

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2024

	----- Individual Quarter -----		Cumulative Quarter	
	Current year quarter 31 March 2024	Preceding year corresponding quarter 31 March 2023	Current year to date 31 March 2024	Preceding year corresponding period 31 March 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	10,561	20,873	51,221	N/A
Cost of Sales	(7,117)	(10,947)	(37,775)	N/A
Gross Profit	3,444	9,926	13,446	N/A
Other Operating Income	86	515	552	N/A
Operating Expenses	(4,321)	(18,908)	(34,512)	N/A
Depreciation and amortization	(136)	(197)	(572)	N/A
Operating Loss	(927)	(8,664)	(21,086)	N/A
Share of associate's results	-	(10,837)	(22)	N/A
Finance cost	(66)	(229)	(336)	N/A
Loss Before Tax	(993)	(19,730)	(21,444)	N/A
Taxation	(276)	(1,111)	(1,521)	N/A
Loss After Tax	(1,269)	(20,841)	(22,965)	N/A
Other comprehensive income	-	-	-	N/A
Total comprehensive loss	(1,269)	(20,841)	(22,965)	N/A
Loss attributable to :				
Equity holders of the Company	(1,197)	(21,006)	(22,830)	N/A
Non-controlling interests	(72)	165	(135)	N/A
	(1,269)	(20,841)	(22,965)	N/A
Total comprehensive loss attributable to :				
Equity holders of the Company	(1,197)	(21,006)	(22,830)	N/A
Non-controlling interests	(72)	165	(135)	N/A
	(1,269)	(20,841)	(22,965)	N/A
Weighted average no. of ordinary shares in issue ('000)	6,451,763	6,451,720	6,451,763	N/A
Loss per share (sen):-				
a) Basic	(0.02)	(0.33)	(0.35)	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 MARCH 2024**

	As at 31 March 2024 (Unaudited) RM'000	As at 31 March 2023 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,408	5,210
Right-of-use assets	235	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>41,994</u>	<u>63,907</u>
Current assets		
Inventories	3,682	7,085
Receivables	31,745	26,583
Contract Assets	2,979	6,603
Tax recoverable	4	55
Fixed Deposits with licensed banks	4,149	4,131
Short-term money market deposit	2,000	3,500
Cash And Cash Equivalents	14,424	19,506
	<u>58,983</u>	<u>67,463</u>
Total Assets	<u><u>100,977</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	(30,184)	(7,354)
	<u>92,765</u>	<u>115,594</u>
Non-controlling interests	(836)	(701)
Total equity	<u><u>91,929</u></u>	<u><u>114,893</u></u>
Non-current liabilities		
Borrowings	1,134	1,275
Lease liabilities	16	157
Deferred tax liabilities	393	393
	<u>1,543</u>	<u>1,825</u>
Current liabilities		
Payables	3,037	7,934
Contract liabilities	83	1,961
Lease liabilities	187	158
Amount due to director	89	88
Borrowings	4,001	3,511
Provision for taxation	108	1,000
	<u>7,505</u>	<u>14,652</u>
Total liabilities	<u><u>9,048</u></u>	<u><u>16,477</u></u>
Total equity and liabilities	<u><u>100,977</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 MARCH 2024**

	Current year to date 31 March 2024 (Unaudited) RM'000
CASH FLOW FROM OPERATING ACTIVITIES	
Loss Before Taxation	(21,444)
Adjustments for :-	
Depreciation and amortization	572
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	336
Interest income	(88)
	<u>21,336</u>
Operating loss before working capital changes	(108)
Changes in working capital	
Net change in inventories	3,403
Net change in trade and other receivables	(5,034)
Net change in trade and other payables	(4,897)
Net change in contract assets/contract liabilities	1,746
Net cash used in operations	(4,889)
Interest received	88
Interest paid	(336)
Tax paid	(2,362)
Net cash used in operating activities	(7,499)
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of plant and equipment	(611)
Proceeds from disposal of plant and equipment	74
Proceeds from disposal of investment in an associate	1,000
Proceeds from disposal of other investment	312
Net cash generated from investing activities	775
CASH FLOW FROM FINANCING ACTIVITIES	
Placement of fixed deposits	(18)
Repayment of lease liability	(190)
Proceeds from exercise of warrants	1
Borrowings	349
Net cash generated from financing activities	142
Net Change in Cash and Cash Equivalents	(6,582)
Cash and Cash Equivalents at beginning of the period	23,006
Cash and Cash Equivalents at end of the period	<u>16,424</u>
Represented by :	
Cash and bank balances	16,424
	<u>16,424</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 MARCH 2024

	----- 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	-	-	(22,830)	(22,830)	(135)	(22,965)
Balance as at 31 March 2024	136,687	(13,738)	(30,184)	92,765	(836)	91,929

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

As announced on 29 December 2024, the Group has changed its financial year end from 31 March 2024 to 31 July 2024. Accordingly, the current financial period covers a sixteen (16) months period from 1 April 2023 to 31 July 2024.

The current financial period covers three (3) months period from 1 January 2024 to 31 March 2024 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 March 2024	ICT Services (RM'000)	Automation Systems (RM'000)	F&B Distribution (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Revenue from external customers	1,206	1,358	7,997	-	10,561
Cost of sales	(919)	(941)	(5,257)	-	(7,117)
Segment profit	287	417	2,740	-	3,444
Share of associate's results					-
Loss before taxation					(993)
Income tax expenses					(276)
Loss after tax					(1,269)
Other comprehensive loss					-
Total comprehensive loss					(1,269)

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 2024.

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 March 2024 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 31.03.24 (RM'000)	Preceding Year Corresponding Quarter 31.03.23 (RM'000)	Changes		Current Year To-Date 31.03.24 (RM'000)
			(RM'000)	(%)	
Revenue	10,561	20,873	(10,312)	(49.4)	51,221
Operating Loss	(927)	(8,664)	7,737	(89.3)	(21,086)
Share of associate's results	-	(10,837)	10,837	(100.0)	(22)
Loss before tax	(993)	(19,730)	18,737	(95.0)	(21,444)
Loss after tax	(1,269)	(20,841)	19,572	(93.9)	(22,965)
Loss attributable to Equity holders of the Company	(1,197)	(21,006)	19,809	(94.3)	(22,830)

For the current financial quarter ended 31 March 2024, the Group recorded revenue of RM10.561 million, a decrease of RM10.312 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 loss before tax of RM19.730 million during preceding year quarter, which was mainly attributable to the share of loss in an associate of RM11.5 million, fair value loss on other investment of RM10.7 million and provision for impairment losses amounting to RM4.2 million, in compliance with approved accounting standard.

For the cumulative financial quarter ended 31 March 2024, the Group recorded revenue of RM51.221 million, which is mainly contributed by F&B Distribution segment (60.8%) and Automation System segment (26.4%). The Group recorded loss before tax of RM21.444 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 Quarter 31.03.24 (RM'000)	Preceding Year Corresponding 31.03.23 (RM'000)	Changes		Current Year To-Date 31.03.24 (RM'000)
			(RM'000)	(%)	
ICT Services	1,206	6,298	(5,092)	(80.9)	6,548
Automation systems	1,358	7,593	(6,235)	(82.1)	13,534
F&B Distribution	7,997	6,982	1,015	14.5	31,139
Total	10,561	20,873	(10,312)	(49.4)	51,221

ICT Services Segment

For current financial quarter, ICT services recorded revenue of RM1.206 million, a decrease of RM5.092 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 12.8% of the Group's revenue during cumulative financial quarter.

Automation Systems Segment

For current financial quarter, Automation Systems recorded revenue of RM1.358 million, a decrease of RM6.235 million as compared to the same period in the last financial year, which was due to the lower contribution from the integrated security division and mechanical & electrical engineering services (M&E). For cumulative financial quarter, this segment contributed 26.4% of the Group's revenue.

F&B Distribution Segment

For current financial quarter, F&B Distribution recorded revenue of RM7.997 million, an increase of RM1.015 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 (60.8%) of the revenue stream for the Group during cumulative financial quarter.

B2. Comparison to the results of the preceding quarter

	Current Year Quarter 31.03.24 (RM'000)	Immediate Preceding Quarter 31.12.23 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	10,561	9,698	863	8.9
Operating (Loss)/Profit	(927)	574	(1,501)	(261.5)
(Loss)/Profit before tax	(993)	464	(1,457)	(314.0)
Loss after tax	(1,269)	(95)	(1,174)	1,235.8
Loss attributable to equity holders of the Company	(1,197)	(71)	(1,126)	1,585.9

The Group's revenue for the current quarter increased by RM0.863 million, mainly contributed by the increase of revenue in ICT Services and Automation System segments. The Group recorded loss before tax of RM0.993 million during current quarter, a decrease of RM1.457 million as compared to the immediate preceding quarter, which is mainly due to the increase of the operation and overhead cost during current quarter.

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 31.03.24 (RM'000)	Cumulative Year-to-Date 31.03.24 (RM'000)
Current tax	276	1,521
	276	1,521

For the current financial quarter and cumulative financial quarter, the effective tax rates is 27.8% and 7.1%, which is 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 March 2024 are as follows:-

	Short Term (RM'000)	Long Term (RM'000)
Secured		
Term Loans	143	1,134
Project Overdraft	3,858	-
Lease Liabilities	187	16
Total	4,188	1,150

B9. Material Litigation

There are no material updates on the material litigations involving the Group as at the date of issuance of this announcement.

B10. Dividends

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

B11. Profit/(Loss) for the period

	Current Quarter Ended 31.03.24 (RM'000)	Cumulative Year-to-date 31.03.24 (RM'000)
This is arrived at after (charging)/crediting :-		
Interest income	23	88
Reversal of impairment loss on receivables	-	128
Gain on disposal of property, plant and equipment	-	72
Loss on disposal of investment in an associate company	-	(8,477)
Loss on disposal of other investment	-	(3,760)
Interest expense	(66)	(336)
Depreciation and amortization	(136)	(572)
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 31.03.24	Preceding Year Corresponding 31.03.23	Current Year To-Date 31.03.24
Loss attributable to the equity holders of the Company	(RM'000)	(1,197)	(21,006)	(22,830)
Weighted average number of shares in issue	('000)	6,451,763	6,451,720	6,451,763
Basic loss per share	(Sen)	(0.02)	(0.33)	(0.35)

(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 2024