

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2023

	----- Individual Quarter -----		Cumulative Quarter	
	Current year quarter 31 December 2023	Preceding year corresponding quarter 31 December 2022	Current year to date 31 December 2023	Preceding year corresponding period 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	9,698	15,011	40,659	N/A
Cost of Sales	(6,612)	(11,085)	(30,657)	N/A
Gross Profit	3,086	3,926	10,002	N/A
Other Operating Income	284	44	466	N/A
Operating Expenses	(2,633)	(2,617)	(30,190)	N/A
Depreciation and amortization	(163)	(141)	(437)	N/A
Operating Profit/(Loss)	574	1,212	(20,159)	N/A
Share of associate's results	-	(26)	(22)	N/A
Finance cost	(110)	(45)	(270)	N/A
Profit/(Loss) Before Tax	464	1,141	(20,451)	N/A
Taxation	(559)	(426)	(1,245)	N/A
(Loss)/Profit After Tax	(95)	715	(21,696)	N/A
Other comprehensive income	-	-	-	N/A
Total comprehensive (loss)/profit	(95)	715	(21,696)	N/A
(Loss)/Profit attributable to :				
Equity holders of the Company	(71)	685	(21,634)	N/A
Non-controlling interests	(24)	30	(62)	N/A
	(95)	715	(21,696)	N/A
Total comprehensive (loss)/profit attributable to :				
Equity holders of the Company	(71)	685	(21,634)	N/A
Non-controlling interests	(24)	30	(62)	N/A
	(95)	715	(21,696)	N/A
Weighted average no. of ordinary shares in issue ('000)	6,451,763	6,451,690	6,451,763	N/A
(Loss)/Earnings per share (sen):-				
a) Basic	(0.00)	0.01	(0.34)	N/A

^ On 10 August 2023, EAH had disposed its investment in an associate, Cekap Air Sdn Bhd.

As at 10 August 2023, Cekap Air Sdn Bhd recorded unaudited loss after tax of RM112,000.

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 period ended ("FPE") 31 March 2023 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 2023**

	As at 31 December 2023 (Unaudited) RM'000	As at 31 March 2023 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,356	5,210
Right-of-use assets	277	318
Investment in Associate Company	-	9,499
Intangible Assets - Goodwill on consolidation	34,987	34,987
Other receivables	1,294	1,294
Other investment	-	12,529
Deferred tax asset	70	70
	<u>41,984</u>	<u>63,907</u>
Current assets		
Inventories	5,401	7,085
Receivables	31,582	26,583
Contract Assets	2,499	6,603
Tax recoverable	4	55
Fixed Deposits with licensed banks	4,149	4,131
Short-term money market deposit	4,000	3,500
Cash And Cash Equivalents	16,483	19,506
	<u>64,118</u>	<u>67,463</u>
Total Assets	<u><u>106,102</u></u>	<u><u>131,370</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	136,687	136,686
Other reserves	(13,738)	(13,738)
Accumulated losses	(28,988)	(7,354)
	<u>93,961</u>	<u>115,594</u>
Non-controlling interests	(763)	(701)
Total equity	<u><u>93,198</u></u>	<u><u>114,893</u></u>
Non-current liabilities		
Borrowings	1,171	1,275
Lease liabilities	63	157
Deferred tax liabilities	393	393
	<u>1,627</u>	<u>1,825</u>
Current liabilities		
Payables	6,178	7,934
Contract liabilities	83	1,961
Lease liabilities	185	158
Amount due to director	71	88
Borrowings	4,025	3,511
Provision for taxation	735	1,000
	<u>11,277</u>	<u>14,652</u>
Total liabilities	<u><u>12,904</u></u>	<u><u>16,477</u></u>
Total equity and liabilities	<u><u>106,102</u></u>	<u><u>131,370</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.01</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 31 March 2023 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 2023**

	Current year to date 31 December 2023 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES	
Loss Before Taxation	(20,451)
Adjustments for :-	
Depreciation and amortization	437
Share of associate's results	22
Reversal of impairment loss on receivables	(128)
Gain on disposal of property, plant and equipment	(72)
Loss on disposal of investment in an associate	8,477
Loss on disposal of other investment	3,760
Fair value loss on other investment	8,457
Interest expenses	270
Interest income	(65)
	<u>21,158</u>
Operating profit before working capital changes	707
Changes in working capital	
Net change in inventories	1,684
Net change in trade and other receivables	(4,871)
Net change in trade and other payables	(1,756)
Net change in contract assets/contract liabilities	2,226
Net cash used in operations	<u>(2,027)</u>
Interest received	65
Interest paid	(270)
Tax paid	(1,459)
Net cash used in operating activities	<u>(3,691)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of plant and equipment	(470)
Proceeds from disposal of plant and equipment	78
Proceeds from disposal of investment in an associate	1,000
Proceeds from disposal of other investment	312
Net cash generated from investing activities	<u>920</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Placement of fixed deposits	(18)
Repayment of lease liability	(145)
Proceeds from exercise of warrants	1
Borrowings	410
Net cash generated from financing activities	<u>248</u>
Net Change in Cash and Cash Equivalents	(2,523)
Cash and Cash Equivalents at beginning of the period	23,006
Cash and Cash Equivalents at end of the period	<u><u>20,483</u></u>
Represented by :	
Cash and bank balances	20,483
	<u><u>20,483</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 FPE 31 March 2023 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 2023

	----- Attributable to equity holders of the Company -----				Non-controlling interests	Total Equity
	- Non-distributable -		<Distributable>			
	Share Capital	Other Reserves	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 31 March 2023 (Audited)	136,686	(13,738)	(7,354)	115,594	(701)	114,893
Exercise of warrant	1	-	-	1	-	1
Loss for the period	-	-	(21,634)	(21,634)	(62)	(21,696)
Balance as at 31 December 2023	136,687	(13,738)	(28,988)	93,961	(763)	93,198

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 31 March 2023 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 covers three (3) months period from 1 October 2023 to 31 December 2023 and represents the third 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") 31 March 2023 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 2023. 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 31 March 2023.

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 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.

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) Automation systems comprising RFID access control systems, building automation system, industrial security system and mechanical & electrical engineering services (“Automation Systems”); and
- c) Sales and distribution of food and beverages products (“F&B Distribution”)

Quarter ended 31 December 2023	ICT Services (RM'000)	Automation Systems (RM'000)	F&B Distribution (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Revenue from external customers	639	1,079	7,980	-	9,698
Cost of sales	(572)	(883)	(5,157)	-	(6,612)
Segment profit	67	196	2,823	-	3,086
Share of associate's results					-
Profit before taxation					464
Income tax expenses					(559)
Loss after tax					(95)
Other comprehensive loss					-
Total comprehensive loss					(95)

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 2023.

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 31 March 2023.

A16. Subsequent material events

There are no material events subsequent to the financial period ended 31 December 2023 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 31.12.23 (RM'000)	Preceding Year Corresponding Quarter 31.12.22 (RM'000)	Changes		Current Year To-Date 31.12.23 (RM'000)
			(RM'000)	(%)	
Revenue	9,698	15,011	(5,313)	(35.4)	40,659
Operating Profit/(Loss)	574	1,212	(638)	(52.6)	(20,159)
Share of associate's results	-	(26)	26	(100.0)	(22)
Profit/(Loss) before tax	464	1,141	(677)	(59.3)	(20,451)
(Loss)/Profit after tax	(95)	715	(810)	(113.3)	(21,696)
(Loss)/Profit attributable to Equity holders of the Company	(71)	685	(756)	(110.4)	(21,634)

For the current financial quarter ended 31 December 2023, the Group recorded revenue of RM9.698 million, a decrease of RM5.313 million as compared to the same period in the last financial year, due to the decrease in ICT Services and Automation System segments. The Group recorded profit before tax of RM0.464 million during current quarter, a decrease of RM0.677 million as compared to the same period in the last financial year, which is in line with the decrease in the revenue during the current quarter.

For the cumulative financial quarter ended 31 December 2023, the Group recorded revenue of RM40.659 million, which is mainly contributed by F&B Distribution segment (56.9%) and Automation System segment (29.9%). The Group recorded loss before tax of RM20.451 million, which is mainly due to the fair value loss on other investment, loss on disposal of investment in an associate company and other investment.

Revenue by segment :

	Individual Period				Cumulative Period
	Current Year	Preceding Year	Changes		Current Year
	Quarter 31.12.23 (RM'000)	Corresponding 31.12.22 (RM'000)	(RM'000)	(%)	To-Date 31.12.23 (RM'000)
ICT Services	639	2,534	(1,895)	(74.8)	5,341
Automation systems	1,079	5,080	(4,001)	(78.8)	12,176
F&B Distribution	7,980	7,397	583	7.9	23,142
Total	9,698	15,011	(5,313)	(35.4)	40,659

ICT Services Segment

For current financial quarter, ICT services recorded revenue of RM0.639 million, a decrease of RM1.895 million as compared to the same period in the last financial year. This is mainly due to lower projects wins and lower progress billings. This segment contributed 13.2% of the Group's revenue during cumulative financial quarter.

Automation Systems Segment

For current financial quarter, Automation Systems recorded revenue of RM1.079 million, a decrease of RM4.001 million as compared to the same period in the last financial year, which was due to the lower contribution from the mechanical & electrical engineering services (M&E) as the project in hand almost completed. For cumulative financial quarter, this segment contributed 29.9% of the Group's revenue.

F&B Distribution Segment

For current financial quarter, F&B Distribution recorded revenue of RM7.980 million, an increase of RM0.583 million as compared to the same period in the last financial year, which was due to the increase of selling prices in tandem with the higher cost of imported goods sold. This segment remained as the main contributor (56.9%) of the revenue stream for the Group during cumulative financial quarter.

B2. Comparison to the results of the preceding quarter

	Current Year Quarter 31.12.23 (RM'000)	Immediate Preceding Quarter 30.09.23 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	9,698	10,860	(1,162)	(10.7)
Operating Profit/(Loss)	574	(12,783)	13,357	(104.5)
Share of associate's results	-	(178)	178	(100.0)
Profit/(Loss) before tax	464	(13,051)	13,515	(103.6)
Loss after tax	(95)	(13,347)	13,252	(99.3)
Loss attributable to equity holders of the Company	(71)	(13,299)	13,228	(99.5)

The Group's revenue for the current quarter decreased by RM1.162 million, mainly contributed by the decrease of revenue in ICT Services and Automation System segments, due to the lower projects wins and lower progress billings. The Group recorded profit before tax of RM0.464 million during current quarter, an increase of RM13.515 million as compared to the immediate preceding quarter. The higher loss in preceding quarter was mainly attributable to the loss on disposal of investment in its loss making associate company and other investment.

B3. Prospects for 2024

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.

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

	Current Quarter 31.12.23 (RM'000)	Cumulative Year-to-Date 31.12.23 (RM'000)
Current tax	559	1,245
	559	1,245

For the current financial quarter and cumulative financial quarter, the effective tax rates is lower than the statutory rate due to the combination of profits and losses between the various subsidiary companies.

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 2023 are as follows:-

	Short Term (RM'000)	Long Term (RM'000)
Secured		
Term Loans	142	1,171
Project Overdraft	3,883	-
Lease Liabilities	185	63
Total	4,210	1,234

B9. Material Litigation

There are two material litigations as per followings:

- a) *Mohammad Sobri Bin Saad ("Plaintiff ") vs See Jovin & EA Holdings Berhad ("Defendants") [Hereinafter shall be referred to as Suit 535].*
EAH was served with a Writ and a Notice of Application (“Injunction Application”) vide Suit 535 on 27 July 2023.
- b) *VinVest Capital Holdings Berhad ("Plaintiff") vs EA Holdings Berhad & See Jovin ("Defendants") [Hereinafter shall be referred to as Suit 536].*
EAH was served with a Writ and a Notice of Application (“Injunction Application”) vide Suit 536 on 28 July 2023.

The Injunction Application was called up for Inter Partes Hearing on 1 August 2023 (Suit 535) and 2 August 2023 (Suit 536) respectively. An ad interim injunction was granted by the High Court with the following terms: -

“Pending the full and final disposal of the Injunction Application, an injunction be granted to restrain and prohibit the Defendants (whether by themselves or their agents, representatives, nominees and/or whosoever) from: -

- 1) transferring, selling, charging, encumbering, processing, communicating, disclosing and/or in any manner dealing with any particulars and/or information of the Plaintiff’s shares in the Company (“the Plaintiff’s Shares”) and/or the Record of Depositors of the Company to any other parties, individuals, companies and/or their agents, representatives, nominees and/or whosoever;
- 2) claiming any rights whatsoever in relation to the Plaintiff’s Shares;
- 3) exercising any rights arising from the Plaintiff’s Shares to vote in full or in part and/or exercising any voting rights and/or any other rights arising thereto; and
- 4) exercising any rights to hold, call and/or requisition for any extraordinary general meeting and/or to pass any resolutions in relation to the Company.”

On 21 August 2023, Mr. Ng Cheng Shin (a member who claims he holds 10% or more of the issued share capital of the Company) had file a Notice of Application (Intervention) (“Enclosure 18”) to be the 3rd defendant in Suit 536.

On 4 September 2023, Mr Koh Chee Meng (“the Plaintiff”), one of the shareholders had filed an Originating Summons No. WA-24NCC-477-08/2023 (“OS”) against EA Holdings Berhad as the Defendant. The High Court has fixed the Originating Summons for Hearing on 11th December 2023.

On 10 October 2023, The High Court has given the following directions with respect to the hearing of the Intervener Application filed by Mr. Ng Cheng Shin on 21 August 2023:-

- 1) An Order recorded by the parties before the High Court to include Ng Cheng Shin as the 3rd Defendant;
- 2) Plaintiff to file Amended Statement of Claim on or before 24.10.2023;
- 3) Defendants to file Defence / Amended Defence on or before 07.11.2023;
- 4) Plaintiff to file Reply to Defence / Amended Reply to Defence on or before 21.11.2023; and
- 5) e-Review is fixed on 18.12.2023 for the parties to update the High Court as to the filing status of the pleadings and for the High Court to give further directions on the Injunction Application (Enclosure 3) (i.e. filing of affidavits and submissions / to fix a hearing date).

In light of the above, the High Court has also directed for the Plaintiff to file an amended Ad Interim Order in respect of Enclosure 3.

On 6 November 2023, Mr. Ng Cheng Shin (“3rd Defendant”) filed his Defence and Counterclaim dated 6 November 2023 in the Suit 536. The 3rd Defendant had named the Company, the directors of the Company, EA Holdings Berhad and its directors as defendants in the Counterclaim.

The 3rd Defendant claimed the following relief in the Counterclaim:

- a) suatu deklarası bahawa Tindakan Asal yang dimulakan oleh Vinvest Capital Holdings Berhad, Defendan Pertama melalui Tuntutan Balas dalam Mahkamah Tinggi Malaya di Kuala Lumpur adalah suatu penyalahgunaan proses;
- b) suatu deklarası bahawa Guaman No. WA-22NCC-535-07/2023 yang dimulakan oleh Mohammad Sobri bin Saad, Defendan Ke-3 melalui Tuntutan Balas dalam Mahkamah Tinggi Malaya di Kuala Lumpur adalah suatu penyalahgunaan proses;
- c) terhadap Defendan-defendan melalui Tuntutan Balas secara bersesama dan berasingan, ganti rugi;
- d) faedah daripada tarikh penghakiman hingga tarikh penyelesaian penuh dan muktamad;
- e) kos; dan
- f) apa-apa relief selanjutnya atau lain yang dianggap adil dan suai manfaat oleh Mahkamah yang Mulia ini.”

On 18 December 2023, the High Court had given the following directions in the Suit 536:-

- a) For Enclosure 1 (Writ), the High Court had directed that the Defendants in the Counterclaim to file their defence on or before 3.01.2024;
- b) E-Review is fixed on 11.01.2024 for the High Court to give further directions.

There is no material financial and operational impact arising from the above.

B10. Dividends

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

B11. Profit/(Loss) for the period

	Current Quarter Ended 31.12.23 (RM'000)	Cumulative Year-to-date 31.12.23 (RM'000)
This is arrived at after (charging)/crediting :-		
Interest income	29	65
Reversal of impairment loss on receivables	-	128
Gain on disposal of property, plant and equipment	14	72
Loss on disposal of investment in an associate company	-	(8,477)
Loss on disposal of other investment	-	(3,760)
Interest expense	(110)	(270)
Depreciation and amortization	(163)	(437)
Fair value loss on other investment	-	(8,457)

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 31.12.23	Preceding Year Corresponding 31.12.22	Current Year To-Date 31.12.23
(Loss)/Profit attributable to the equity holders of the Company	(RM'000)	(71)	685	(21,634)
Weighted average number of shares in issue	('000)	6,451,763	6,451,690	6,451,763
Basic (loss)/Profit per share	(Sen)	(0.00)	0.01	(0.34)

(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: 29 February 2024