

EA HOLDINGS BERHAD (878041-A)

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

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 31 March 2022 RM'000	Preceding year corresponding quarter 31 March 2021 RM'000	Current year to date 31 March 2022 RM'000	Preceding year corresponding period 31 March 2021 RM'000
Revenue	13,455	14,058	24,382	24,254
Cost of Sales	(8,680)	(10,705)	(15,487)	(17,441)
Gross Profit	4,775	3,353	8,895	6,813
Other Operating Income	144	23	177	123
Operating Expenses	(3,622)	(2,617)	(6,335)	(5,085)
Depreciation and amortization	(124)	(166)	(231)	(321)
Operating Profit	1,173	593	2,506	1,530
Share of associate's results	(532)	5	311	155
Finance cost	(59)	(147)	(110)	(241)
Profit Before Tax	582	451	2,707	1,444
Taxation	(320)	(258)	(690)	(573)
Profit After Tax	262	193	2,017	871
Other comprehensive income	-	-	-	-
Total comprehensive profit	262	193	2,017	871
Profit attributable to :				
Equity holders of the Company	347	139	1,959	702
Non-controlling interests	(85)	54	58	169
	262	193	2,017	871
Total comprehensive profit attributable to :				
Equity holders of the Company	347	139	1,959	702
Non-controlling interests	(85)	54	58	169
	262	193	2,017	871
Weighted average no. of ordinary shares in issue ('000)	6,436,172	5,072,361	6,004,338	5,072,361
Earnings per share (sen):-				
a) Basic	0.01	0.00	0.03	0.01

^ As at 31 March 2022, Cepak Air Sdn Bhd recorded unaudited profit after tax of RM1,557,000
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 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 MARCH 2022

	As at 31 March 2022 (Unaudited) RM'000	As at 30 September 2021 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,557	5,670
Right-of-use assets	31	114
Investment in Associate Company	21,321	21,010
Intangible Assets - Goodwill on consolidation	34,987	34,987
Other receivables	2,798	2,082
Investment in quoted shares	23,210	-
	<u>87,904</u>	<u>63,863</u>
Current assets		
Inventories	4,175	6,119
Receivables	28,944	26,781
Contract Assets	1,249	2,180
Amount owing by Associate Company	4,066	4,066
Tax recoverable	51	51
Fixed Deposits with licensed banks	4,059	4,059
Short-term money market deposit	3,000	500
Cash And Cash Equivalents	12,643	15,587
	<u>58,187</u>	<u>59,343</u>
Total Assets	<u><u>146,091</u></u>	<u><u>123,206</u></u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	126,745	198,035
Warrants reserve	9,939	9,939
Other reserves	(16,126)	(13,738)
Accumulated losses	14,246	(87,182)
	<u>134,804</u>	<u>107,054</u>
Non-controlling interests	(988)	1,566
Total equity	<u><u>133,816</u></u>	<u><u>108,620</u></u>
Non-current liabilities		
Borrowings	1,367	1,455
Lease liabilities	17	47
Deferred tax liabilities	340	340
	<u>1,724</u>	<u>1,842</u>
Current liabilities		
Payables	5,192	6,442
Contract liabilities	58	1,097
Lease liabilities	80	152
Amount due to director	15	15
Borrowings	134	79
Bank overdraft	4,429	4,392
Provision for taxation	643	567
	<u>10,551</u>	<u>12,744</u>
Total liabilities	<u><u>12,275</u></u>	<u><u>14,586</u></u>
Total equity and liabilities	<u><u>146,091</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 MARCH 2022**

	Current year to date 31 March 2022 (Unaudited) RM'000	Preceding year corresponding period 31 March 2021 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	2,707	1,444
Adjustments for :-		
Depreciation and amortization	231	321
Share of associate's results	(311)	(155)
Interest expenses	110	241
Interest income	(128)	(51)
	<u>(98)</u>	<u>356</u>
Operating profit before working capital changes	2,609	1,800
Changes in working capital		
Net change in associate company	-	(359)
Net change in inventories	1,944	(252)
Net change in trade and other receivables	(2,879)	(4,691)
Net change in trade and other payables	(1,250)	(1,243)
Net change in contract assets/contract liabilities	(108)	(1,508)
Net cash generated from/(used in) operations	316	(6,253)
Interest received	128	51
Interest paid	(110)	(241)
Tax paid	(614)	(575)
Net cash generated used in operating activities	(280)	(7,018)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(35)	(60)
Net cash used in investing activities	(35)	(60)
CASH FLOW FROM FINANCING ACTIVITIES		
Placement of fixed deposits	-	(88)
Repayment of lease liability	(102)	(127)
Borrowings	(33)	3,809
Payment of share issuance expenses	(31)	-
Net cash (used in)/generated from financing activities	(166)	3,594
Net Change in Cash and Cash Equivalents	(481)	(3,484)
Cash and Cash Equivalents at beginning of the period	11,695	23,482
Cash and Cash Equivalents at end of the period	11,214	19,998
Represented by :		
Cash and bank balances	11,214	19,998
	<u>11,214</u>	<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 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 MARCH 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	-	-	-	1,959	1,959	58	2,017
Balance as at 31 March 2022	126,745	9,939	(16,126)	14,246	134,804	(988)	133,816
As at preceding year corresponding quarter 31 March 2021							
Balance as at 30 September 2020 (Audited)	198,035	9,939	(13,738)	(72,615)	121,621	1,105	122,726
Profit for the period	-	-	-	702	702	169	871
Balance as at 31 March 2021	198,035	9,939	(13,738)	(71,913)	122,323	1,274	123,597

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. 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").

A2. 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 MFRSSs, 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 MFRSSs, Interpretations and Technical Releases did not result in any changes to the significant accounting policies adopted by the Group.

A3. 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.

A4. Seasonal or cyclical factors

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

A5. 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.

A6. 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.

A7. 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 March 2022, the following warrants have not been exercised :-

Warrants D	993,885,016 units
Warrants E	1,087,061,194 units

A8. Dividend paid

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

A9. 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 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	3,536	1,114	2,868	5,937	-	13,455
Cost of sales	(2,449)	(341)	(2,260)	(3,630)	-	(8,680)
Segment profit	1,087	773	608	2,307	-	4,775
Share of associate's results						(532)
Profit before taxation						582
Income tax expenses						(320)
Profit after tax						262
Other comprehensive income						-
Total comprehensive income						262

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.

A10. 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.

A11. Capital commitments

There are no material capital commitments in respect of property, plant and equipment as at 31 March 2022.

A12. 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.

A13. Changes in the composition of the Group

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

A14. 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.

A15. Subsequent material events

There are no material events subsequent to the financial period ended 31 March 2022 that has not been reflected in this interim financial report.

A16. 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	Preceding Year Corresponding Period	Changes	
			(RM'000)	(%)			(RM'000)	(%)
	31.03.22 (RM'000)	31.03.21 (RM'000)	(RM'000)	(%)	31.03.22 (RM'000)	31.03.21 (RM'000)	(RM'000)	(%)
Revenue	13,455	14,058	(603)	(4.3)	24,382	24,254	128	0.5
Operating Profit	1,173	593	580	97.8	2,506	1,530	976	63.8
Share of associate's results	(532)	5	(537)	(10,740.0)	311	155	156	100.6
Profit before tax	582	451	131	29.0	2,707	1,444	1,263	87.5
Profit after tax	262	193	69	35.8	2,017	871	1,146	131.6
Profit attributable to Equity holders of the Company	347	139	208	149.6	1,959	702	1,257	179.1

For the current financial quarter ended 31 March 2022, the Group recorded revenue of RM13.455 million, a decrease of RM0.603 million compared to the same period in the last financial year. The decrease was mainly due to the decrease in Automation systems segment of RM1.677 million, which was due to the lower sales from the sub-segments building management systems and integrated security. Notwithstanding that, the F&B and Software Solutions segments had recorded higher revenues to mitigate the decrease in the Group's overall revenues. The Group recorded higher profits before tax during current financial quarter, which was mainly attributable to the higher gross profit margin from the new projects.

For the cumulative financial quarter ended 31 March 2022, the Group recorded revenue of RM24.382 million, an increase of RM0.128 million as compared to the same period in the last financial year. The increase was mainly due to the increase in contribution by the ICT Services, Software Solutions and F&B distribution segments.

Revenue by segment :

	Individual Period				Cumulative Period			
	Current Year Quarter 31.03.22 (RM'000)	Preceding Year Corresponding 31.03.21 (RM'000)	Changes		Current Year To-Date 31.03.22 (RM'000)	Preceding Year Corresponding 31.03.21 (RM'000)	Changes	
			(RM'000)	(%)			(RM'000)	(%)
ICT Services	3,536	3,587	(51)	(1.4)	5,816	5,270	546	10.4
Software Solutions	1,114	587	527	89.8	2,230	1,393	837	60.1
Automation systems	2,868	4,545	(1,677)	(36.9)	4,335	7,010	(2,675)	(38.2)
F&B Distribution	5,937	5,339	598	11.2	12,001	10,581	1,420	13.4
Total	13,455	14,058	(603)	(4.3)	24,382	24,254	128	0.5

ICT Services Segment

For current financial quarter, ICT services contributed 26.3% of the Group's revenue. For financial year-to-date, ICT services recorded increase of RM0.546 million as compared to the same period last year, due to new projects won and higher progress billing during current financial year.

Software Solutions Segment

For current financial quarter, Software Solutions contributed 8.3% of the Group's revenue. For the financial year-to-date, Software Solutions recorded increase of RM0.837 million compared to the same period last year, due to the new projects won during the current financial year. The revenue comprised mainly of installation, upgrades and maintenance services.

Automation Systems Segment

For current financial quarter, Automation Systems contributed 21.3% of the Group's revenue. For the financial year-to-date, Automation Systems recorded decrease of RM2.675 million compared to the same period last year, due to the lower contribution from building automation projects and integrated security.

F&B Distribution Segment

For current financial quarter, F&B Distribution contributed 44.1% of the Group's revenue. For the financial year-to-date, F&B Distribution recorded increase RM1.420 million compared to the same period last year, due to the increase of orders from the hypermarkets and retail customers as the re-opening of all sectors during the Covid endemic stage. This segment continued to remain as the main contributor to the Group.

B2. Comparison to the results of the preceding quarter

	Current Year Quarter 31.03.22 (RM'000)	Immediate Preceding Quarter 31.12.21 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	13,455	10,927	2,528	23.1
Operating Profit	1,173	1,333	(160)	(12.0)
Share of associate's results	(532)	843	(1,375)	(163.1)
Profit before tax	582	2,125	(1,543)	(72.6)
Profit after tax	262	1,754	(1,492)	(85.1)
Profit attributable to equity holders of the Company	347	1,611	(1,264)	(78.5)

The Group's revenue for the current quarter increased by RM2.528 million, mainly contributed by the increase in ICT Services segment and Automation Systems segment. The Group recorded decrease in profit before tax of RM1.543 million. This was mainly attributable to the lower share of associate's results, which was due to slower progress billings for their water treatment projects.

B3. Prospects for 2022

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 1 December 2021, the Company had entered into a Memorandum of Understanding with Third Telecom Sdn Bhd to collaborate for the design, provision and distribution of broadband access solutions, services and equipment utilising the 5G technology in Malaysia. With this collaboration, we are strategically positioning EAH Group to capitalize on the prospects of the next phase of the technology revolution in Malaysia, which is the roll-out of the 5G services, spearheaded by Digital Nasional Berhad.

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

	Current Quarter 31.03.22 (RM'000)	Cumulative Year-to-Date 31.03.22 (RM'000)
Current tax	320	690
	320	690

For the current financial quarter and cumulative financial quarter, the effective tax rates of the Group are 55.0% and 25.5% 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 March 2022 are as follows:-

	Short Term (RM'000)	Long Term (RM'000)
Secured		
Term Loans	134	1,367
Lease Liabilities	80	17
Total	214	1,384

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

	Current Quarter Ended 31.03.22 (RM'000)	Cumulative Year-to-date 31.03.22 (RM'000)
This is arrived at after (charging)/crediting :-		
Interest income	119	128
Interest expense	(59)	(110)
Depreciation and amortization	(124)	(231)

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 31.03.22	Preceding Year Corresponding 31.03.21	Current Year To-Date 31.03.22	Preceding Year Corresponding 31.03.21
Profit attributable to the equity holders of the Company	(RM'000)	347	139	1,959	702
Weighted average number of shares in issue	('000)	6,436,172	5,072,361	6,004,338	5,072,361
Basic earnings per share	(Sen)	0.01	0.00	0.03	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: 31 May 2022