EA Holdings Berhad

EA Holdings Berhad (878041-A)
Unit 25-5, Level 25, Oval Damansara,
No.685, Jalan Damansara,
60000 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

Tel : 603 7733 9762
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EA Holdings Berhad (878041-A)

Annual Report **2016**

EA Holdings Berhad
(Company No. 878041-A)

ANNUAL REPORT **2016**

EA Holdings Berhad

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Financial Highlights

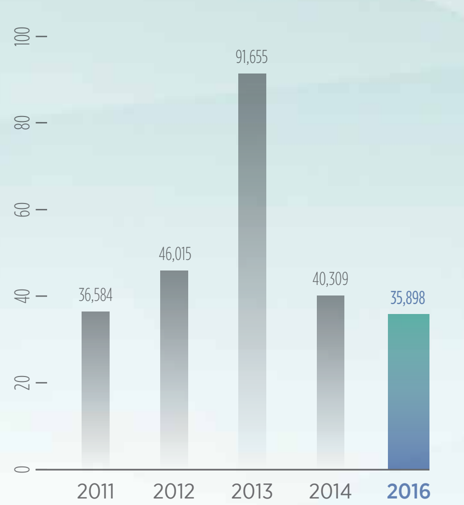
Five Year Group Financial Summary

(RM'000)	FYE 31.12.11	FYE 31.12.12	FYE 31.12.13	FYE 31.12.14	FPE 31.03.16
FINANCIAL RESULTS					
Revenue	36,584	46,015	91,655	40,309	35,898
Profit/(Loss) before tax	11,958	9,053	9,985	5,600	(32,307)
Profit/(Loss) attributable to equity holders	8,035	6,095	8,985	4,581	(31,551)
KEY BALANCE SHEET DATA					
Total Assets	65,262	70,597	89,505	126,550	138,902
Total Liabilities	9,729	8,477	18,131	9,191	9,153
Net assets attributable to equity holders	55,533	60,156	69,140	114,999	129,545
No. of shares in issue at year end (RM'000)	203,451	425,177	425,177	850,353	1,490,828
SHARES INFORMATION					
Basic earnings/(loss) per share (sen)	4.66	1.91	1.61 (*)	0.52 (^)	(2.44)
Net assets per share attributable to equity holders (RM)	0.27	0.14	0.16	0.14	0.09

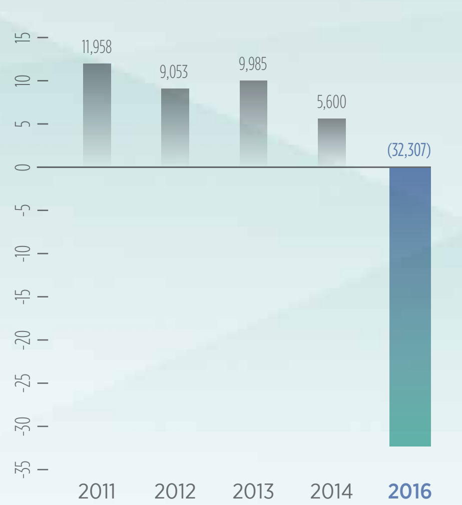
* Adjusted for the Rights Issue completed in 2014.
^ Adjusted for the Bonus Issue completed in 2015.

Financial Highlights
(Continued)

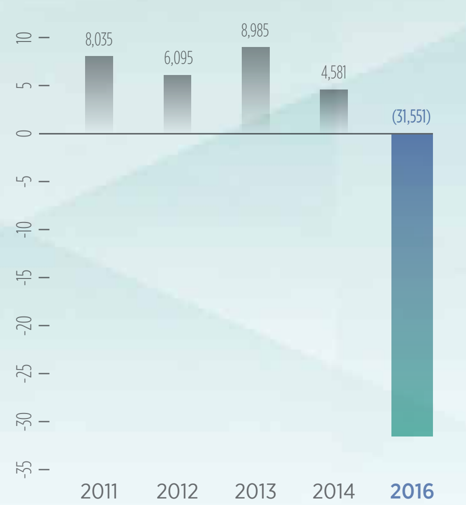
Revenue (RM'000)



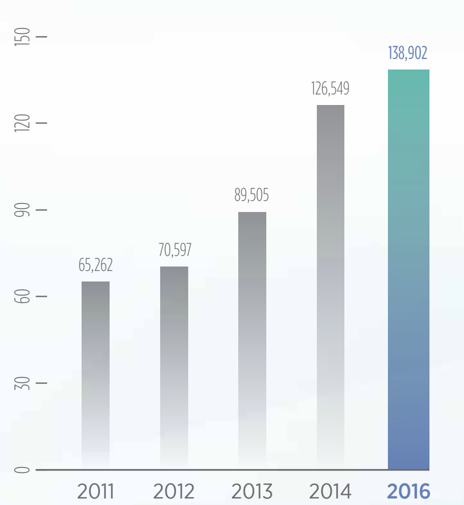
Profit Before Tax (RM'000)



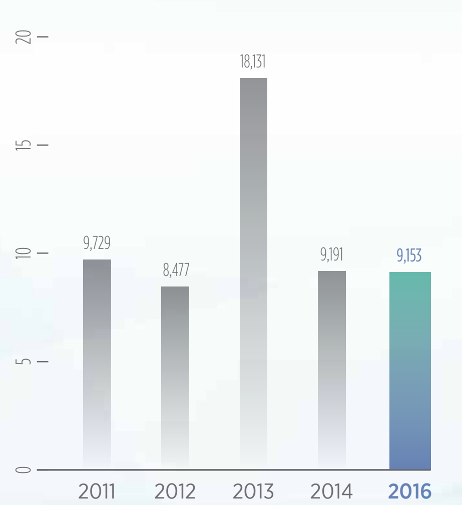
Profit Attributable to Equity Holders (RM'000)



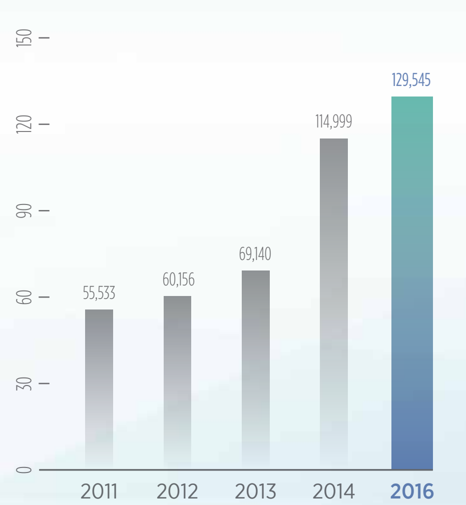
Total Assets (RM'000)



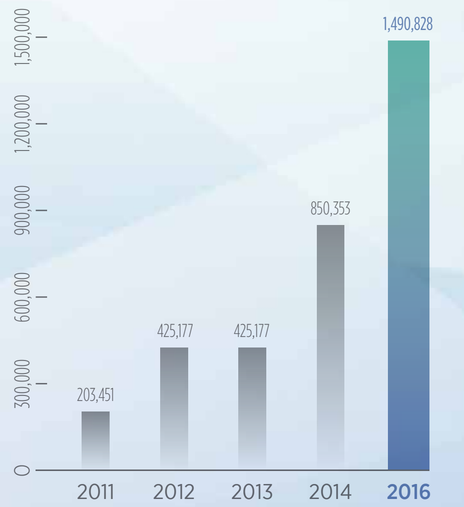
Total Liabilities (RM'000)



Net Assets Attributable to Equity Holders (RM'000)

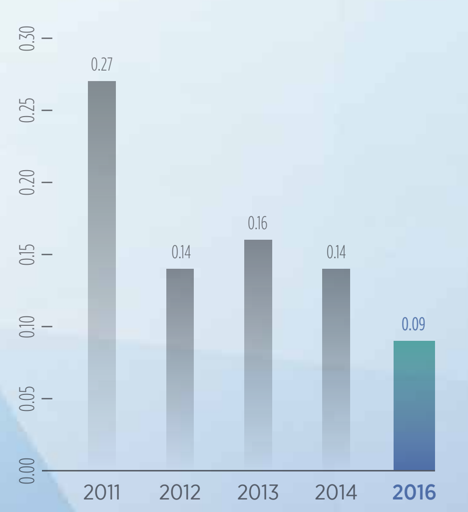


No. of Share in Issue at Year End (RM'000)



Basic Earnings Per Share (sen)

Net Assets Per Share Attributable to Equity Holders (RM)



Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors of EA Holdings Berhad, I am pleased to present the Annual Report and Audited Financial Statements of the Group for the financial period ended 31 March 2016 ("FPE 31 March 2016").

CHANGE IN FINANCIAL YEAR END

The Group had changed its financial year end from 31 December 2015 to 31 March 2016. Accordingly, the following annual and audit report cover a fifteen (15) months period from 1 January 2015 to 31 March 2016.

FINANCIAL PERFORMANCE

The prevailing uncertainty of the nation's economy, in particularly for the ICT industry which has been felt since 2014, continued to impact our performance for FPE 31 March 2016. Lack of new major projects in the market have led to increase in competition for the smaller projects available, which in turn gave the bargaining power to the customers. Consequently, profit margins are impacted in order to stay ahead of the competitions.

For FPE 31 March 2016, the Group recorded revenue of RM35.898 million, compared to RM40.309 million recorded for FYE 31 December 2014. The drop in revenue is, as mentioned above, was due to lack of new major projects won during the financial period.

For FPE 31 March 2016, the Group recorded loss before tax of RM32.307 million, as compared to profit before tax of RM5.600 million recorded for FYE 31 December 2014. The substantial loss for the financial period was mainly due to the impairment on goodwill amounting to RM17.357 million and impairment on development cost amounting to RM4.102 million. These impairments were provided as the cash generating units related to the goodwill and development cost were unable to justify its carrying value due to the weak results. In addition, the loss before tax was also affected by the lower revenue generated which was unable to cover the operational and administrative expenditure, lower margins from projects won and completed, and the transfer of costs from development expenditure capitalized to direct costs.

The weak results for FPE 31 March 2016 were mitigated by contribution of profit from the Group's investment in its associated company, Cekap Air Sdn Bhd. The 20% share of associate's profit for the FPE 31 March 2016 was RM2.479 million.

For FPE 31 March 2016, Group's Software Solutions segment contributed the highest revenue, accounting for 43.9% of the Group's total revenue, whilst the ICT Services segment provided 41.1% and the balance of Group's revenue was derived from the RFID and Building Automation segment (15.0%).

CORPORATE DEVELOPMENTS

On 10 July 2015, EAH had completed the acquisition exercise to acquire 20% equity interest in Cekap Air Sdn Bhd ("Cekap") for RM47.04 million. Cekap is principally involved in the provision of hydraulic M&E engineering for water supply and treatment plant while its wholly-owned subsidiary company, WY Consultancy & Development Sdn Bhd ("WY Consultancy") is principally involved in project management consultancy and its related activities. The vendors of Cekap have given a guarantee that the Profit After Tax of Cekap for 2015 and 2016 shall be at least RM56.0 million. For the FPE 31 March 2016, Cekap recorded profit after tax of RM18.167 million.

This acquisition would enable EAH to reduce its dependency on ICT market while at the same time, give us an extra footing to tap into the robustly growing water and construction industry.

In conjunction with the above acquisition, EAH had also completed the bonus issue of up to 170,070,600 new ordinary shares of RM0.10 each on the basis of one (1) bonus share for every five (5) existing shares on 7 July 2015.

Chairman's Statement
(Continued)

INDUSTRY OUTLOOK AND GROUP PROSPECT

The Malaysian Institute of Economic Research (MIER) estimates Malaysia's Gross Domestic Product growth for 2016 at 4.7 per cent, compared to the estimated 4.9 per cent growth for 2015. Executive Director of MIER Dr Zakariah Abdul Rashid said the country's economy will continue to be domestically driven and remain fundamentally strong but stabilisation issues will need to be addressed. The stabilisation issues include weakening domestic macroeconomic fundamentals like narrowing net current account surplus of the balance of payment, continuing net portfolio outflows, ringgit depreciation and tightening of domestic liquidity conditions, he said.
(Source: The Star – 27 January 2016)

Going forward, the Group will continue with its merger and acquisition ("M&A") strategy as this will enable the Group to diversify its business, to reduce its dependency on the ICT industry which are getting tougher and to acquire business that will generate strong recurring income, as opposed to the current project-based income of the Group. At the same time, the Group has implemented a rationalization process the streamline the operations on the Group, which involved, amongst others, transfers of staff between the subsidiary companies, tighter management controls and greater sharing of resources between the various subsidiary companies to better manage the cost and to have a sharper business focus.

Barring any unforeseen circumstances, the Board is optimistic of achieving a satisfactory performance for the next financial year ending 31 March 2017.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board, I wish to express our gratitude to our staff for their dedication, diligence, professionalism and commitment to the Group. I would also like to take this opportunity to convey our appreciation to our clients, business associates, shareholders and various stakeholders for their continued support and confidence in EAH.

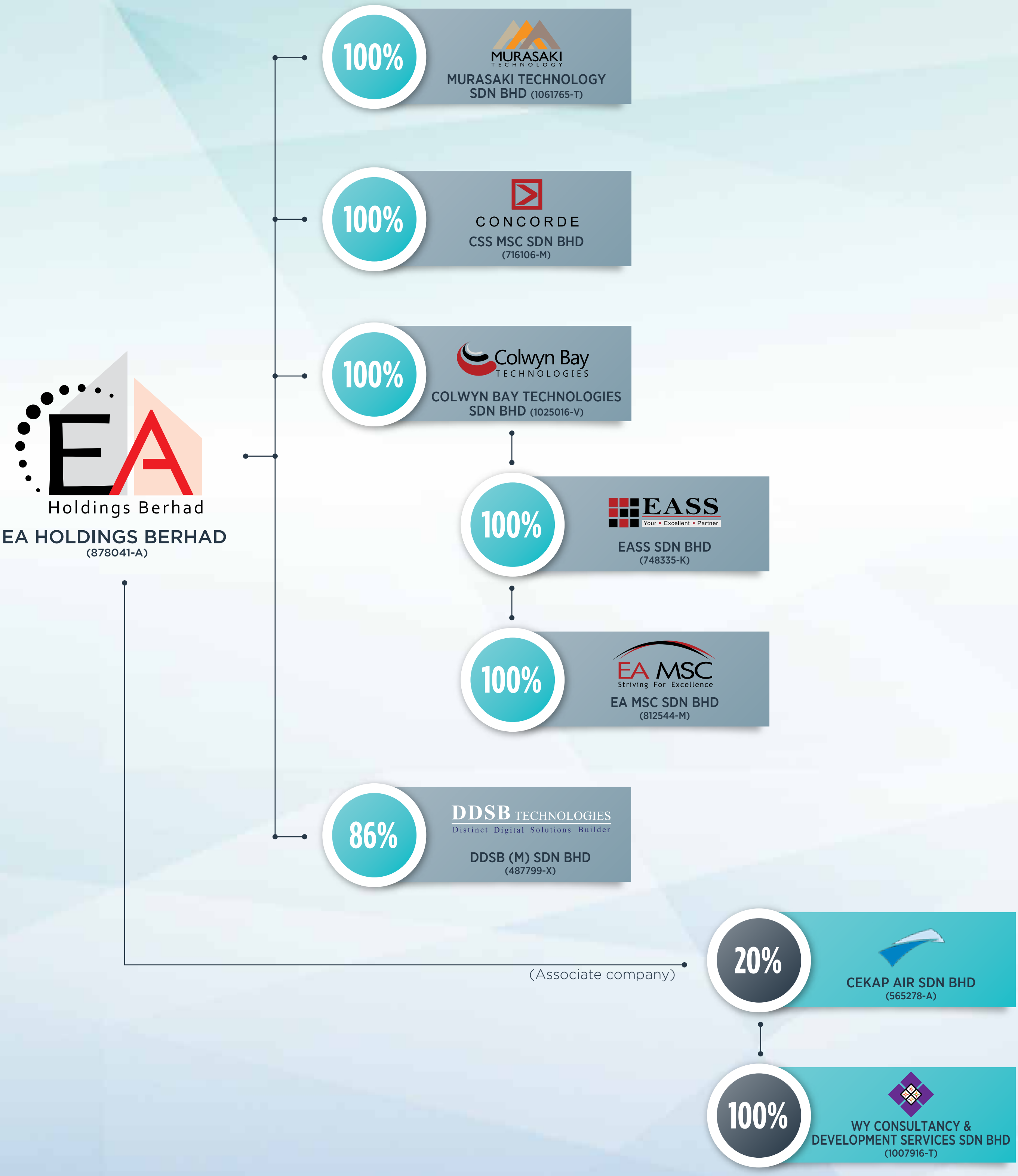
Thank you.

Dato' Azahar bin Rasul
Chairman

Corporate Profile

The Company was incorporated on 6 November 2009 under the name of EA Holdings Sdn Bhd and subsequently converted into a public limited company on 19 February 2010 and assumed its present name.

Since the Group's successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 20 July 2010, EA Holdings Group structure has expanded as follows :-



Corporate Profile
(Continued)

OUR PRODUCTS

01 Banking Application

02 GIS Solution Business

03 RFID System For Manufacturing, Security & Building Automation

04 Enterprise Resource Planning & Human Capital Management Solutions Technology

Holdings Berhad

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05 Business Intelligence & Data Warehousing

06 ICT Consultancy Services

07 System & Infrastructure Integrations

08 E-business Software Applications

Corporate Information

BOARD OF DIRECTORS

Dato' Azahar bin Rasul
Chairman, Independent and Non-Executive Director

Mohammad Sobri bin Saad
Chief Executive Officer / Executive Director

Basir bin Bachik
Executive Director

Choo Seng Choon
Senior Independent Non-Executive Director

Abdul Fattah bin Mohamed Yatim
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Choo Seng Choon
(Chairman)

Dato' Azahar bin Rasul

Abdul Fattah bin Mohamed Yatim

NOMINATION COMMITTEE

Choo Seng Choon
(Chairman)

Dato' Azahar bin Rasul

Abdul Fattah bin Mohamed Yatim

REMUNERATION COMMITTEE

Choo Seng Choon
(Chairman)

Dato' Azahar bin Rasul

Abdul Fattah bin Mohamed Yatim

AUDITORS

STYL Associates (AF 1929),
Chartered Accountants
902, 9th Floor, Block A,
Damansara Intan,
No. 1, Jalan SS 20/27,
47400 Petaling Jaya, Selangor

COMPANY SECRETARY

Laang Jhe How (MIA 25193)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(ACE Market)

PRINCIPAL BANKER

Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad

REGISTERED OFFICE

149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 1519
Fax: 03-7728 5948

REGISTRAR

Insurban Corporate Services Sdn Bhd
149, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-7729 5529
Fax: 03-7728 5948

PRINCIPAL PLACE OF BUSINESS

Unit 25-5, Level 25,
Menara Permata Damansara,
685, Jalan Damansara,
60000 Kuala Lumpur

Tel: 03-7733 9762
Fax: 03-7733 9765

Directors' Profile

BOARD OF DIRECTORS

NAME OF MEMBERS	DESIGNATION	NATIONALITY
Dato' Azahar bin Rasul	Chairman, Independent Non-Executive Director	Malaysian
Mohammad Sobri bin Saad	Chief Executive Officer/Executive Director	Malaysian
Basir bin Bachik	Executive Director	Malaysian
Choo Seng Choon	Senior Independent Non-Executive Director	Malaysian
Abdul Fattah bin Mohamed Yatim	Independent Non-Executive Director	Malaysian

DATO' AZAHAR BIN RASUL

A Malaysian aged 54, male, Dato' Azahar was appointed as the Independent Non-Executive Director and a member of the Audit and Risk Management Committee of EA Holdings Berhad on 22 February 2010. He is also a member of the Nomination Committee and Remuneration Committee of the Company. He was appointed as the Chairman of the Company on 15 April 2013.

He obtained his Bachelor of Science Degree in Business Administration from Central Michigan University in 1988 and a Master of Science Degree in Accounting from the University of New Haven, Connecticut, USA in 1990. He has over 26 years of experience in the field of corporate accounting, finance, banking and administration. His last employment was with Land & General Berhad as its Senior Manager for Administration and Finance until 1995, when he left to set up set up his own business. Dato' Azahar also sits on the board of directors of Vivocom Intl Holdings Berhad (formerly known as Instacom Group Berhad).

Dato' Azahar attended all Board meetings held during his tenure in office for the financial period ended 31 March 2016. He has no family relationship with any director or substantial shareholder of the Company.

Dato' Azahar has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

MOHAMMAD SOBRI BIN SAAD

A Malaysian aged 56, male, Mohammad Sobri is the Group founder and was appointed as the Chief Executive Officer/ Executive Director on 6 November 2009. He is responsible for the operations, strategic planning and direction of our Group. He obtained his Bachelor of Science (Hons) Degree in Mathematics and Computing from The Polytechnic of Wales, Pontypridd, Wales, United Kingdom in 1984.

He started his career in various local corporations as well as multinational companies such as Harrisons Malaysian Plantation Berhad, Bank Simpanan Nasional and ESSO Malaysia Berhad who were users of ICT technologies like IBM, SAP and Oracle. He started a new phase of career to become a supplier of ICT technology by working and consulting in Infotech Consultants Pte Ltd, Singapore, Platinum Technology Inc, an US-based software company, Teliti Computers Sdn Bhd, Swift Applications Sdn Bhd and EASS. His experiences encompassed the usage of advance ICT technology supplied by IBM, Computer Network Technology Corporation, LANdesk Software Inc, ReadSoft and his clients comprised of large corporations in the banking industries, oil and gas, and utilities companies in Malaysia and the ASEAN region. He also sits on the Board of Directors of the subsidiary companies of the Group, namely EASS Sdn Bhd, EA MSC Sdn Bhd and CSS MSC Sdn Bhd.

Mohammad Sobri attended all Board meetings held during his tenure in office for the financial period ended 31 March 2016. He has no family relationship with any director or substantial shareholder of the Company.

Mohammad Sobri has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

Directors' Profile
(Continued)

BASIR BIN BACHIK
A Malaysian aged 58, male, Basir was appointed as the Executive Director of EA Holdings Berhad on 22 February 2010. He is also the Chief Operating Officer for ICT Services of the Group. He obtained his Bachelor of Science Degree in Computer Science from Edinburgh University, United Kingdom in 1982.

Basir has over 30 years of experience in the IT industry, serving both local and multinational companies such as Malaysian Airline System Berhad, ESSO Malaysia Berhad, IBM Singapore Pte Ltd, SHELL Refining Company (Federation of Malaya) Berhad, IBM Malaysia Sdn Bhd, Petronas Group of companies and iPerintis Sdn Bhd. He has also consulted for various financial institutions in Malaysia including Bank Simpanan Nasional and Permodalan Nasional Berhad. He started as a systems programmer, moving on to IT systems management to become a consultant specialising in ITIL. He has also managed large IT infrastructure projects for a petrochemical complex and a government agency. He is an accomplished system architect specialising in IT infrastructure. He is also a Director of DDSB (M) Sdn Bhd, a subsidiary company of the Group.

Basir attended all Board meetings held during his tenure in office for the financial period ended 31 March 2016. He has no family relationship with any director or substantial shareholder of the Company.

Basir has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

CHOO SENG CHOON
A Malaysian aged 42, male, Choo Seng Choon was appointed as the Independent Non-Executive Director of EA Holdings Berhad on 22 February 2010. He was subsequently appointed as the Chairman of the Audit and Risk Management Committee on 13 August 2010. He is also the Chairman of the Nomination Committee and Remuneration Committee of the Company.

Choo Seng Choon is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Member of the Malaysian Institute of Accountants, a Chartered Member of the Institute of Internal Auditors, Malaysia and a Certified Internal Auditor. He also holds a Diploma in Financial Accounting from Tunku Abdul Rahman College, Kuala Lumpur.

He has over 20 years of professional experience that includes internal audits, risk management, investigations, business management consulting, business process re-engineering, corporate governance advisory, due diligence, financial projections and financial audits.

Choo Seng Choon is currently the Non-Executive Director of Audex Governance Sdn Bhd, a professional services firm that specialises in the provision of internal audit, risk management and management consulting services to a wide range of multinational and public listed conglomerate clients operating in the Asia Pacific Region. In addition, he also sits on the board of directors of Vivocom Intl Holdings Berhad (formerly known as Instacom Group Berhad) and also on the board of directors of several private limited companies.

Choo Seng Choon attended all Board meetings held during his tenure in office for the financial period ended 31 March 2016. He has no family relationship with any director or substantial shareholder of the Company.

Choo Seng Choon has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

ABDUL FATTAH BIN MOHAMED YATIM
A Malaysian aged 60, male, Abdul Fattah was appointed as the Independent Non-Executive Director of EA Holdings Berhad on 22 February 2010. He was subsequently appointed as a member of the Audit and Risk Managment Committee on 13 August 2010. He is also a member of the Nomination Committee and Remuneration Committee of the Company.

Abdul Fattah obtained his Bachelor of Science Degree in Electronic and Electrical Engineering from Loughborough University of Technology, United Kingdom in 1978. He practised engineering with the National Electricity Board (now known as Tenaga Nasional Berhad) where he specialised in engineering software development and simulation and long range transmission planning. From 1983, he served in professional and senior management positions in Esso Production Malaysia Incorporated, including a two year foreign assignment in Exxon companies in USA and UK. He then worked in System Consultancy Services Sdn Bhd from 1996 where he was a consultant to the Malaysian Armed Forces.

From 2003 to present, Abdul Fattah has been a consultant in several consulting companies providing ICT consulting services on various aspects of ICT such as, amongst others, application delivery, policy, security, project management, and business continuity planning, to clients in the public and private sectors. Presently he is a Principal Consultant in Teknimuda (M) Sdn Bhd and is a council member with the Institutions of Engineers Malaysia.

Abdul Fattah attended all Board meetings held during his tenure in office for the financial period ended 31 March 2016. He has no family relationship with any director or substantial shareholder of the Company.

Abdul Fattah has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

Corporate Governance

The Board of Directors of EA Holdings Berhad is fully committed towards ensuring that the principles and best practices as set out in the Malaysian Code on Corporate Governance 2012 ("the Code") are applied and practiced by the Group. The Board is pleased to report to the shareholders on how the Group has applied all the eight (8) principles of the Code and the extent to which it has complied with the recommendations of the Code.

BOARD OF DIRECTORS

Roles And Principal Responsibilities

The Board has overall responsibility for the corporate governance, proper conduct and strategic direction of the Group. The Board delegates authority and vests accountability for the Group's day to day operations with a management team led by the Group's CEO, En. Mohammad Sobri bin Saad. The Board, however, assume responsibility for the following areas :-

a) Reviewing and adopting a strategic plan for the Group;

b) Overseeing the conduct of the Group of the Group's business to evaluate whether the business is being properly managed;

c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks

d) Succession planning;

e) Developing and implementing an investor relations programme and shareholder communications policy for the Group; and

f) Reviewing the adequacy and the integrity of the Group's internal controls systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Roles of the Chairman and CEO

The roles and responsibilities of the Chairman of the Board and the CEO are exercised by different individuals, and are clear and distinct. The Chairman's primary role is to lead and manage the Board, which would include, amongst others, leading the Board in the oversight of the management, ensuring the integrity of the corporate governance process and issues, guiding and mediating Board actions with respect to organisational priorities and governance concerns.

The CEO is responsible for the development and implementation of strategy, overseeing and managing the day to day operations of the Group, such as, amongst others, developing long-term strategic and short-term cash flow plans, directing and controlling all aspects of business operations, overseeing the human resources need of the Group and ensuring compliance with all governmental procedures and regulations.

Role of the Senior Independent Director

The Senior Independent Director is Choo Seng Choon. His role includes being the point person for the shareholders to raise their concerns that cannot be resolved through the existing investor communication channels.

Diversity of the Board

There is currently no woman on the Board. However, the Board does not have a formal policy on boardroom diversity, in particular, in meeting the goal of achieving more women participation on Board as recommended by the Code. Notwithstanding this, the Board is committed to ensuring that the directors of the Company possess a broad balance of skills, knowledge, experience, independence and diversity, including gender diversity.

Succession Planning

The Board reviews the Group's talent management plan and human resources initiatives on a regular basis, to ensure continuity of key critical positions and to guide developmental activities.

Board Charter

In 2014, the Board had approved and adopted a Board Charter setting out the duties, responsibilities and functions of the Board in accordance with the principles of good corporate governance as set out in the policy documents and guidelines issued by the regulatory authorities. The charter is regularly reviewed and updated to ensure its consistency with the Code. The Board Charter is available on EAH's corporate website at www.eah.com.my.

Corporate Governance
(Continued)

Composition and Balance

The Group is led and managed by a well-balanced Board which consists of members with wide range of business, technical and financial background in ensuring that the Group achieves the highest standard of performance, accountability and ethical behaviour as expected by the stakeholders.

The Board is made up of five (5) members, consisting of two (2) Executive Directors and three (3) Independent Non-Executive Directors. The Board has a balanced composition of Executive and Non-Executive Independent Directors such that no individual or group of individuals can dominate the Board's decision making powers and processes. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of products.

The profiles of the Directors are presented on page [x] to [x] of this annual report.

Mr Choo Seng Choon was appointed as the Senior Independent Non-Executive Director, to whom the concerns by the public and external stakeholders can be addressed.

Reinforced Independence

The Non-Executive Directors are not employees of the Group and do not participate in the day-to-day management of the Group. The Independent Non-Executive Directors are able to express their views without any constraint. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. The Nomination Committee has reviewed the performance of the independent Directors and is satisfied that they are able to discharge their responsibilities in an independent manner.

None of the current independent Board members had served the Company for more than nine years as per the recommendation of the Code. Should the tenure of an independent Director exceed nine years, shareholders' approval will be sought at a General Meeting or if the services of the Director concerned are still required, the director concerned will be re-designated as a non-independent Director.

There is clear separation of powers between the Chairman, who is an independent Director and the CEO, and this further enhances the independence of the Board. Should any Director have any interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in discussions on the matter.

Board Commitment

The Directors are aware of the time commitment expected from each of them to attend to matters of the Group, including attendance at Board, Board Committee and other types of meetings. Directors are required to provide notification to the Chairman when accepting any new appointment on the boards of other companies, to ensure that there is no potential conflict of interest. Any changes of their directorships would be tabled at the quarterly Board meetings for the Board's review. The Board is satisfied with the level of time committed by its member in discharging their duties and roles as Directors of the Company. All the Directors have complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on the limit of five (5) directorship in public listed companies.

Board Meetings And Supply of Information to the Board

The Board will meet at least four (4) times a year with additional meetings being held as and when required. For the financial period ended 31 March 2016, six (6) Board meetings were held.

The agendas for the Board meetings were circulated well in advance to the Directors. The Directors are also supplied with the detailed reports and relevant supporting documents pertaining to the matters to be discussed such as financial performance, investments and strategic direction prior to the meetings for their perusal and consideration to assist them in making well-informed decisions. All deliberations, issues discussed and decisions made at the Board meetings were properly recorded to provide a record and insight into those decisions. Senior management were invited to the Board meetings to enlighten the Board on matters tabled to the Board and if required, to advise and provide clarification on matters of concern raised by the Board.

The Board is ably supported by the various Board committees as recommended by the Malaysian Code on Corporate Governance. The committees set-up are the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. All Board committees discharged their duties within their terms of reference and make recommendations to the Board if matters are beyond their authority limit.

Corporate Governance
(Continued)

The Board members are given unrestricted access to all information pertaining to the Company; whether as a full Board or individually to assist them in carrying out their duties. Should it be deemed necessary, the Directors are allowed to engage independent professionals at the Company's expense on specialized issues to enable the Board to discharge their duties with adequate knowledge on matters being deliberated.

The attendance of the Directors at Board meetings during the financial period are as shown below:

No.	Name Of Members	Designation	Attendance	% Of Attendance
1	Dato' Azahar bin Rasul	Chairman, Independent Non-Executive Director	6/6	100%
2	Mohammad Sobri bin Saad	Executive Director/CEO	6/6	100%
3	Basir bin Bachik	Executive Director	6/6	100%
4	Choo Seng Choon	Independent Non-Executive Director	6/6	100%
5	Abdul Fattah bin Mohamed Yatim	Independent Non-Executive Director	6/6	100%

Directors' Training

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group. All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. The Directors will continue to undergo other relevant training programmes to keep themselves abreast with the relevant changes in laws, regulations and business development and the Board would also continually assess the training needs of the Directors as part of their obligation to update and enhance their skills and knowledge in order to effectively carry out their duties and responsibilities.

During the financial period ended 31 March 2016, the Directors had attended the following training programmes :-

Directors	Title
Dato' Azahar bin Rasul	GST preparation and basic store management held in February 2015
Mohammad Sobri bin Saad	Amendments to the listing requirements for related party transaction held in February 2015
Basir bin Bachik	Amendments to the listing requirements for related party transaction held in February 2015
Choo Seng Choon	Amendments to the listing requirements for related party transaction held in February 2015
Abdul Fattah bin Mohamed Yatim	Workshop organised by the Industry Standards Committee on Information Technology, Communications and Multimedia in September 2015

Appointment and Re-election

One third (1/3) of the Board shall retire from office and are eligible for re-election at each Annual General Meeting and all directors shall retire from office once in every three (3) years but shall be eligible for re-election.

Directors over seventy (70) years of age are subject to re-appointment by shareholders on an annual basis in accordance with Section 129(6) of the Companies Act, 1965.

Directors appointed by the Board during the financial year shall be subject to retirement and re-election by shareholders in the next Annual General Meeting held following their appointments.

Corporate Governance
(Continued)

Board Committees

(a) Audit and Risk Management Committee

The terms of reference of the Audit and Risk Committee are set out on page [x] to [x] of the annual report.

(b) Nomination Committee

The Nomination Committee comprises exclusively of independent Non-Executive Directors as follows :-

Choo Seng Choon	Chairman
Dato' Azahar bin Rasul	Member
Abdul Fattah bin Mohamed Yatim	Member

The Nomination Committee considers and recommends to the Board suitable candidates whom the Committee feel would be of good value and a complementing addition to the Board. The appointment of the Directors remains the responsibility of the Board after taking into consideration the recommendations of the Nomination Committee. The assessment of the effectiveness of the Board collectively and individually is an on-going continuous process undertaken by the Nomination Committee. Whenever deemed necessary, the Committee would forward the relevant recommendations for the Board consideration. In carrying out its duties and responsibilities, the Nomination Committee have full, free and unrestricted access to any information, record, properties and personnel of the Group. The Committee may seek the external professional services to source for the right candidate for directorship or seek independent professional advice whenever necessary.

Nomination Committee attendance :-

No.	Name Of Members	Attendance	Percentage
1	Choo Seng Choon	1/1	100%
2	Dato' Azahar bin Rasul	1/1	100%
3	Abdul Fattah bin Mohamed Yatim	1/1	100%

(c) Remuneration Committee

The Remuneration Committee comprises exclusively of Independent Non-Executive Directors as follows :-

Choo Seng Choon	Chairman
Dato' Azahar bin Rasul	Member
Abdul Fattah bin Mohamed Yatim	Member

The Remuneration Committee reviews, assesses and recommends to the Board the remuneration packages of the executive directors in all forms. None of the executive directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of the non-executive Chairman and non-executive directors with individual directors abstaining from decisions in respect of their individual remuneration.

In carrying out its duties and responsibilities, the Remuneration Committee have full, free and unrestricted access to any information, record, properties and personnel of the Company. The Remuneration Committee may obtain the advice of external consultants on the appropriateness of remuneration package and other employment conditions if required.

The remuneration package is designed to support the Company's strategy and to provide an appropriate incentive to maximise individual and corporate performance, whilst ensuring that overall rewards are market competitive. The Executive Directors' package consists of basic salary, contribution to the national pension fund and benefits-in-kind such as medical care, car allowance and fuel whilst the Non-Executive Directors' package primarily consists of fees only.

Corporate Governance
(Continued)

The remuneration packages for the Directors for the financial period ended 31 March 2016 are as follows :-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	372	-
Fees	-	83

The number of Directors whose remuneration falls into each band of RM50,000 are set as follows :-

	Number of Directors	
	Executive Directors	Non-Executive Directors
1 – 50,000	-	3
50,001 – 100,000	-	-
100,001 – 150,000	-	-
150,001 – 200,000	2	-

Nomination Committee attendance :-

No.	Name Of Members	Attendance	Percentage
1	Choo Seng Choon	1/1	100%
2	Dato' Azahar bin Rasul	1/1	100%
3	Abdul Fattah bin Mohamed Yatim	1/1	100%

Qualified and Competent Company Secretary

The Board is supported by qualified Company Secretary. The role and responsibilities of the Company Secretary include, amongst others, advising the Board on compliance issues, attending meetings of the Board and Board committees and to regularly update and advise the Board on new statutory and regulatory requirements.

SHAREHOLDERS

Investors Relations and Shareholders Communication

The Board recognizes the importance of keeping all shareholders informed of the Group's business and corporate developments. Such information is disseminated through the Group's quarterly results, annual reports and through various disclosures via Bursa Malaysia Securities Berhad's website.

The forthcoming Annual General Meeting will be a great avenue of meeting between the Board of Directors and shareholders.

Annual General Meeting

The Annual General Meeting (AGM) is an important forum for communication and dialogue between the Group and the shareholders to raise questions or to inquire more information on the Group's development and financial performance. The CEO and Board members are present to address all shareholders' queries on issues relevant to the Group. However, if the queries raised are not immediately answerable during the AGM, the CEO will send a written letter containing the explanation after the AGM is over. Notice of the AGM is released to shareholders at least 21 days before the date of the meeting.

The shareholders have direct access to the Board and are encouraged to participate in the open question and answer session.

Corporate Governance
(Continued)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board considers that the Group uses appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates. A balanced and understandable assessment of the Group's position and prospects is released through annual financial statements and quarterly financial results.

Quarterly financial results and annual financial statements are reviewed by the Audit and Risk Management Committee and approved by the Board of Directors before being released to Bursa Malaysia Securities Berhad.

Internal Controls

The Board of Directors recognises the importance of an effective system of internal controls covering the financial, operations and compliance controls as well as risk management to safeguard the interests of the shareholders and stakeholders of the Group. The Board reviews the effectiveness of the internal control system through the Audit and Risk Management Committee with the assistance of the outsourced independent Internal Auditors, which carried out risk assessment and auditing of different areas of the business covering financial, operational and compliance.

Relationship With Auditors

The Audit and Risk Management Committee's terms of reference formalises the relationship with the External Auditors to report to the members of the Audit and Risk Management Committee on their findings. In doing so, the Group forges a transparent and professional relationship with the Company's External Auditors. The Audit and Risk Management Committee has met the External Auditors twice to review and discuss the audit plan, scope and nature of the audit, audit findings and financial statements for financial period ended 31 March 2016. These meetings were conducted without the presence of the Executive Directors and the Company's management staff. An assessment of the performance of the External Auditors were undertaken by the Audit and Risk Management Committee based on the following areas :-

(a) The quality and rigour of the audit performed;

(b) The quality of service provided;

(c) The audit firm's reputation; and

(d) The independence of the external auditors.

Based on the assessment undertaken, the Audit and Risk Management Committee believes that the independence of the External Auditors have been maintained and that they have performed satisfactorily.

Ethics

The Board is committed to ensure that all of its business activities operate with the highest standards of business ethics and integrity. The Company is currently in the process of formulating and drawing up a written policy for the Code of Conduct and Ethics for the Group's operation. The Group has also set in place whistleblowing reporting procedure to ensure transparency and accountability within the Group.

Corporate Social Responsibility

EA Holdings Berhad recognises and adopts corporate social responsibility (CSR) commitments in our business operations as they have direct and indirect impact on the communities. Being a public listed company, EA Holdings upholds our responsibility to oblige to the statutory compliance of CSR and extend it further by implementing various measures of which are consistent with our stakeholder's best interest.

We have adopted a CSR policy which could be applied into our operational activities and our employees day-to-day work activities.

(a) The Community

The Group believes in the principles of respecting human rights, equality and fairness through non-discrimination on the basis of gender, race, or religion which are not relevant to employment. All employees are treated equally in the company.

(b) The Marketplace

The Group is committed to maintain high standards of Corporate Governance and integrity within the company to promote confidence in management and governance standards besides meeting shareholder expectations and to benefit the stake of the shareholders.

(c) The Workplace

The Group believes in protecting the health and safety of our employees and provides employees a quality work environment which complies with the health and safety standards as a good working environment would help to increase the employees' efficiency and productivity besides improving the quality of life of our employees. We also provide training to employees from time to time to enhance their skills and abilities which would offer excellent opportunities for personal and career development. In addition, we also organize activities, gatherings and outings to foster and cultivate closer ties within the Group. It also helps to produce dynamic workforce with a strong sense belonging.

(d) The Environment

The Group understands the importance, impact and implications of our businesses to the environment and we implement environmental practices in our operations to conserve and minimize the impact to the environment.

(i) Paperless environment

Staffs and clients are encouraged to fully maximize the benefits of ICT (eg email, instant messaging, etc.) for communication and only print hard copy when necessary. Moreover, in line with our aim to lower carbon footprints, the company will make its annual report available in softcopy on Bursa Securities and the company's websites.

(ii) Recycling

Staffs are encouraged to print on both sides of the papers to minimize paper usage while unwanted papers and recyclable items are collected and sent to be recycled. This initiative is in place to support the government's Go Green effort.

(iii) Energy saving

Employees are advised to switch off the lights and air conditioners when they are not in use to help to conserve energy.

Directors' Responsibility Statement

The Board is responsible for ensuring that the financial statements of the Group are properly drawn up in accordance with applicable financial policies and standards in Malaysia so as to give a true and fair view of the Company's state of affairs for the financial period ended 31 March 2016 and of the results and cash flows of the Company for that period.

The Board is also responsible for ensuring that the Group keeps proper accounting records and that such records are disclosed with reasonable accuracy to ensure that the financial statements comply with the Companies Act, 1965. The Board, with the assistance of the Internal Auditors, takes the responsibilities of safeguarding assets of the Company to prevent and detect fraud and other irregularities seriously.

Compliance Statement

The Board believes that the Company has for the financial period ended 31 March 2016 followed the Principles and Recommendations of the Code in all material aspects.

This statement is made in accordance with the resolution of the Board dated 28 July 2016.

Audit And Risk Management Committee Report

AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS

Chairman	Choo Seng Choon (Independent Non-Executive Director)
Members	Dato' Azahar bin Rasul (Independent Non-Executive Director) Abdul Fattah bin Mohamed Yatim (Independent Non-Executive Director)
Secretary	Laang Jhe How (Company Secretary)

TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

1. Composition

(a) The Audit and Risk Management Committee shall be appointed by the Board from amongst themselves comprising not less than three (3) members where the majority of them shall be composed of independent non-executive directors and the CEO shall not be a member of the Audit and Risk Management Committee.

(b) The Committee shall include at least one (1) person who is a member of the Malaysian Institute of Accountants or possessing such financial related qualification or experience as may be required by Bursa Malaysia Securities Berhad.

(c) The term of office of the Audit and Risk Management Committee is two (2) years and may be re-nominated and appointed by the Board.

(d) The members of the Audit and Risk Committee shall elect a Chairman from amongst themselves who shall be an independent director.

(e) All members of the Audit and Risk Management Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Audit and Risk Management Committee cease to be a Director of the Company, his membership in the Audit and Risk Management Committee would cease forthwith.

(f) No Alternate Director of the Board shall be appointed as a member of the Audit and Risk Management Committee.

(g) If the number of members of the Audit and Risk Management Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

(h) The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. Duties and Responsibilities

The duties and responsibilities of the Committee shall include the followings :-

Matters relating to External Audit

(a) To review the nomination of external auditors and their audit fees;

(b) To review the nature, scope and quality of external audit plan/arrangements;

(c) To review quarterly and annual financial statements of the Company, before submission to the Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgmental issues;

(d) To review the external auditors' audit report;

(e) To review with the external auditors, their evaluation of the system of internal accounting controls;

(f) To review the Company's policies and procedures with Management and external auditors to ensure the adequacy of internal accounting and financial reporting controls;

Audit And Risk Management Committee Report
(Continued)

Matters relating to External Audit (Continued)

(g) To review any letter of resignation from the external auditors;

(h) To consider and review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment; and

(i) To review the assistance given by the Company's officers to the external auditors.

Matters relating to Internal Audit function

(a) To review the effectiveness of the internal audit function;

(b) To review the internal audit programme and results of the internal audit process;

(c) To review the follow up actions by the Management on the weakness of internal accounting procedures and controls;

(d) To review on all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and

(e) To review the assistance and co-operation given by the Group and its officers to the internal auditors.

Risk Management and Internal Control

(a) To review the adequacy of risk management framework and to provide independent assurance to the Board of Directors on the effectiveness of the Company's risk management processes;

(b) To evaluate the quality and effectiveness of the Company's internal controls and management information systems, including compliance with applicable laws, rules and guidelines; and

(c) To recommend to the Board of Directors the Statement of Internal Control and any changes to the said statement.

3. **Authority**

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company :

(a) have explicit authority to investigate any matter within its terms of reference;

(b) have the resources which the Committee needs to perform the duties;

(c) have full access to any information which the Committee requires in the course of performing its duties;

(d) have unrestricted access to all employees of the Group;

(e) have direct communication channels with the external auditors;

(f) be able to obtain outside legal or independent professional advice in the performance of its duties at the cost of the Company; and

(g) be able to invite outsiders with relevant experience to attend its meetings, if necessary.

4. **Meetings and Minutes**

The Committee shall hold not less than four (4) meetings a year to review the quarterly results and year end financial statements. In order to form the quorum for each meeting, a minimum of two (2) members present shall be Independent Directors.

In addition to the Committee members, the head of internal audit shall normally attend the meetings. Representatives of the external auditors shall attend meetings where matters relating to the audit of the statutory accounts and/or the external auditors are to be discussed.

Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on each meeting to the Board.

The Secretary to the Committee shall be the Company Secretary.

Audit And Risk Management Committee Report
(Continued)

5. **Internal Audit Function**

The Company's internal audit function is outsourced to an independent professional internal audit service provider, which reports directly to the Audit and Risk Management Committee. The Internal Auditors adopt a risk-based approach when preparing its annual audit plan and strategy. The principal role of the internal audit is to conduct independent and regular reviews of the various operations of the Company and to provide objective reports on the state of the internal controls to the Audit and Risk Management Committee. All internal audit reports will be presented to the Audit and Risk Management Committee for deliberation. The Audit and Risk Management Committee would then make the relevant recommendations for the management's further action. The total costs incurred for the outsourced internal audit function during the financial period ended 31 March 2016 year was RM9,150.

Summary of Activities

During the financial period ended 31 March 2016, in line with the terms of reference, the Committee carried out the following activities in the discharge of its functions and duties:

1. Meeting with the external auditors to review the audited financial statements for the financial period ended 31 March 2016;
2. Reviewed the audit reports of the Group prepared by the external auditors and considered the major findings by the auditors and management's responses thereto;
3. Reviewed the quarterly and year-end financial results of the Group prior to submission to the Board for consideration and approval;
4. Reviewed the disclosure of related party transactions entered into by the Group in the annual report of the Group;
5. Reviewed the audit plan, nature and scope of the external auditors and considering their audit fee;
6. Reviewed the audit plan, nature and scope as proposed by the internal auditors;
7. Reviewed the audit reports presented by the internal auditors on the findings and recommendations and ensure that they are duly acted upon by the management.

Meeting Attendance

The Committee held six (6) meetings during the financial period ended 31 March 2016. The details of the attendance are as follows:

Directors	No. of meetings attended
Choo Seng Choon	6/6
Dato' Azahar bin Rasul	6/6
Abdul Fattah bin Mohamed Yatim	6/6

Statement On Risk Management And Internal Control

Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors to include in its annual report a statement about the state of the risk management and internal controls of the Group. The Malaysian Code of Corporate Governance 2012 under Principle 6 states that the Board should establish a sound risk management framework and internal controls systems.

BOARD RESPONSIBILITIES

The Board of Directors ("the Board") recognises the importance of maintaining a good system of risk management and internal controls and risk management to safeguard shareholders' investment and the Group's assets. The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Company's system of risk management and internal control, identifying principal risks and establishing an appropriate control environment and framework to manage risks and evaluating the Group's operational effectiveness and efficiency.

The Board has reviewed the adequacy and effectiveness of the system of risk management and internal controls of the Group. It recognises that due to inherent limitations, such systems are designed to manage rather than to eliminate the risk of business failure. As such, these systems could only provide reasonable but not absolute assurance against material misstatements or losses and the effectiveness of an internal control system may vary over time.

SYSTEM OF RISK MANAGEMENT

The Board acknowledged that all areas of the Group's activities involve some degree of risks and recognises that effective risk management is part of good business management practice for the successful achievement of the Group's business objectives. Operationally, the respective directors of the subsidiary companies and key management staff are responsible for managing the risks of their departments and periodic management meetings are held to address significant issues faced by the Group so as to ensure significant risks are closely monitored and appropriately addressed. Significant risks are highlighted to the Board on an exception basis. The abovementioned practices/initiatives serves as the on-going process used to identify, evaluate and manage significant risks that affect the achievement of the Group's business objectives.

SYSTEM OF INTERNAL CONTROL

The key measures implemented in the Group are as follows :-

(i) A well-defined organisation structure with distinct lines of accountability that sets out the authority delegated to the board and management committees;

(ii) A management reporting system to facilitate the collection, processing, monitoring and dissemination of critical information for management review and decision;

(iii) Performance reports such as quarterly financial review, business development and other corporate matters are regularly provided to the Directors for discussion and deliberations at Board of Directors meeting;

(iv) Review of quarterly and annual financial results by the Audit and Risk Management Committee;

(v) Regular meetings by the management team to discuss and review reports and business developments and to resolve key operations and managements issues;

(vi) Review the adequacy and effectiveness of the system of internal control, with the assistance of the internal audit function; and

(vii) Direct involvement of the executive directors in running the business and operations of the Group and is responsible to report to the Board on significant changes which may affect the operations of the Group.

Statement On Risk Management And Internal Control
(Continued)

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional firm to review the adequacy and integrity of the internal control systems of the Group.

The functions of the internal audit are as follows :-

1. Perform audit work in accordance with the pre-approved internal audit plan.

2. Carry out review on the system of internal controls of the Group.

3. Review and comment on the effectiveness and adequacy of the existing control policies and procedures.

4. Provide recommendations, if any, for the improvement of the control policies and procedures.

5. Review and comment on the implementation status of the recommendation by the internal audit function.

The internal audit function reports directly to the Audit and Risk Management Committee and is independent of the management. The internal audit reports are submitted to the Audit and Risk Management Committee who would review and deliberate on the findings before making the necessary recommendations to the Board to strengthen its system internal control and policies.

CONCLUSION

The Board have received assurance from the Executive Directors that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.

The Board is committed towards operating a sound system of internal control and effective risk management practices throughout the Group and is of the view that they are adequate to safeguard shareholders' investments and the Group's assets. There were no material losses incurred during the financial period as a result of weaknesses in internal control that would require a separate disclosure in the annual report. The Board will, when necessary, take the necessary steps to further enhance the Company's system of risk management and internal control to adapt to the ever changing and challenging business environment.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this annual report. Their review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants for inclusion in the annual report and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared , in all material respect, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, or nor is factually inaccurate.

The external auditors are not required to consider whether the Directors' Statement on Risk Management and Internal Control covers all risk and control, or to form an opinion on the adequacy and effectiveness of the Company's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon in accordance with RPG (Revised 2015).The external auditors are also not required to consider the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This Statement was made in accordance with a resolution of the Board dated 28 July 2016.

Additional Compliance Information

(a) **Utilisation of Proceeds**

The status of utilisation of the gross proceeds of RM42.518 million from the Rights Issue by the Company as at 31 March 2016 are as follows:-

Purposes	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Deviation RM'000	Intended Timeframe for Utilisation	Explanation
Future viable investments	30,000	19,000	11,000	-	Within 24 months from completion	
Repayment of borrowings	4,290	4,290	-	-	Within 24 months from completion	
Working capital	7,428	7,252	-	176	Within 24 months from completion	Being the additional rights issue expenses of RM176,000 incurred
Rights Issue expenses	800	976	-	(176)	Upon completion	
Total	**42,518**	**31,518**	**11,000**	**-**		

(b) **Share Buybacks**

There was no Share Buybacks arrangement during the financial period.

(c) **Options, Warrants or Convertible Securities**

(i) During the financial period ended 31 March 2016,4,116 units of Warrants A - 2010/2015 was exercised and converted into ordinary shares. The Warrants A had expired on 7 December 2015.

(ii) None of the Warrants B – 2014/2019 has been exercised during the financial period and the total number of warrants remained unexercised is 147,332,186.

(iii) None of the Warrants C - 2014/2019 has been exercised during the financial period and the total number of warrants remained unexercised is 255,105,900.

(d) **American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme**

During the financial period, the Company did not sponsor any ADR or GDR programme.

(e) **Sanctions and Penalties**

There were no material sanctions and penalties imposed on the Company, Directors or management by the relevant regulatory bodies.

(f) **Non-Audit Fees**

The amount of non-audit fees incurred for services rendered to the Company by its external auditors for the financial period ended 31 March 2016 was RM61,200.

Additional Compliance Information

(Continued)

(g) Profit Estimates, Forecast or Projection

The Company did not issue any profit estimate, forecast or projection for the financial period.

(h) Profit Guarantee

No profit guarantee was given by the Company in respect of the financial period.

(i) Material Contracts

During the financial period, there were no material contracts of the Company involving its Directors' and major shareholders' interest.

(j) Revaluation Policy

The Company does not have a revaluation policy in respect of its properties.

(k) Recurrent Related Party Transactions of Revenue Nature ("RRPT")

During the financial period, the Company did not enter into any RRPT.

Reports and Financial Statements

Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period 1st January 2015 to 31st March 2016.

CHANGE OF FINANCIAL YEAR END

During the financial period, the Company changed its financial year end from 31st December to 31st March. The current financial statements have, therefore, been made up for a period of fifteen (15) months from 1st January 2015 to 31st March 2016. The comparative figures are for the previous 12-month period from 1st January 2014 to 31st December 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, management and consultancy services. The principal activities of the subsidiaries are as disclosed in Note 8 to the Financial Statements. There have been no significant changes in the nature of these principal activities during the financial period.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial period are as follows:

	GROUP RM	COMPANY RM
Loss for the period	(32,727,021)	(39,662,471)
Attributable to:		
Owners of the Company	(31,550,725)	(39,662,471)
Non-controlling interests	(1,176,296)	-
	(32,727,021)	(39,662,471)

In the opinion of the directors, the results of operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature except for the impairment loss on goodwill and the impairment loss on development costs of RM17,357,214 and RM4,102,309 respectively as disclosed in the Financial Statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend the payment of any dividend in respect of the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the Financial Statements.

ISSUE OF SHARES AND DEBENTURES

As approved by the shareholders of the Company at the Extraordinary General Meeting held on 18th June 2015, the issued and paid-up share capital of the Company was increased from RM85,035,300 to RM102,042,360 during the financial period by way of issuance of 170,070,600 new ordinary shares of RM0.10 each pursuant to the bonus issue exercise on the basis of one (1) new ordinary share for every five (5) existing ordinary shares of RM0.10 each held by entitled shareholders, by way of capitalisation of RM8,071,502 from the share premium account and RM8,935,558 from the Company's retained earnings.

Also, as approved by the shareholders at the Extraordinary General Meeting held on 18th June 2015, the issued and paid-up share capital of the Company was further increased from RM102,042,360 to RM149,082,360 during the financial period by way of issuance of 470,400,000 new ordinary shares of RM0.10 at an issue price of RM0.10 per ordinary share each as purchase consideration for the acquisition of 800,000 ordinary shares of RM1.00 each in Cekap Air Sdn. Bhd. as disclosed in Note 9 to the Financial Statements.

The issued and paid-up share capital of the Company was further increased from RM149,082,360 to RM149,082,772 by way of issuance of 4,116 new ordinary shares of RM0.10 each pursuant to the exercise of 4,116 Warrants A 2010/2015 at exercise price RM0.25 per ordinary share.

All the new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial period.

WARRANTS A 2010/2015

In 2010, the Company completed the listing of bonus issue of 77,500,500 free warrants on the basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.10 each in the Company. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.59 per warrant. In 2012, the exercise price of the warrant was adjusted from RM0.59 to RM0.40 and additional 38,750,250 warrants were issued pursuant to the adjustment.

In 2014, the exercise price of the warrant was adjusted from RM0.40 to RM0.30 and additional 34,812,498 warrants were issued arising from the adjustments pursuant to the rights issue exercise.

During the financial period, the exercise price of the warrant was further adjusted from RM0.30 to RM0.25 and additional 30,212,649 warrants were issued arising from the adjustments pursuant to the bonus issue exercise. The salient terms of the Warrants A 2010/2015 are disclosed in Note 14 to the Financial Statements.

Warrants A 2010/2015 expired on 7th December 2015.

WARRANTS B 2014/2019

In 2014, the Company issued 94,483,666 free warrants on the basis of two (2) free warrants for every nine (9) existing ordinary shares of RM0.10 each in the Company. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.18 per warrant. Subsequently, the exercise price of the warrant was adjusted from RM0.18 to RM0.14 and additional 28,293,156 warrants were issued arising from the adjustments pursuant to the rights issue exercise.

During the financial period, the exercise price of the warrant was further adjusted from RM0.14 to RM0.12 and additional 24,555,364 warrants were issued arising from the adjustments pursuant to the bonus issue exercise. The salient terms of the Warrants B 2014/2019 are disclosed in Note 14 to the Financial Statements.

As at the end of the financial period, 147,332,186 Warrants B 2014/2019 remain unexercised.

Directors' Report
(Continued)

WARRANTS C 2014/2019

In 2014, the Company issued 212,588,250 free detachable warrants pursuant to the rights issue with warrants on the basis of one (1) free warrant for every two (2) rights shares subscribed for. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.12 per warrant.

During the financial period, the exercise price of the warrant was adjusted from RM0.12 to RM0.10 and additional 42,517,650 warrants were issued arising from the adjustments pursuant to the bonus issue exercise. The salient terms of the Warrants C 2014/2019 are disclosed in Note 14 to the Financial Statements.

As at the end of the financial period, 255,105,900 Warrants C 2014/2019 remain unexercised.

DIRECTORS

The names of the directors in office since the date of the last report and as at the date of this report are:

Mohammad Sobri Bin Saad
Basir Bin Bachik
Azahar Bin Rasul
Abdul Fattah Bin Mohamed Yatim
Choo Seng Choon

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors in the financial statements or the fixed salary of full-time employee of the Company or a related corporation) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial period, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were directors at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.10 each			
	Balance as at 1.1.2015	Bonus issue	Sold	Balance as at 31.3.2016
Shares in the Company				
Direct interest				
Mohammad Sobri Bin Saad	165,877,454	29,175,495	(20,000,000)	175,052,949
Basir Bin Bachik	410,000	82,000	-	492,000
Abdul Fattah Bin Mohamed Yatim	15	3	-	18

DIRECTORS' INTERESTS (Continued)

	Number of Warrants A 2010/2015			
	Balance as at 1.1.2015	Bonus issue	Lapsed	Balance as at 31.3.2016
Direct interest				
Mohammad Sobri Bin Saad	36,255,199	7,251,459	(43,506,658)	-
Abdul Fattah Bin Mohamed Yatim	9	1	(10)	-
Indirect interest				
Mohammad Sobri Bin Saad	70	14	(84)	-

	Number of Warrants B 2014/2019			
	Balance as at 1.1.2015	Bonus issue	Disposed	Balance as at 31.3.2016
Direct interest				
Mohammad Sobri Bin Saad	14,392,231	2,879,498	-	17,271,729
Abdul Fattah Bin Mohamed Yatim	3	-	-	3
Basir Bin Bachik	118,395	23,679	-	142,074

	Number of Warrants C 2014/2019			
	Balance as at 1.1.2015	Bonus issue	Disposed	Balance as at 31.3.2016
Direct interest				
Mohammad Sobri Bin Saad	43,021,311	8,604,266	-	51,625,577

By virtue of the above directors' interests in the shares of the Company, the abovementioned directors are also deemed to have an interest in the shares of the subsidiaries to the extent that the Company has interests.

None of the other directors in office at the end of the financial period held shares or had any beneficial interest in the shares of the Company or its related corporations during and at the end of the financial period.

OTHER STATUTORY INFORMATION

a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that no known bad debts need to be written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the financial statements of the Group and of the Company have been written down to an amount which they might be expected to realise.

Directors' Report
(Continued)

OTHER STATUTORY INFORMATION (Continued)

b) At the date of this report, the directors are not aware of any circumstances:

(i) which would require the writing off of bad debts or which would render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributable to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liability of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

d) No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period which in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

f) In the opinion of the directors, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made.

AUDITORS

The auditors, STYL Associates, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,

MOHAMMAD SOBRI BIN SAAD
Director

BASIR BIN BACHIK
Director

Kuala Lumpur

Date: 28 July 2016

Statement By Directors

We, MOHAMMAD SOBRI BIN SAAD and BASIR BIN BACHIK, being two of the directors of EA Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31st March 2016 and of their financial performance and cash flows of the Group and of the Company for the period 1st January 2015 to 31st March 2016.

The supplementary information set out in Note 36 to the Financial Statements has been prepared in all material respects, in accordance with Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors,

MOHAMMAD SOBRI BIN SAAD
Director

BASIR BIN BACHIK
Director

Kuala Lumpur

Date: 28 July 2016

Statutory Declaration

Pursuant To Section 169 (16) Of The Companies Act, 1965

I, TAY MUN KIT, being the officer primarily responsible for the financial management of EA Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed TAY MUN KIT,
at Petaling Jaya, on 28 July 2016

TAY MUN KIT

Before me:

S.Arokiadass A.M.N
No. B 460

Independent Auditors' Report
To The Members Of EA Holdings Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of EA Holdings Berhad, which comprise the statements of financial position as at 31st March 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period 1st January 2015 to 31st March 2016, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 88.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st March 2016 and of their financial performance and cash flows for the period 1st January 2015 to 31st March 2016 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the Financial Statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report
To The Members Of EA Holdings Berhad (Continued)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 36 to the Financial Statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

STYL ASSOCIATES
No. AF 1929
Chartered Accountants

LEE KIM WAH
No: 3166/07/17(J)
Chartered Accountant

Date: 28 July 2016

Petaling Jaya

Statements Of Financial Position

As At 31st March 2016

(with comparative figures as at 31st December 2014)

		GROUP		COMPANY	
	Note	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	6	7,536,285	6,709,284	4,510,895	3,112,392
Intangible assets	7	22,774,316	45,318,577	-	-
Investment in subsidiaries	8	-	-	23,738,939	71,381,000
Investment in associate	9	49,518,798	-	47,040,000	-
Total Non-current Assets		79,829,399	52,027,861	75,289,834	74,493,392
Current Assets					
Inventories	10	867,240	475,071	-	-
Trade receivables	11	32,521,825	38,802,055	-	-
Other receivables, deposits and prepaid expenses	12	1,695,134	1,392,569	118,814	26,067
Amount owing by subsidiaries	8	-	-	36,924,239	25,150,943
Amount owing by associate	9	4,551,065	-	3,551,065	-
Deposits, cash and bank balances	13	19,436,850	33,851,813	2,774,047	12,429,097
Total Current Assets		59,072,114	74,521,508	43,368,165	37,606,107
Total Assets		138,901,513	126,549,369	118,657,999	112,099,499
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	14	149,082,772	85,035,300	149,082,772	85,035,300
Reserves	15	(19,537,895)	29,963,669	(33,658,519)	23,954,791
Equity Attributable to Owners of the Company		129,544,877	114,998,969	115,424,253	108,990,091
Non-controlling interests		204,103	2,360,399	-	-
Total Equity		129,748,980	117,359,368	115,424,253	108,990,091

Statements Of Financial Position

As At 31st March 2016 (Continued)

(with comparative figures as at 31st December 2014)

		GROUP		COMPANY	
	Note	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Non-current Liabilities					
Hire purchase creditors	16	728,575	914,773	23,011	89,190
Term loans	17	1,954,203	1,041,613	1,954,203	1,041,613
Deferred tax liabilities	18	239,313	402,392	-	-
Total Non-current Liabilities		2,922,091	2,358,778	1,977,214	1,130,803
Current Liabilities					
Trade payables	19	943,005	1,636,446	-	-
Other payables and accrued expenses	20	2,054,902	2,014,366	606,121	1,596,572
Short-term borrowings	21	1,660,898	1,187,796	579,301	147,639
Amount owing to subsidiaries	8	-	-	-	184,755
Amount owing to director	22	11,650	11,650	-	-
Hire purchase creditors	16	342,633	287,853	53,310	49,639
Tax liabilities		1,217,354	1,693,112	17,800	-
Total Current Liabilities		6,230,442	6,831,223	1,256,532	1,978,605
Total Liabilities		9,152,533	9,190,001	3,233,746	3,109,408
Total Equity and Liabilities		138,901,513	126,549,369	118,657,999	112,099,499

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Profit Or Loss And Other Comprehensive Income

For The Period 1st January 2015 To 31st March 2016

(with comparative figures for the year ended 31st December 2014)

		GROUP		COMPANY	
		2016	2014	2016	2014
		(15 Months)	(12 Months)	(15 Months)	(12 Months)
	Note	RM	RM	RM	RM
Revenue	23	35,898,246	40,309,048	10,520,000	9,950,590
Other operating income	24	238,234	223,526	129,132	189,499
Changes in inventories of trading merchandise		392,169	281,502	-	-
Purchases and other direct costs		(30,630,472)	(25,949,916)	-	-
Employee benefits expenses	25	(11,038,059)	(3,978,963)	(573,551)	(292,191)
Amortisation of intangible assets	7	(1,084,738)	(438,544)	-	-
Depreciation of property, plant and equipment	6	(1,491,459)	(531,520)	(295,220)	(97,087)
Directors' remuneration	26	(1,468,185)	(698,473)	(313,500)	(149,700)
Impairment loss on goodwill	7	(17,357,214)	-	-	-
Impairment loss on investment in subsidiaries	8	-	-	(47,642,061)	-
Impairment loss on development costs	7	(4,102,309)	-	-	-
Other operating expenses	24	(3,697,930)	(3,194,800)	(1,180,459)	(1,055,005)
Profit/(Loss) from operations		(34,341,717)	6,021,860	(39,355,659)	8,546,106
Share of results of associate	9	2,478,798	-	-	-
Finance costs	27	(443,696)	(422,289)	(253,380)	(75,656)
Profit/(Loss) before tax		(32,306,615)	5,599,571	(39,609,039)	8,470,450
Income tax expense	28	(420,406)	(891,882)	(53,432)	-
Profit/(Loss) for the year representing total comprehensive income/(loss) for the period/year		(32,727,021)	4,707,689	(39,662,471)	8,470,450
Profit/(Loss) attributable to:					
Owners of the Company		(31,550,725)	4,581,429	(39,662,471)	8,470,450
Non-controlling interests		(1,176,296)	126,260	-	-
		(32,727,021)	4,707,689	(39,662,471)	8,470,450

Statements Of Profit Or Loss And Other Comprehensive Income

For The Period 1st January 2015 To 31st March 2016 (Continued)
(with comparative figures for the year ended 31st December 2014)

		GROUP		COMPANY	
		2016 (15 Months)	2014 (12 Months)	2016 (15 Months)	2014 (12 Months)
	Note	RM	RM	RM	RM
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		(31,550,725)	4,581,429	(39,662,471)	8,470,450
Non-controlling interests		(1,176,296)	126,260	-	-
		(32,727,021)	4,707,689	(39,662,471)	8,470,450
Earnings/(Loss) per share attributable to owners of the Company:					
Basic (sen)	29	(2.44)	0.52		
Diluted (sen)	29	(2.44)	0.50		

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Statement Of Changes In Equity

For The Period 1st January 2015 To 31st March 2016

(with comparative figures for the year ended 31st December 2014)

	<------------------- Attributable to Owners of the Company ------------------->							
	<---Non-distributable--->			Distributable reserve - Retained earnings/				
GROUP	Share capital RM	Share premium RM	Warrants reserve RM	(Accumulated loss) RM	Other reserve RM	Total RM	Non-controlling interests RM	Total equity RM
Balance as at 1st January 2014	42,517,650	9,311,952	6,119,827	24,928,656	(13,737,745)	69,140,340	2,234,139	71,374,479
Profit for the year representing total comprehensive income for the financial year	-	-	-	4,581,429	-	4,581,429	126,260	4,707,689
Transaction with owners of the Company:								
Issuance of new shares with free warrants pursuant to rights issue	42,517,650	(1,240,450)	9,502,695	(9,502,695)	-	41,277,200	-	41,277,200
Balance as at 31st December 2014	85,035,300	8,071,502	15,622,522	20,007,390	(13,737,745)	114,998,969	2,360,399	117,359,368
Loss for the period representing total comprehensive loss for the financial period	-	-	-	(31,550,725)	-	(31,550,725)	(1,176,296)	(32,727,021)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(980,000)	(980,000)
Transactions with owners of the Company:								
Issuance of ordinary shares pursuant to:								
- Bonus issue	17,007,060	(8,071,502)	-	(8,935,558)	-	-	-	-
- Exercise of warrants	412	617	-	-	-	1,029	-	1,029
- Acquisition of investment in associate	47,040,000	-	-	-	-	47,040,000	-	47,040,000
Share issuance expenses	-	-	-	(944,396)	-	(944,396)	-	(944,396)
Warrants lapsed	-	-	(6,119,827)	6,119,827	-	-	-	-
Total transactions with owners of the Company	64,047,472	(8,070,885)	(6,119,827)	(3,760,127)	-	46,096,633	-	46,096,633
Balance as at 31st March 2016	149,082,772	617	9,502,695	(15,303,462)	(13,737,745)	129,544,877	204,103	129,748,980

The accompanying Notes form an integral part of the Financial Statements.

Statement Of Changes In Equity

For The Period 1st January 2015 To 31st March 2016

(with comparative figures for the year ended 31st December 2014)

	<---------Attributable to Owners of the Company--------->				
		Non-distributable reserves		Distributable reserve - Retained earnings/	
	Share capital	Share premium	Warrants reserve	(Accumulated loss)	Total equity
COMPANY	RM	RM	RM	RM	RM
Balance as at 1st January 2014	42,517,650	9,311,952	6,119,827	1,293,012	59,242,441
Profit for the year representing total comprehensive income for the year	-	-	-	8,470,450	8,470,450
Transactions with owners of the Company:					
Issuance of shares with free warrants pursuant to rights issue	42,517,650	(1,240,450)	9,502,695	(9,502,695)	41,277,200
Balance as at 31st December 2014	85,035,300	8,071,502	15,622,522	260,767	108,990,091
Loss for the period representing total comprehensive loss for the period	-	-	-	(39,662,471)	(39,662,471)
Transactions with owners of the Company:					
Issuance of ordinary shares pursuant to:					
- Bonus issue	17,007,060	(8,071,502)	-	(8,935,558)	-
- Exercise of warrants	412	617	-	-	1,029
- Acquisition of investment in associate	47,040,000	-	-	-	47,040,000
Share issuance expenses	-	-	-	(944,396)	(944,396)
Warrants lapsed	-	-	(6,119,827)	6,119,827	-
Total transactions with owners of the Company	64,047,472	(8,070,885)	(6,119,827)	(3,760,127)	46,096,633
Balance as at 31st March 2016	149,082,772	617	9,502,695	(43,161,831)	115,424,253

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Cash Flows

For The Period 1st January 2015 To 31st March 2016

(with comparative figures for the year ended 31st December 2014)

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	(32,306,615)	5,599,571	(39,609,039)	8,470,450
Adjustments for:				
Amortisation of intangible assets	1,084,738	438,544	-	-
Depreciation of property, plant and equipment	1,491,459	531,520	295,220	97,087
Impairment loss on investment in subsidiaries	-	-	47,642,061	-
Impairment loss on goodwill	17,357,214	-	-	-
Impairment loss on other receivables	165,372	-	-	-
Impairment loss on development costs	4,102,309	-	-	-
Gain on disposal of property, plant and equipment	(47,000)	(3,267)	-	-
Dividend income	-	-	(10,520,000)	(9,950,590)
Interest income	(150,620)	(219,257)	(102,132)	(189,499)
Finance costs	443,696	422,289	253,380	75,656
Share of results of associate	(2,478,798)	-	-	-
Operating Profit/(Loss) Before Working Capital Changes	(10,338,245)	6,769,400	(2,040,510)	(1,496,896)
Changes in working capital:				
Increase in inventories	(392,169)	(281,502)	-	-
Decrease in trade receivables	6,280,230	10,712,944	-	-
(Increase)/Decrease in other receivables, deposits and prepaid expenses	(467,937)	497,247	(92,747)	41,094
Increase in amount owing by subsidiaries	-	-	(1,253,296)	(8,377,179)
Increase in amount owing by associate	(4,551,065)	-	(3,551,065)	-
Decrease in trade payables	(693,441)	(8,582,544)	-	-
Increase/(Decrease) in other payables and accrued expenses	40,536	(596,409)	(990,451)	(179,711)
Decrease in amount owing to subsidiaries	-	-	(184,755)	(1,168,414)
Increase in amount owing to director	-	1,050	-	-
Cash Generated From/(Used In) Operations	(10,122,091)	8,520,186	(8,112,824)	(11,181,106)
Tax paid	(1,060,890)	(572,654)	(35,632)	-
Tax refund	1,647	-	-	-
Net Cash From/(Used In) Operating Activities	(11,181,334)	7,947,532	(8,148,456)	(11,181,106)

Statements Of Cash Flows

For The Period 1st January 2015 To 31st March 2016 (Continued)
(with comparative figures for the year ended 31st December 2014)

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(2,318,460)	(1,708,262)	(1,693,723)	(329,122)
Proceeds from disposal of property, plant and equipment	47,000	11,500	-	-
Development costs incurred	-	(1,481,551)	-	-
Acquisition of investment in subsidiary (Note 8)	-	(17,550,582)	-	(18,000,000)
Interest received	150,620	219,257	102,132	189,499
Net Cash Used In Investing Activities	(2,120,840)	(20,509,638)	(1,591,591)	(18,139,623)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in bank borrowings	-	(2,626,234)	-	-
Repayment of term loans	(99,918)	-	(99,918)	-
Drawdown of term loans	969,988	-	969,988	-
Dividend paid to non-controlling interests	(980,000)	-	-	-
Increase in deposits pledged for banking facilities granted	(580,677)	(694,245)	(77,929)	(223,107)
Repayment of hire purchase payables	(131,418)	(287,269)	(62,508)	(46,703)
Proceeds from issuance of shares	-	41,277,200	-	41,277,200
Proceeds from exercise of warrants	1,029	-	1,029	-
Payment of share issuance expenses	(944,396)	-	(944,396)	-
Finance costs paid	(443,696)	(422,289)	(253,380)	(75,656)
Net Cash From/(Used In) Financing Activities	(2,209,088)	37,247,163	(467,114)	40,931,734
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(15,511,262)	24,685,057	(10,207,161)	11,611,005
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	29,823,078	5,138,021	10,624,023	(986,982)
CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 30)	14,311,816	29,823,078	416,862	10,624,023

Note

During the financial period, the Group and the Company acquired 20% equity interest in Cekap Air Sdn. Bhd. for a purchase consideration of RM47,040,000 which was satisfied via issuance of 470,400,000 new ordinary shares of RM0.10 each in the Company.

In 2014, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM4,651,450 and RM3,046,310 of which RM2,943,188 and RM2,717,188 were acquired under hire purchase and term loan arrangement. Cash payments by the Group and by the Company for the acquisition of property, plant and equipment amounted to RM1,708,262 and RM329,122 respectively.

The accompanying Notes form an integral part of the Financial Statements.

Notes To The Financial Statements

1) GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company is principally engaged in investment holding, management and consultancy services. The principal activities of the subsidiaries are as disclosed in Note 8 to the Financial Statements. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial period.

During the financial period, the Company changed its financial year end from 31st December to 31st March. The current financial statements have, therefore, been made up for a period of fifteen (15) months from 1st January 2015 to 31st March 2016. The comparative figures are for the previous 12-month period from 1st January 2014 to 31st December 2014.

The registered office of the Company is located at No: 149-A, Jalan Amminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur.

The principal place of business of the Company is located at Unit 25-5, Menara Permata Damansara, No: 685, Jalan Damansara, 60000 Kuala Lumpur.

The financial statements have been authorised by the Board of Directors for issuance on 28th July 2016.

2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1965 in Malaysia.

Adoption of Amendments to MFRSs and Annual Improvements

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year, except as follows:

Amendments to MFRS 119 Employee Benefits - Defined Benefit Plans: Employee Contributions
Annual improvements to MFRSs 2010 - 2012 Cycle
Annual improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group and of the Company.

Standards Issued but not yet Effective

As at the date of authorisation of these financial statements, the following Standards, Amendments and Annual Improvements have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

		Effective for annual period beginning on or after
MFRS 14	Regulatory Deferral Accounts	1st January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1st January 2016
Amendments to MFRS 101	Disclosure Initiative	1st January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1st January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1st January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *	Deferred
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016

2) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

		Effective for annual period beginning on or after
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1st January 2016
Annual improvements to MFRSs 2012 - 2014 Cycle		1st January 2016
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1st January 2017
Amendments to MFRS 107	Disclosure Initiative	1st January 2017
MFRS 15	Revenue from Contracts with Customers	1st January 2018
MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)	1st January 2018
MFRS 16	Leases	1st January 2019

The Group and the Company will adopt the above pronouncements where applicable when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group and of the Company upon their initial application other than the two standards described below, for which the effects of adoption of the above pronouncements are still being assessed by the directors:

(a) MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and established a five-step model that will apply to revenue recognition arising from contracts with customers as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognising revenue.

(b) MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139. This Standard makes changes to the requirements for classification and measurement, impairment and hedge accounting. There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about any entity's risk management activities have also been introduced.

This Standard will come into effect on or after 1st January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

Notes To The Financial Statements
(Continued)

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group are subject to a variety of financial risks, including market risk (foreign currency risk and interest rate risk), credit risk, and liquidity risk. The Group has adopted a financial risk management framework with the principal objective of effectively managing these risks and minimising any potential adverse effects on the financial performance of the Group.

Market risk

Foreign currency risk management

As at 31st March 2016, the Group and the Company are not exposed to any material foreign currency risk as the transactions and balances are mainly denominated in Ringgit Malaysia.

Interest rate risk management

The Group and the Company are exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Company and the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Changes in interest rates are not expected to have a significant impact on the Group's and the Company's profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis point at the reporting date would have increased the loss before tax by the amount shown below and a decrease would have an equal but opposite effect. This analysis assumes that all other variables, remain constant.

	GROUP	COMPANY
	RM	RM
Increase in loss before tax	36,138	25,322

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. As at the end of the reporting period, the maximum exposure to credit risk arising from receivables and amount owing by subsidiaries is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually. The Company does not specifically monitor the ageing of the advances to the subsidiaries. Nevertheless, these advances are not considered overdue and are repayable on demand. Impairment losses are provided when there is an indication that the advances given to the subsidiaries are not recoverable.

At the end of the reporting period, there was no indication that the balances due from subsidiaries are not recoverable.

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The ageing of trade receivables as at the end of the reporting period was:

	GROUP	
	As at 31st March 2016 RM	As at 31st December 2014 RM
Neither past due nor impaired	19,254,379	7,999,528
Past due less than 30 days, not impaired	94,658	-
Past due 31 to 60 days, not impaired	146,673	964,536
Past due 61 to 90 days, not impaired	92,382	5,591,579
Past due 91 - 120 days, not impaired	195,586	1,269,672
Past due more than 120 days, not impaired	12,738,147	22,976,740
	13,267,446	30,802,527
	32,521,825	38,802,055

i) *Receivables that are neither past due nor impaired*

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

ii) *Receivables that are past due but not impaired*

The Group has trade receivables amounting to RM13,267,446 (31st December 2014: RM30,802,527) that is past due at the reporting date but not impaired.

These receivables are unsecured. Management is confident that these receivables are recoverable as these accounts are still active.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due.

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funds for contingent funding requirement of working capital.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

Notes To The Financial Statements

(Continued)

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
GROUP					
As at 31st March 2016					
Financial liabilities					
Trade payables	943,005	943,005	943,005	-	-
Other payables	1,547,982	1,547,982	1,547,982	-	-
Amount owing to director	11,650	11,650	11,650	-	-
Hire purchase creditors	1,071,208	1,177,296	389,916	739,630	47,750
Term loans	2,059,322	2,059,322	105,119	475,258	1,478,945
	5,633,167	5,739,255	2,997,672	1,214,888	1,526,695
As at 31st December 2014					
Financial liabilities					
Trade payables	1,636,446	1,636,446	1,636,446	-	-
Other payables	1,531,136	1,531,136	1,531,136	-	-
Amount owing to director	11,650	11,650	11,650	-	-
Hire purchase creditors	1,202,626	1,341,088	345,780	955,291	40,017
Term loans	1,189,252	1,189,252	147,639	565,997	475,616
	5,571,110	5,709,572	3,672,651	1,521,288	515,633
COMPANY					
As at 31st March 2016					
Financial liabilities					
Other payables	538,356	538,356	538,356	-	-
Hire purchase creditors	76,321	79,441	56,124	23,317	-
Term loans	2,059,322	2,059,322	105,119	475,258	1,478,945
	2,673,999	2,677,119	699,599	498,575	1,478,945
As at 31st December 2014					
Financial liabilities					
Other payables	1,527,936	1,527,936	1,527,936	-	-
Amount owing to subsidiaries	184,755	184,755	184,755	-	-
Hire purchase creditors	138,829	149,596	56,124	93,472	-
Term loans	1,189,252	1,189,252	147,639	565,997	475,616
	3,040,772	3,051,539	1,916,454	659,469	475,616

3) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital Risk Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the Group's approach to capital management during the financial period.

The gearing ratio at the end of the reporting period is as follows:

	GROUP	
	As at 31st March 2016 RM	As at 31st December 2014 RM
Debts (i)	3,615,101	2,229,409
Less: Deposits, cash and bank balances	(19,436,850)	(33,851,813)
Net debt/(cash) position	(15,821,749)	(31,622,404)
Total equity (ii)	129,748,980	117,359,368
Debt to equity ratio	-	-

(i) Debt is defined as borrowings and term loans as disclosed in Notes 17 and 21.

(ii) Equity includes share capital, reserves and non-controlling interests.

(iii) The Group is not subject to any externally imposed capital requirement as at the reporting date.

(iv) The debt to equity ratio of the Group is nil as at 31st March 2016 and as at 31st December 2014 as the Group is in a net cash position of RM15,821,749 and RM31,622,404 respectively.

4) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Notes To The Financial Statements
(Continued)

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (Continued)

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as at the date of the event or change in circumstances that caused the transfers.

b) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment, is calculated to write off the cost of the property, plant and equipment on a straight-line basis over the expected useful lives of the property, plant and equipment concerned. The annual depreciation rates used are as follows:

	%
Freehold building	5
Office equipment	20
Furniture and fittings	20
Computers	20
Motor vehicles	20
Moulds	20
Renovation	20

The carrying values of property, plant and equipment are reviewed for impairment when events or change in circumstances indicate that the carrying value may not be recoverable. The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceed and the carrying amount of the asset, and is recognised in profit or loss.

c) Intangible Assets

i) Goodwill on Consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Intangible Assets (Continued)

i) Goodwill on Consolidation (Continued)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of, is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and portion of the cash-generating unit retained.

ii) Research and Development Costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) the intention to complete the intangible asset and use or sell it;

(iii) the ability to use or sell the intangible asset;

(iv) how the intangible asset will generate probable future economic benefits;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses. The average expected life of the development projects is fifteen (15) years.

d) Subsidiaries and Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company. Control is achieved when the Group:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

(i) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) potential voting rights held by the Group, other vote holders or other parties;

(iii) right arising from other contractual arrangements; and

(iv) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholdings' meetings.

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Subsidiaries and Basis of Consolidation (Continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Disposal of Subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Transactions with Non-controlling Interest

Non-controlling interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statement of financial position, separately from the parent shareholder's equity. Transactions with non-controlling interest are accounted for using the entity concept method, whereby, transactions with non-controlling interest are accounted for as transactions with owners. On acquisition of non-controlling interest, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interest is recognised directly in equity.

e) Business Combinations

Acquisition of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Business Combinations (Continued)

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 Income Taxes and MFRS 119 Employee Benefits respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest was disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised at that date.

The policy described above is applied to all business combinations that take place on or after 1st January 2011.

f) Investment in Subsidiaries

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of such investment, the difference between disposal proceed and its carrying amount is recognised in profit or loss.

4) **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

g) **Investment in Associate**

An associate is a non-subsidiary in which the Group and the Company hold not less than 20% of the equity voting rights as long-term investment and in which the Group and the Company are in a position to exercise significant influence in its management.

The Group's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to associate is including in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifible assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investment in associate is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceed and its carrying amount is included in profit or loss.

h) **Inventories**

Inventories are valued at the lower of cost (determined principally on the first-in, first-out method) and net realisable value. Cost consists of purchases and other direct costs incurred in bringing the inventories to its present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

i) **Financial Instruments**

i) **Initial recognition and measurement**

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instruments.

Where the purchase or sale of financial assets is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are recognised initially, at its fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial Instruments (Continued)

ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

The Group and the Company classify its financial assets in the following categories: at fair value through profit or loss (FVTPL), held-to-maturity investments, loans and receivables and available-for-sale (AFS) financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

a) *Financial assets at FVTPL*

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other income or other losses.

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company do not have any financial assets at FVTPL at the current financial period and previous financial year end.

b) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group and the Company have the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The Group and the Company have not designated any financial assets as held-to-maturity investments at the current financial period and previous financial year end.

c) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial Instruments (Continued)

ii) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

d) *AFS financial assets*

AFS financial assets are non-derivatives that are either designated in this category or are not classified in any of the three preceding categories. After initial recognition, AFS financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on AFS equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

AFS financial assets which are not expected to be realised within 12 months after the financial year end are classified as non-current assets.

The Group and the Company do not have any AFS financial assets at the current financial period and previous financial year end.

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become parties to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

a) *Financial liabilities at FVTPL*

Financial liabilities are classified as FVTPL when the financial liability is either held for trading or it is designated as FVTPL.

A financial liability is classified as held for trading if:

i) it has been acquired principally for the purpose of repurchasing it in the near term; or

ii) on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and has a recent actual pattern of short-term profit-taking; or

iii) it is a derivative that is not designated and effective as a hedging instrument.

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial Instruments (Continued)

ii) Financial instrument categories and subsequent measurement (Continued)

Financial liabilities (Continued)

a) *Financial liabilities at FVTPL* (Continued)

A financial liability other than a financial liability held for trading may be designated as financial liability at FVTPL upon initial recognition if:

i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's and the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) it forms part of a contract containing one or more embedded derivatives, and MFRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of profit or loss and other comprehensive income.

b) *Other financial liabilities*

Other financial liabilities, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire.

iii) Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.
- the disappearance of an active market for that financial asset because of financial difficulties

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial Instruments (Continued)

iii) Impairment of Financial Assets (Continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are debited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For the financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

j) Impairment of Non-financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

k) Property, Plant and Equipment under Hire Purchase Arrangements

Assets acquired under hire purchase arrangements which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire purchase obligations are recorded at their fair values or, if lower, at the present value of the mnimum lease payment of the assets under hire purchase at the inception of the respective arrangements.

Finance costs, which represent the difference between the total hire purchase commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant hire purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get them ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The amount of borrowing costs eligible for capitalisation is determined based on actual interest incurred on borrowings made specifically for the purpose of obtaining a qualifying asset and less any investment income on the temporary investment of that borrowing.

All other borrowing costs are recognised as finance costs in profit or loss in the period in which they are incurred.

n) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

o) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

p) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

q) Warrants Reserve

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve which is non-distributable. Warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

Notes To The Financial Statements
(Continued)

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events, and the existence of which will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position in the current and previous financial year ends.

s) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

t) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable, net of returns, allowances and trade discounts.

Revenue from goods sold and services are recognised when the goods are delivered and services are rendered. Revenue represents the invoiced value of goods sold and services rendered net of discounts and allowances. Gross dividend income from investment is recognised when the right to received payment is established. Management fee, administrative charges, rental income and interest income are recognised on accrual basis, taking into account the effective yield on asset.

u) Foreign Currency Conversion

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

v) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contributions Plans

The Group and its eligible employees are required by law to make monthly contributions to Employees Provident Fund ("EPF"), a statutory defined contribution plan, at certain prescribed rates based on the employees' salaries. The Group's and the Company's contributions to EPF are charged to profit or loss. Once the contributions have been paid, there are no further payment obligations.

4) SIGNIFICANT ACCOUNTING POLICIES (Continued)

w) Income Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the financial period end.

Current taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported results during the reported period.

Critical Judgements in Applying the Group's and the Company's Accounting Policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

Notes To The Financial Statements
(Continued)

5) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key Sources of Estimation Uncertainty

The directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(i) *Impairment of Goodwill*

The Group tests goodwill for impariment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

For the purpose of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Key assumptions used in determining the recoverable amount of cash generating unit based on value-in-use calculations are disclosed in Note 7. Changes in assumptions could significantly affect the results of the tests for impairment of goodwill of the Group.

(ii) *Impairment of Investment in Subsidiaries*

The Group assesses at each reporting date whether there is any objective evidence that the investment in subsidiaries is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the subsidiaries.

(iii) *Impairment on Trade Receivables*

The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's receivables at the reporting date is disclosed in the Financial Statements.

6) PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold building RM	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles RM	Moulds RM	Renovation RM	Total RM
Cost								
As at 1st January 2015	3,042,803	677,724	138,715	3,834,442	2,717,563	65,065	470,333	10,946,645
Additions	1,565,980	61,695	131,393	32,040	305,671	-	221,681	2,318,460
Disposals	-	-	-	-	(156,340)	-	-	(156,340)
Written off	-	-	-	(164,348)	-	(65,065)	(31,681)	(261,094)
As at 31st March 2016	4,608,783	739,419	270,108	3,702,134	2,866,894	-	660,333	12,847,671
Accumulated depreciation								
As at 1st January 2015	-	599,763	94,955	1,235,550	1,833,001	64,710	409,382	4,237,361
Charge for the period	223,670	36,668	14,215	750,782	436,490	355	29,279	1,491,459
Disposals	-	-	-	-	(156,340)	-	-	(156,340)
Written off	-	-	-	(164,348)	-	(65,065)	(31,681)	(261,094)
As at 31st March 2016	223,670	636,431	109,170	1,821,984	2,113,151	-	406,980	5,311,386
Net carrying amount as at 31st March 2016	4,385,113	102,988	160,938	1,880,150	753,743	-	253,353	7,536,285
Cost								
As at 1st January 2014	-	643,426	102,752	1,042,157	2,492,062	65,065	470,333	4,815,795
Acquisition of subsidiary	-	6,520	35,963	1,462,917	-	-	-	1,505,400
Additions	3,042,803	27,778	-	1,329,368	251,501	-	-	4,651,450
Disposals	-	-	-	-	(26,000)	-	-	(26,000)
As at 31st December 2014	3,042,803	677,724	138,715	3,834,442	2,717,563	65,065	470,333	10,946,645
Accumulated depreciation								
As at 1st January 2014	-	566,397	83,761	918,874	1,490,718	58,914	390,816	3,509,480
Acquisition of subsidiary	-	967	1,925	211,236	-	-	-	214,128
Charge for the year	-	32,399	9,269	105,440	360,050	5,796	18,566	531,520
Disposals	-	-	-	-	(17,767)	-	-	(17,767)
As at 31st December 2014	-	599,763	94,955	1,235,550	1,833,001	64,710	409,382	4,237,361
Net carrying amount as at 31st December 2014	3,042,803	77,961	43,760	2,598,892	884,562	355	60,951	6,709,284

6) PROPERTY, PLANT AND EQUIPMENT (Continued)

COMPANY	Freehold building RM	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles under hire purchase RM	Renovation RM	Total RM
Cost							
As at 1st January 2015	3,042,803	9,398	23,306	19,194	392,180	43,403	3,530,284
Additions	1,565,980	11,986	-	5,588	-	110,169	1,693,723
As at 31st March 2016	4,608,783	21,384	23,306	24,782	392,180	153,572	5,224,007
Accumulated depreciation							
As at 1st January 2015	-	6,355	19,421	9,520	346,425	36,171	417,892
Charge for the period	223,670	4,249	3,884	4,712	45,754	12,951	295,220
As at 31st March 2016	223,670	10,604	23,305	14,232	392,179	49,122	713,112
Net carrying amount as at 31st March 2016	4,385,113	10,780	1	10,550	1	104,450	4,510,895
Cost							
As at 1st January 2014	-	9,398	23,306	15,687	392,180	43,403	483,974
Additions	3,042,803	-	-	3,507	-	-	3,046,310
As at 31st December 2014	3,042,803	9,398	23,306	19,194	392,180	43,403	3,530,284
Accumulated depreciation							
As at 1st January 2014	-	4,475	14,760	6,091	267,989	27,490	320,805
Charge for the year	-	1,880	4,661	3,429	78,436	8,681	97,087
As at 31st December 2014	-	6,355	19,421	9,520	346,425	36,171	417,892
Net carrying amount as at 31st December 2014	3,042,803	3,043	3,885	9,674	45,755	7,232	3,112,392

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use, with a cost of RM2,700,920 (31st December 2014: RM1,501,889) and RM468,075 (31st December 2014: RMNil) respectively.

As at 31st March 2016, freehold building of the Group and of the Company with total carrying value of RM2,835,096 (31st December 2014: RM3,042,803) are pledged to financial institutions for term loan facilities granted to the Group and the Company as disclosed in Note 17 to the Financial Statements whilst freehold building with total carrying value of RM1,550,017 (31st December 2014: RMNil) are pledged to financial institutions for banking credit facilities granted to the associate.

Notes To The Financial Statements
(Continued)

7) INTANGIBLE ASSETS

GROUP	Goodwill on consolidation RM	Intellectual property RM	Development costs RM	Total RM
Cost				
As at 1st January 2015	30,751,282	3,500,000	15,460,180	49,711,462
Additions	-	-	-	-
As at 31st March 2016	30,751,282	3,500,000	15,460,180	49,711,462
Accumulated amortisation				
As at 1st January 2015	-	87,500	4,305,385	4,392,885
Amortisation for the period	-	218,750	865,988	1,084,738
As at 31st March 2016	-	306,250	5,171,373	5,477,623
Accumulated impairment loss				
As at 1st January 2015	-	-	-	-
Impairment loss recognised during the period	17,357,214	-	4,102,309	21,459,523
As at 31st March 2016	17,357,214	-	4,102,309	21,459,523
Net carrying amount as at 31st March 2016	13,394,068	3,193,750	6,186,498	22,774,316
Cost				
As at 1st January 2014	19,674,544	-	13,978,629	33,653,173
Acquisition of subsidiary	11,076,738	3,500,000	-	14,576,738
Additions	-	-	1,481,551	1,481,551
As at 31st December 2014	30,751,282	3,500,000	15,460,180	49,711,462
Accumulated amortisation				
As at 1st January 2014	-	-	3,881,424	3,881,424
Acquisition of subsidiary	-	72,917	-	72,917
Amortisation for the year	-	14,583	423,961	438,544
As at 31st December 2014	-	87,500	4,305,385	4,392,885
Net carrying amount as at 31st December 2014	30,751,282	3,412,500	11,154,795	45,318,577

Notes To The Financial Statements
(Continued)

7) INTANGIBLE ASSETS (Continued)

Key Assumptions Used in Value-In-Use Calculations

The recoverable amount of goodwill on consolidation and development costs have been determined based on value-in-use calculations using five year financial projections. Revenue growth for the next five years were based on average revenue for the past 5 years, while expenses have been assumed to grow in line with revenue. No revenue and expenses growth were projected from sixth year to perpetuity.

A pre-tax discount rate of 4.9% was applied in determining the recoverable amount of the respective CGU. The discount rate was based on the Group's cost of borrowings. It is also assumed that there will be no material changes in the structure and principal activities of the subsidiaries.

Sensitivity to change in assumptions

Management believes that no reasonable possible changes in any of the key assumptions that would cause the carrying values of the cash-generating unit to materially exceed their recoverable amounts.

8) INVESTMENT IN SUBSIDIARIES

	COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM
Unquoted shares - At cost	71,381,000	71,381,000
Less: Accumulated impairment loss	(47,642,061)	-
	23,738,939	71,381,000

The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Proportion of Ownership Interest 31st March 2016	Proportion of Ownership Interest 31st December 2014	Principal Activities
Direct Subsidiaries				
CSS MSC Sdn. Bhd. ǂ	Malaysia	100	100	Provision of business intelligence software and development, IT service management consultancy and system integration.
DDSB (M) Sdn. Bhd.	Malaysia	86	86	Information technology, consultancy services and software development.
Colwyn Bay Technologies Sdn. Bhd. ("CBTSB") ǂ	Malaysia	100	100	Investment holding.
Murasaki Technology Sdn. Bhd. ǂ	Malaysia	100	100	E-business consultancy and system integration.

8) INVESTMENT IN SUBSIDIARIES (Continued)

Name of Company	Country of Incorporation	Proportion of Ownership Interest 31st March 2016	31st December 2014	Principal Activities
Indirect Subsidiaries				
EASS Sdn. Bhd. * ⸸	Malaysia	100	100	E-Business consultancy and hardware system integration specialists.
EA MSC Sdn. Bhd. ^ ⸸	Malaysia	100	100	E-Business consultancy and hardware system integration specialists.

* Held through Colwyn Bay Technologies Sdn. Bhd.
^ Held through EASS Sdn. Bhd.

⸸ The financial statements of these subsidiaries were examined by another firm of auditors.

The amount owing by/(to) subsidiaries, which arose mainly from expenses paid on behalf and advances given, is unsecured, interest-free and repayable on demand.

In 2014, the Group acquired 100% equity interest in Murasaki Technology Sdn. Bhd., a company incorporated in Malaysia , for a total consideration of RM18,000,000.

The effects of this acquisition on the financial results of the Group in 2014 are as follows:

Post-acquisition results of the subsidiaries acquired:

	As at 31st December 2014 RM
Revenue	670,732
Cost of sales	(285,065)
Staff costs	(69,359)
Depreciation of property, plant and equipment	(32,972)
Director's remuneration	(45,973)
Amortisation of intangible assets	(14,583)
Other operating expenses	(49,696)
Profit before tax	173,084
Income tax expense	(10,672)
Increase in Group's profit attributable to shareholders	162,412

8) INVESTMENT IN SUBSIDIARIES (Continued)

The fair value of net assets acquired and cash flow arising from the acquisition is as follows:

	As at 31st December 2014 RM
Net assets acquired:	
Property, plant and equipment	1,291,272
Intangible assets	14,503,821
Trade receivables	1,489,456
Other receivables, deposits and prepaid expenses	1,000,000
Cash and bank balances	449,418
Trade payables	(40,202)
Accrued expenses	(15,000)
Amount owing to director	(500)
Tax liabilities	(338,265)
Deferred tax liabilities	(340,000)
Purchase consideration	18,000,000
Less: Cash and cash equivalents of subsidiary acquired	(449,418)
Cash flow on acquisition, net of cash and cash equivalents acquired	17,550,582

The summarised financial information of DDSB (M) Sdn. Bhd. that has a non-controlling interest, representing 14 per cent of ownership interest, is as follows:

a) Summarised statement of financial position

	As at 31st March 2016 RM	As at 31st December 2014 RM
Non-current assets	2,058,341	6,378,953
Current assets	11,659,267	14,962,618
Non-current liabilities	(376,909)	(578,641)
Current liabilities	(11,882,827)	(3,902,947)
Net assets	1,457,872	16,859,983
Net assets attributable to non-controlling interests at the end of the financial period/ year	204,102	2,360,398

8) INVESTMENT IN SUBSIDIARIES (Continued)

b) Summarised statement of profit or loss and other comprehensive income

	As at 31st March 2016 RM	As at 31st December 2014 RM
Revenue	3,027,659	7,257,283
Profit/(Loss) before tax	(8,402,111)	1,390,695
Income tax expense	-	(488,839)
Total comprehensive income/(loss) for the financial period/year	(8,402,111)	901,856
Profit/(Loss) for the period/year representing total comprehensive income/(loss) allocated to non-controlling interests	(1,176,296)	126,260

c) Summarised statement of cash flows

	As at 31st March 2016 RM	As at 31st December 2014 RM
Net cash from operating activities	6,937,564	5,357,235
Net cash used in investing activities	(9,632)	(782,955)
Net cash used in financing activities	(7,190,180)	(306,266)
Net changes in cash and cash equivalents	(262,248)	4,268,014
Cash and cash equivalents at the beginning of period/year	6,086,380	1,818,366
Cash and cash equivalents at the end of period/year	5,824,132	6,086,380

The summarised financial information represents the amount before inter-company eliminations.

Notes To The Financial Statements
(Continued)

9) INVESTMENT IN ASSOCIATE

	GROUP		COMPANY	
	As at 31st March 2016	As at 31st December 2014	As at 31st March 2016	As at 31st December 2014
	RM	RM	RM	RM
Unquoted shares - At cost	47,040,000	-	47,040,000	-
Share of post acquisition reserves	2,478,798	-	-	-
	49,518,798	-	47,040,000	-

During the financial period, the Group acquired 20% equity interest in Cekap Air Sdn. Bhd., a company incorporated in Malaysia, which is principally involved in the provision of hydraulic mechanical and electrical engineering services for water supply and treatment plant, for a purchase consideration of RM47,040,000 which was satisfied via issuance of 470,400,000 new ordinary shares of RM0.10 each in the Company.

The amount owing by associate, which arose mainly from expenses paid on behalf and advances given, is unsecured, interest-free and repayable on demand.

The carrying value of the associate is analysed as follow:

	GROUP
	As at 31st March 2016
	RM
Share of net assets	6,127,288
Goodwill on acquisition	43,391,510
	49,518,798

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follow:

	GROUP
	As at 31st March 2016
	RM
Assets and Liabilities	
Non-current Assets	2,408,023
Current Assets	49,478,650
Total Assets	51,886,673
Total Liabilities	21,250,234
Results	
Revenue	51,071,322
Profit for the period	18,190,755

10) INVENTORIES

	GROUP	
	As at 31st March 2016	As at 31st December 2014
	RM	RM
At cost:		
Raw materials	722,958	295,361
Finished goods and trading merchandise	144,282	179,710
	867,240	475,071

11) TRADE RECEIVABLES

Trade receivables comprise amounts receivable for services rendered. The credit period granted on services rendered is 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The trade receivables are all denominated in Ringgit Malaysia.

12) OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

Other receivables, deposits and prepaid expenses consist of:

	GROUP		COMPANY	
	As at 31st March 2016	As at 31st December 2014	As at 31st March 2016	As at 31st December 2014
	RM	RM	RM	RM
Other receivables	536,369	269,012	76,847	-
Less: Allowance for doubtful debts	(165,372)	-	-	-
Net	370,997	269,012	76,847	-
Deferred costs	-	811,598	-	-
Prepaid expenses	-	11,000	-	-
Refundable deposits	1,324,137	300,959	41,967	26,067
	1,695,134	1,392,569	118,814	26,067

The other receivables are all denominated in Ringgit Malaysia.

Notes To The Financial Statements
(Continued)

13) DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	As at 31st March 2016	As at 31st December 2014	As at 31st March 2016	As at 31st December 2014
	RM	RM	RM	RM
Deposits with licensed banks	3,569,255	3,180,954	1,883,003	1,805,074
Cash and bank balances	15,867,595	30,670,859	891,044	10,624,023
	19,436,850	33,851,813	2,774,047	12,429,097

The deposits with licensed banks of the Group and of the Company amounting to RM3,569,255 (31st December 2014: RM2,988,578) and RM1,883,003 (31st December 2014: RM1,805,074) respectively are pledged as security for bank guarantee facility granted to the Group. The deposits have maturity periods ranging from 30 days to 365 days (31st December 2014: 30 days to 365 days). Deposits of the Group and of the Company earn returns ranging from 2.70% to 3.30% (31st December 2014: 2.55% to 3.30%) per annum.

The currency profile of deposits, cash and bank balances is as follows:

	GROUP		COMPANY	
	As at 31st March 2016	As at 31st December 2014	As at 31st March 2016	As at 31st December 2014
	RM	RM	RM	RM
Ringgit Malaysia	19,158,941	33,851,813	2,774,047	12,429,097
US Dollar	277,909	-	-	-
	19,436,850	33,851,813	2,774,047	12,429,097

14) SHARE CAPITAL

	GROUP AND COMPANY No. of ordinary shares of RM0.10 each		GROUP AND COMPANY Amount	
	As at 31st March 2016	As at 31st December 2014	As at 31st March 2016 RM	As at 31st December 2014 RM
Authorised				
As at beginning of financial period/year	2,500,000,000	1,000,000,000	250,000,000	100,000,000
Created during the financial year	-	1,500,000,000	-	150,000,000
As at end of financial period/year	2,500,000,000	2,500,000,000	250,000,000	250,000,000
Issued and fully paid				
Balance as at beginning of period/year	850,353,000	425,176,500	85,035,300	42,517,650
Issued during the period/year	640,470,600	425,176,500	64,047,060	42,517,650
Exercise of warrants				
- Warrants A 2010/2015	4,116	-	412	-
Balance as at end of period/year	1,490,827,716	850,353,000	149,082,772	85,035,300

14) SHARE CAPITAL (Continued)

As approved by the shareholders of the Company at the Extraordinary General Meeting held on 18th June 2015, the issued and paid-up share capital of the Company was increased from RM85,035,300 to RM102,042,360 during the financial period by way of issuance of 170,070,600 new ordinary shares of RM0.10 each pursuant to the bonus issue exercise on the basis of one (1) new ordinary share for every five (5) existing ordinary shares of RM0.10 each held by entitled shareholders, by way of capitalisation of RM8,071,502 from the share premium account and RM8,935,558 from the Company's retained earnings.

Also, as approved by the shareholders at the Extraordinary General Meeting held on 18th June 2015, the issued and paid-up share capital of the Company was further increased from RM102,042,360 to RM149,082,360 during the financial period by way of issuance of 470,400,000 new ordinary shares of RM0.10 each as purchase consideration for the acquisition of 800,000 ordinary shares of RM1.00 each in Cekap Air Sdn. Bhd. as disclosed in Note 9 to the Financial Statements.

The issued and paid-up share capital of the Company was further increased from RM149,082,360 to RM149,082,772 by way of issuance of 4,116 new ordinary shares of RM0.10 each pursuant to the exercise of 4,116 Warrants A 2010/2015 at exercise price RM0.25 per ordinary share.

As approved by the shareholders of the Company at the Extraordinary General Meeting held on 29th April 2014, the authorised share capital of the Company was increased from RM100,000,000 to RM250,000,000 in 2014 by the creation of additional 1,500,000,000 new ordinary shares of RM0.10 each. Also, the issued and paid-up share capital of the Company was increased from RM42,517,650 to RM85,035,300 in 2014 by way of issuance of 425,176,500 new ordinary shares of RM0.10 each together with up to 212,588,250 free detachable warrants on the basis of one (1) rights share for every (1) one existing ordinary shares of RM0.10 each held and one (1) warrant for every two (2) rights shares subscribed at an issue price of RM0.10 per rights share.

All the new shares issued rank pari passu in all respects with the then existing shares of the Company.

WARRANTS A 2010/2015

In 2010, the Company completed the listing of bonus issue of 77,500,500 free warrants on the basis of one (1) free warrant for every two (2) existing ordinary shares of RM0.10 each in the Company. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.59 per warrant. In 2012, the exercise price of the warrant was adjusted from RM0.59 to RM0.40 and additional 38,750,250 warrants were issued pursuant to the adjustment.

In 2014, the exercise price of the warrant was adjusted from RM0.40 to RM0.30 and additional 34,812,498 warrants were issued arising from the adjustments pursuant to the rights issue exercise.

During the financial period, the exercise price of the warrant was further adjusted from RM0.30 to RM0.25 and additional 30,212,649 warrants were issued arising from the adjustments pursuant to the bonus issue exercise.

All the warrants issued are constituted under a Deed Poll executed by the Company.

The movement in this warrant is as follows:

	Number of warrants	
	As at 31st March 2016	As at 31st December 2014
Balance as at beginning of period/year	151,063,248	116,250,750
Adjustment pursuant to rights issue	-	34,812,498
Adjustment pursuant to bonus issue	30,212,649	-
Exercised	(4,116)	-
Lapsed	(181,271,781)	-
Balance as at end of period/year	-	151,063,248

Notes To The Financial Statements
(Continued)

14) SHARE CAPITAL (Continued)

WARRANTS A 2010/2015 (Continued)

The salient features of the warrants are as follows:

a) Each warrant entitles the registered holder, at any time during the exercise period to subscribe for one (1) new ordinary share at an exercise price of RM0.25 each, subject to adjustments in accordance with the provisions of the Deed Poll.

b) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of the warrants and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 5th anniversary of the date of issuance of the warrants and if such date is not a market day, then on the preceding market day.

c) The new ordinary shares to be issued pursuant to the exercise of the warrants upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of the Company except that the new ordinary shares shall not be entitled to any dividend, rights, allotment and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the rights shares.

Warrants A 2010/2015 expired on 7th December 2015.

WARRANTS B 2014/2019

In 2014, the Company issued 94,483,666 free warrants on the basis of two (2) free warrants for every nine (9) existing ordinary shares of RM0.10 each in the Company. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.18 per warrant. Subsequently, the exercise price of the warrant was adjusted from RM0.18 to RM0.14 and additional 28,293,156 warrants were issued arising from the adjustments pursuant to the rights issue exercise.

During the financial period, the exercise price of the warrant was further adjusted from RM0.14 to RM0.12 and additional 24,555,364 warrants were issued arising from the adjustments pursuant to the bonus issue exercise.

There was no movement in this warrant during the financial period.

The salient features of the warrants are as follows:

a) Each warrant entitles the registered holder, at any time during the exercise period to subscribe for one (1) new ordinary share at an exercise price of RM0.12 each, subject to adjustments in accordance with the provisions of the Deed Poll.

b) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of the warrants and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 5th anniversary of the date of issuance of the warrants and if such date is not a market day, then on the preceding market day.

c) The new ordinary shares to be issued pursuant to the exercise of the warrants upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of the Company except that the new ordinary shares shall not be entitled to any dividend, rights, allotment and/or other distributions that may be declared, made or paid prior to the date of allotment and issuance of the rights shares.

WARRANTS C 2014/2019

In 2014, the Company issued 212,588,250 free detachable warrants pursuant to the rights issue with warrants on the basis of one (1) free warrant for every two (2) rights shares subscribed for. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.12 per warrant.

During the financial period, the exercise price of the warrant was adjusted from RM0.12 to RM0.10 and additional 42,517,650 warrants were issued arising from the adjustments pursuant to the bonus issue exercise.

There was no movement in this warrant during the financial period.

14) SHARE CAPITAL (Continued)

2014/2019 WARRANTS C (Continued)

The salient features of the warrants are as follows:

a) The issue date of the warrants is 24th June 2014 and the expiry date is 23rd June 2019. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

b) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share of RM0.10 in the Company at an exercise price of RM0.10 per ordinary share;

c) The exercise price and the number of warrants are subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of the Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company;

d) The warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mention in item c) above), until and unless such holders exercise the rights under the warrants to subscribe for new ordinary shares; and

e) The new ordinary shares to be issued upon exercise of the warrants shall, upon allotment and issue, rank pari passu with the then existing ordinary shares, including the entitlement to dividend, rights, allotments or other distributions, except that they will not be entitled to the rights, allotments or other distributions declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

15) RESERVES

	GROUP		COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Non-distributable reserves:				
Share premium	617	8,071,502	617	8,071,502
Warrants reserve	9,502,695	15,622,522	9,502,695	15,622,522
	9,503,312	23,694,024	9,503,312	23,694,024
Other reserve:				
Transaction with non-controlling interests	(13,737,745)	(13,737,745)	-	-
Retained earnings/(Accumulated loss)	(15,303,462)	20,007,390	(43,161,831)	260,767
	(19,537,895)	29,963,669	(33,658,519)	23,954,791

Notes To The Financial Statements
(Continued)

15) RESERVES (Continued)

Share premium reserve

	GROUP AND COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM
Balance as at beginning of period/year	8,071,502	9,311,952
Issuance of new shares with free warrants pursuant to rights issue	-	(1,240,450)
Issuance of new shares pursuant to bonus issue	(8,071,502)	-
Exercise of warrants	617	-
Balance as at end of period/year	617	8,071,502

The reserve comprises the premium paid on subscription of shares in the Company over and above the par value of the shares net of share issuance expenses.

Warrants reserve

Warrants reserve represents the proceeds from the issuance of warrants which is non-distributable. The warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

16) HIRE PURCHASE CREDITORS

	GROUP		COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Total outstanding	1,177,296	1,341,088	79,441	149,596
Less: Interest-in-suspense outstanding	(106,088)	(138,462)	(3,120)	(10,767)
Principal outstanding	1,071,208	1,202,626	76,321	138,829
Repayable as follows:				
Portion payable within the next 1 year				
(Included in current liabilities)	342,633	287,853	53,310	49,639
Portion payable after the next 12 months:				
Payable between 1 and 2 years	281,802	299,796	23,011	52,576
Payable between 2 and 5 years	400,267	575,865	-	36,614
Payable after 5 years	46,506	39,112	-	-
	728,575	914,773	23,011	89,190
Total	1,071,208	1,202,626	76,321	138,829

The effective interest rates on the hire purchase for the Group and for the Company range from 4.36% to 9.00% (31st December 2014: 4.36% to 9.00%) and at 6.01% (31st December 2014: 6.01%) per annum respectively. Interest rates are fixed at the inception of the hire purchase arrangements.

17) TERM LOANS

	GROUP AND COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM
Secured term loans	2,059,322	1,189,252
Less: Portion payable within the next 12 months (Note 21)	(105,119)	(147,639)
Non-current portion	1,954,203	1,041,613
The non-current portion of the term loans is repayable as follows:		
Financial years ending 31st March:		
2017	-	153,682
2018	110,332	162,419
2019	115,804	125,266
2020 and thereafter	1,728,066	600,246

The above term loans bear interest at rates of 4.85% (31st December 2014: 4.85%) per annum and are secured by the following:

i) General facility agreement; and

ii) First legal charge over the properties of the Group and of the Company as mentioned in Note 6 to the Financial Statements.

18) DEFERRED TAX LIABILITIES

	GROUP	
	As at 31st March 2016 RM	As at 31st December 2014 RM
Balance as at beginning of the period/year	402,392	48,959
Acquisition of subsidiary	-	340,000
Recognised in profit or loss (Note 28)	(163,079)	13,433
Balance as at end of the period/year	239,313	402,392

The recognised deferred tax liabilities are made up of temporary difference between tax capital allowances and book depreciation of property, plant and equipment.

19) TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases. The average credit period granted to the Group for trade purchases range from 30 to 90 days.

The trade payables are all denominated in Ringgit Malaysia.

Notes To The Financial Statements
(Continued)

20) OTHER PAYABLES AND ACCRUED EXPENSES

Other payables and accrued expenses comprise:

	GROUP		COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Other payables	1,547,982	1,531,136	538,356	1,527,936
Accrued expenses	488,920	483,230	49,765	68,636
Deposit received	18,000	-	18,000	-
	2,054,902	2,014,366	606,121	1,596,572

The other payables are all denominated in Ringgit Malaysia.

21) SHORT-TERM BORROWINGS

	GROUP		COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Bank overdraft	1,555,779	1,040,157	474,182	-
Term loans - current portion (Note 17)	105,119	147,639	105,119	147,639
	1,660,898	1,187,796	579,301	147,639

As at 31st March 2016, the Group and the Company have bank credit facilities totalling RM16,500,000 (31st December 2014: RM18,500,000) and RM8,000,000 (31st December 2014: RM8,500,000) respectively obtained from licensed banks. The facilities bear interest ranging from 4.90% to 8.60% (31st December 2014: 1.45% to 8.85%) per annum and are secured by the following:

i) Pledge of fixed deposits of the Company;

ii) Corporate guarantee from the Company; and

iii) Joint and several guarantee by the directors of the Company.

22) AMOUNT OWING TO DIRECTOR

The amount owing to director, which arose mainly from expenses paid on behalf and advances given, which is unsecured, interest-free and repayable on demand.

Notes To The Financial Statements
(Continued)

23) REVENUE

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
Information and communications technologies ("ICT") services	19,943,041	20,692,267	-	-
Software solutions	10,594,190	12,795,783	-	-
RFID, access control system ("ACS") and building automation system ("BAS")	5,361,015	6,820,998	-	-
Dividend income	-	-	10,520,000	9,950,590
	35,898,246	40,309,048	10,520,000	9,950,590

24) OTHER OPERATING EXPENSES/(INCOME)

Included in other operating expenses/(income) are the following charges/(credits):

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
Auditors' remuneration				
Statutory audit:				
- Auditors of the Company				
- current year	55,000	100,000	30,000	28,000
- underprovision in prior year	3,000	-	-	-
- Other auditors				
- current year	46,060	2,500	-	-
- overprovision in prior year	(26,600)	-	-	-
Non-audit services:				
- Auditors of the Company				
- current year	3,000	-	3,000	-
Impairment loss on other receivables	165,372	-	-	-
Rental of premises	432,053	468,820	6,750	59,125
Gain on disposal of property, plant and equipment	(47,000)	(3,267)	-	-
Gain on foreign exchange	(27,183)	-	-	-
Interest income from fixed deposits	(150,620)	(219,257)	(102,132)	(189,499)
Rental income	(12,000)	-	(27,000)	-

Notes To The Financial Statements
(Continued)

25) EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
Salaries, allowance and bonus	9,731,057	2,789,542	496,672	204,593
EPF and Socso contribution	1,145,159	1,030,037	64,576	64,075
Other staff related expenses	161,843	159,384	12,303	23,523
	11,038,059	3,978,963	573,551	292,191

26) DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
Executive directors:				
Salary and other emoluments	1,278,000	608,773	225,000	60,000
Defined contribution plan	128,685	7,200	27,000	7,200
	1,406,685	615,973	252,000	67,200
Non-executive directors:				
Fees	61,500	82,500	61,500	82,500
	1,468,185	698,473	313,500	149,700

The number of directors of the Company whose total remuneration during the financial period/year fell within the following bands is analysed below:

	Number of Directors	
	2016	2014
Executive Directors:		
RM200,001 - RM300,000	1	1
Non-Executive Directors:		
Below RM50,000	3	3

Notes To The Financial Statements
(Continued)

27) FINANCE COSTS

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
Interest on:				
Bank overdraft	241,711	230,563	125,010	63,995
Bank guarantee	-	11,663	-	-
Hire purchase	81,262	66,525	7,647	9,421
Revolving credit	-	111,298	-	-
Term loans	120,723	2,240	120,723	2,240
	443,696	422,289	253,380	75,656

28) INCOME TAX EXPENSE

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
Income tax expense comprises:				
- current period/year	297,700	885,278	-	-
- under/(over)provision in prior year	285,785	(6,829)	53,432	-
	583,485	878,449	53,432	-
Deferred tax liabilities (Note 18)	(163,079)	13,433	-	-
	420,406	891,882	53,432	-

Notes To The Financial Statements
(Continued)

28) INCOME TAX EXPENSE (Continued)

A numerical reconciliation between the income tax expense and the product of profit/(loss) before tax multiplied by the applicable statutory income tax rate, is as follows:

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
Profit/(Loss) before tax	(32,306,615)	5,599,571	(39,609,039)	8,470,450
Tax at the applicable statutory income tax rate of 24%/25%	(7,753,588)	1,399,893	(9,506,169)	2,117,613
Tax effects in respect of:				
Expenses that are not deductible for tax purposes	5,959,919	451,537	11,710,919	169,261
Income exempted from income tax	-	(1,214,148)	-	-
Income not subject to tax	(594,911)	(40,247)	(2,524,800)	(2,487,648)
Effect of changes in tax rates	(16,310)	-	(117)	-
Utilisation of deferred tax assets not recognised previously	-	(34,000)	-	-
Net deferred tax assets not recognised	2,590,430	315,074	320,167	200,774
Under/(Over)provision of income tax in prior year	285,785	(6,829)	53,432	-
Under/(Over)provision of deferred tax in prior year	(50,919)	20,602	-	-
Income tax expense	420,406	891,882	53,432	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31st December 2014: 25%) of the estimated assessable profit/(loss) for the period/year.

The Company's subsidiaries namely EA MSC Sdn. Bhd. and CSS MSC Sdn. Bhd. have been awarded Multimedia Super Corridor ("MSC") status by the Government of Malaysia and were granted pioneer status under the Promotion of Investments (Amendment) Act, 1997, which exempt 100% of the statutory business income from taxation for a period of 10 years commencing from 15th May 2008 and 2nd July 2009 respectively.

Details of unutilised tax losses and unabsorbed capital allowances which have not been recognised in the financial statements due to uncertainty of realisation are as follows:

	GROUP		COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Unutilised tax losses	10,460,184	-	1,309,863	-
Unabsorbed capital allowances	194,241	-	12,418	-
	10,654,425	-	1,322,281	-

The unutilised tax losses and unabsorbed capital allowances are available for offset against future taxable profits, subject to the agreement by the tax authorities.

29) EARNINGS/(LOSS) PER ORDINARY SHARE

Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year as follows:

	GROUP	
	As at 31st March 2016	As at 31st December 2014 (Restated)
Profit/(Loss) attributable to owners of the Company (RM)	(31,550,725)	4,581,429
Number or ordinary shares at beginning of period/year	850,353,000	425,176,500
Effect of right shares during the year	-	285,392,445
Effect of bonus issue during the period/year	170,070,600	170,070,600
Effect of issue of shares during the period	273,369,396	-
Weighted average number of ordinary shares in issue	1,293,792,996	880,639,545
Basic earnings/(loss) per share (sen)	(2.44)	0.52

The comparative basic earnings per share has been restated to take into account the effects of the bonus issue during the financial period.

Diluted

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary share in issue in 2014 have been adjusted for the dilutive effects of warrants.

	GROUP	
	As at 31st March 2016	As at 31st December 2014 (Restated)
Profit/(Loss) attributable to owners of the Company (RM)	(31,550,725)	4,581,429
Weighted average number of ordinary shares in issue	1,293,792,996	880,639,545
Effect of dilution		
- Warrants	374,785,177	35,875,540
Adjusted weighted average number of ordinary shares in issue and issuable	1,668,578,173	916,515,085
Diluted earnings per share (sen)	(2.44)*	0.50

* The diluted loss per ordinary shares is equal to the basic loss per share because the diluted loss per share has anti-dilutive effect.

Notes To The Financial Statements

(Continued)

30) CASH AND CASH EQUIVALENTS

For the purposes of the statements of cash flows, cash and cash equivalents include deposits, cash and banks balances net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	GROUP		COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Deposits with licensed banks	3,569,255	3,180,954	1,883,003	1,805,074
Cash and bank balances	15,867,595	30,670,859	891,044	10,624,023
Bank overdraft (Note 21)	(1,555,779)	(1,040,157)	(474,182)	-
	17,881,071	32,811,656	2,299,865	12,429,097
Less: Deposits pledged to licensed banks	(3,569,255)	(2,988,578)	(1,883,003)	(1,805,074)
	14,311,816	29,823,078	416,862	10,624,023

31) SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company.

The remuneration of directors and other members of key management during the period/year is as follows:

	GROUP		COMPANY	
	2016 (15 Months) RM	2014 (12 Months) RM	2016 (15 Months) RM	2014 (12 Months) RM
Executive directors:				
Salary and other emoluments	1,278,000	608,773	225,000	60,000
Defined contribution plan	128,685	7,200	27,000	7,200
	1,406,685	615,973	252,000	67,200
Non-executive directors:				
Fees	61,500	82,500	61,500	82,500
	1,468,185	698,473	313,500	149,700

32) SEGMENTAL INFORMATION

Primary Reporting Format - Business Segments

	ICT services	Software solutions	RFID, ACS and BAS	Investment holding	Eliminations	Consolidated
	RM	RM	RM	RM	RM	RM
2016						
REVENUE						
External revenue	19,943,041	10,594,190	5,361,015	10,520,000	(10,520,000)	35,898,246
Intersegment revenue	-	-	-	-	-	-
	19,943,041	10,594,190	5,361,015	10,520,000	(10,520,000)	35,898,246
RESULTS						
Loss from operations	(1,367,503)	(10,444,534)	(2,931,167)	(39,363,360)	19,764,847	(34,341,717)
Finance costs						(443,696)
Share of results of associate						2,478,798
Loss before tax						(32,306,615)
Income tax expense						(420,406)
Loss after tax						(32,727,021)
OTHER INFORMATION						
Segment assets	34,848,141	39,778,572	10,172,756	126,653,530	(72,551,486)	138,901,513
Segment liabilities	25,001,373	29,097,205	5,304,632	6,210,306	(56,700,296)	8,913,220
Capital expenditure	333,660	10,782	280,295	1,693,723		2,318,460
Non-cash expenses						
Depreciation of property, plant and equipment	509,008	659,952	27,279	295,220		1,491,459
Amortisation of intangible assets	896,521	-	188,217	-		1,084,738
Impairment loss on goodwill	-	-	-	-	17,357,214	17,357,214
Impairment loss on other receivables	-	165,372	-	-		165,372
Impairment loss on development costs	-	4,102,309	-	-		4,102,309

32) SEGMENTAL INFORMATION (Continued)

Primary Reporting Format - Business Segments (Continued)

	ICT services	Software solutions	RFID, ACS and BAS	Investment holding	Eliminations	Consolidated
	RM	RM	RM	RM	RM	RM
2014						
REVENUE						
External revenue	20,692,267	12,795,783	6,820,998	12,950,590	(12,950,590)	40,309,048
Intersegment revenue	-	1,200,000	-	-	(1,200,000)	-
	20,692,267	13,995,783	6,820,998	12,950,590	(14,150,590)	40,309,048
RESULTS						
Profit from operations	1,420,070	3,996,261	2,015,247	11,540,872	(12,950,590)	6,021,860
Finance costs						(422,289)
Profit before tax						5,599,571
Income tax expense						(891,882)
Profit after tax						4,707,689
OTHER INFORMATION						
Segment assets	33,255,342	50,925,376	11,522,286	120,097,049	(89,250,684)	126,549,369
Segment liabilities	20,372,600	19,252,373	3,720,638	6,080,286	(40,638,288)	8,787,609
Capital expenditure	251,501	2,699,576	135,614	3,046,310	-	6,133,001
Non-cash expenses						
Depreciation of property, plant and equipment	48,263	361,114	25,056	97,087	-	531,520
Amortisation of development costs	14,583	386,318	37,643	-	-	438,544

Secondary Reporting Format - Geographical Segments

The Group has no secondary reporting format as the contribution from foreign operations is not significant compared to the Group's operations.

Notes To The Financial Statements
(Continued)

32) SEGMENTAL INFORMATION (Continued)

Major Customers

The following are the major customers individually accounting for 10% or more of group revenue for current period and prior year:

	Revenue	
	2016 (15 Months) RM	2014 (12 Months) RM
Customer A - ICT Services	18,516,448	13,866,755
Customer B - Software solutions	4,673,260	-

33) FINANCIAL GUARANTEES

	GROUP AND COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM
Corporate guarantees given to financial institutions in respect of banking facilities granted to subsidiaries	6,000,000	6,000,000
Corporate guarantees given to financial institutions in respect of banking facilities granted to associate	5,130,000	-
	11,130,000	6,000,000

The directors consider that the fair value of these guarantees on initial recognition was not material. Therefore, no financial liabilities have been accounted for in the financial statements for these guarantees.

34) FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Information:

i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivables	11
Other receivables and deposits	12
Amount owing by subsidiaries	8
Amount owing by associate	9
Trade payables	19
Other payables	20
Amount owing to subsidiaries	8
Amount owing to director	22

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their relatively short-term nature.

Notes To The Financial Statements
(Continued)

34) FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair Value Information: (Continued)

ii) Unquoted equity instruments

It is not practical to estimate the fair value of the Group's and the Company's investment in unquoted shares because of the lack of quoted market prices and the variability to estimate fair value. However, the management believes that the carrying amount represents the recoverable value.

iii) Classification of financial instruments

	GROUP		COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Financial assets				
Loans and receivables:				
Trade receivables	32,521,825	38,802,055	-	-
Other receivables and deposits	1,695,134	569,971	118,814	26,067
Amount owing by subsidiaries	-	-	36,924,239	25,150,943
Amount owing by associate	4,551,065	-	3,551,065	-
Deposits, cash and bank balances	19,436,850	33,851,813	2,774,047	12,429,097
	58,204,874	73,223,839	43,368,165	37,606,107
Financial liabilities at amortised costs				
Trade payables	943,005	1,636,446	-	-
Other payables	1,547,982	1,531,136	538,356	1,527,936
Amount owing to subsidiaries	-	-	-	184,755
Hire purchase creditors	1,071,208	1,202,626	76,321	138,829
Total borrowings (Notes 17 and 21)	3,615,101	2,229,409	2,533,504	1,189,252
	7,177,296	6,599,617	3,148,181	3,040,772

iv) Fair value hierarchy

As at 31st March 2016, there were no financial instruments carried at fair value.

34) FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair Value Information: (Continued)

v) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiary and associate. The Company monitors on an ongoing basis the results of the subsidiary and associate and repayments made by them.

The maximum exposure to credit risk amounted to RM11,130,000 (31st December 2014: RM6,000,000) representing the banking facilities of the subsidiaries and associate as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancements of the associates borrowings in view of the securities pledged.

35) COMPARATIVE FIGURES

The Group and the Company changed their financial year end from 31st December to 31st March. Accordingly, the comparative figures of the preceding financial year covered a period of 12 months whilst the figures of the current financial period's financial statements covered a period of 15 months from 1st January 2015 to 31st March 2016. Accordingly, the statements of comprehensive income, statements of changes in equity and statements of cash flows and their related notes are not in respect of comparable periods.

Notes To The Financial Statements

(Continued)

36) SUPPLEMENTARY INFORMATION

The breakdown of the accumulated loss of the Group and of the Company as at 31st March 2016 into realised and unrealised profit/(loss) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25th March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	GROUP		COMPANY	
	As at 31st March 2016 RM	As at 31st December 2014 RM	As at 31st March 2016 RM	As at 31st December 2014 RM
Total retained earnings/(accumulated loss) of the Company and its subsidiaries:				
- Realised	(39,228,841)	33,534,891	(43,161,831)	260,767
- Unrealised	(239,313)	(402,392)	-	-
	(39,468,154)	33,132,499	(43,161,831)	260,767
Total share of retained earnings from associate				
- Realised	2,478,798	-	-	-
	(36,989,356)	33,132,499	(43,161,831)	260,767
Add: Consolidation adjustments	21,685,894	(13,125,109)	-	-
Total retained earnings/(accumulated loss) as per statements of financial position	(15,303,462)	20,007,390	(43,161,831)	260,767

Analysis Of Shareholdings

Shareholding Structure As At 27 June 2016

Share Capital

Authorised Share Capital	**RM250,000,000**
Issued and fully paid-up capital	**RM149,082,772**
Class of shares	**Ordinary Shares of RM0.10 each**
Voting Rights	**One vote per share**

DISTRIBUTION OF SHAREHOLDINGS AS AT 27 JUNE 2016

	No. of holders	%	No. of shares	%
Less than 100	83	1.6	3,924	0.0
100 - 1,000	94	1.8	36,564	0.0
1,001 - 10,000	460	8.6	2,668,480	0.2
10,001 - 100,000	3,187	59.5	139,989,284	9.4
100,001 and below 5%	1,526	28.5	949,421,475	63.7
5% and above	4	0.1	398,707,989	26.7
TOTAL	**5,354**	**100.0**	**1,490,827,716**	**100.0**

SUBSTANTIAL SHAREHOLDER AS AT 27 JUNE 2016

	Direct Interest		Deemed Interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Chong Mui Fun	293,547,240	19.7%	-	-
Mohammad Sobri bin Saad	175,052,949	11.7%	-	-

DIRECTORS' SHAREHOLDING AS AT 27 JUNE 2016

	Direct Interest		Deemed Interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Mohammad Sobri bin Saad	175,052,949	11.7%	-	-
Basir bin Bachik	492,000	0.0%	-	-
Abdul Fattah bin Mohamed Yatim	18	0.0%	-	-
Choo Seng Choon	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-

Analysis Of Shareholdings

Shareholding Structure As At 27 June 2016
(Continued)

LIST OF 30 LARGEST SHAREHOLDERS AS AT 27 JUNE 2016

NO.	NAME	NO. OF SHARES	%
1	CHONG MUI FUN	123,655,040	8.3%
2	CHONG MUI FUN	100,000,000	6.7%
3	MOHAMMAD SOBRI BIN SAAD	100,000,000	6.7%
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	75,052,949	5.0%
5	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR CHONG MUI FUN	69,892,200	4.7%
6	SHANKAR A/L MUNIANDY	39,630,980	2.7%
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI	31,833,900	2.1%
8	YEOH SEONG MOK	31,704,510	2.1%
9	YONG CHEE HON	31,704,510	2.1%
10	YONG ZHEN WEI	15,852,480	1.1%
11	YEOH WILLIAM	15,800,000	1.1%
12	HA MUN KEET	14,000,000	0.9%
13	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR SHANKAR A/L MUNIANDY	12,384,680	0.8%
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHAI GO	10,500,000	0.7%
15	NG CHAI GO	10,000,000	0.7%
16	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR YONG CHEE HON	9,907,660	0.7%
17	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR YEOH SEONG MOK	9,907,660	0.7%
18	JAGGA RAO A/L MALLA NAIDU	7,500,080	0.5%
19	YAP YOUNG SIONG	7,500,000	0.5%
20	SIM MUI KHEE	6,979,560	0.5%
21	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG	6,523,000	0.4%
22	LAI WENG CHEE @ LAI KOK CHYE	6,243,480	0.4%
23	CHAN CHEE WAI	6,000,000	0.4%
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIN SEOH	6,000,000	0.4%
25	ENG BOON CHONG	5,500,000	0.4%
26	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR YONG ZHEN WEI	4,953,900	0.3%
27	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR YEOH WILLIAM	4,953,900	0.3%
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FRANCIS KONG @ KONG FEN SHIN	4,800,000	0.3%
29	LIM KIAN MIN	4,247,220	0.3%
30	ERA BINA SDN BHD	4,200,000	0.3%

Analysis Of Warrantholdings For Warrants B

As At 27 June 2016

Type of Securities Warrants 2014/2019 ("Warrants B")

Voting Rights One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS AS AT 27 JUNE 2016

Name	No. of holders	%	No. of warrants	%
Less than 100	786	30.9	37,974	0.0
100 - 1,000	342	13.5	83,262	0.1
1,001 - 10,000	568	22.4	2,585,520	1.8
10,001 - 100,000	599	23.6	20,768,716	14.1
100,001 and below 5%	244	9.6	106,584,985	72.3
5% and above	1	0.0	17,271,729	11.7
TOTAL	**2,540**	**100.0**	**147,332,186**	**100.0**

DIRECTORS' WARRANTHOLDINGS AS AT 27 JUNE 2016

	Direct Interest		Deemed Interest	
Name	**No. of warrants**	**%**	**No. of warrants**	**%**
Mohammad Sobri bin Saad	17,271,729	11.7%	-	-
Basir bin Bachik	142,074	0.1%	-	-
Choo Seng Choon	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	3	0.0%	-	-

Analysis Of Warrantholdings For Warrants B

As At 27 June 2016
(Continued)

LIST OF 30 LARGEST WARRANT B HOLDERS AS AT 27 JUNE 2016

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	17,271,729	11.7%
2	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI	6,621,600	4.5%
3	LAM CHEE MENG	5,676,400	3.9%
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI	5,223,600	3.5%
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW HOE THIAM	3,105,109	2.1%
6	RHB CAPITAL NOMINEES PLEDGED SECURITIES ACCOUNT FOR LAU YIM PHENG	2,500,000	1.7%
7	TAN TIAM YEE	2,160,000	1.5%
8	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG POK SENG	2,063,103	1.4%
9	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KING SENG	2,000,000	1.4%
10	YEW BOON BEE	1,999,940	1.4%
11	ONG KONG PENG	1,600,000	1.1%
12	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD CHIENG YU SOON	1,400,000	1.0%
13	LEE AH YEW	1,049,160	0.7%
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHIENG YOU ENG	950,000	0.6%
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING SING ONG	931,550	0.6%
16	ANG YEW CHUAN	903,060	0.6%
17	LIM KEAN YEW	900,000	0.6%
18	TEOH LEH HOON	871,700	0.6%
19	LEE AIK CHYE	859,492	0.6%
20	ONG TECK WAN	839,186	0.6%
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD YONG HON WENG	800,000	0.5%
22	WOI PEI HOOI	800,000	0.5%
23	GAN CHWEN TECK	779,678	0.5%
24	NG SAU KIAT	774,240	0.5%
25	SIM MUI KHEE	770,065	0.5%
26	LAU KOK MUN	766,640	0.5%
27	HO KAM LEONG	755,700	0.5%
28	WONG ONG PAT	750,000	0.5%
29	MUHAMMAD HARIZ BIN MOHD GHAZALI	720,000	0.5%
30	TAN SOON MOI	700,000	0.5%

Analysis Of Warrantholdings For Warrants C

As At 27 June 2016

Type of Securities	Warrants 2014/2019 ("Warrants C")
Voting Rights	One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS AS AT 27 JUNE 2016

Name	No. of holders	%	No. of warrants	%
Less than 100	144	9.9	7,895	0.0
100 - 1,000	43	2.9	24,513	0.0
1,001 - 10,000	252	17.3	1,391,490	0.5
10,001 - 100,000	688	47.1	28,087,363	11.0
100,001 and below 5%	330	22.6	141,178,562	55.3
5% and above	3	0.2	84,416,077	33.1
TOTAL	**1,460**	**100.0**	**255,105,900**	**100.0**

DIRECTORS' WARRANTHOLDINGS AS AT 27 JUNE 2016

Name	Direct Interest		Deemed Interest	
	No. of warrants	%	No. of warrants	%
Mohammad Sobri bin Saad	51,625,577	20.2%	-	-
Basir bin Bachik	-	-	-	-
Choo Seng Choon	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	-	-	-	-

Analysis Of Warrantholdings For Warrants C

As At 27 June 2016
(Continued)

LIST OF 30 LARGEST WARRANT C HOLDERS AS AT 27 JUNE 2016

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	51,625,577	20.2%
2	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU YIM PHENG	17,000,000	6.7%
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI	15,790,500	6.2%
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI	5,571,900	2.2%
5	LIM SHIOU GHAY	5,019,600	2.0%
6	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM YEW LEONG	4,907,800	1.9%
7	LIM LAY SWEE	4,000,000	1.6%
8	SIM MUI KHEE	3,009,800	1.2%
9	ERA BINA SDN BHD	2,577,720	1.0%
10	LAI WENG CHEE @ LAI KOK CHYE	2,180,200	0.9%
11	JEE THAI HUI	2,160,000	0.8%
12	LAU SENG KHIANG	2,000,000	0.8%
13	POH PAI SOON	1,976,560	0.8%
14	TAN SWEE CHENG	1,968,000	0.8%
15	KHOR HWE LIANG	1,941,000	0.8%
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KWAH WOI LEONG	1,915,700	0.8%
17	ER ZHI LEE	1,800,000	0.7%
18	LIEW YOKE CHAN	1,605,500	0.6%
19	POO KOK KENG	1,512,000	0.6%
20	BEH SOCK IM	1,500,000	0.6%
21	CHAN FOCK SENG @ SUJAMIN TJANDRA	1,400,000	0.5%
22	HO KONG LAN	1,395,160	0.5%
23	JAGGA RAO A/L MALLA NAIDU	1,235,820	0.5%
24	ER SOON PUAY	1,200,000	0.5%
25	LOH KUAN PENG	1,200,000	0.5%
26	LOY BOON HOR	1,200,000	0.5%
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FRANCIS KONG @ KONG FEN SHIN	1,200,000	0.5%
28	YAP AI WEI	1,055,700	0.4%
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR YAP YEE HUAT	1,000,000	0.4%
30	LAM THIAM @ LAM FOOK KEONG	1,000,000	0.4%

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 6th Annual General Meeting of the Company will be held at Foyer, Palm Garden Golf Club IOI Resort City, 62502 Putrajaya. on Wednesday, 7 September 2016 at 9.30 a.m. to transact the following business :

<u>AGENDA</u>

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 31 March 2016 the Reports of Directors and Auditors thereon. — **Please refer to Explanatory Note 1**

2. To approve the payment of Directors' fees amounting to RM61,500 for the financial period ended 31 March 2016. — **Resolution 1**

3. To re-elect the Directors who retire in accordance with Article 86 of the Company's Articles of Association as follows :-

   (a) Choo Seng Choon — **Resolution 2**
   (b) Abdul Fattah bin Mohamed Yatim — **Resolution 3**

4. To re-appoint Messrs. STYL Associates as auditors of the Company and to authorize the Directors to fix their remuneration. — **Resolution 4**

AS SPECIAL BUSINESS

To consider and, if deemed fit, to pass the following resolution :

5. **Proposed authority to allot shares pursuant to Section 132D of the Companies Act, 1965.** — **Resolution 5**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorized to issue shares in the Company, at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed 10% of the issued capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotments and issues."

6. To transact any other business for which due notice shall have been given.

By Order of the Board

LAANG JHE HOW (MIA 25193)
Company Secretary

Kuala Lumpur
29 July 2016

Notice Of Annual General Meeting
(Continued)

Notes:-

1. *A member entitled to attend, speak and vote at the meeting is entitled to appoint proxy(ies) (or in the case of a corporation, a duly authorised representative) to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act,1965 shall not apply to the Company.*
2. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
3. *A member shall be entitled to appoint not more than two (2) proxies to attend, speak and vote at the same meetings, and that appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *Where the authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *The instrument appointing a proxy or proxies must be completed and deposited at the Registered Office of the Company at 149A, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur, not less than 48 hours before the time stipulated for holding the meeting.*
8. *Only the members whose names appear on the Record of Depositors as at 29 August 2016 shall be entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on their behalf*
9. *By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, speak and vote at the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

1. Explanatory notes on Ordinary Business :-
Audited Financial Statement for the financial period ended 31 March 2016

The item is meant for discussion only as the provision of Section 169(1) of the Companies Act 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, the Agenda will not be put forward for voting.

2. Explanatory notes on Special Business :-
Ordinary Resolution 5
Proposed authority to allot shares pursuant to Section 132D of the Companies Act, 1965.

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act 1965 at the 6th AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the 5th AGM of the Company held on 25 June 2015 (hereinafter referred to as the "Previous Mandate").

The Previous Mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/ or acquisitions.

Statement Accompanying The Notice Of Annual General Meeting

Pursuant to Paragraph 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad :-

1. **Details of individuals who are standing for election as Directors**

   No individual is standing for election as Director at this AGM.

2. **Statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad**

   Detail of the General Mandate for the Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1967 are set out in Explanatory Note 2 of the Notice of AGM.

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Form Of Proxy

CDS Account No.:	
No. of Shares Held:	

I/We ______________________________

of ______________________________

being a member/members of Company hereby appoint (Proxy 1)______________________________

of ______________________________

and*/or failing him* (Proxy 2),______________________________

of ______________________________ and*/or failing him*, the Chairman of the Meeting, as *my/ our proxy to vote for *me/us and on *my/our behalf at the 6th Annual General Meeting of the Company to be held at Foyer, Palm Garden Golf Club IOI Resort City, 62502 Putrajaya. on Wednesday, 7 September 2016 at 9.30 a.m. and at any adjournment thereof.

The proportions of my/our holdings to be represented by my/our proxy(ies) are as follows:-

Proxy 1 - ______ % In case of a vote by show of hands, Proxy 1*/ Proxy 2* shall vote on my/ our behalf.

Proxy 2 - ______ %

100%

* Strike out whichever is inapplicable

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees amounting to RM61,500 for the Financial Period Ended 31 March 2016.		
2.	To re-elect the Director, Mr. Choo Seng Choon, who retires in accordance with Article 86 of the Company's Articles of Association.		
3.	To re-elect the Director, En. Abdul Fattah bin Mohamed Yatim, who retires in accordance with Article 86 of the Company's Articles of Association.		
4.	To re-appoint Messrs. STYL Associates as auditors of the Company and to authorize the Directors to fix their remuneration.		
	AS SPECIAL BUSINESS		
5.	To approve authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		

Please indicate with " X " in either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit.

Signature of Shareholder ____________________ Affix Company Seal (if applicable) ____________________

Signed this ________ day of______________2016

Notes:-

1) A member entitled to attend, speak and vote at the meeting is entitled to appoint prox(ies) (or in the case of a corporation, a duly authorised representative) to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3) A member shall be entitled to appoint not more than two (2) proxies to attend, speak and vote at the same meetings, and that appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5) Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6) Where the authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7) The instrument appointing a proxy or proxies must be completed and deposited at the Registered Office of the Company at 149A, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur, not less than 48 hours before the time stipulated for holding the meeting.
8) Only members whose names appear in the Record of Depositors as at 29 August 2016 shall be entitled to attend, speak and vote at this meeting or appoint prox(ies) to attend, speak and to vote on their behalf.
9) By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 July 2016.

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AFFIX
STAMP

The Company Secretary
EA HOLDINGS BERHAD (878041-A)
No. 149A, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur

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