

## EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2021

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 31 March 2021  RM'000	Preceding year corresponding quarter 31 March 2020  RM'000	Current year to date 31 March 2021  RM'000	Preceding year corresponding period 31 March 2020  RM'000
<b>Revenue</b>	14,058	N/A	24,254	N/A
Cost of Sales	(10,705)	N/A	(17,441)	N/A
<b>Gross Profit</b>	3,353	N/A	6,813	N/A
Other Operating Income	23	N/A	123	N/A
Operating Expenses	(2,617)	N/A	(5,085)	N/A
Depreciation and amortization	(166)	N/A	(321)	N/A
Operating Profit	593	N/A	1,530	N/A
Share of associate's results	5	N/A	155	N/A
Finance cost	(147)	N/A	(241)	N/A
<b>Profit Before Tax</b>	451	N/A	1,444	N/A
Taxation	(258)	N/A	(573)	N/A
<b>Profit After Tax</b>	193	N/A	871	N/A
Other comprehensive income	-	N/A	-	N/A
<b>Total comprehensive profit</b>	<b>193</b>	<b>N/A</b>	<b>871</b>	<b>N/A</b>
<b>Profit attributable to :</b>				
Equity holders of the Company	139	N/A	702	N/A
Non-controlling interests	54	N/A	169	N/A
	<b>193</b>	<b>N/A</b>	<b>871</b>	<b>N/A</b>
<b>Total comprehensive profit attributable to :</b>				
Equity holders of the Company	139	N/A	702	N/A
Non-controlling interests	54	N/A	169	N/A
	<b>193</b>	<b>N/A</b>	<b>871</b>	<b>N/A</b>
Weighted average no. of ordinary shares in issue ('000)	5,072,361	N/A	5,072,361	N/A
Earnings per share (sen):-				
a) Basic	0.00	N/A	0.01	N/A

^ As at 31 March 2021, Cepak Air Sdn Bhd recorded unaudited profit after tax of RM775,000.

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 period ended ("FPE") 30 September 2020 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 2021

	As at 31 March 2021 (Unaudited) RM'000	As at 30 September 2020 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,020	6,143
Right-of-use assets	110	319
Investment in Associate Company	18,025	17,870
Intangible Assets - Goodwill on consolidation	47,044	47,044
Other receivables	2,798	2,798
	<u>73,997</u>	<u>74,174</u>
<b>Current assets</b>		
Inventories	3,949	3,697
Receivables	25,993	21,302
Contract Assets	2,723	1,970
Amount owing by Associate Company	3,673	3,314
Tax recoverable	82	82
Fixed Deposits with licensed banks	3,961	3,873
Short-term money market deposit	3,000	1,000
Cash And Cash Equivalents	17,998	25,717
	<u>61,379</u>	<u>60,955</u>
<b>Total Assets</b>	<u><u>135,376</u></u>	<u><u>135,129</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	198,035	198,035
Warrants reserve	9,939	9,939
Other reserves	(13,738)	(13,738)
Accumulated losses	(71,913)	(72,615)
	<u>122,323</u>	<u>121,621</u>
Non-controlling interests	1,274	1,105
<b>Total equity</b>	<u><u>123,597</u></u>	<u><u>122,726</u></u>
<b>Non-current liabilities</b>		
Borrowings	1,449	1,514
Lease liabilities	89	198
Deferred tax liabilities	425	425
	<u>1,963</u>	<u>2,137</u>
<b>Current liabilities</b>		
Payables	3,649	4,892
Contract liabilities	119	874
Lease liabilities	144	233
Amount due to director	15	15
Borrowings	4,002	128
Bank overdraft	1,000	3,235
Provision for taxation	887	889
	<u>9,816</u>	<u>10,266</u>
<b>Total liabilities</b>	<u><u>11,779</u></u>	<u><u>12,403</u></u>
<b>Total equity and liabilities</b>	<u><u>135,376</u></u>	<u><u>135,129</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.02</u>	<u>0.02</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FPE 30 September 2020 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 31 MARCH 2021**

	Current year to date 31 March 2021 (Unaudited) RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit Before Taxation	1,444
Adjustments for :-	
Depreciation and amortization	321
Share of associate's results	(155)
Interest expenses	241
Interest income	(51)
	<u>356</u>
<b>Operating profit before working capital changes</b>	<b>1,800</b>
Changes in working capital	
Net change in associate company	(359)
Net change in inventories	(252)
Net change in trade and other receivables	(4,691)
Net change in trade and other payables	(1,243)
Net change in contract assets/contract liabilities	(1,508)
<b>Net cash used in operations</b>	<b>(6,253)</b>
Interest received	51
Interest paid	(241)
Tax paid	(575)
<b>Net cash used in operating activities</b>	<b>(7,018)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of plant and equipment	(60)
<b>Net cash used in investing activities</b>	<b>(60)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Placement of fixed deposits	(88)
Repayment of lease liability	(127)
Borrowings	3,809
<b>Net cash generated from financing activities</b>	<b>3,594</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(3,484)</b>
<b>Cash and Cash Equivalents at beginning of the period</b>	<b>23,482</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>19,998</b>
<b>Represented by :</b>	
Cash and bank balances	19,998
	<u>19,998</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FPE 30 September 2020 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 31 MARCH 2021**

	<----- Attributable to equity holders of the Company ----->				Total	Non- controlling interests	Total Equity
	Share Capital	Warrants Reserve	Other Reserves	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 30 September 2020 (Audited)</b>	<b>198,035</b>	<b>9,939</b>	<b>(13,738)</b>	<b>(72,615)</b>	<b>121,621</b>	<b>1,105</b>	<b>122,726</b>
Profit for the period	-	-	-	702	702	169	<b>871</b>
<b>Balance as at 31 March 2021</b>	<b>198,035</b>	<b>9,939</b>	<b>(13,738)</b>	<b>(71,913)</b>	<b>122,323</b>	<b>1,274</b>	<b>123,597</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 FPE 30 September 2020 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**

The current financial period under review covers three (3) months period from 1 January 2021 to 31 March 2021 and represents the second period subsequent to the change of the Group's financial year end. Accordingly, no comparative results and cash flow are presented.

##### **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 Period Ended ("FPE") 30 September 2020 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 October 2020. 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 FPE 30 September 2020.

**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 :-

As at 31 March 2021, the following warrants have not been exercised :-

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 31 March 2021	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	3,587	587	4,545	5,339	-	14,058
Cost of sales	(2,929)	(416)	(3,990)	(3,370)	-	(10,705)
Segment profit	658	171	555	1,969	-	3,353
Share of associate's results						5
Profit before taxation						451
Income tax expenses						(258)
Profit after tax						193
Other comprehensive income						-
<b>Total comprehensive profit</b>						<b>193</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 31 March 2021.

#### 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 FPE 30 September 2020.

**A16. Subsequent material events**

There are no material events subsequent to the financial period ended 31 March 2021 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**

	<b>Individual Period</b>	<b>Cumulative Period</b>
	<b>Current Year Quarter (3 months) 31.03.21 (RM'000)</b>	<b>Current Year To-Date (6 months) 31.03.21 (RM'000)</b>
Revenue	14,058	24,254
Operating Profit	593	1,530
Share of associate's results	5	155
Profit before tax	451	1,444
Profit after tax	193	871
Profit attributable to Equity holders of the Company	139	702

For the current financial and cumulative quarter ended 31 March 2021, the Group recorded revenue of RM14.058 million and RM24.254 million respectively, which is mainly contributed by F&B Distribution segment (38.0%) and Automation System segment (32.3%) . The profit before tax was mostly contributed from both of the segment also. The extension of the CMCO across Malaysia has not significantly affected the Group's operation and on-going projects, as the deliverable of the projects are still on schedule.

**Revenue by segment :**

	<b>Individual Period</b>	<b>Cumulative Period</b>
	<b>Current Year Quarter (3 months) 31.03.21 (RM'000)</b>	<b>Current Year To-Date (6 months) 31.03.21 (RM'000)</b>
ICT Services	3,587	5,270
Software Solutions	587	1,393
Automation systems	4,545	7,010
F&B Distribution	5,339	10,581
<b>Total</b>	<b>14,058</b>	<b>24,254</b>

### **ICT Services Segment**

For current financial quarter, ICT services contributed 25.5% of the Group's revenue, which is mainly contributed by the project awarded in January 2020 amounting to RM21.375 million and is expected to be completed by November 2022. There was higher progress billing during current quarter due to ramping up on the project progress to mitigate the MCO-related delays.

### **Software Solutions Segment**

For current financial quarter, Software Solutions contributed 4.2% of the Group's revenue. The revenue comprised mainly of installation, upgrades and maintenance services.

### **Automation Systems Segment**

For current financial quarter, Automation Systems contributed 32.3% of the Group's revenue, which is mainly contributed by the new project awarded in 2021 amounting to RM 34.666 million. The main revenue contributions from this segment came from integrated security division and mechanical & electrical works. There was higher progress billing during current financial quarter.

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

For current financial quarter, F&B Distribution contributed 38.0% of the Group's revenue. This segment continued to remain as the main contributor to the Group. The various MCO restrictions are not expected to substantially impact the F&B segment as most of the product sales were generated from re-supply orders by the hypermarkets and supermarkets.

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

	Current Year Quarter 31.03.21 (RM'000)	Immediate Preceding Quarter 31.12.20 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	14,058	10,196	3,862	37.9
Operating Profit	593	936	(343)	(36.6)
Share of associate's results	5	150	(145)	(96.7)
Profit before tax	451	992	(541)	(54.5)
Profit after tax	193	677	(484)	(71.5)
Profit attributable to equity holders of the Company	139	563	(424)	(75.3)

The Group's revenue for the current quarter increased by RM3.862 million, mainly contributed by the increase in ICT Services segment and Automation segment due to the higher progress billings. However, The Group recorded decrease in profit before tax of RM0.541 million, which was mainly due to the higher input cost.

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

The COVID-19 pandemic and Movement Control Order (“MCO”) and CMCO subsequently 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 the pandemic. In addition, The Group will continue to seek new business opportunities and new projects to expand the revenue base. The Group will also continue to pursue diversification strategy, which has proven to be effective as demonstrated by the acquisition of Sunland, to mitigate the reliance on the ICT market.

### **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 31.03.21 (RM'000)</b>	<b>Cumulative Year-to-Date 31.03.21 (RM'000)</b>
Current tax	258	573
	<b>258</b>	<b>573</b>

For the current financial quarter and cumulative financial quarter, the effective tax rates is 57.2% and 39.7%, which is 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, save as disclosed below, there are no corporate proposals announced but not completed:-

On 5 May 2021, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd announced that the Company proposes to undertake the following corporate exercises:-

- (a) undertake a reduction of the issued share capital of EAH pursuant to Section 116 of the Companies Act, 2016 ("Proposed Capital Reduction"); and
- (b) entered into a subscription agreement with Vivocom Intl Holdings Berhad ("Vivocom") for a proposed issuance of 1,250,000,000 new ordinary shares in EAH ("EAH Share(s)"), representing approximately 24.6% equity interest in EAH ("Subscription Share(s)") at an issue price of RM0.0231 per Subscription Share to Vivocom for total subscription consideration of RM28,875,000 which will be satisfied fully via the issuance of 50,890,025 new ordinary shares in Vivocom ("Vivocom Share(s)") ("Consideration Share(s)") at an issue price of RM0.5674 per Consideration Share ("Proposed Shares Issuance").

## **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 31 March 2021 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	1,449
Project Financing	3,872	-
Lease Liabilities	144	89
Total	4,146	1,538

## **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. Profit for the period**

	<b>Current Quarter Ended 31.03.21 (RM'000)</b>	<b>Cumulative Year-to-date 31.03.21 (RM'000)</b>
This is arrived at after (charging)/crediting :-		
Interest income	9	51
Interest expense	(147)	(241)
Depreciation and amortization	(166)	(321)

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.

		<b>Individual Quarter</b>	<b>Cumulative Period</b>
		<b>Current Year Quarter (3 months) 31.03.21</b>	<b>Current Year To-Date (6 months) 31.03.21</b>
Profit attributable to the equity holders of the Company	(RM'000)	139	702
Weighted average number of shares in issue	('000)	5,072,361	5,072,361
Basic profit per share	(Sen)	0.00	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  
 Tan Kah Koon  
 SSM PC NO. 201908001500 (MAICSA 7066666)  
 (Company Secretary)

Date: 30 June 2021