</b>			
Equity holders of the Company	(1,262)	454	(549)
Non-controlling interests	46	144	422
	<u><b>(1,216)</b></u>	<u><b>598</b></u>	<u><b>(127)</b></u>
Weighted average no. of ordinary shares in issue ('000)	5,072,361	5,072,354	5,072,359
(Loss)/Earnings per share (sen):-			
a) Basic	(0.02)	0.01	(0.01)

^ As at 30 June 2020, Cekap Air Sdn Bhd recorded unaudited profit after tax of RM1.279 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 2019 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 2020**

	As at 30 June 2020 (Unaudited) RM'000	As at 31 March 2019 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,431	7,125
Investment in Associate Company	51,433	51,177
Intangible Assets - Goodwill on consolidation	68,804	68,804
Intangible Assets - Development costs	83	510
	<u>126,751</u>	<u>127,616</u>
<b>Current assets</b>		
Inventories	3,645	2,532
Receivables	26,360	23,077
Amount owing by Associate Company	6,101	4,270
Fixed Deposits with licensed banks	3,318	4,384
Short-term money market deposit	4,511	3,600
Cash And Cash Equivalents	14,394	19,570
	<u>58,329</u>	<u>57,433</u>
<b>Total Assets</b>	<u>185,080</u>	<u>185,049</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	198,034	198,034
Warrants reserve	19,442	19,442
Other reserves	(13,738)	(13,738)
Accumulated losses	(28,788)	(28,239)
	<u>174,950</u>	<u>175,499</u>
Non-controlling interests	1,006	584
<b>Total equity</b>	<u>175,956</u>	<u>176,083</u>
<b>Non-current liabilities</b>		
Hire purchase creditors	131	299
Borrowings	1,499	1,604
Deferred tax liabilities	468	468
	<u>2,098</u>	<u>2,371</u>
<b>Current liabilities</b>		
Payables	1,737	2,774
Contract liabilities	-	1,251
Amount due to director	-	44
Borrowings	4,130	123
Hire purchase creditors	71	200
Bank overdraft	-	1,436
Provision for taxation	1,088	767
	<u>7,026</u>	<u>6,595</u>
<b>Total liabilities</b>	<u>9,124</u>	<u>8,966</u>
<b>Total equity and liabilities</b>	<u>185,080</u>	<u>185,049</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.03</u>	<u>0.03</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 March 2019 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 2020**

	Current year to date 30 June 2020 (Unaudited) RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit Before Taxation	1,854
Adjustments for :-	
Depreciation and amortization	1,169
Share of associate's results	(256)
Gain on disposal on property, plant and equipment	(90)
Interest expenses	301
Interest income	(126)
	<u>998</u>
<b>Operating profit before working capital changes</b>	2,852
Changes in working capital	
Net change in directors	(44)
Net change in associate company	(1,831)
Net change in inventories	(1,113)
Net change in trade and other receivables	(3,283)
Net change in trade and other payables	(1,037)
Net change in contract assets/contract liabilities	(1,251)
<b>Net cash used in operations</b>	<u>(5,707)</u>
Interest received	126
Interest paid	(301)
Tax paid	(1,660)
<b>Net cash used in operating activities</b>	<u>(7,542)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of plant and equipment	(63)
Proceeds from disposal of PPE	105
<b>Net cash generated from investing activities</b>	<u>42</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Placement of fixed deposits	1,066
Borrowings	3,605
<b>Net cash generated from financing activities</b>	<u>4,671</u>
<b>Net Change in Cash and Cash Equivalents</b>	(2,829)
<b>Cash and Cash Equivalents at beginning of the period</b>	21,734
<b>Cash and Cash Equivalents at end of the period</b>	<u><u>18,905</u></u>
<b>Represented by :</b>	
Cash and bank balances	18,905
	<u><u>18,905</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 March 2019 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 2020**

	<----- Attributable to equity holders of the Company ----->					Non- controlling interests	Total Equity
	<---- Non-distributable ---->			<Distributable>			
	Share Capital	Warrants Reserve	Other Reserves	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 31 March 2019 (Audited)</b>	<b>198,034</b>	<b>19,442</b>	<b>(13,738)</b>	<b>(28,239)</b>	<b>175,499</b>	<b>584</b>	<b>176,083</b>
Loss for the period	-	-	-	(549)	(549)	422	(127)
<b>Balance as at 30 June 2020</b>	<b>198,034</b>	<b>19,442</b>	<b>(13,738)</b>	<b>(28,788)</b>	<b>174,950</b>	<b>1,006</b>	<b>175,956</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 March 2019 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 13 March 2020, the Group has changed its financial year end from 31 March 2020 to 30 September 2020. Accordingly, the current financial period covers an eighteen (18) months period from 1 April 2019 to 30 September 2020.

##### **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 ("FPE") 31 March 2019 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 April 2019. 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 March 2019.

**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 -add warrant conversion**

Save as disclosed below, 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 :-

- a) For the cumulative financial quarter ended 30 June 2020, new EAH shares were issued arising from the exercise of the Company's warrants as follows :-

	Cumulative Year to date 30 June 2020
Warrants C	8,496

- b) As at 30 June 2020, the following warrants have not been exercised :-

Warrants C	(Expired on 18 June 2019)
Warrants D	993,885,016 units
Warrants E	1,087,061,194 units

**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) Automation systems comprising RFID, access control systems, building automation system and industrial security system (“Automation Systems”)
- d) Sales and distribution of food and beverages products (“F&B Distribution”)

Quarter ended 30 June 2020	ICT Services (RM'000)	Software Solutions (RM'000)	Automation Systems (RM'000)	F&B Distribution (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Revenue from external customers	431	320	449	3,803	-	5,003
Cost of sales	(354)	(155)	(390)	(2,317)	-	(3,216)
Segment profit	77	165	59	1,486	-	1,787
Share of associate's results						(28)
Loss before taxation						(949)
Income tax expenses						(267)
Loss after tax						(1,216)
Other comprehensive income						-
<b>Total comprehensive loss</b>						<b>(1,216)</b>

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 30 June 2020.

#### A13. 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.

**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 March 2019.

**A16. Subsequent material events**

There are no material events subsequent to the financial period ended 30 June 2020 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**

	Individual Period				Cumulative Period
	Current Year Quarter 30.06.20 (RM'000)	Preceding Year Corresponding Quarter 30.06.19 (RM'000)	Changes		Current Year To-Date 30.06.20 (RM'000)
			(RM'000)	(%)	
Revenue	5,003	8,486	(3,483)	(41.0)	38,725
Operating (Loss)/Profit	(854)	862	(1,716)	(199.1)	1,899
Share of associate's results	(28)	221	(249)	(112.7)	256
(Loss)/Profit before tax	(949)	1,077	(2,026)	188.1	1,854
(Loss)/Profit after tax	(1,216)	598	(1,814)	303.3	(127)
(Loss)/Profit attributable to Equity holders of the Company	(1,262)	454	(1,716)	378.0	(549)

For the current financial quarter ended 30 June 2020, the Group recorded revenue of RM5.003 million, a decrease of RM3.483 million compared to the same period in the last financial year. The lower revenue was due to the imposition of the MCO from 18 March 2020 to 3 May 2020, which affected our operations. For the cumulative financial quarter ended 30 June 2020, the Group recorded revenue of RM38.725 million and profit before tax of RM1.854 million.

**Revenue by segment :**

	Individual Period				Cumulative Period
	Current Year Quarter 30.06.20 (RM'000)	Preceding Year Corresponding Quarter 30.06.19 (RM'000)	Changes		Current Year To-Date 30.06.20 (RM'000)
			(RM'000)	(%)	
ICT Services	431	805	(374)	(46.5)	3,248
Software Solutions	320	1,443	(1,123)	(77.8)	4,270
Automation systems	449	1,013	(564)	(55.7)	5,949
F&B Distribution	3,803	5,225	(1,422)	(27.2)	25,258
<b>Total</b>	<b>5,003</b>	<b>8,486</b>	<b>(3,483)</b>	<b>(41.0)</b>	<b>38,725</b>

### **ICT Services Segment**

For current financial quarter, ICT services contributed 8.6% of the Group's revenue, a decrease of RM0.374 million compared to the same period last year. The decrease was due to the delay of the work progress and lower progress billing during the MCO period.

### **Software Solutions Segment**

For current financial quarter, Software Solutions contributed 6.4% of the Group's revenue, a decrease of RM1.123 million compared to the same period last year, due to lower project billings which was affected by the stop-work order during the MCO period.

### **Automation Systems Segment**

For current financial quarter, Automation Systems contributed 9.0% of the Group's revenue, a decrease of RM0.564 million compared to the same period last year, due to the lower contribution from the building automation project and integrated security sub-segment sales. In addition, site progress works were delayed during the MCO period.

### **F&B Distribution Segment**

For current financial quarter, F&B Distribution contributed 76.0% of the Group's revenue, a decrease of RM1.422 million compare to the same period last year, due to the lower orders from the retail customers during MCO period. This segment remained as the main contributor of the revenue stream for the Group.

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

	Current Year Quarter 30.06.20 (RM'000)	Immediate Preceding Quarter 31.03.20 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	5,003	7,660	(2,657)	(34.7)
Operating Loss	(854)	(129)	(725)	(562.0)
Share of associate's results	(28)	(46)	18	39.1
Loss before tax	(949)	(256)	(693)	(270.7)
Loss after tax	(1,216)	(540)	(676)	(125.2)
Loss attributable to equity holders of the Company	(1,262)	(571)	(691)	(121.0)

The Group's revenue for the current quarter decreased by RM2.657 million, mainly due to decreases in contribution from all revenue segments of the Group. The Group recorded increase in loss before tax of RM0.693 million, which was mainly due to the lower revenue generated in current quarter due to the impact of the MCO which took effect on 18 March 2020.

### **B3. Prospects for 2020/2021**

The COVID-19 pandemic and Movement Control Order (“MCO”) have impacted the economy activities and placed significant pressure on the business environment, stalling the economic recovery and weakening market conditions. We expect tougher operating conditions going forward as the market will take some time to recover to pre-MCO level and momentum.

In the meantime, the Group will continue to implement tighter cost control measures across all its operating entities, including a reduction in operational expenditure such as payroll. The Group has taken actions to identify and pursue emerging opportunities in order to have better cash flow management to mitigate the impact of COVID-19.

### **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 30.06.20 (RM'000)</b>	<b>Cumulative Year-to-Date 30.06.20 (RM'000)</b>
Current tax	267	1,981
	<b>267</b>	<b>1,981</b>

For the current financial quarter and cumulative financial quarter, the effective tax rates of the Group are higher than the statutory rate as certain subsidiary companies of the Group were in tax loss positions.

### **B6. Status of corporate proposals**

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

### **B7. Status of utilisation of proceeds**

As at the date of this report, the Company has fully utilised the proceeds raised from all its fund raising activities.

**B8. Group borrowings and debt securities**

The Group's borrowings as at 30 June 2020 are as follows:-

	<b>Short Term</b>	<b>Long Term</b>
<b>Secured</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Term Loans	130	1,499
Project Financing	4,000	-
Hire purchase creditors	71	131
<b>Total</b>	<b>4,201</b>	<b>1,630</b>

**B9. 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.

**B10. Dividends**

No interim dividends have been declared during the current financial year-to-date.

**B11. (Loss)/Profit for the period**

	<b>Current Quarter Ended</b>	<b>Cumulative</b>
	<b>30.06.20</b>	<b>Year-to-date</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
This is arrived at after (charging)/crediting :-		
Interest income	3	126
Gain on disposal of property, plant and equipment	-	90
Interest expense	(67)	(301)
Depreciation and amortization	(222)	(1,169)

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

## B12. 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 Period
		Current Year Quarter 30.06.20	Preceding Year Corresponding Quarter 30.06.19	Current Year To-Date 30.06.20
(Loss)/Earnings attributable to the equity holders of the Company	(RM'000)	(1,262)	454	(549)
Weighted average number of shares in issue	('000)	5,072,361	5,072,354	5,072,359
Basic (loss)/earnings per share	(Sen)	(0.02)	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  
SSM PC No.201908002558 (MIA 25193)  
(Company Secretary)

Date: 28 August 2020