

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2022

	----- Individual Quarter -----		Cumulative
	Current year quarter 31 December 2022	Preceding year corresponding quarter 31 December 2021	Current year to date 31 December 2022
	RM'000	RM'000	RM'000
<b>Revenue</b>	15,011	10,927	65,723
Cost of Sales	<u>(11,085)</u>	<u>(6,806)</u>	<u>(44,428)</u>
<b>Gross Profit</b>	3,926	4,121	21,295
Other Operating Income	44	32	628
Operating Expenses	(2,617)	(2,713)	(14,645)
Depreciation and amortization	<u>(141)</u>	<u>(107)</u>	<u>(611)</u>
Operating Profit	1,212	1,333	6,667
Share of associate's results	(26)	843	(708)
Finance cost	<u>(45)</u>	<u>(51)</u>	<u>(335)</u>
<b>Profit Before Tax</b>	1,141	2,125	5,624
Taxation	<u>(426)</u>	<u>(371)</u>	<u>(1,906)</u>
<b>Profit After Tax</b>	715	1,754	3,718
Other comprehensive income	-	-	-
<b>Total comprehensive profit</b>	<u><b>715</b></u>	<u><b>1,754</b></u>	<u><b>3,718</b></u>
<b>Profit attributable to :</b>			
Equity holders of the Company	685	1,611	3,536
Non-controlling interests	30	143	182
	<u><b>715</b></u>	<u><b>1,754</b></u>	<u><b>3,718</b></u>
<b>Total comprehensive profit attributable to :</b>			
Equity holders of the Company	685	1,611	3,536
Non-controlling interests	30	143	182
	<u><b>715</b></u>	<u><b>1,754</b></u>	<u><b>3,718</b></u>
Weighted average no. of ordinary shares in issue ('000)	6,451,690	5,454,969	6,281,237
Earnings per share (sen):-			
a) Basic	0.01	0.03	0.06

^ As at 31 December 2022, Cekap Air Sdn Bhd recorded unaudited loss after tax of RM3,538,000  
The Group's share of loss 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 year ended ("FYE") 30 September 2021 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 2022

	As at 31 December 2022 (Unaudited) RM'000	As at 30 September 2021 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,342	5,670
Right-of-use assets	414	114
Investment in Associate Company	20,302	21,010
Intangible Assets - Goodwill on consolidation	34,987	34,987
Other receivables	1,798	2,082
Investment in quoted shares	23,210	-
	<u>86,053</u>	<u>63,863</u>
<b>Current assets</b>		
Inventories	4,580	6,119
Receivables	30,501	26,781
Contract Assets	2,340	2,180
Amount owing by Associate Company	3,566	4,066
Tax recoverable	51	51
Fixed Deposits with licensed banks	4,069	4,059
Short-term money market deposit	3,500	500
Cash And Cash Equivalents	15,324	15,587
	<u>63,931</u>	<u>59,343</u>
<b>Total Assets</b>	<u><u>149,984</u></u>	<u><u>123,206</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	126,745	198,035
Warrants reserve	9,939	9,939
Other reserves	(16,126)	(13,738)
Accumulated losses	15,823	(87,182)
	<u>136,381</u>	<u>107,054</u>
Non-controlling interests	(864)	1,566
<b>Total equity</b>	<u><u>135,517</u></u>	<u><u>108,620</u></u>
<b>Non-current liabilities</b>		
Borrowings	1,210	1,455
Lease liabilities	216	47
Deferred tax liabilities	340	340
	<u>1,766</u>	<u>1,842</u>
<b>Current liabilities</b>		
Payables	8,126	6,442
Contract liabilities	1,558	1,097
Lease liabilities	210	152
Amount due to director	15	15
Borrowings	139	79
Project overdraft	2,359	4,392
Provision for taxation	294	567
	<u>12,701</u>	<u>12,744</u>
<b>Total liabilities</b>	<u><u>14,467</u></u>	<u><u>14,586</u></u>
<b>Total equity and liabilities</b>	<u><u>149,984</u></u>	<u><u>123,206</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 FYE 30 September 2021 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 DECEMBER 2022**

	Current year to date 31 December 2022 (Unaudited) RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit Before Taxation	5,624
Adjustments for :-	
Depreciation and amortization	611
Share of associate's results	708
Reversal of impairment loss on receivables	(311)
Interest expenses	335
Interest income	(185)
	<u>1,158</u>
<b>Operating profit before working capital changes</b>	<b>6,782</b>
Changes in working capital	
Net change in associate company	500
Net change in inventories	1,539
Net change in trade and other receivables	(3,125)
Net change in trade and other payables	1,684
Net change in contract assets/contract liabilities	301
<b>Net cash generated from operations</b>	<b>7,681</b>
Interest received	185
Interest paid	(335)
Tax paid	(2,179)
<b>Net cash generated from operating activities</b>	<b>5,352</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of plant and equipment	(65)
<b>Net cash used in investing activities</b>	<b>(65)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Placement of fixed deposits	(10)
Repayment of lease liability	(291)
Borrowings	(2,218)
Payment of share issuance expenses	(31)
<b>Net cash used in financing activities</b>	<b>(2,550)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>2,737</b>
<b>Cash and Cash Equivalents at beginning of the period</b>	<b>16,087</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b>18,824</b>
<b>Represented by :</b>	
Cash and bank balances	18,824
	<u>18,824</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 30 September 2021 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 DECEMBER 2022**

	<----- 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	
Balance as at 30 September 2021 (Audited)	198,035	9,939	(13,738)	(87,182)	107,054	1,566	108,620
Issuance of share capital	23,210	-	-	(31)	23,179	-	23,179
Acquisition of subsidiary company	5,000	-	(2,388)	-	2,612	(2,612)	-
Capital reduction	(99,500)	-	-	99,500	-	-	-
Profit for the period	-	-	-	3,536	3,536	182	3,718
<b>Balance as at 31 December 2022</b>	<b>126,745</b>	<b>9,939</b>	<b>(16,126)</b>	<b>15,823</b>	<b>136,381</b>	<b>(864)</b>	<b>135,517</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 30 September 2021 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 September 2022, the Group has changed its financial year end from 30 September 2022 to 31 March 2023. Accordingly, the current financial period covers an eighteen (18) months period from 1 October 2021 to 31 March 2023.

##### **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") 30 September 2021 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 2021. 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 30 September 2021.

**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) On 30 November 2021, 1,100,000,000 ordinary shares of the Company were issued to Vinvest Capital Holdings Berhad in relation to the Subscription Agreement with EA Holdings Berhad.
- (b) On 6 January 2022, 279,329,600 ordinary shares of the Company were issued in relation to the acquisition of the remaining 10% equity interest in Sunland Volonte Agency Sdn Bhd.
- (c) As at 31 December 2022, the following warrants have not been exercised :-

Warrants D	Expired on 25 October 2022
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 December 2022	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	1,421	1,113	5,080	7,397	-	15,011
Cost of sales	(943)	(368)	(4,646)	(5,128)	-	(11,085)
Segment profit	478	745	434	2,269	-	3,926
Share of associate's results						(26)
Profit before taxation						1,141
Income tax expenses						(426)
Profit after tax						715
Other comprehensive income						-
<b>Total comprehensive income</b>						<b>715</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 December 2022.

#### 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 30 September 2021.

**A16. Subsequent material events**

There are no material events subsequent to the financial period ended 31 December 2022 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	Preceding Year Corresponding Quarter	Changes		Current Year To-Date
	31.12.22 (RM'000)	31.12.21 (RM'000)	(RM'000)	(%)	31.12.22 (RM'000)
Revenue	15,011	10,927	4,084	37.4	65,723
Operating Profit	1,212	1,333	(121)	(9.1)	6,667
Share of associate's results	(26)	843	(869)	(103.1)	(708)
Profit before tax	1,141	2,125	(984)	(46.3)	5,624
Profit after tax	715	1,754	(1,039)	(59.2)	3,718
Profit attributable to Equity holders of the Company	685	1,611	(926)	(57.5)	3,536

For the current financial quarter ended 31 December 2022, the Group recorded revenue of RM15.011 million, an increase of RM4.084 million compared to the same period in the last financial year. The increase was mainly contributed by Automation Systems and F&B Distribution segments. The Group recorded lower profit before tax, which is RM1.141 million during current financial quarter, a decrease of RM0.984 million compared to the same period in the last financial year. This is mainly due to the decrease from share of associate's results of RM0.869 million.

For the cumulative financial quarter ended 31 December 2022, the Group recorded revenue of RM65.723 million and profit before tax of RM5.624 million, which is mainly contributed by F&B Distribution segment (49.0%) and Automation System segment (23.2%).

**Revenue by segment :**

	Individual Period				Cumulative Period
	Current Year Quarter 31.12.22 (RM'000)	Preceding Year Corresponding 31.12.21 (RM'000)	Changes		Current Year To-Date 31.12.22 (RM'000)
			(RM'000)	(%)	
ICT Services	1,421	2,280	(859)	(37.7)	11,421
Software Solutions	1,113	1,116	(3)	(0.3)	6,856
Automation systems	5,080	1,467	3,613	246.3	15,221
F&B Distribution	7,397	6,064	1,333	22.0	32,225
<b>Total</b>	<b>15,011</b>	<b>10,927</b>	<b>4,084</b>	<b>37.4</b>	<b>65,723</b>

**ICT Services Segment**

For current financial quarter, ICT services recorded revenue of RM1.421 million, a decrease of RM0.859 million as compared to the same period in the last financial year, which was due to lower progress billing during current financial year. For financial year-to-date, this segment recorded revenue of RM11.421 million, which contributed 17.4% of the Group's revenue.

**Software Solutions Segment**

For current and cumulative financial quarter, Software Solutions recorded revenue of RM1.113 million and RM6.856 million respectively, which is mainly comprised of installation, upgrades and maintenance services. This segment contributed 10.4% of the Group's revenue.

**Automation Systems Segment**

For current financial quarter, Automation Systems recorded revenue of RM5.080 million, an increase of RM3.613 million as compared to the same period in the last financial year, which was due to new projects won and higher progress billing during current financial year. For financial year-to-date, this segment recorded revenue of RM15.221 million, which contributed 23.2% of the Group's revenue. The main revenue contributions from this segment came from integrated security division and mechanical & electrical works.

**F&B Distribution Segment**

For current and cumulative financial quarter, F&B Distribution recorded revenue of RM7.397 million and RM32.225 million respectively, which contributed 49.0% of the Group's revenue. This segment continued to remain as the main contributor to the Group. The higher revenue recorded in current financial quarter is due to the higher selling prices in tandem with the higher cost of imported goods sold.

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

	Current Year Quarter 31.12.22 (RM'000)	Immediate Preceding Quarter 30.09.22 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	15,011	14,962	49	0.3
Operating Profit	1,212	2,290	(1,078)	(47.1)
Share of associate's results	(26)	(1,047)	1,021	(97.5)
Profit before tax	1,141	1,146	(5)	(0.4)
Profit after tax	715	695	20	2.9
Profit attributable to equity holders of the Company	685	598	87	14.5

The Group's revenue for the current quarter increased by RM0.049 million, mainly contributed by the increase in Automation Systems segment and F&B Distribution segment. The Group recorded slight decrease in profit before tax of RM0.005 million, which was mainly due to the higher input cost.

## B3. Prospects for 2023

The Group will continue to seek new business opportunities and new projects to expand its 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 reduce reliance on the ICT sector.

On 6 January 2022, the Company had increased its paid up share capital of RM5,000,000 via issuance of ordinary shares for acquisition of remaining stake of 10% in Sunland, thereby making Sunland into a wholly-owned subsidiary company of the Group.

As the nation's economy is still recovering from the Covid-19 pandemic, the Group expect to continue this positive trajectory. In the meanwhile, the Group will continue to implement cost control measures across all its operating entities. The actions have been taken to identify and pursue emerging opportunities in order to have better cash flow management.

## 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 31.12.22 (RM'000)</b>	<b>Cumulative Year-to-Date 31.12.22 (RM'000)</b>
Current tax	426	1,906
	<b>426</b>	<b>1,906</b>

For the current financial quarter and cumulative financial quarter, the effective tax rates of the Group are 37.3% and 33.9% respectively, which were higher than the statutory rate due to certain subsidiary companies of the Group being 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 31 December 2022 are as follows:-

	<b>Short Term (RM'000)</b>	<b>Long Term (RM'000)</b>
<b>Secured</b>		
Term Loans	139	1,210
Project Overdraft	2,359	-
Lease Liabilities	210	216
Total	2,708	1,426

**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 31.12.22 (RM'000)</b>	<b>Cumulative Year-to-date 31.12.22 (RM'000)</b>
This is arrived at after (charging)/crediting :-		
Interest income	17	185
Reversal of impairment loss on receivables	-	311
Interest expense	(45)	(335)
Depreciation and amortization	(141)	(611)

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 31.12.22	Preceding Year Corresponding 31.12.21	Current Year To-Date 31.12.22
Profit attributable to the equity holders of the Company	(RM'000)	685	1,611	3,536
Weighted average number of shares in issue	('000)	6,451,690	5,454,969	6,281,237
Basic earnings per share	(Sen)	0.01	0.03	0.06

(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: 28 February 2023