Annual Report
2017

CONTENTS

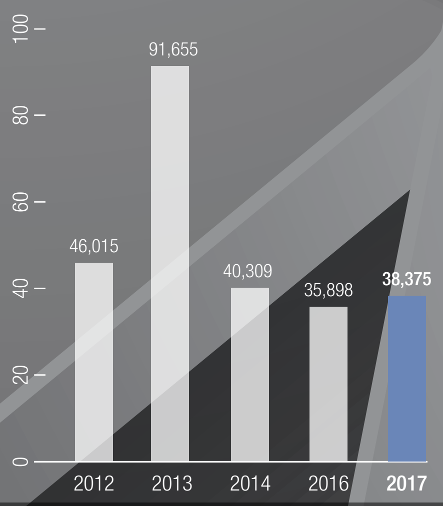
Five Year Group Financial Summary

(RM'000)	FYE 31.12.12	FYE 31.12.13	FYE 31.12.14	FPE 31.03.16	FYE 31.03.17
FINANCIAL RESULTS					
Revenue	46,015	91,655	40,309	35,898	38,375
Profit/(Loss) before tax	9,053	9,985	5,600	(32,307)	3,457
Profit/(Loss) attributable to equity holders	6,095	8,985	4,581	(31,551)	2,831
KEY BALANCE SHEET DATA					
Total Assets	70,597	89,505	126,550	138,902	142,112
Total Liabilities	8,477	18,131	9,191	9,153	9,495
Net assets attributable to equity holders	60,156	69,140	114,999	129,545	132,376
No. of shares in issue at year end	425,177	425,177	850,353	1,490,828	1,490,828
SHARES INFORMATION					
Basic earnings/(loss) per share (sen)	1.91	1.61 (*)	0.52 (^)	(2.44)	0.19
Net assets per share attributable to equity holders (RM)	0.14	0.16	0.14	0.09	0.09

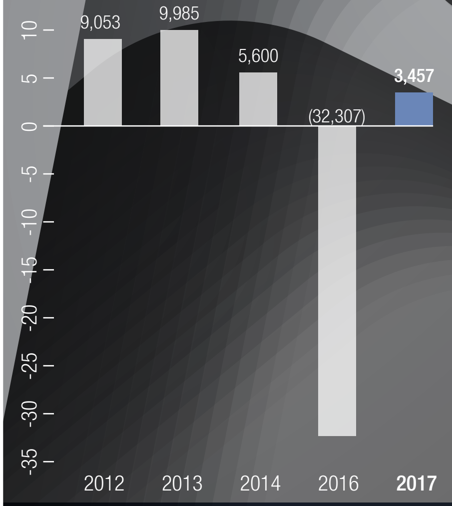
* Adjusted for the Rights Issue completed in 2014.
^ Adjusted for the Bonus Issue completed in 2015.

Financial **Highlights**
(Continued)

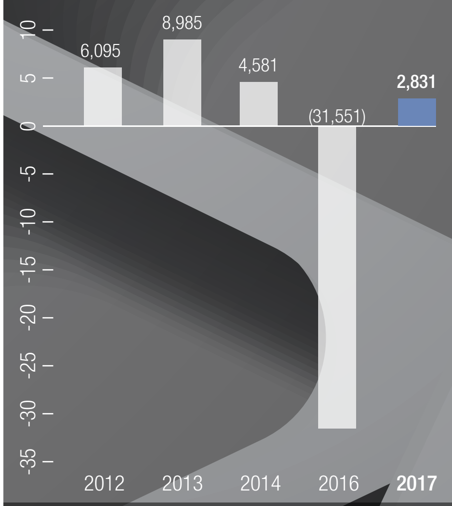
Revenue (RM'000)



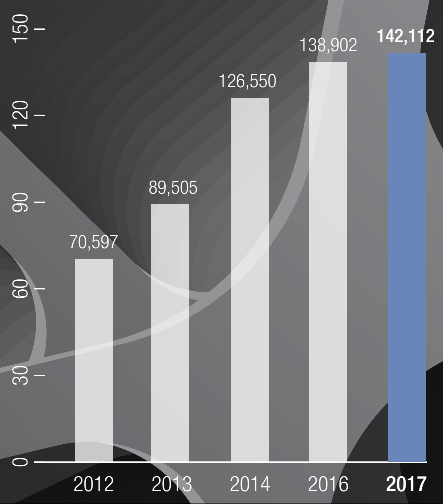
Profit Before Tax (RM'000)



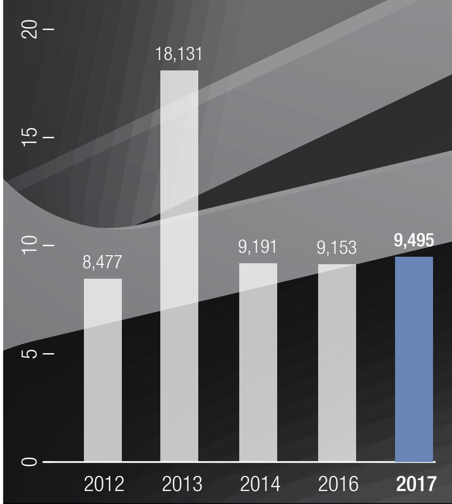
Profit Attributable to Equity Holders (RM'000)



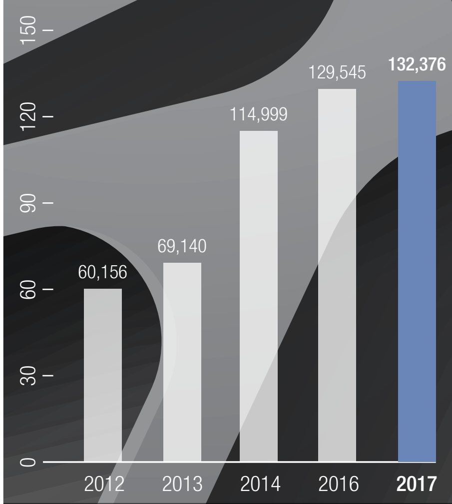
Total Assets (RM'000)



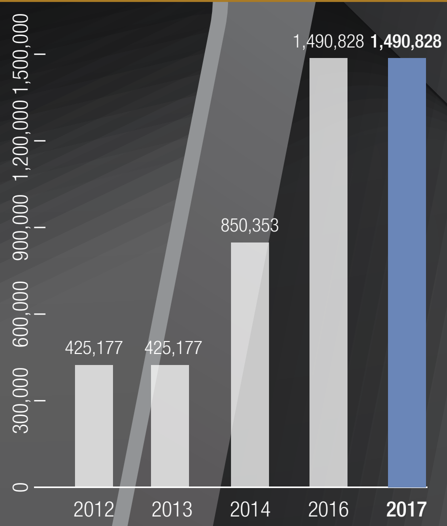
Total Liabilities (RM'000)



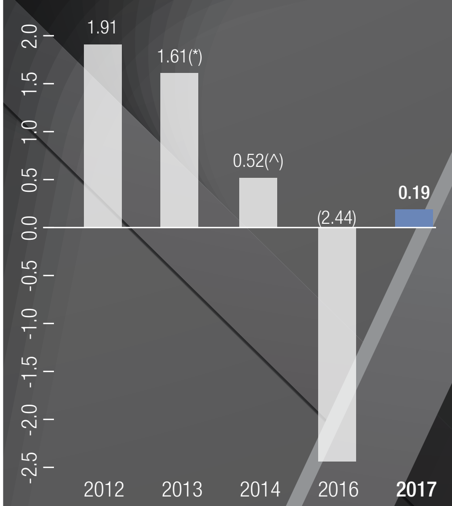
Net Assets Attributable to Equity Holders (RM'000)



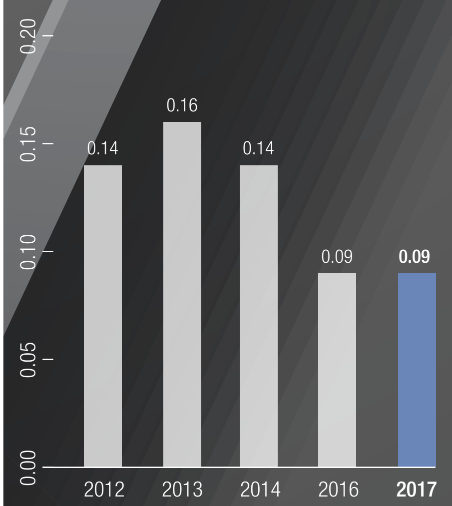
No. of Share in Issue at Year End (RM'000)



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 year ended 31 March 2017 ("FYE 31 March 2017").

For the FYE 31 March 2017, the Group recorded Profit Before Tax of RM3.5 million, which was largely attributable to the contribution from its share of profit from its investment in its associate company, Cekap Air Sdn Bhd amounting to RM7.7 million. This result is a positive turn-around from the loss before tax of RM32.3 million recorded in the previous financial period ended 31 March 2016 ("FPE 31 March 2016").

The ICT industry is showing some signs of improvement based on the higher availability of projects available for tender, as compared to previous years. However, generally, the market is still soft and very challenging as most of the projects available are of smaller values with most tenders valued between RM1 million to RM10 million. Tenders for project values above RM10 million, were few and far between.

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 to 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.

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

Management Discussion And Analysis

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The Company was incorporated in Malaysia on 6 November 2009 under the 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, the Group had expanded its structure and core business activities in line with the Group's objectives to be a leading one-stop ICT solutions provider in Malaysia.

Currently, the Group's revenues are segmented in 3 broad categories namely, ICT Services, Software Solutions and Automation Systems. The Group is also involved is M&E engineering services for water supply and treatment plant and project management consultancy via its associate company, Cekap Air Sdn Bhd.

For the FYE 31 March 2017, the Group recorded Profit Before Tax of RM3.5 million, which was a positive turn-around from the loss before tax of RM32.3 million recorded in the previous FPE 31 March 2016. The huge loss in FPE 31 March 2016 was largely attributable to the impairments provided on the intangible assets of the Group due to the prevailing weak outlook.

Cash reserves stood at RM15.5 million as at the end of the FYE 31 March 2017 compared to RM15.4 million as at the end of the FPE 31 March 2016.

FINANCIAL RESULTS

The ICT industry is showing some signs of improvement based on the higher availability of projects available for tender, as compared to previous years. However, generally, the market is still soft and very challenging as most of the projects available are of smaller values with most tenders valued between RM1 million to RM10 million. Tenders for project values above RM10 million, were few and far between.

Revenue for the Group grew by RM2.5 million or approximately 6.9% as compared to the previous FPE 31 March 2016, driven mainly by the increased contributions from the ICT Services and Automation Systems segments.

	FYE 31 March 2017 (12 months)		FPE 31 March 2016 (15 months)		Change
	(RM'000)	%	(RM'000)	%	%
ICT Services	20,640	53.8%	14,771	41.1%	39.7%
Software Solutions	10,179	26.5%	15,766	43.9%	-35.4%
Automation Systems	7,556	19.7%	5,361	14.9%	40.9%
Total	**38,375**	100.0%	**35,898**	100.0%	

During the year, the Group completed obtained more projects under the ICT segment, which comprised mainly infrastructure integration services, which contributed to the increase in revenue. However, there were lesser projects obtained under the Software Solutions, which comprised the provision and maintenance of various software applications under the Group's stable such, amongst others, as e-Solutions, business intelligence and data warehousing, ICT consultancy services, enterprise resource planning (ERP) solutions. This contributed to the lower revenue from the Software Solutions segment.

The Automation Systems segment has 3 main products, namely, RFID Access Control Systems ("RFID"), Building Management Systems ("BMS") and Integrated Security Division ("ISD"). The ISD was newly set-up in late 2015 and was primarily involved in the sales, support and maintenance of industry-grade and enterprise-level security solutions for large infrastructures such as office buildings, warehouses and factories. The addition of the new products under ISD and a slight pick-up in sales of the other products under BMS contributed to the better performance of the Automation Systems segment.

During the FYE 31 March 2017, the Group provided for additional impairment on its consolidated goodwill amounting to RM 1.5 million (FPE 31 March 2016 : RM17.4 million). However, the impairment of RM4.1 million on the development cost provided in FPE 31 March 2016 was reversed in FYE 31 March 2017 by RM 1.4 million, due to the improvement in the projected carrying value of the relevant cash generating units.

Being an ICT Group, our main operational expenditure item would be our staff costs. For the past 2 years, the Group had been streamlining our resources for better cost efficiencies. This had resulted in a more manageable staff costs of RM9.4 million for FYE 31 March 2017, as compared to RM11.0 million for FPE 31 March 2016 (15 months).

Capital expenditure amounting to RM0.4 million was incurred mainly for replacement of ICT equipment and motor vehicles.

For FYE 31 March 2017, net cash used in operating activities was RM2.2 million, a strong improvement when compared to net cash used of RM7.9 million for FPE 31 March 2016.

Management Discussion And Analysis
(Continued)

REVIEW OF OPERATING ACTIVITIES

The Group's main customers have always been the government linked companies ("GLCs") and statutory bodies. Consequently, any marked changes in spending by its main customers would impact the Group's performance.

For the FYE 31 March 2017, we saw a slight increase in the availability of projects available for tender by the GLCs and statutory bodies, as compared to previous years, albeit the tenders available were of smaller values with most tenders valued between RM1 million to RM10 million. This had enabled the Group to win more projects and achieved better revenue figures, especially for the ICT Services segment.

The Software Solutions segment were dependent on both government spending and private sector spending. During the FYE 31 March 2017, private sector spending was still relatively weak. This was the main reason for the decrease in revenue as compared to the FPE 31 March 2016.

The increase in revenue for the Automation Systems segment was mainly driven by the stronger sales from the newly set-up Integrated Security Division, and the increases in demand for its BMS products from the recovering construction sector.

BUSINESS RISKS

The Group is operating in a very challenging market space with many competitors vying for a limited number of jobs. We have anticipated this by diversifying our products and services, so that we are able to provide to a broader range of customers, while keeping our overheads and expenses low. In addition, the Group had also begun diversifying into non-ICT businesses via the acquisition of Cekap Air in 2015.

The Group will continue to align its resources within its various subsidiary companies and to continuously review its cost structure to ensure that the Group is operating at an optimum capacity and scalable for growth as and when the ICT sector recovers.

FUTURE PROSPECTS

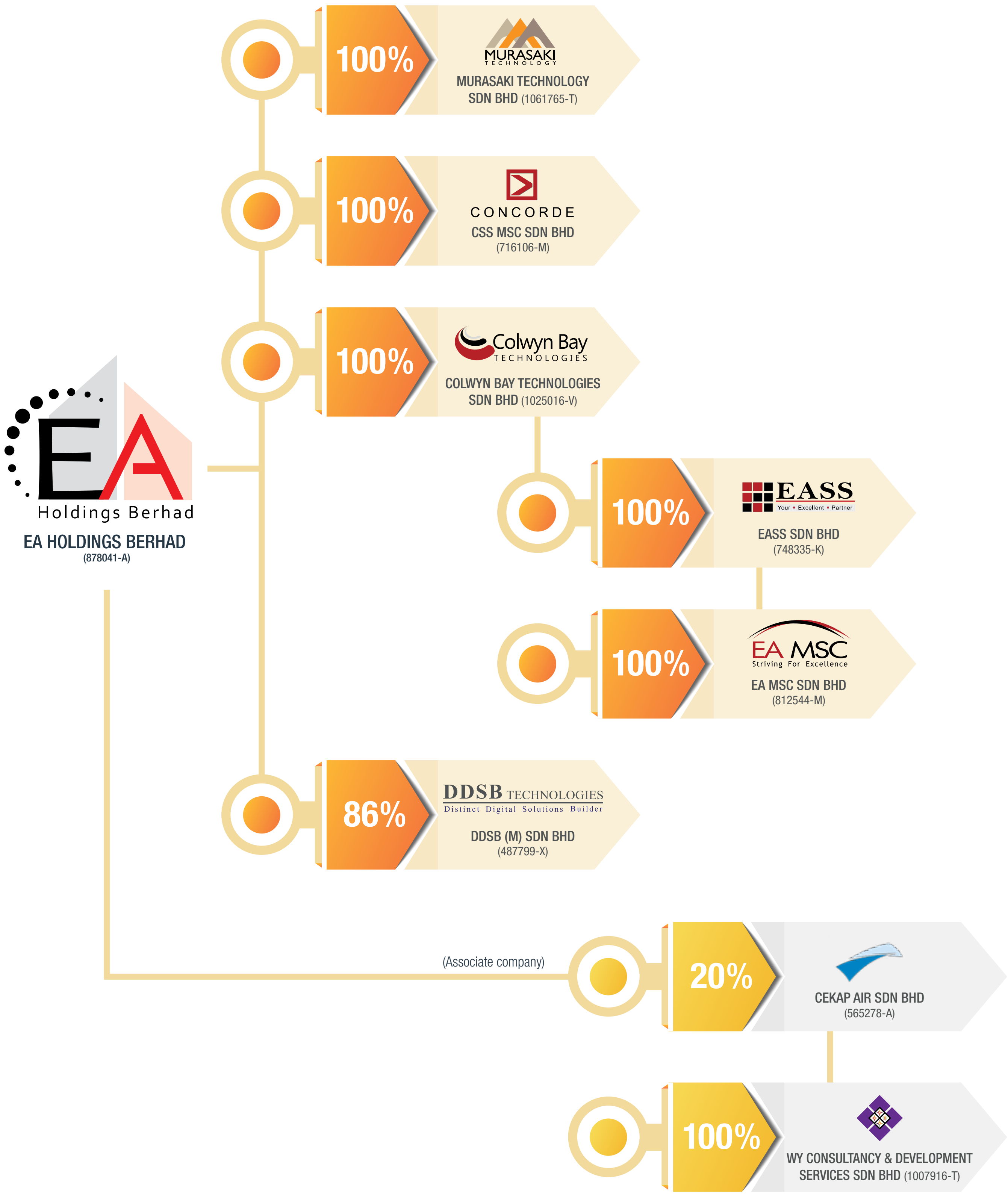
Moving forward, the Group will continue with its merger and acquisition ("M&A") strategy as this will enable the Group to diversify its business, to reduce its dependency on the ICT industry and to acquire business that will generate strong recurring income, as opposed to the current project-based income of the Group. At the same time, the Group is also actively seeking ways to broaden its range of products and services to broaden our customer base, while being cognizant of the costs and benefits involved.

It is for the purposes above that the Group is proposing to undertake the upcoming corporate exercise, which comprise the proposed capital reduction and proposed renounceable rights issue. Parts of the expected proceeds from the proposed rights issue would be used to increase our war chest so that the Group is strategically poised and ready to ride the next recovery wave not just in ICT sector but in other sectors as well.

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

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

Leou Thiam Lai
Independent Non-Executive Director

Abdul Fattah bin Mohamed Yatim
Senior Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Leou Thiam Lai (Chairman)

Dato' Azahar bin Rasul

Abdul Fattah bin Mohamed Yatim

NOMINATION COMMITTEE

Dato' Azahar bin Rasul (Chairman)

Leou Thiam Lai

Abdul Fattah bin Mohamed Yatim

REMUNERATION COMMITTEE

Dato' Azahar bin Rasul (Chairman)

Leou Thiam Lai

Abdul Fattah bin Mohamed Yatim

AUDITORS

Moore Stephens Associates PLT
(LLP0000963-LCA & AF002096)
Chartered Accountants
Unit 3.3A, 3rd Floor, Surian Tower,
No.1, Jalan PJU 7/3, Mutiara Damansara,
47810 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,
Oval 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
Leou Thiam Lai (Appointed on 27 July 2017)	Independent Non-Executive Director	Malaysian
Abdul Fattah bin Mohamed Yatim	Senior Independent Non-Executive Director	Malaysian
Choo Seng Choon (Resigned on 5 May 2017)	Senior Independent Non-Executive Director	Malaysian

DATO' AZAHAR BIN RASUL

A Malaysian aged 55, male, Dato' Azahar was appointed as the Independent Non-Executive Director on 22 February 2010. He is also a member of the Audit and Risk Management Committee, 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.

Dato' Azahar attended all Board meetings held during his tenure in office for the financial period ended 31 March 2017. 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 57, 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, Colwyn Bay Technologies 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 2017. 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 59, 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 2017. 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.

LEOU THIAM LAI

A Malaysian aged 60, male, Leou Thiam Lai was appointed as the Independent Non-Executive Director of EA Holdings Berhad and Chairman of the Audit and Risk Management Committee on 27 July 2017. He is also a member of the Nomination Committee and Remuneration Committee of the Company.

Leou Thiam Lai is a Chartered Accountant of the Malaysian Institute of Accountants, Fellow member of the Chartered Association of Certified Accountants (UK) and a Fellow member of the Chartered Tax Institute of Malaysia (formerly known as Malaysian Institute of Taxation). He was with Aljeffri, Siva, Heng and Monteiro from 1980 to 1981 and Baharom Hamdan from 1981 to 1984. He then set up his own Chartered Accountants firm, Leou & Associates, in 1988 and Leou Associates PLT, in 2015. He serves as a partner of both the firm. He also sits on the boards of directors of Degem Berhad, Asiamet Education Group Berhad, Sern Kou Resources Berhad and Menang Corporation (M) Berhad.

Leou Thiam Lai has no family relationship with any director or substantial shareholder of the Company.

Leou Thiam Lai 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 61, 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 2017. 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 En. Abdul Fattah bin Mohamed Yatim. 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 10 to 11 of this annual report.

En. Abdul Fattah bin Mohamed Yatim 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 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 2017, 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.

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.

Board Meetings And Supply of Information to the Board (Continued)

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	Abdul Fattah bin Mohamed Yatim	Independent Non-Executive Director	6/6	100%
5	Leou Thiam Lai (Appointed on 27 July 2017)	Independent Non-Executive Director	N/A	N/A
6	Choo Seng Choon (Resigned on 5 May 2017)	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 2017, the Directors had attended the following training programmes :-

Directors	Title
Dato' Azahar bin Rasul	GST seminar organized by Jabatan Kastam DiRaja Malaysia on 30 November 2016
Mohammad Sobri bin Saad	Briefing on the new Companies Act 2016 in March 2017
Basir bin Bachik	Briefing on the new Companies Act 2016 in March 2017
Abdul Fattah bin Mohamed Yatim	Seminar on The Internet of Things (IoT) organised by The Edge on 29 August 2016
Leou Thiam Lai (Appointed on 27 July 2017)	N/A

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.

Board Committees

(a) Audit and Risk Management Committee

The terms of reference of the Audit and Risk Committee are set out on page 19 to 21 of the annual report.

Corporate **Governance**

(Continued)

Board Committees (Continued)

(b) Nomination Committee

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

Dato' Azahar bin Rasul	Chairman
Abdul Fattah bin Mohamed Yatim	Member
Leou Thiam Lai	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	Dato' Azahar bin Rasul	1/1	100%
2	Abdul Fattah bin Mohamed Yatim	1/1	100%
3	Leou Thiam Lai (Appointed on 27 July 2017)	N/A	N/A

(c) Remuneration Committee

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

Dato' Azahar bin Rasul	Chairman
Abdul Fattah bin Mohamed Yatim	Member
Leou Thiam Lai	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 and contribution to the national pension fund whilst the Non-Executive Directors' package primarily consists of fees only.

The remuneration packages for the Directors for the financial period ended 31 March 2017 are as follows :-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	442	-
Fees	-	36

Board Committees (Continued)

(c) Remuneration Committee (Continued)

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	-	2
50,001 – 100,000	-	-
100,001 – 150,000	-	-
150,001 – 200,000	1	-
200,001 – 250,000	1	-

Nomination Committee attendance :-

No.	Name Of Members	Attendance	Percentage
1	Dato' Azahar bin Rasul	1/1	100%
2	Abdul Fattah bin Mohamed Yatim	1/1	100%
3	Leou Thiam Lai (Appointed on 27 July 2017)	N/A	N/A

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.

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.

Corporate Governance
(Continued)

ACCOUNTABILITY AND AUDIT (Continued)

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 2017. 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.

ACCOUNTABILITY AND AUDIT (Continued)

Corporate Social Responsibility (Continued)

(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 Group state of affairs for the financial period ended 31 March 2017 and of the results and cash flows of the Group 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, 2016. The Board, with the assistance of the Internal Auditors, takes the responsibilities of safeguarding assets of the Group to prevent and detect fraud and other irregularities seriously.

Compliance Statement

The Board believes that the Company has for the financial year ended 31 March 2017 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 19 July 2017.

Audit And Risk Management Committee Report

AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS

Chairman	Leou Thiam Lai (Appointed on 27 July 2017) (Independent Non-Executive Director)
Members	Abdul Fattah bin Mohamed Yatim (Independent Non-Executive Director) Dato' Azahar bin Rasul (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 Group, 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 Group's policies and procedures with Management and external auditors to ensure the adequacy of internal accounting and financial reporting controls;

(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.

Audit And Risk Management Committee Report
(Continued)

2. **Duties and Responsibilities** (Continued)

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 Group's risk management processes;

(b) To evaluate the quality and effectiveness of the Group'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 Group 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 year ended 31 March 2017 year was RM19,408.

Summary of Activities

During the financial year ended 31 March 2017, 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 year ended 31 March 2017;
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 year ended 31 March 2017. The details of the attendance are as follows:

Directors	No. of meetings attended
Dato' Azahar bin Rasul	6/6
Abdul Fattah bin Mohamed Yatim	6/6
Leou Thiam Lai (Appointed on 27 July 2017)	N/A
Choo Seng Choon (Resigned on 5 may 2017)	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 Group'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 of internal control and policies.

The material associate has not been dealt with as part of the Group for the purposes of this statement.

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 5 (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 19 July 2017.

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 2017 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) Audit and Non-Audit Fees

The amount of audit and non-audit fees paid to the external auditors and their affiliates by the Group and the Company respectively for the financial year are as follows :-

	Company (RM)	Group (RM)
Audit services rendered	35,000	110,000
Non-audit services rendered	8,000	8,000
Total	43,000	118,000

(c) Material Contracts Involving Directors and Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries involving the Company's Directors' and/or major shareholders' interest.

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

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

Financial Statements

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, management and consultancy services. The principal activities of its subsidiaries are set out in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	2,867,820	10,671,966
Attributable to:		
Owners of the Company	2,831,363	
Non-controlling interests	36,457	
	2,867,820	

DIVIDENDS

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

ISSUANCE OF SHARES OR DEBENTURES

The Company has not issued any shares or debentures during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS OF THE COMPANY

The Directors in office during the financial year and at the date of this report:

Mohammad Sobri Bin Saad
Basir Bin Bachik
Dato' Azahar Bin Rasul
Abdul Fattah Bin Mohamed Yatim
Choo Seng Choon — Resigned on 5 May 2017

Directors' Report
(Continued)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of financial year in shares and warrants of the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares				Amount	
	At 1.4.2016 Unit	Addition Unit	Sold Unit	At 31.3.2017 Unit	At 1.4.2016 RM	At 31.3.2017 RM
Name of Director						
Ordinary shares in the Company						
Direct interest:						
- Mohammad Sobri Bin Saad	175,052,949	-	-	175,052,949	17,505,295	17,505,295
- Basir Bin Bachik	492,000	-	-	492,000	49,200	49,200
- Abdul Fattah Bin Mohamed Yatim	18	-	-	18	2	2

	Number of Warrants B 2014/2019			
	At 1.4.2016 Unit	Addition Unit	Exercised/ Sold Unit	At 31.3.2017 Unit
Warrants B 2014/2019				
Direct interest:				
- Mohammad Sobri Bin Saad	17,271,729	-	-	17,271,729
- Basir Bin Bachik	142,074	-	-	142,074
- Abdul Fattah Bin Mohamed Yatim	3	-	-	3

	Number of Warrants C 2014/2019			
	At 1.4.2016 Unit	Addition Unit	Exercised/ Sold Unit	At 31.3.2017 Unit
Warrants C 2014/2019				
Direct interest:				
- Mohammad Sobri Bin Saad	51,652,577	-	-	51,652,577

None of the other Directors in office at the end of the financial year had any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

The amounts of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company or its subsidiaries for their services to the Company or its subsidiaries were as follows:

	Company RM	Subsidiaries RM
Fee	36,000	-
Salary, bonus and allowances	180,000	-
Consultation fee	-	240,000
Contributions to defined contribution plan	21,600	-
Social security contributions	794	-
Total fees and other benefits	**238,394**	**240,000**

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) 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, other than as disclosed in Note 25(c) to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

(a) Before the statements of 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

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

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

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent;

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

(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; or

(iv) not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

(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 year which secures the liabilities 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 year.

Directors' Report
(Continued)

OTHER STATUTORY INFORMATION (Continued)

(d) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries is RM118,000.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiary by any Director or past Director of the Company.

(g) There was no indemnity given to or insurance effected for any Directors, officers or auditors of the Group and of the Company.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 33 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 19 July 2017.

MOHAMMAD SOBRI BIN SAAD

BASIR BIN BACHIK

Statement By **Directors**

Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 35 to 103 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 96 has been prepared in accordance with the 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 and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 19 July 2017.

MOHAMMAD SOBRI BIN SAAD

BASIR BIN BACHIK

Statutory **Declaration**

Pursuant to Section 251(1) of the Companies Act, 2016

I, TAY MUN KIT, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 35 to 103 are to the best of my knowledge and belief, 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 at
Kuala Lumpur in the Federal Territory
on 19 July 2017.

TAY MUN KIT

Before me,

TAN KIM CHOOI
W661

Independent **Auditors' Report**

To The Members Of EA Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of EA HOLDINGS BERHAD, which comprise the statements of financial position as at 31 March 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 103.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
Valuation of Goodwill	
As at 31 March 2017, as shown in Note 9 of the financial statements, the Group recorded goodwill amounted to RM11,876,662, which represented 8.4% of the Group's total assets. The Group is required to perform an annual impairment test on the goodwill which arose from the Group's acquisition of five (5) subsidiaries in prior years. The Group applies the value-in-use ("VIU") method to estimate the recoverable amounts of the goodwill. We have identified the valuation of goodwill as a key audit matter as the impairment test involves significant management judgement in determining the allocation of goodwill to the cash-generating unit ("CGU") and in estimating the underlying assumptions to be applied in the discounted cash flow projections of the VIU calculation. The recoverable amount of the goodwill is highly sensitive to key assumptions applied in respect of future revenue, gross margin, and the pre-tax discount rate used in the cash flow projections. A small change in the assumption can have a significant impact on the estimation of the recoverable amount.	We have performed the following procedures: • Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors; • Compared the key assumptions including forecasted revenue, gross margin and discount rates against our knowledge of the Group's historical performance, business and cost management strategies based on facts and circumstances currently available; • Performed a sensitivity analysis by changing certain key assumptions used in the VIU calculations and assessed the impact to the recoverable amounts of the goodwill. • Assessed the appropriateness of the financial statements disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive.

Key Audit Matters (Continued)

Key Audit Matters	Our audit performed and responses thereon
Valuation of investment in associate	
As at 31 March 2017, as shown in Note 11 of the financial statements, the Group has investment in an associate, Cekap Air Sdn Bhd ("CASB") of RM57,198,429 which represented 40% of the Group's total assets. We have focused on the valuation of investment in associate as a key audit matter due to the significance of the Group's investment in CASB in the context of the Group's consolidated financial statements, along with the judgements involved in the management's impairment assessment of the investment in CASB, the future prospects of CASB. In addition, the revenue recognition by the CASB required exercise of judgement in determining the stage of completion, the extent of costs incurred, the estimated total revenue and costs, as well as the recoverability of the costs.	We have performed the following procedures: • Assessed the appropriateness of management's accounting for investment in CASB; • Understanding management's process for identifying the existence of impairment indicators in respect of the investment in CASB; • Assessed the reasonableness of the recoverable amount of CASB and obtaining an understanding from the management of the financial position and future prospects; • Compared the key assumptions including forecasted revenue, gross margin and discount rates to the historical financial information of the associate; • Performed sensitivity analysis by changing certain key assumptions used in the cash flows projections and assessed the impact to the recoverable amount of CASB; • Sent audit instructions to the CASB's auditors to perform an audit of the relevant financial information of CASB for the purposes of the Group's consolidated financial statements. Our audit instructions detailed the auditors' scope of work, audit strategy and reporting requirements. We discussed with the auditors their key audit areas, including areas of significant judgements and estimates and their audit findings; • Reviewed audit working papers of the CASB's auditors with emphasis on revenue recognition and impairment review of assets. We also discussed with the auditors to assist in evaluating the assumptions adopted in the cash flows projections prepared by the management; • Assessed the adequacy of the disclosures presented within the consolidated financial statements in Note 11 to the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Annual Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Annual Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Annual Report, we are required to report that fact. We have nothing to report in this regard.

Independent **Auditors' Report**

To The Members Of EA Holdings Berhad (Continued)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are also responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent **Auditors' Report**

To The Members Of EA Holdings Berhad (Continued)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

The supplementary information set out on page 104 is disclosed to meet the requirements 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 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The comparative figures were audited by another firm of chartered accountants who expressed an unmodified opinion on those financial statements on 28 July 2016.

MOORE STEPHENS ASSOCIATES PLT	STEPHEN WAN YENG LEONG
LLP0000963-LCA & AF002096	2963/07/17(J)
Chartered Accountants	Chartered Accountant

Petaling Jaya, Selangor
Date: 19 July 2017

Statements Of **Comprehensive Income**
For The Financial Year Ended 31 March 2017

		Group		Company	
		01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016
	Note	RM	RM	RM	RM
Revenue	4	38,374,576	35,898,246	-	10,520,000
Other items of income					
Other income		309,512	238,234	176,360	129,132
Reversal of impairment on development costs	9	1,438,943	-	-	-
Reversal of impairment on investment in subsidiaries	10	-	-	12,508,297	-
Items of expense					
Changes in inventories of trading merchandise	12	(473,738)	392,169	-	-
Purchases and other direct costs		(26,229,718)	(30,630,472)	-	-
Employee benefits expenses	5(a)	(9,441,244)	(11,048,487)	(447,621)	(572,516)
Amortisation of intangible assets	9	(924,913)	(1,084,738)	-	-
Depreciation of property, plant and equipment	8	(1,176,513)	(1,491,459)	(260,357)	(295,220)
Directors' remuneration	5(b)	(1,391,917)	(1,739,220)	(238,394)	(314,535)
Impairment loss on goodwill	9	(1,517,406)	(17,357,214)	-	-
Impairment loss on investment in subsidiaries	10	-	-	-	(47,642,061)
Impairment loss on development costs	9	-	(4,102,309)	-	-
Other expenses		(2,776,153)	(3,416,467)	(760,306)	(1,180,459)
(Loss)/profit from operations		(3,808,571)	(34,341,717)	10,977,979	(39,355,659)
Finance costs	5	(413,716)	(443,696)	(275,832)	(253,380)
Share of result of associate, net of tax	11	7,679,631	2,478,798	-	-
Profit/(loss) before tax	5	3,457,344	(32,306,615)	10,702,147	(39,609,039)
Tax expense	6	(589,524)	(420,406)	(30,181)	(53,432)
Profit/(loss) net of tax, representing total comprehensive income for the financial year/period		2,867,820	(32,727,021)	10,671,966	(39,662,471)

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of **Comprehensive Income**

For The Financial Year Ended 31 March 2017 (Continued)

		Group		Company	
		01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016
	Note	RM	RM	RM	RM
Profit/(loss) net of tax, representing total comprehensive income attributable to:-					
Owners of the Company		2,831,363	(31,550,725)	10,671,966	(39,662,471)
Non-controlling interests		36,457	(1,176,296)	-	-
		2,867,820	(32,727,021)	10,671,966	(39,662,471)
Earnings/(loss) per ordinary share attributable to Owners of the Company					
Basic and diluted (sen):	7	0.19	(2.44)		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of **Financial Position**
As At 31 March 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	8	6,557,130	7,536,285	4,254,971	4,510,895
Intangible assets	9	21,770,940	22,774,316	-	-
Investment in subsidiaries	10	-	-	36,247,236	23,738,939
Investment in associate	11	57,198,429	49,518,798	47,040,000	47,040,000
		85,526,499	79,829,399	87,542,207	75,289,834
Current assets					
Inventories	12	393,502	867,240	-	-
Trade receivables	13	32,341,849	32,521,825	-	-
Other receivables and deposits	14	1,654,183	1,695,134	185,046	118,814
Amounts owing by subsidiaries	15	-	-	30,187,571	36,924,239
Amount owing by associate	15	1,346,862	4,551,065	2,306,862	3,551,065
Tax recoverable		-	-	2,200	-
Fixed deposits placed with licensed banks	16	3,753,110	3,569,255	1,933,861	1,883,003
Cash and bank balances		17,095,912	15,867,595	8,615,550	891,044
		56,585,418	59,072,114	43,231,090	43,368,165
TOTAL ASSETS		142,111,917	138,901,513	130,773,297	118,657,999

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of Financial Position

As At 31 March 2017 (Continued)

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity					
Share capital	17	149,082,772	149,082,772	149,083,389	149,082,772
Reserves	18	(16,707,149)	(19,537,895)	(22,987,170)	(33,658,519)
Total equity attributable to Owners of the Company		132,376,240	129,544,877	126,096,219	115,424,253
Non-controlling interests	10(a)	240,560	204,103	-	-
Total Equity		132,616,800	129,748,980	126,096,219	115,424,253
Non-current liabilities					
Borrowings	19	2,452,776	2,680,488	1,840,269	1,974,924
Deferred tax liabilities	20	137,142	239,313	-	-
		2,589,918	2,919,801	1,840,269	1,974,924
Current liabilities					
Trade payables	21	930,746	943,005	-	-
Other payables and accruals	22	1,812,721	2,054,902	163,572	606,121
Amounts owing to Directors	23	103,878	11,650	73,728	-
Borrowings	19	2,823,024	2,005,821	2,599,509	634,901
Tax payable		1,234,830	1,217,354	-	17,800
		6,905,199	6,232,732	2,836,809	1,258,822
Total Liabilities		9,495,117	9,152,533	4,677,078	3,233,746
TOTAL EQUITY AND LIABILITIES		142,111,917	138,901,513	130,773,297	118,657,999

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Statement Of **Changes In Equity**

For The Financial Year Ended 31 March 2017

Group	Note	Share Capital RM	Share Premium RM	Warrants Reserve RM	Other Reserve RM	Distributable Retained Earnings/ (Accumulated Losses) RM	Total RM	Non-Controlling Interests RM	Total Equity RM
		<------------------Attributable to Owners of the Company------------------>							
			<------------Non-Distributable------------>						
At 1 January 2015		85,035,300	8,071,502	15,622,522	(13,737,745)	20,007,390	114,998,969	2,360,399	117,359,368
Loss net of tax, representing total comprehensive income for the financial period		-	-	-	-	(31,550,725)	(31,550,725)	(1,176,296)	(32,727,021)
Dividend paid to non-controlling interests	24	-	-	-	-	-	-	(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 associate		47,040,000	-	-	-	-	47,040,000	-	47,040,000
Share issuance expenses		-	-	-	-	(944,396)	(944,396)	-	(944,396)
Warrant 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
At 31 March 2016		149,082,772	617	9,502,695	(13,737,745)	(15,303,462)	129,544,877	204,103	129,748,980

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated Statement Of **Changes In Equity**

For The Financial Year Ended 31 March 2017 (Continued)

	<------------------Attributable to Owners of the Company				------------------>			
		<------------Non-Distributable		------------>	Distributable			
Group	Share Capital RM	Share Premium RM	Warrants Reserve RM	Other Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
At 1 April 2016	149,082,772	617	9,502,695	(13,737,745)	(15,303,462)	129,544,877	204,103	129,748,980
Profit net of tax, representing total comprehensive income for the financial year	-	-	-	-	2,831,363	2,831,363	36,457	2,867,820
Transfer pursuant to Section 618(2) of the Companies Act, 2016	617	(617)	-	-	-	-	-	-
At 31 March 2017	149,083,389	-	9,502,695	(13,737,745)	(12,472,099)	132,376,240	240,560	132,616,800

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement Of **Changes In Equity**

For The Financial Year Ended 31 March 2017

		<--Non-Distributable-->		Distributable	
	Share Capital	Share Premium	Warrants Reserve	Retained Earnings/ (Accumulated Losses)	Total Equity
Company	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 January 2015	85,035,300	8,071,502	15,622,522	260,767	108,990,091
Loss net of tax, representing total comprehensive income for the financial 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 associate	47,040,000	-	-	-	47,040,000
Share issuance expenses	-	-	-	(944,396)	(944,396)
Warrant 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
At 31 March 2016	149,082,772	617	9,502,695	(43,161,831)	115,424,253
At 1 April 2016	149,082,772	617	9,502,695	(43,161,831)	115,424,253
Profit net of tax, representing total comprehensive income for the financial year	-	-	-	10,671,966	10,671,966
Transfer pursuant to Section 618(2) of the Companies Act, 2016	617	(617)	-	-	-
At 31 March 2017	149,083,389	-	9,502,695	(32,489,865)	126,096,219

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of **Cash Flows**

For The Financial Year Ended 31 March 2017

	Note	Group 01.04.2016 to 31.03.2017 RM	Group 01.01.2015 to 31.03.2016 RM	Company 01.04.2016 to 31.03.2017 RM	Company 01.01.2015 to 31.03.2016 RM
Cash Flows from Operating Activities					
Profit/(loss) before tax:		3,547,344	(32,306,615)	10,702,147	(39,609,039)
Adjustments for:-					
Amortisation of:					
- development costs		749,913	865,988	-	-
- intellectual property		175,000	218,750	-	-
Depreciation of property, plant and equipment		1,176,513	1,491,459	260,357	295,220
Impairment loss on:					
- development costs		-	4,102,309	-	-
- goodwill		1,517,406	17,357,214	-	-
- investment in subsidiaries		-	-	-	47,642,061
- trade receivables		227,868	-	-	-
- other receivables		4,225	165,372	-	-
Deposits written off		8,395			
Interest expense		413,716	443,696	275,832	253,380
Inventory written down		53,258	-	-	-
Property, plant and equipment written off		59,865	-	-	-
Dividend income		-	-	-	(10,520,000)
Reversal of impairment loss on investment in subsidiairies		-	-	(12,508,297)	-
Reversal of impairment loss on development costs		(1,438,943)	-	-	-
Loss/(gain) on disposal of property, plant and equipment		14,348	(47,000)	-	-
Interest income		(204,061)	(150,620)	(53,960)	(102,132)
Share of result of associate, net of tax		(7,679,631)	(2,478,798)	-	-
Unrealised gain on foreign exchange		(12,231)	-	-	-
Operating loss before working capital changes		(1,477,015)	(10,338,245)	(1,323,921)	(2,040,510)
Changes in working capital:					
Inventories		420,480	(392,169)	-	-
Receivables		(19,561)	5,812,293	(66,232)	(92,747)
Payables		(254,440)	(1,632,905)	(442,549)	(990,451)
Cash used in operations		(1,330,536)	(6,551,026)	(1,832,702)	(3,123,708)
Tax paid		(674,219)	(1,060,890)	(50,181)	(35,632)
Tax refund		-	1,647	-	-
Interest paid		(413,716)	(443,696)	(275,832)	(253,380)
Interest received		204,061	150,620	53,960	102,132
Net cash used in operating activities carried forward		(2,214,410)	(7,903,345)	(2,104,755)	(3,310,588)

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of **Cash Flows**

For The Financial Year Ended 31 March 2017 (Continued)

		Group		Company	
		01.04.2016	01.01.2015	01.04.2016	01.01.2015
		to	to	to	to
	Note	31.03.2017	31.03.2016	31.03.2017	31.03.2016
		RM	RM	RM	RM
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	8(b)	(124,571)	(492,480)	(4,433)	(127,743)
Proceeds from disposal of property, plant and equipment		113,000	47,000	-	-
Net cash used in investing activities		(11,571)	(445,480)	(4,433)	(127,743)
Cash Flows from Financing Activities					
Repayment from/(advances to) associate		3,204,203	(4,551,065)	1,244,203	(3,551,065)
Advances from Director		92,228	-	73,728	-
Repayment from/(advances to) subsidiaries		-	-	6,736,668	(1,438,051)
Increased in fixed deposits pledged		(183,855)	(580,677)	(50,858)	(77,929)
Drawdown of borrowings		-	41,439	896,042	-
Repayment of borrowings		(765,139)	(1,087,327)	(160,719)	(758,418)
Proceeds from exercise of warrants		-	1,029	-	1,029
Payment of share issuance expenses		-	(944,396)	-	(944,396)
Net cash from/(used in) financing activities		2,347,437	(7,120,997)	8,739,064	(6,768,830)
Net increase/(decrease) in cash and cash equivalents		121,456	(15,469,822)	6,629,876	(10,207,161)
Effect of exchange rate changes on cash and cash equivalent		12,231	-	-	-
Cash and cash equivalents at beginning of financial year/period		15,393,413	30,863,235	416,862	10,624,023
Cash and cash equivalents at end of financial year/period	(i)	15,527,100	15,393,413	7,046,738	416,862

Note:

(i) Cash and cash equivalents comprise:

		Group		Company	
		01.04.2016	01.01.2015	01.04.2016	01.01.2015
		to	to	to	to
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Note	RM	RM	RM	RM
Fixed deposits with licensed banks		3,753,110	3,569,255	1,933,861	1,883,003
Cash and bank balances		17,095,912	15,867,595	8,615,550	891,044
		20,849,022	19,436,850	10,549,411	2,774,047
Less: Fixed deposits pledged as collaterals	16	(3,753,110)	(3,569,255)	(1,933,861)	(1,883,003)
Less: Bank overdrafts	19(c)	(1,568,812)	(474,182)	(1,568,812)	(474,182)
		15,527,100	15,393,413	7,046,738	416,862

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes To The Financial Statements
– 31 March 2017

1. CORPORATE INFORMATION

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

The registered office of the Company is located at 149A, Jalan Aminuddin 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 Kumpur.

The principal activities of the Company are that of investment holding, management and consultancy services. The principal activities of its subsidiaries are set out in Note 10. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 19 July 2017.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int"), Amendments to IC Int

(i) Adoption of New MFRSs, Amendments/Improvements to MFRSs and IC Int

The Group and the Company had adopted the following new MFRSs, Amendments/Improvements to MFRSs and IC Int that are mandatory for the current financial year:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Annual Improvement to MFRSs 2012-2014 Cycle	

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

Notes To The Financial Statements
– 31 March 2017 (Continued)

2. BASIS OF PREPARATION (Continued)

(a) Statement of Compliance (Continued)

New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int"), Amendments to IC Int (Continued)

(ii) New MFRSs, Amendments/Improvements to MFRSs and IC Int that are issued but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and Amendments/Improvements to MFRSs and IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

Effective for financial periods beginning on or after 1 January 2017

Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 107	Statement of Cash Flows: Disclosure Initiative
Annual Improvements to MFRSs 2014-2016 Cycle	

Effective for financial periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Clarification to MFRS 15: Revenue from Contracts with Customers
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretations 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to MFRSs 2014-2016 Cycle	

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases

Effective date to be announced

Amendments MFRS 10 and and MFRS 124	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial applications, except as described below:

MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139. This Standard made changes to the requirements for classification and measurement, impairment, and hedge accounting. The adoption of this Standard will have an effect on the classification and measurement of the Group's and of the Company's financial assets, but no impact on the classification and measurement of the Group's and of the Company's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. The Group and the Company are currently assessing the impact of the adoption of this Standard in relation to the new requirements for classification and measurement and impairment, but the requirements for hedge accounting is not relevant to the Group and to the Company.

2. BASIS OF PREPARATION (Continued)

(a) Statement of Compliance (Continued)

New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int"), Amendments to IC Int (Continued)

(ii) New MFRSs, Amendments/Improvements to MFRSs and IC Int that are issued but not yet effective and have not been early adopted (Continued)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and establishes a new five-step model that will apply to recognition of revenue arising from contracts with customers. 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.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group and the Company are currently assessing the impact of this Standard and plan to adopt this Standard on the required effective date.

(b) Basis of Measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

(d) Significant Accounting Estimates and Judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's and the Company's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line method over the assets' useful lives. The Directors estimate the useful lives of these property, plant and equipment to be within 5 to 20 years.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Intangible assets

The Group has intangible assets (other than goodwill) and the annual amortisation of intangible assets is charged to the statement of comprehensive income. The Group reviews the residual value and useful life of intangible assets at each balance sheet date in accordance with the accounting policy as disclosed in Note 3(j). The Group also assesses annually whether the intangible assets have been impaired based on future cash flow projections, which depend significantly on the procurement of future projects, using an appropriate discount factor. The impairment assessment could be materially affected by the changes in the assumptions and estimates used in the cash flow projections. Changes in the residual value arising from the impairment assessment and the review of useful life could have significant impact on the results of the Group.

2. BASIS OF PREPARATION (Continued)

(d) Significant Accounting Estimates and Judgements (Continued)

(ii) Intangible assets (other than goodwill) (Continued)

The carrying amount of intangible assets at 31 March 2017 was RM9,894,278 (2016: RM9,380,248) and the annual amortisation charged for the financial year ended 31 March 2017 was RM924,913 (2016: RM1,084,738) as disclosed in Note 9.

(iii) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iv) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(v) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(vi) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a loans or receivables 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 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.

(vii) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(viii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(ix) Carrying value of investments in subsidiaries

Investments in subsidiaries are reviewed for any impairment indication in accordance with its accounting policy or whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

2. BASIS OF PREPARATION (Continued)

(d) Significant Accounting Estimates and Judgements (Continued)

(x) Fair value estimates for certain financial assets and liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(xi) Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company'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 Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company 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 shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to Owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the profit or loss.

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combinations in the Company's separate financial statements, the excess of the cost of acquisition over the aggregate carrying amounts of assets and liabilities as of the date of the combination is taken to equity.

Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Non-controlling Interests

Non-controlling interests represents the equity in subsidiaries not attributable directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the non-controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusting and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in Ringgit Malaysia using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates on the reporting date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and the amount of revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable.

Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Services rendered

Revenue from services rendered is recognised in profit or loss when the services are performed.

Rental income

Rental income from property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. 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 absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(e) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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 ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services are not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the statements of financial position.

(g) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance Lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Notes To The **Financial Statements**
– 31 March 2017 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leases (Continued)

(ii) Operating Lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(h) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the financial year, adjusted for the effects of all dilutive potential ordinary shares.

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on straight line basis over its estimated useful lives of each component of an item of property, plant and equipment at the following annual rates:

Freehold office units	5%
Office equipment	20%
Furniture and fittings	10%-20%
Computers	20%
Motor vehicles	20%
Moulds	20%
Renovation	20%

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

(iii) Depreciation (Continued)

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the assets is derecognised.

(j) Intangible assets

Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in a subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the consolidated statement of comprehensive income.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overheads costs that are directly attributable to prepare the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Intangible assets, other than goodwill, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets, other than goodwill, which have indefinite lives and are not yet available for use are stated at cost less impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangible assets (Continued)

Amortisation

Amortisation is calculated based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Development costs	5 – 15 years
Intellectual property	20 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average cost, and includes expenditure incurred in acquiring the inventories and others costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand and fixed deposit with licensed banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, and pledged deposits, if any.

(m) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

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

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorised financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises debt instruments and financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) 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. Financial guarantee contracts are recognised initially at fair value plus transaction costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amounts initially recognised less cumulative amortisation recognised.

(v) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment

(i) Financial assets

All financial assets, other than those at fair value through profit or loss, investment in subsidiaries and investment in associates are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss.

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 to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. 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 risks specific to the asset.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

(o) Equity instruments

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

Ordinary shares

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Warrant reserve

Amount allocated in related to the issuance of free warrants are credited to a warrant reserve which is non-distributable. Warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(r) 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. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(s) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company used observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

4. REVENUE

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Information and communications technologies ("ICT") services	20,198,937	14,770,715	-	-
Radio frequency identification ("RFID"), access control system and building automation system	7,555,929	5,361,015	-	-
Software solutions	10,619,710	15,766,516	-	-
Dividend income	-	-	-	10,520,000
	38,374,576	35,898,246	-	10,520,000

5. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived at after charging/(crediting):

		Group		Company	
	Note	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Auditors' remuneration					
- auditors of the Company					
- statutory audit		110,000	55,000	35,000	30,000
- underprovision in prior year		-	3,000	-	-
- other services		8,000	3,000	8,000	3,000
- component auditors of the Group					
- statutory audit		-	46,060	-	-
- overprovision in prior year		-	(26,600)	-	-
Amortisation of:					
- development costs		749,913	865,988	-	-
- intellectual property		175,000	218,750	-	-
Depreciation of property, plant and equipment	8	1,176,513	1,491,459	260,357	295,220
Employee benefits expenses	(a)	9,441,244	11,048,487	447,621	572,516
Directors' remunerations	(b)	1,391,917	1,739,220	238,394	314,535
Impairment loss on:					
- development costs	9	-	4,102,309	-	-
- goodwill	9	1,517,406	17,357,214	-	-
- investment in subsidiaries	10	-	-	-	47,642,061
- trade receivables	13	227,868	-	-	-
- other receivables	14	4,225	165,372	-	-
Deposits written off		8,395	-	-	-

5. PROFIT/(LOSS) BEFORE TAX (Continued)

Profit/(loss) before tax is arrived at after charging/(crediting): (Continued)

		Group		Company	
		01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016
	Note	RM	RM	RM	RM
Interest expenses on:					
- bank overdrafts		217,414	222,807	133,489	106,106
- bank guarantee		49	-	49	-
- blanket contract financing line		44,207	18,904	44,207	18,904
- hire purchase payables		56,773	81,262	2,814	7,647
- term loans		95,273	120,723	95,273	120,723
Property, plant and equipment written off		59,865	-	-	-
Inventories written down	12	53,258	-	-	-
Rental of premises		203,515	432,053	-	6,750
Rental of office equipment		3,030	-	-	-
Loss/(gain) on disposal of property, plant and equipment		14,348	(47,000)	-	-
Gain on foreign exchange:					
- realised		(5,760)	(27,183)	-	-
- unrealised		(12,231)	-	-	-
Interest income		(204,061)	(150,620)	(53,960)	(102,132)
Rental income		(86,400)	(12,000)	(122,400)	(27,000)
Reversal of impairment loss on development costs	9	(1,438,943)	-	-	-
Reversal of impairment loss on investment in subsidiaries	10	-	-	(12,508,297)	-

(a) Employee benefits expense

	Group		Company	
	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016	01.04.2016 to 31.03.2017	01.01.2015 to 31.03.2016
	RM	RM	RM	RM
Salaries, wages allowances and bonuses	8,354,602	9,731,057	380,480	496,672
Contributions to defined contribution plan	885,731	1,083,538	44,194	59,401
Social security contributions	69,593	72,049	2,554	4,140
Other benefits	131,318	161,843	20,393	12,303
	9,441,244	11,048,487	447,621	572,516

5. PROFIT/(LOSS) BEFORE TAX (Continued)

Profit/(loss) before tax is arrived at after charging/(crediting): (Continued)

(b) The remuneration of the Directors are as follows:

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Director of the Company Executive:				
Salaries, wages allowances and bonuses	180,000	225,000	180,000	225,000
Consultation fee	240,000	270,000	-	-
Contributions to defined contribution plan	21,600	27,000	21,600	27,000
Social security contributions	794	1,035	794	1,035
	442,394	523,035	202,394	253,035
Non-executive:				
Fees	36,000	61,500	36,000	61,500
	478,394	584,535	238,394	314,535
Directors of the subsidiaries Executive:				
Fees	180,000	225,000	-	-
Salaries, wages allowances and bonuses	653,600	828,000	-	-
Contributions to defined contribution plan	77,472	99,360	-	-
Social security contributions	2,451	2,325	-	-
	913,523	1,154,685	-	-
Total	1,391,917	1,739,220	238,394	314,535
Analysis excluding benefits-in-kind				
Total executive directors' remuneration	1,355,917	1,677,720	202,394	253,035
Total non-executive directors' remuneration	36,000	61,500	36,000	61,500
	1,391,917	1,739,220	238,394	314,535

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

	No. of Directors	
	2017	2016
Executive Directors:		
RM150,001 - RM200,000	1	-
RM200,001 - RM250,000	1	1
RM250,001 - RM300,000	-	1
Non-Executive Directors:		
Below RM50,000	2	3

6. TAX EXPENSE

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Income tax:				
Based on result for current year/period	673,146	297,700	-	-
Underprovision in prior financial year/period	18,549	285,785	30,181	53,432
	691,695	583,485	30,181	53,432
Deferred tax (Note 20):				
Origination and reversal of temporary differences	(70,377)	(112,160)	-	-
Overprovision in prior financial year/period	(31,794)	(50,919)	-	-
	(102,171)	(163,079)	-	-
Tax expense for the financial year/period	589,524	420,406	30,181	53,432

The tax reconciliation from the tax amount at statutory income tax rate to the Group's and the Company's tax expense is as follows:

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Profit/(loss) before tax	3,457,344	(32,306,615)	10,702,147	(39,609,039)
Tax at the Malaysian statutory income tax rate of 24%	829,763	(7,753,588)	2,568,515	(9,506,169)
Effect of changes in tax rate	-	(16,310)	-	(117)
Share of tax of equity- accounted associate	(1,843,111)	(594,912)		
Income not subject to tax	-	-	-	(2,524,800)
Expenses not deductible for tax purpose	877,859	5,959,920	175,145	11,710,919
Utilisation of previously unrecognised deferred tax assets	(352,859)	-	(2,743,660)	-
Deferred tax assets not recognised	1,091,117	2,590,430	-	320,167
Under/(over) provision in prior financial year/period				
- current income tax	18,549	285,785	30,181	53,432
- deferred tax	(31,794)	(50,919)	-	-
Tax expense for the financial year/period	589,524	420,406	30,181	53,432

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 Act, 1986, which exempt 100% of the statutory business income from taxation for a period of 10 years commencing from 15 May 2013 and 2 July 2014 respectively.

The Group has estimated unutilised tax losses and unabsorbed capital allowances of RM13,093,992 (2016: RM9,076,979) and RM435,891 (2016: RM347,996) respectively, available for set off against future profits.

The Company has estimated unutilised tax losses and unabsorbed capital allowances of RM1,067,600 (2016: RM NIL) and RM30,647 (2016: RM19,924) respectively, available for set off against future profits.

Notes To The **Financial Statements**
– 31 March 2017 (Continued)

7. EARNINGS/(LOSS) PER ORDINARY SHARE

(a) Basic

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

	Group	
	2017	2016
Basic earnings/(loss) per share		
Profit/(loss) attributable to Owners of the Company (RM)	2,831,363	(31,550,725)
Number of ordinary shares at beginning of year/period	1,490,827,716	850,353,000
Effect of bonus issue during the year/period	-	170,070,600
Effect of issue of shares during the year/period	-	273,970,208
Weighted average number of ordinary shares in issue	1,490,827,716	1,294,393,808
Basic earnings/(loss) per share (sen)	0.19	(2.44)

(b) Diluted

The Group has no dilution in their earnings per ordinary share as the exercise price of the warrants have exceeded the average market price of ordinary shares during the financial year/period, the options do not have any dilution effect on the weighted average number of ordinary shares.

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Group							
2017							
Cost							
At 1 April 2016	4,608,783	739,419	270,108	3,702,134	2,866,894	660,333	12,847,671
Additions	-	9,083	17,670	58,464	299,354	-	384,571
Disposals	-	-	-	-	(578,854)	-	(578,854)
Written off	-	(389,480)	(55,234)	-	-	(316,529)	(761,243)
At 31 March 2017	4,608,783	359,022	232,544	3,760,598	2,587,394	343,804	11,892,145
Accumulated Depreciation							
At 1 April 2016	223,670	636,431	109,170	1,821,984	2,113,151	406,980	5,311,386
Charge for the financial year	230,439	19,419	25,323	593,820	263,176	44,336	1,176,513
Disposals	-	-	-	-	(451,506)	-	(451,506)
Written off	-	(379,266)	(49,992)	-	-	(272,120)	(701,378)
At 31 March 2017	454,109	276,584	84,501	2,415,804	1,924,821	179,196	5,335,015
Net Carrying Amount							
At 31 March 2017	4,154,674	82,438	148,043	1,344,794	662,573	164,608	6,557,130

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles RM	Moulds RM	Renovation RM	Total RM
Group								
2016								
Cost								
At 1 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)
At 31 March 2016	4,608,783	739,419	270,108	3,702,134	2,866,894	-	660,333	12,847,671
Accumulated Depreciation								
At 1 January 2015	-	599,763	94,955	1,235,550	1,833,001	64,710	409,382	4,237,361
Charge for the financial 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)
At 31 March 2016	223,670	636,431	109,170	1,821,984	2,113,151	-	406,980	5,311,386
Net Carrying Amount								
At 31 March 2016	4,385,113	102,988	160,938	1,880,150	753,743	-	253,353	7,536,285

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Freehold office units RM	Office equipment RM	Furniture and fittings RM	Computers RM	Motor vehicles RM	Renovation RM	Total RM
Company							
2017							
Cost							
At 1 April 2016	4,608,783	21,384	23,306	24,782	392,180	153,572	5,224,007
Additions	-	-	-	4,433	-	-	4,433
At 31 March 2017	4,608,783	21,384	23,306	29,215	392,180	153,572	5,228,440
Accumulated Depreciation							
At 1 April 2016	223,670	10,604	23,305	14,232	392,179	49,122	713,112
Charge for the financial year	230,439	3,334	-	4,550	-	22,034	260,357
At 31 March 2017	454,109	13,938	23,305	18,782	392,179	71,156	973,469
Net Carrying Amount							
At 31 March 2017	4,154,674	7,446	1	10,433	1	82,416	4,254,971
2016							
Cost							
At 1 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
At 31 March 2016	4,608,783	21,384	23,306	24,782	392,180	153,572	5,224,007
Accumulated Depreciation							
At 1 January 2015	-	6,355	19,421	9,520	346,425	36,171	417,892
Charge for the financial period	223,670	4,249	3,884	4,712	45,754	12,951	295,220
At 31 March 2016	223,670	10,604	23,305	14,232	392,179	49,122	713,112
Net Carrying Amount							
At 31 March 2016	4,385,113	10,780	1	10,550	1	104,450	4,510,895

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Assets pledged as security

As at 31 March 2017, freehold office units of the Group and of the Company with total net carrying amount of RM2,685,880 (2016: RM2,835,095) are pledged to financial institution for term loan facilities granted to the Group and to the Company as disclosed in Note 19 whilst freehold office units with total carrying amount of RM1,468,794 (2016: RM1,550,018) are pledged to financial institution for banking facilities granted to the associate.

(b) Assets held under hire purchase arrangements

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM384,571 and RM4,433 (2016: RM2,318,460; RM1,693,723) respectively, which are satisfied by the following:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Hire purchase arrangements	260,000	260,000	-	-
Term loans	-	1,565,980	-	1,565,980
Cash payments	124,571	492,480	4,433	127,743
	384,571	2,318,460	4,433	1,693,723

Net carrying amount of property, plant and equipment of the Group held under hire purchase arrangements as at reporting date is as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Motor vehicles	662,573	753,743	1	1

9. INTANGIBLE ASSETS

	Goodwill on consolidation RM	Intellectual property RM	Development costs RM	Total RM
Group				
2017				
Cost				
At 1 April 2016/ 31 March 2017	30,751,282	3,500,000	15,460,180	49,711,462
Accumulated Amortisation				
At 1 April 2016	-	306,250	5,171,373	5,477,623
Charge for the financial year	-	175,000	749,913	924,913
At 31 March 2017	-	481,250	5,921,286	6,402,536
Accumulated Impairment loss				
At 1 April 2016	17,357,214	-	4,102,309	21,459,523
Impairment loss for the financial year	1,517,406	-	-	1,517,406
Reversal of impairment loss	-	-	(1,438,943)	(1,438,943)
At 31 March 2017	18,874,620	-	2,663,366	21,537,986
Net Carrying Amount				
At 31 March 2017	11,876,662	3,018,750	6,875,528	21,770,940
2016				
Cost				
At 1 January 2015/ 31 March 2016	30,751,282	3,500,000	15,460,180	49,711,462
Accumulated Amortisation				
At 1 January 2015	-	87,500	4,305,385	4,392,885
Charge for the financial period	-	218,750	865,988	1,084,738
At 31 March 2016	-	306,250	5,171,373	5,477,623
Accumulated Impairment loss				
At 1 January 2015	-	-	-	-
Impairment loss for the financial period	17,357,214	-	4,102,309	21,459,523
At 31 March 2016	17,357,214	-	4,102,309	21,459,523
Net Carrying Amount				
At 31 March 2016	13,394,068	3,193,750	6,186,498	22,774,316

9. INTANGIBLE ASSETS (Continued)

(a) Intellectual property

The intellectual property right relates to e-Enterprise Resources Planning Application that was assigned by the one of the subsidiary's Director on 18 June 2014. The intellectual property right are amortised over 20 years.

(b) Development costs

Development costs relate to costs incurred in developing software products and are capitalised until the products are available for general release to customers. The development costs have an average useful life of 5 years to 15 years. The amortisation of these costs is included in "amortisation of intangible assets", over the estimated life of the products.

(c) Amortisation expense

The amortisation expense is shown in the "amortisation of intangible assets" line item in the statements of comprehensive income.

Impairment testing for goodwill, intellectual property and development costs

Goodwill arising from business combinations, intellectual property and development costs has been allocated to five individual cash-generating units ("CGUs") for impairment testing as follows:

- Murasaki Technology Sdn. Bhd. ("MTSB")
- CSS MSC Sdn. Bhd. ("CSS MSC")
- DDSB (M) Sdn. Bhd ("DDSB")
- EASS Sdn. Bhd. ("EASS")
- EA MSC Sdn. Bhd. ("EA MSC")

The carrying amounts of goodwill, intellectual property and development costs allocated to each CGUs are as follows:

	MTSB	CSS MSC	DDSB	EASS	EA MSC	Total
	RM	RM	RM	RM	RM	RM
Group						
2017						
Goodwill	9,957,024	272,026	676,403	359,255	611,954	11,876,662
Intellectual property	3,018,750	-	-	-	-	3,018,750
Development costs	-	3,422,206	2,324,019	-	1,129,303	6,875,528
	12,975,774	3,694,232	3,000,422	359,255	1,741,257	21,770,940
2016						
Goodwill	9,957,024	795,735	1,670,100	359,255	611,954	13,394,068
Intellectual property	3,193,750	-	-	-	-	3,193,750
Development costs	-	3,271,252	1,635,369	-	1,279,877	6,186,498
	13,150,774	4,066,987	3,305,469	359,255	1,891,831	22,774,316

9. INTANGIBLE ASSETS (Continued)

Impairment testing for goodwill, intellectual property and development costs (Continued)

The recoverable amounts of the CGUs have been determined based on value-in-use calculation using cash flows projection from financial budgets approved by Board of Directors covering a five-year period. The pre-tax discount rate applied to the cash flow projections on each of the CGUs is 9.40%.

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

(i) Revenue

Revenue is projected based on the current project on hand, projects on bidding as well as average historical revenue achieved in the four years. These are not expected to be higher than the four years average revenue achieved.

(ii) Gross margin

Gross margins are based on the average value achieved in the four years preceding the start of the budget period. Gross margin are assumed to be maintained over the budgeted period.

(iii) Pre-tax discount rate

Pre-tax discount rate of 9.4% per annum applied to the cash flows was in determining the recoverable amounts of the CGUs. This discount rate used is based on weighted average cost of capital.

Management believes that any reasonably possible change in the key assumptions on which the intangible assets recoverable amount is based on would not cause the carrying amount to exceed its recoverable amount. Actual outcomes could vary from these estimates. Management considered that any reasonable possible changes in the above key assumptions applied are not likely to cause the recoverable amount of the CGU to be lower than its carrying amount.

Impairment loss recognised

During the financial year, impairment loss was recognised to write-down the carrying amount of goodwill attributable to CSS MSC and DDSB. The impairment loss of RM523,709 (2016: RM Nil) on CSS MSC, RM993,697 (2016: RM16,237,500) on DDSB and RM Nil (2016: RM1,119,714) on MTSB have been recognised in the statements of comprehensive income under the line item “impairment loss on goodwill”.

10. INVESTMENT IN SUBSIDIARIES

	Company	
	2017	2016
	RM	RM
Unquoted shares, at cost		
At 1 April 2016/1 January 2015	71,381,000	71,381,000
Accumulated impairment loss		
At beginning of the financial year/period	47,642,061	-
Impairment loss for the financial year/period	-	47,642,061
Reversal of impairment loss	(12,508,297)	-
At end of financial year/period	35,133,764	47,642,061
Net carrying amount		
At 31 March 2017/2016	36,247,236	23,738,939

10. INVESTMENT IN SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2017 %	Effective Equity Interest 2016 %
CSS MSC Sdn. Bhd.	Malaysia	Provision of business intelligence software and development, IT service management consultancy and system integration	100	100
DDSB (M) Sdn. Bhd.	Malaysia	Information technology, consultancy services and software development	86	86
Colwyn Bay Technologies Sdn. Bhd.	Malaysia	Investment holding	100	100
Murasaki Technology Sdn. Bhd.	Malaysia	E-business consultancy and system integration	100	100
Subsidiary of Colwyn Bay Technologies Sdn. Bhd.				
EASS Sdn. Bhd.	Malaysia	E-business consultancy and system integration	100	100
Subsidiary of EASS Sdn Bhd.				
EA MSC Sdn. Bhd.	Malaysia	E-business consultancy and hardware system integration	100	100

(a) The subsidiary of the Group that has material non-controlling interest ("NCI") are as follow:-

	2017	2016
DDSB (M) Sdn. Bhd.		
NCI percentage of ownership interest and voting interest	14.00%	14.00%
Carrying amount of NCI (RM)	240,560	204,103
Profit/(loss) allocated to NCI (RM)	36,457	(1,176,296)

The summarised financial information before intra-group elimination of the subsidiary that has material NCI as at the end of each reporting period are as follows:-

	2017 RM	2016 RM
DDSB (M) Sdn. Bhd.		
Assets and liabilities		
Non-current assets	2,436,233	2,058,341
Current assets	5,958,112	11,659,267
Non-current liabilities	(133,019)	(376,909)
Current liabilities	(6,543,038)	(11,882,827)
Net assets	1,718,288	1,457,872
Results		
Revenue	2,347,108	3,027,659
Profit/(loss) for the financial year/period	260,416	(8,402,111)
Total comprehensive income	260,416	(8,402,111)
Cash flows		
Cash flows from operating activities	262,258	5,910,564
Cash flows from investing activities	110,687	37,368
Cash flows used in financing activities	(5,084,149)	(6,210,180)
	(4,711,204)	(262,248)

11. INVESTMENT IN AN ASSOCIATE

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Unquoted shares, at cost				
At beginning/end of the financial year/period	47,040,000	47,040,000	47,040,000	47,040,000
Add: Share of post-acquisition results				
At beginning of the financial year/period	2,478,798	-	-	-
Add: Additions	7,679,631	2,478,798	-	-
At end of the financial year/period	10,158,429	2,478,798	-	-
	57,198,429	49,518,798	47,040,000	47,040,000

(a) There is no quoted market price available for the shares as the associate is a private company.

(b) The details of the associate are as follows:

Name of Associates	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2017	Proportion of Ownership Interest 2016
Cekap Air Sdn. Bhd.	Malaysia	Provision of hydraulic mechanical and electrical engineering services for water supply and treatment plant	20%	20%

(c) The contingent liabilities relating to the Group's interest in the associate are disclosed in Note 27.

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

	2017 RM	2016 RM
Cekap Air Sdn. Bhd.		
Assets and liabilities		
Non-current assets	1,667,332	2,408,023
Current assets	108,643,872	49,129,942
Non-current liabilities	(1,610,212)	902,678
Current liabilities	(39,666,394)	21,320,510
Net assets	69,034,598	29,314,777
Results		
Revenue	119,444,747	51,151,351
Profit for the financial year	39,719,821	17,014,993
Total comprehensive income	39,719,821	17,014,993
Cash flows		
Cash flows (used in)/from operating activities	(5,735,945)	5,661,850
Cash flows used in investing activities	(101,927)	(1,209,665)
Cash flows from/(used in) financing activities	775,957	(1,330,329)
	(5,061,915)	3,121,856

Notes To The **Financial Statements**
– 31 March 2017 (Continued)

11. INVESTMENT IN ASSOCIATE (Continued)

(e) The reconciliation of net assets of the associate to the carrying amount of the investment in associate is as follows:

	2017 RM	2016 RM
Group's share of net assets	13,806,919	6,127,288
Goodwill	43,391,510	43,391,510
Carrying amount in the statements of financial position	57,198,429	49,518,798
Group's share of results	7,679,631	2,478,798

12. INVENTORIES

		Group
	2017 RM	2016 RM
At cost		
Inventories	393,502	867,240

The Group recognised inventories as cost of sales amounted to RM6,147,703 (2016: RM4,405,237).

The Group has written down inventories of RM53,258 (2016: RM NIL) which was recognised as an expense in the line item "changes in inventories of trading merchandise".

13. TRADE RECEIVABLES

	Group	
	2017 RM	2016 RM
Trade receivables, gross	32,569,717	32,521,825
Less: Allowance for impairment loss		
At beginning of the financial year/period	-	-
Addition	(227,868)	-
At end of the financial year/period	(227,868)	-
Trade receivables, net	32,341,849	32,521,825

The normal trade credit terms extended to customers range from 30 to 60 days (2016: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

14. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other receivables, gross	418,597	536,369	87,429	76,847
Less: Allowance for impairment loss				
At beginning of the financial year/period	(165,372)	-	-	-
Addition	(4,225)	(165,372)	-	-
At end of the financial year/period	(169,597)	(165,372)	-	-
Other receivables, net	249,000	370,997	87,429	76,847
Deposits, net	1,405,183	1,324,137	97,617	41,967
Other receivables and deposits, net	1,654,183	1,695,134	185,046	118,814

15. AMOUNTS OWING BY SUBSIDIARIES AND AN ASSOCIATE

These amounts are non-trade in nature, unsecured, interest-free advances which are repayable on demand.

16. FIXED DEPOSITS PLACED WITH LINCENSED BANKS

The effective interest rates of the fixed deposits placed with licensed banks range from 2.55% to 3.35% (2016: 2.70% to 3.30%) per annum. The short-term deposit has maturity periods ranging from 1 month to 12 months (2016: 1 month to 12 months).

Included in the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM3,753,110 and RM1,933,861 (2016: RM3,569,255 and RM1,883,003) respectively, which has been pledged to licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 19.

Notes To The Financial Statements
– 31 March 2017 (Continued)

17. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2017	2016	2017	2016
	Units	Units	RM	RM
Authorised:				
At beginning/end of the financial year/period	-	2,500,000,000	-	250,000,000
Issued and fully paid:				
At beginning of the financial year/period	1,490,827,716	850,353,000	149,082,772	85,035,300
Issued during the year/period	-	640,470,600	-	64,047,060
Exercise of Warrants A - 2010/2015	-	4,116	-	412
Transfer from share premium (Note 18(a))	-	-	617	-
At end of the financial year/period	1,490,827,716	1,490,827,716	149,083,389	149,082,772

(a) "No Par Value" Regime

The Company's issued and fully paid-up share capital comprises ordinary shares with a par value of RM0.10 each. The new Companies Act, 2016, which came into operation on 31 January 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

In accordance with the transitional provision of the Act, the amount standing to the credit of the Company's share premium has become part of the Company's share capital. These changes do not have an impact on the number of shares in issue or the related entitlement of any of the shareholders. However, the Company has a period of 24 months from the effective date of the Act to use the existing balances credited in the share premium in a manner as specified by the Act.

(b) Ordinary Shares

In prior financial period, as approved by the shareholders of the Company at the Extraordinary General Meeting held on 18 June 2015, the issued and paid-up 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 basis of one (1) new ordinary shares 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 18 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 acquisition of 800,000 ordinary shares of RM1.00 each in associate.

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 exercise of 4,116 Warrants A 2010/2015 at exercise price of RM0.25 per ordinary share.

During the financial year, the Company has not issued any shares.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual interests.

17. SHARE CAPITAL (Continued)

(c) Detachable Warrants

(i) Warrant A 2010/2015

In 2010, the Company completed the listing of bonus issue of 77,500,500 free warrants on the basis of (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.

In the previous 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:

	Group and company	
	2017	2016
	Units	Units
Balance as at beginning of the financial year/period	-	151,063,248
Adjustment pursuant to bonus issue	-	30,212,649
Exercised	-	(4,116)
Lapsed	-	(181,271,781)
Balance as at end of the financial year/period	-	-

The salient features of the warrants are as follows:

(1) 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;

Notes To The **Financial Statements**
– 31 March 2017 (Continued)

17. SHARE CAPITAL (Continued)

(c) Detachable Warrants (Continued)

(i) Warrant A 2010/2015 (Continued)

The salient features of the warrants are as follows: (Continued)

(2) 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 failing 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;

(3) 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 share 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.

Warrant A 2010/2015 expired on 7 December 2015.

(ii) Warrant 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 warrants 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.

In the previous 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 year.

The salient features of the warrants are as follows:

(1) 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 Deed Poll;

(2) The warrants may be exercisable at any time within five (5) years commencing from and including the date of issuance of 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;

(3) 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.

(iii) 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.

In the previous 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 year.

17. SHARE CAPITAL (Continued)

(b) Detachable Warrants (Continued)

(iii) Warrants C 2014/2019 (Continued)

The salient features of the warrants are as follows:

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

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

(3) 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 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;

(4) The warrant holders are not entitles 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 (3) above), until and unless such holders exercise the rights under the warrants to subscribe for new ordinary shares; and

(5) The new ordinary shares to be issued upon exercise of 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 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.

18. RESERVES

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Non-distributable reserve:					
Share premium	(a)	-	617	-	617
Warrants reserve		9,502,695	9,502,695	9,502,695	9,502,695
		9,502,695	9,503,312	9,502,695	9,503,312
Other reserve	(b)	(13,737,745)	(13,737,745)	-	-
Distributable reserve:					
Accumulated losses		(12,472,099)	(15,303,462)	(32,489,865)	(43,161,831)
		(16,707,149)	(19,537,895)	(22,987,170)	(33,658,519)

18. RESERVES

(a) Share premium

	Group and Company	
	2017	2016
	RM	RM
At beginning of the financial year/period	617	8,071,502
Issuance of new shares pursuant to bonus issue	-	(8,071,502)
Exercise of warrants	-	617
Transfer to share capital (Note 17(a))	(617)	-
At end of the financial year/period	-	617

This reserve comprises the premium paid on subscription of shares in the Company over and above the par values of the shares.

(b) Other reserve

The other reserve represents the excess of consideration over net assets acquired arising from step acquisition which is recognised as movement in equity of the Company.

19. BORROWINGS

		Group		Company	
		2017	2016	2017	2016
		RM	RM	RM	RM
Non-current					
Hire purchase payables	(a)	612,507	728,575	-	23,011
Term loans	(b)	1,840,269	1,951,913	1,840,269	1,951,913
		2,452,776	2,680,488	1,840,269	1,974,924
Current					
Hire purchase payables	(a)	246,526	342,633	23,011	53,310
Term loans	(b)	111,644	107,409	111,644	107,409
Bank overdrafts	(c)	1,568,812	474,182	1,568,812	474,182
Blanket contract financing line	(d)	896,042	1,081,597	896,042	-
		2,823,024	2,005,821	2,599,509	634,901
Total borrowings		5,275,800	4,686,309	4,439,778	2,609,825

Maturity profile of borrowings:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
On demand or within 1 year	2,823,024	2,005,821	2,599,509	634,901
More than 1 year and less than 2 years	322,179	393,446	117,007	134,655
More than 2 years and less than 5 years	732,533	903,103	385,829	502,836
More than 5 years	1,398,064	1,383,939	1,337,433	1,337,433
	5,275,800	4,686,309	4,439,778	2,609,825

19. BORROWINGS (Continued)

Interest rate per annum at the reporting date for the bank borrowings are as follows:

	Group		Company	
	2017	2016	2017	2016
	%	%	%	%
Bank overdrafts	7.35 - 8.35	7.35 - 8.35	7.35 - 8.35	7.35 - 8.35
Blanket contract financing line	8.35	-	8.35	-
Hire purchase payables	4.98 - 6.10	4.98 - 6.10	6.01	6.01
Term loans	4.70	4.85	4.70	4.85

(a) Hire purchase payables

The aggregate commitment for future hire purchase payments are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Minimum hire purchase payments:				
Within 1 year	283,597	389,916	23,317	56,124
More than 1 year and less than 2 years	230,524	305,217	-	23,317
More than 2 years and less than 5 years	376,823	434,411	-	-
More than 5 years	62,516	47,752	-	-
	953,460	1,177,296	23,317	79,441
Less: Future finance charges	(94,427)	(106,088)	(306)	(3,120)
Present value of hire purchase payables	859,033	1,071,208	23,011	76,321
Present value of hire purchase payables:				
Within 1 year	246,526	342,633	23,011	53,310
More than 1 year and less than 2 years	205,172	281,802	-	23,011
More than 2 years and less than 5 years	346,704	400,267	-	-
More than 5 years	60,631	46,506	-	-
	859,033	1,071,208	23,011	76,321
Representing:				
Current portion	246,526	342,633	23,011	53,310
Non-current portion	612,507	728,575	-	23,011
	859,033	1,071,208	23,011	76,321

Notes To The **Financial Statements**

– 31 March 2017 (Continued)

19. BORROWINGS (Continued)

(b) Term loans

	Group and Company	
	2017	2016
	RM	RM
Current liabilities		
Due in 1 year or less	111,644	107,409
Non-current liabilities		
More than 1 year and less than 2 years	117,007	111,644
More than 2 years and less than 5 years	385,829	368,149
More than 5 years	1,337,433	1,472,120
	1,840,269	1,951,913
	1,951,913	2,059,322

Term loans are secured as follows:

(i) Freehold buildings with a total carrying amount of RM2,685,880 (2016: RM2,835,095) as disclosed in Note 8(a); and

(ii) A legal assignment over the rights and interest to the rental income under the Tenancy Agreement between the Company and the tenants selected by the Company.

(c) Bank overdrafts

Bank overdrafts are secured as follows:

(i) Freehold buildings with a total carrying amount of RM2,685,880 (2016: RM2,835,095) as disclosed in Note 8(a); and

(ii) A legal assignment over the rights and interest to the rental income under the Tenancy Agreement between the Company and the tenants selected by the Company;

(iii) A charged by the Group and the Company on fixed deposits as disclosed in Note 16; and

(iv) A fresh guarantee of RM8,500,000 by Director of the Company.

(d) Blanket contract financing line

(i) A charged by the Group and the Company on fixed deposits as disclosed in Note 16;

(ii) A fresh guarantee of RM7,000,000 is to be executed separately by the Company's subsidiaries;

(iii) An assignment by the Group and the Company of the rights title and interest in and to the proceeds receivable from government department or ministries, statutory bodies or such other companies acceptable to the bank for which the existing deed of assignment of contract proceeds and power of attorney executed are to remain; and

(iv) A fresh guarantee of RM8,500,000 by Director of the Company.

20. DEFERRED TAX LIABILITIES

	Group	
	2017	2016
	RM	RM
At beginning of the financial year/period	239,313	402,392
Recognised in profit or loss (Note 6)	(102,171)	(163,079)
At end of financial year/period	137,142	239,313

20. DEFERRED TAX LIABILITIES (Continued)

The recognised deferred tax assets and deferred tax liabilities before offsetting as follows:-

	Unabsorbed capital allowance RM	Unutilised tax losses RM	Provision RM	Total RM
Group				
Deferred tax assets				
At 1 April 2016	(44,472)	-	(84,196)	(128,668)
Recognised in profit or loss	4,447	(20,920)	43,141	26,668
At 31 March 2017	(40,025)	(20,920)	(41,055)	(102,000)
At 1 January 2015	-	-	-	-
Recognised in profit or loss	(44,472)	-	(84,196)	(128,668)
At 31 March 2016	(44,472)	-	(84,196)	(128,668)

	Property, plant and equipment RM
Deferred tax liabilities	
At 1 April 2016	367,981
Recognised in profit or loss	(128,839)
At 31 March 2017	239,142
At 1 January 2015	402,392
Recognised in profit or loss	(34,411)
At 31 March 2016	367,981

	Property, plant and equipment RM	Unabsorbed capital allowance RM	Total RM
Company			
Deferred tax liabilities/assets			
At 1 April 2016	605	(605)	-
Recognised in profit or loss	466	(466)	-
At 31 March 2017	1,071	(1,071)	-
At 1 January 2015	-	-	-
Recognised in profit or loss	605	(605)	-
At 31 March 2016	605	(605)	-

Notes To The Financial Statements
– 31 March 2017 (Continued)

20. DEFERRED TAX LIABILITIES (Continued)

Deferred tax assets and liabilities are offset above where there is legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
		Restated		Restated
	2017	2016	2017	2016
	RM	RM	RM	RM
Unutilised tax losses	13,006,824	9,069,440	1,067,600	-
Unabsorbed capital allowances	269,120	229,111	30,647	19,924
Other deductible temporary differences	2,773,429	3,674,746	35,129,303	47,639,542
	16,049,373	12,973,297	36,227,550	47,659,466

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries and the Company can utilise the benefits therefrom.

The comparative figures have been restated to reflect the actual tax losses carry forwards, capital allowances and other deductible temporary differences available to the Company and subsidiaries.

21. TRADE PAYABLES

The normal trade credit terms granted to the Group and to the Company range from 30 to 90 days (2016: 30 to 90 days).

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other payables	1,273,935	1,547,982	84,179	538,356
Accruals	538,786	488,920	79,393	49,765
Deposits received	-	18,000	-	18,000
	1,812,721	2,054,902	163,572	606,121

23. AMOUNTS OWING TO DIRECTORS

These amounts are non-trade in nature, unsecured, interest free advances which are repayable on demand.

24. DIVIDEND

	Group	
	2017	2016
	RM	RM
Recognised by the Group during the financial year/period:		
- interim tax exempt (single tier) dividend for 2016: RM2.80 per share to non-controlling interests	-	980,000

25. RELATED PARTIES DISCLOSURES

(a) Identity of related parties

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

The Group and the Company have a related party relationship with its subsidiaries, associate and key management personnel. The related party balances are disclosed in Notes 15 and 23. The related party transactions of the Group and of the Company are shown below.

(b) Related party transactions

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Transactions with subsidiaries:				
Rental income	-	-	(38,160)	(15,900)
Repayment from	-	-	7,911,387	1,668,269
Dividend income	-	-	-	(10,520,000)
Advances to	-	-	(1,136,559)	(3,090,420)
Transactions with associate:				
Repayment from	3,204,203	-	1,885,000	-
Advances to	-	(4,551,065)	(640,797)	(3,551,065)
Transactions with Directors:				
Advances from	92,228	-	73,728	-

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any Directors of the Group and of the Company.

	Group		Company	
	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM	01.04.2016 to 31.03.2017 RM	01.01.2015 to 31.03.2016 RM
Directors:				
- Fees	216,000	286,500	36,000	61,500
- Salary and wages	833,600	1,053,000	180,000	225,000
- Consultation fee	240,000	270,000	-	-
- Contributions to defined contribution plan	99,072	126,360	21,600	27,000
- Social security contributions	3,245	3,360	794	1,035
	1,391,917	1,739,220	238,394	314,535

26. CAPITAL AND OTHER COMMITMENTS

Non-cancellable operating lease commitment – Group as lessee

	Group	
	2017	2016
	RM	RM
Future minimum rental:		
Not more than 1 year	239,478	262,782
More than 1 year but not more than 2 years	132,402	91,950
	371,880	354,732

Operating lease payments represent rental payable by the Group for use of office and office equipment. Leases are negotiated for terms ranging from 1 years to 2 years.

27. CONTINGENT LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Secured				
Corporate guarantee given to subsidiaries for banking facilities granted	-	-	-	1,081,597
Corporate guarantee given to associate for banking facilities granted	2,552,162	2,103,472	2,552,162	2,103,472

28. SEGMENT INFORMATION

(a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

i.	ICT consultancy	E-business software application
ii.	Software solution	Provision of business intelligence software and development, IT service management consultancy and system integration
iii.	RFID system	E-business consultancy and hardware system integration
iv.	Investment holding	Investment in subsidiaries

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 (r). Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax assets.

Segment liabilities

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and tax liabilities.

(b) Allocation basis and transfers

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

28. SEGMENT INFORMATION (Continued)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2017							
Revenue							
External sales		20,639,937	10,178,710	7,555,929	-	-	38,374,576
Inter-segment sales	A	-	441,000	-	-	(441,000)	-
Total revenue		20,639,937	10,619,710	7,555,929	-		38,374,576
Results							
Amortisation of:							
- development costs		-	599,339	150,574	-	-	749,913
- intellectual property		-	175,000	-	-	-	175,000
Depreciation of property, plant and equipment		164,477	701,157	50,522	260,357	-	1,176,513
Inventories written off		-	-	53,258	-	-	53,258
Impairment loss on:							
- goodwill		-	-	-	-	1,517,406	1,517,406
- trade receivables		-	62,210	165,658	-	-	227,868
- other receivables		-	4,225	-	-	-	4,225
Deposit written off		-	8,395	-	-	-	8,395
Property, plant and equipment written off		-	59,865	-	-	-	59,865
Loss on disposal of property, plant and equipment		-	14,348	-	-	-	14,348
Reversal of impairment loss on development costs		-	(1,438,943)	-	-	-	(1,438,943)
Interest income		(129,558)	(8,837)	(11,706)	(53,960)	-	(204,061)

28. SEGMENT INFORMATION (Continued)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2017 (Continued)							
Segment results		1,018,443	483,085	(2,257,311)	10,972,915	(14,025,703)	(3,808,571)
Interest expenses		(112,168)	(25,716)	-	(275,832)	-	(413,716)
Share of associate's results		-	-	-	-	7,679,631	7,679,631
(Loss)/profit before tax		906,275	457,369	(2,257,311)	10,697,083		3,457,344
Tax expenses		(30,247)	(528,287)	(809)	(30,181)	-	(589,524)
Profit/(loss) for the financial year		876,028	(70,918)	(2,258,120)	10,666,902		2,867,820
Segment assets							
Investment in associate		-	-	-	47,040,000	10,158,429	57,198,429
Other segment assets		27,821,353	40,306,663	10,496,393	91,725,993	(85,436,914)	84,913,488
Total assets	B	27,821,353	40,306,663	10,496,393	138,765,993		142,111,917
Segment liabilities	C	23,123,258	22,521,136	7,886,389	7,658,702	(53,066,340)	8,123,145
Other information							
Additions to non-current assets excluding deferred tax assets and financial assets	D	318,898	14,869	46,371	4,433	-	384,571

28. SEGMENT INFORMATION (Continued)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2016							
Revenue							
External sales		14,770,715	15,766,516	5,361,015	-	-	35,898,246
Inter-segment sales	A	-	-	-	10,520,000	(10,520,000)	-
Total revenue		14,770,715	15,766,516	5,361,015	10,520,000		35,898,246
Results							
Amortisation of:							
- development costs		-	677,771	188,217	-	-	865,988
- intellectual property		-	218,750	-	-	-	218,750
Depreciation of property, plant and equipment		137,968	1,030,992	27,279	295,220	-	1,491,459
Impairment loss on:						-	
- development costs		-	4,102,309	-	-	-	4,102,309
- goodwill		-	-	-	-	17,357,214	17,357,214
- other receivables		-	165,372	-	-	-	165,372
Dividend income		-	-	-	(10,520,000)	10,520,000	-
Interest income		(37,252)	(3,027)	(8,209)	(102,132)	-	(150,620)

28. SEGMENT INFORMATION (Continued)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2016 (Continued)							
Segment results		(1,787,943)	(10,024,094)	(2,931,167)	(39,363,360)	19,764,847	(34,341,717)
Interest expenses		(141,728)	(48,588)	-	(253,380)	-	(443,696)
Share of associate's results		-	-	-	-	2,478,798	2,478,798
(Loss)/profit before tax		(1,929,671)	(10,072,682)	(2,931,167)	(39,616,740)		(32,306,615)
Tax expenses		(489,764)	124,147	(1,357)	(53,432)	-	(420,406)
Loss for the financial year		(2,419,435)	(9,948,535)	(2,932,524)	(39,670,172)		(32,727,021)
Segment assets							
Investment in associate		-	-	-	47,040,000	2,478,798	49,518,798
Other segment assets		26,964,751	47,661,962	10,172,756	79,613,530	(75,030,284)	89,382,715
Total assets	B	26,964,751	47,661,962	10,172,756	126,653,530		138,901,513
Segment liabilities	C	23,155,931	29,728,008	5,304,833	6,192,506	(56,685,412)	7,695,866
Other information							
Additions to non-current assets excluding deferred tax assets and financial assets	D	333,660	10,782	280,295	1,693,723	-	2,318,460

28. SEGMENT INFORMATION (Continued)

Operating segments

A Inter-segment revenues are eliminated on consolidation.

B The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2017 RM	2016 RM
Investment in associate	10,158,429	2,478,798
Inter-segment assets	(53,066,340)	(56,685,413)
	(42,907,911)	(54,206,615)

C The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2017 RM	2016 RM
Inter-segment liabilities	(53,066,340)	(56,685,412)

D Additions to non-current assets excluding deferred tax assets and financial assets consist of:

	2017 RM	2016 RM
Property, plant and equipment	384,571	2,318,460

Geographical information

All of the segments are operated within Malaysia.

Major customer information

The Group has 3 customers which contribute approximately RM24 million or 63% (2016: 2 customers, RM23 million or 65%) of the Group's revenue during the financial year.

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group's and the Company's financial assets and financial liabilities are all categories as loans and receivables and others financial liabilities respectively.

Financial Risk Management Objectives and Policies

The Group's and the Company's risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its financial risks, including credit risk, interest risk, foreign currency risk and liquidity risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

29. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk arises primarily from their receivables (which consist of trade receivables, other receivables, amounts due from subsidiaries and amounts due from associate). For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating units, the Group does not offer credit terms without the approval of the executive directors.

Receivables

Exposure to credit risk, credit quality and collateral

As at the end of the financial year, the maximum exposure to credit risk arising from receivables and financial assets is represented by the carrying amounts in the statements of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables (which consist of trade receivables and other receivables). The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the segments profits of its receivables on an ongoing basis.

As at 31 March 2017, the Group has significant concentration of credit risk arising from the amounts owing from 4 customers (2016: 3 customers) constituting 74% (2016: 71%) of net trade receivables of the Group.

Exposure to Credit Risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

29. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(a) **Credit risk** (Continued)

Receivables (Continued)

Impairment loss

Information regarding the ageing and allowance of impairment loss of receivables are as follows:

	Gross RM	Individual impairment RM	Net RM
Group			
2017			
Neither past due nor impaired	7,257,553	-	7,257,553
Past due but not impaired:			
31 days to 60 days	2,351,057	-	2,351,057
61 days to 90 days	2,915	-	2,915
More than 90 days	22,730,324	-	22,730,324
	25,084,296	-	25,084,296
Impaired	227,868	(227,868)	-
	32,569,717	(227,868)	32,341,849
Group			
2016			
Neither past due nor impaired	19,349,037	-	19,349,037
Past due but not impaired:	146,673	-	146,673
31 days to 60 days	92,382	-	92,382
61 days to 90 days	12,933,733	-	12,933,733
More than 90 days	13,172,788	-	13,172,788
	32,521,825	-	32,521,825

Receivables that are neither past nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

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

Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM25,084,296 (2016: RM13,172,788) that are past due at the reporting date but not impaired.

These trade receivables relate mostly to customers with slower repayment patterns, for whom there is no history of default. The Group does not hold any collateral or other credit enhancement over these balances.

29. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(a) **Credit risk** (Continued)

Receivables (Continued)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance account used to record the impairment loss are as follows:

	2017 RM	2016 RM
Group		
At beginning of the financial year/period	-	-
Charge for the financial year/period	227,868	-
At end of the financial year/period	227,868	-

The Group's other receivables that are impaired at the reporting date and the movement of the allowance account used to record the impairment are as follows:

	2017 RM	2016 RM
Group		
At beginning of the financial year/period	165,372	-
Charge for the financial year/period	4,225	165,372
At end of the financial year/period	169,597	165,372

The receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by collateral or credit enhancement.

Inter-company balances

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position as at the end of the financial year.

As at the end of the financial year, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to subsidiaries.

Financial guarantees

The Group and the Company provide financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and associate. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries and associate.

The maximum exposure to credit risk amounts to RM2,552,162 (2016: RM3,185,069) representing the outstanding banking facilities of the subsidiaries and associate as at the end of the financial year.

As at the end of the reporting period, there was no indication that any subsidiary and associate would default on repayment.

The fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote at the initial recognition to the outstanding loans in the subsidiaries and associate are adequately secured by assets as disclosed in Note 8 and 19. Should the subsidiaries and associate default any loan repayments, the proceeds from the realisation of assets will be able to satisfy the outstanding debts.

29. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates its effective interest rates at the reporting date and the period, in which they reprice or mature, whichever is earlier.

Exposure in interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Floating rate instruments				
Financial assets	3,753,110	3,569,255	1,933,861	1,883,003
Financial liabilities	(4,416,767)	(3,615,101)	(4,416,767)	(2,533,504)
Net financial liabilities	(663,657)	(45,846)	(2,482,906)	(650,501)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting per with all other variables held constant:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Effect on profit after tax				
Increase of 10 basis points	(504)	(35)	(1,887)	(494)
Decrease of 10 basis points	504	35	1,887	494
Effect on equity				
Increase of 10 basis points	(504)	(35)	(1,887)	(494)
Decrease of 10 basis points	504	35	1,887	494

Notes To The **Financial Statements**
– 31 March 2017 (Continued)

29. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group holds cash and cash equivalents denominated in foreign currencies to pay its foreign purchases as natural hedge against fluctuations in foreign currency risk.

Foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level.

The net unhedged financial assets of the Group that are not denominated in the functional currencies of the Group are as follows:

	Group	
	2017	2016
	RM	RM
United States Dollar ("USD")		
Cash at bank	121,254	277,909

Sensitivity analysis for foreign currency risk
The followings table demonstrates the sensitivity of the Group's profit/(loss) for the financial year to a reasonably possible change in USD exchange rate against RM, with all other variable held constant.

		Group Increase/(Decrease) in Profit net of tax	
		2017	2016
		RM	RM
USD/RM	- strengthened 10% (2016: 10%)	12,125	27,791
	- weakened 10% (2016: 10%)	(12,125)	(27,791)

(d) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

29. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(d) **Liquidity Risk** (Continued)

Analysis of financial instruments by remaining contractual maturities

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

		<----- Contractual Cash Flows			----->
	Carrying Amount RM	On Demand/ Within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	Total RM
2017						
Group						
Financial liabilities:						
Trade payables	930,746	930,746	-	-	-	930,746
Other payables and accruals	1,812,721	1,812,721	-	-	-	1,812,721
Amount owing to Director	103,878	103,878	-	-	-	103,878
Term loans	1,951,913	200,667	200,667	602,000	1,597,248	2,600,582
Hire purchase payables	859,033	283,597	230,524	376,823	62,516	953,460
Bank overdrafts	1,568,812	1,699,808	-	-	-	1,699,808
Blanket contract financing line	896,042	970,862	-	-	-	970,862
	8,123,145	6,002,279	431,191	978,823	1,659,764	9,072,057
Company						
Financial liabilities:						
Other payables and accruals	163,572	163,572	-	-	-	163,572
Amount owing to Director	73,728	73,728	-	-	-	73,728
Term loans	1,951,913	200,667	200,667	602,000	1,597,248	2,600,582
Hire purchase payables	23,011	23,317	-	-	-	23,317
Bank overdrafts	1,568,812	1,699,808	-	-	-	1,699,808
Blanket contract financing line	896,042	970,862	-	-	-	970,862
	4,677,078	3,131,954	200,667	602,000	1,597,248	5,531,869

29. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(d) Liquidity Risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

		<------- Contractual Cash Flows				------>
	Carrying Amount RM	On Demand/ Within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM	Total RM
2016						
Group						
Financial liabilities:						
Trade payables	943,005	943,005	-	-	-	943,005
Other payables and accruals	2,054,902	2,054,902	-	-	-	2,054,902
Amount owing to Director	11,650	11,650	-	-	-	11,650
Term loans	2,059,322	200,667	200,667	602,000	1,797,915	2,801,249
Hire purchase payables	1,071,208	389,916	305,217	434,411	47,752	1,177,296
Blanket contract financing line	1,081,597	1,171,910	-	-	-	1,171,910
Bank overdrafts	474,182	513,776	-	-	-	513,776
	7,695,866	5,285,826	505,884	1,036,411	1,845,667	8,673,788
Company						
Financial liabilities:						
Other payables and accruals	606,121	606,121	-	-	-	606,121
Term loans	2,059,322	200,667	200,667	602,000	1,797,915	2,801,249
Hire purchase payables	76,321	56,124	23,317	-	-	79,441
Bank overdrafts	474,182	513,776	-	-	-	513,776
	3,215,946	1,376,688	223,984	602,000	1,797,915	4,000,587

30. FAIR VALUE INFORMATION

Financial instrument at fair value

The fair value measurement hierarchies used to measure financial instruments at fair value in the statement of financial position are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

Financial instrument other than those carried at fair value

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

The carrying amounts of short term receivables and payable, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The fair values of hire purchase payable and fixed rate term loan are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

Table below analyses assets and liabilities carried at fair value and those not carried at fair value for which fair value is disclosed together with the carrying amounts shown in the statements of financial position.

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

	<------------Fair value of liabilities not carried at fair value------------>				Carrying
	Level 1	Level 2	Level 3	Total	amount
	RM	RM	RM	RM	RM
2017					
Group					
Financial liabilities					
Hire purchase payables (non-current)	-	-	561,983	561,983	612,507
2016					
Group					
Financial liabilities					
Hire purchase payables (non-current)	-	-	676,105	676,105	728,575
2016					
Company					
Financial liabilities					
Hire purchase payables (non-current)	-	-	21,141	21,141	23,011

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial year/period ended 31 March 2017 and 31 March 2016.

The Group and the Company are in compliance with all externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes loans and borrowings, trade and other payables, less cash and cash equivalents balances whilst total capital is the equity attributable to the Owners of the Company.

The gearing ratio as at 31 March 2017 and 31 March 2016, which are within the Group's objectives of capital management are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Borrowings	5,275,800	4,686,309	4,439,778	2,609,825
Trade and other payables	2,743,467	2,997,907	163,572	606,121
Less: Cash and cash equivalents	(20,849,022)	(19,436,850)	(10,549,411)	(2,774,047)
Net debts	(12,829,755)	(11,752,634)	(5,946,061)	441,899
Equity attributable to the Owners of the Company, representing total capital	132,376,240	129,544,877	126,096,219	115,424,253
Capital and net debts	119,546,485	117,792,243	120,150,158	115,866,152
Gearing ratio	*	*	*	0.38%

**Not meaningful*

32. COMPARATIVE FIGURE

(i) The financial statements of the Group and of the Company for the year ended 31 March 2016, were audited by a firm of chartered accountants who expressed an unmodified opinion on those statements on 28 July 2016.

(ii) The Group and the Company changed their financial year end from 31 December to 31 March. Accordingly, the comparative figures of the preceding financial period covered a period of 15 months from 1 January 2015 to 31 March 2016 whilst the figures of current financial year's financial statements covered a period of 12 months from 1 April 2016 to 31 March 2017. Accordingly, the statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not in respect of comparable periods.

32. COMPARATIVE FIGURE (Continued)

(iii) The comparative figures are classified to conform with the current year's presentation:-

	As reclassified RM	As previously reported RM
Group		
2016		
Statements of comprehensive income		
Employee benefit expenses	(11,048,487)	(11,038,059)
Directors' remuneration	(1,739,220)	(1,468,185)
Other expenses	(3,416,467)	(3,697,930)
Statements of financial position		
Current assets		
Deposits, cash and bank balances	-	19,436,850
Fixed deposits placed with licensed banks	3,569,255	-
Cash and bank balances	15,867,595	-
Non-current liabilities		
Hire purchase creditors	-	728,575
Term loans	-	1,954,203
Borrowings	2,680,488	-
Current liabilities		
Short-term borrowings	-	1,660,898
Hire purchase creditors	-	342,633
Borrowings	2,005,821	-

32. COMPARATIVE FIGURE (Continued)

(iii) The comparative figures are classified to conform with the current year's presentation:- (Continued)

	As reclassified RM	As previously reported RM
Group		
2016		
Statements of cash flows		
Cash flows from operating activities		
Adjustments for:		
Amortisation of intangible assets	-	1,084,738
Amortisation of development costs	865,988	-
Amortisation of intellectual property	218,750	-
Changes in working capital:		
Trade receivables	-	6,280,230
Other receivables	-	(467,937)
Amount due from associate	-	(4,551,065)
Trade payables	-	(693,441)
Other payables	-	40,536
Receivables	5,812,293	-
Payables	(1,632,905)	-
Interest paid	(443,696)	-
Interest received	150,620	-
Cash flows from investing activities		
Purchase of property, plant and equipment	(492,480)	(2,318,460)
Interest received	-	150,620
Cash flows from financing activities		
Repayment of term loans	-	(99,918)
Drawdown of term loans	-	969,988
Dividend paid to non-controlling interests	-	(980,000)
Repayment of hire purchase payables	-	(131,418)
Finance costs paid	-	(443,696)
Repayment from/(advances to) associate	(4,551,065)	-
Drawndown of borrowings	41,440	-
Repayments of borrowings	(1,087,328)	-
Cash and cash equivalents at beginning of financial year/period	30,863,235	29,823,078

32. COMPARATIVE FIGURE (Continued)

(iii) The comparative figures are classified to conform with the current year's presentation:- (Continued)

	As reclassified RM	As previously reported RM
Company		
2016		
Statements of comprehensive income		
Employee benefits expenses	(572,516)	(573,551)
Directors' remuneration	(314,535)	(313,500)
Statements of financial position		
Current assets		
Deposits, cash and bank balances	-	2,774,047
Fixed deposits placed with licensed banks	1,883,003	-
Cash and bank balances	891,044	-
Non-current liabilities		
Hire purchase creditors	-	(23,011)
Term loans	-	(1,954,203)
Borrowings	(1,974,924)	-
Current liabilities		
Short-term borrowings	-	(579,301)
Hire purchase creditors	-	(53,310)
Borrowings	(634,901)	-
Statements of cash flows		
Cash flows from operating activities		
Changes in working capital:		
Amount due from subsidiaries	-	(1,253,296)
Amount due from associate	-	(3,551,065)
Amount due to subsidiaries	-	(184,755)
Interest paid	(253,380)	-
Interest received	102,132	-
Cash flows from investing activities		
Purchase of property, plant and equipment	(127,743)	(1,693,723)
Interest received	-	102,132

Notes To The **Financial Statements**
– 31 March 2017 (Continued)

32. COMPARATIVE FIGURE (Continued)

(iii) The comparative figures are classified to conform with the current year's presentation:- (Continued)

	As reclassified RM	As previously reported RM
Company		
2016		
Statements of cash flows (Continued)		
Cash flows from financing activities		
Repayment of term loans	-	(99,918)
Drawdown of term loans	-	969,988
Repayment of hire purchase payables	-	(62,508)
Repayment from associate	(3,551,065)	-
Repayment from subsidiaries	(1,438,051)	-
Repayments of borrowings	(758,418)	-
Finance costs paid	-	(253,380)

33. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 June 2017, the Company announced that Bursa Malaysia Securities Berhad has resolved to approve the following subject to the approval from shareholders of the Company:-

(a) Admission to the Official List and the initial listing and quotation of up to 1,262,177,200 Warrants D to be issued pursuant to the Proposed Right Issue with the Warrants.

(b) Listing of:-

(i) Up to 2,524,354,400 new ordinary shares of the Company to be issued pursuant to the Proposed Right Issue with Warrants;

(ii) Up to 130,332,318 additional Warrants B arising from the adjustments in accordance with provisions of the deed poll for Warrants B, pursuant to the Proposed Rights Issue with Warrants ("Additonal Warrant(s) B");

(iii) Up to 225,670,603 additional Warrants C arising from the adjustments in accordance with provisions of the deed poll for Warrants C, pursuant to the Proposed Rights Issue with Warrants ("Additonal Warrant(s) C");

(iv) Up to 1,262,177,200 new ordinary shares of the Company to be issued pursuant to the exercise of Warrants D;

(v) Up to 130,332,318 new ordinary shares of the Company to be issued pursuant to the exercise of Warrants B; and

(vi) Up to 225,670,603 new ordinary shares of the Company to be issued pursuant to the exercise of Warrants C.

On 6 July 2017, the Company announced that approval being obtained from shareholders of the Company for at the extraordinary general meeting the followings proposals:

(i) A capital reduction exercise via the reduction and cancellation of the share capital of the Company which is lost or unrepresented by available assets to the extent of RM44,615,533 as at 31 December 2016 pursuant to Section 115(a) read with Section 116 of the Companies Act 2016; and

(ii) A renounceable rights issue of up to 2,524,354,400 rights shares at an indicative issue price of RM0.01 per rights share on the basis of four (4) rights shares for every three (3) existing Company's shares held, together with up to 1,262,177,200 free detachable warrants D on the basis of two (2) free warrants D for every four (4) rights shares subscribed for, on the entitlement date after the proposed capital reduction.

The Company had on 6 July 2017 filed a petition to the High Court of Malaya in Kuala Lumpur ("High Court") to obtain the confirmation of the High Court for the proposed capital reduction pursuant to Section 115(a) read together with Section 116 of the Companies Act, 2016 ("Petition"). The outcome of the Petition will be announced in due course.

Supplementary Information On Realised And Unrealised Profits Or Losses

On 25 March 2010, Bursa Malaysia Securities Berhad issued a directive pursuant to paragraphs 2.06 and 2.23 of Bursa Malaysia Berhad Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

The following analysis of realised and unrealised profits or losses included in the retained earnings of the Group and of the Company at 31 March 2017 and 31 March 2016 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") dated 25 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 Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Total accumulated losses of the Company and its subsidiaries				
- realised	(27,648,111)	(36,750,043)	(32,489,865)	(43,161,831)
- unrealised	(124,911)	(239,313)	-	-
	(27,773,022)	(36,989,356)	(32,489,865)	(43,161,831)
Total share of retained earnings from associate				
- realised:				
At beginning of the financial year/period	2,478,798	-	-	-
Share of profit for the financial year/period	7,679,631	2,478,798	-	-
At end of the financial year/period	10,158,429	2,478,798	-	-
	(17,614,593)	(34,510,558)	(32,489,865)	(43,161,831)
Less: Consolidation adjustments	5,142,494	19,207,096	-	-
Total accumulated losses	(12,472,099)	(15,303,462)	(32,489,865)	(43,161,831)

List of Properties

TITLE / LOCATION	DESCRIPTION / EXISTING USE	REGISTERED OWNER	AGE OF BUILDINGS (Years)	BUILT-UP AREA (Sq feet)	TENURE	CARRYING AMOUNT @ 31.03.17 (RM)	ORIGINAL COST (RM)
No. 25-5 & 25-6, Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Head Office	EA Holdings Bhd	3 years	3,148	Freehold	1,468,793	1,624,472
No. 22-3A Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	3 years	1,579	Freehold	682,571	758,412
No. 22-5 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	3 years	1,579	Freehold	689,750	766,389
No. 28-2 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Office Use	EA Holdings Bhd	3 years	1,504	Freehold	656,780	729,755
No. 29-2 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	3 years	1,504	Freehold	656,780	729,755
						4,154,674	

ANALYSIS OF SHAREHOLDINGS

Shareholding Structure as at 28 June 2017

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

DISTRIBUTION OF SHAREHOLDINGS AS AT 28 JUNE 2017

	No. of holders	%	No. of shares	%
Less than 100	106	2.1	4,877	0.0
100 - 1,000	103	2.0	41,020	0.0
1,001 - 10,000	478	9.4	2,880,160	0.2
10,001 - 100,000	2,864	56.4	130,465,854	8.8
100,001 and below 5%	1,524	30.0	958,727,816	64.3
5% and above	4	0.1	398,707,989	26.7
TOTAL	**5,079**	**100.0**	**1,490,827,716**	**100.0**

SUBSTANTIAL SHAREHOLDER AS AT 28 JUNE 2017

	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 28 JUNE 2017

	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%	-	-
Dato' Azahar bin Rasul	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

Shareholding Structure as at 28 June 2017(Continued)

LIST OF 30 LARGEST SHAREHOLDERS AS AT 28 JUNE 2017

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	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TIONG SIEW ING	21,000,000	1.4%
7	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	21,000,000	1.4%
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG (BTINGGI-CL)	20,014,000	1.3%
9	LOW BOON NGEE	13,800,000	0.9%
10	JAGGA RAO A/L MALLA NAIDU	13,000,080	0.9%
11	SEE JOVIN	13,000,000	0.9%
12	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR SHANKAR A/L MUNIANDY	12,384,680	0.8%
13	YONG CHEE HON	11,704,510	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	MAYBANK NOMINEES (TEMPATAN) SDN BHD LING KHENG	9,708,000	0.7%
19	CHAN KAM LEONG	9,400,000	0.6%
20	LAU HONG SENG	9,380,000	0.6%
21	YAP YOUNG SIONG	7,000,000	0.5%
22	SIM MUI KHEE	6,979,560	0.5%
23	DESTINET SDN BHD	6,600,000	0.4%
24	GOH FUI FIN	5,800,000	0.4%
25	ENG BOON CHONG	5,500,000	0.4%
26	KONG SIEW MEE	5,000,000	0.3%
27	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR YONG ZHEN WEI	4,953,900	0.3%
28	RHB NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR YEOH WILLIAM	4,953,900	0.3%
29	LAI WENG CHEE @ LAI KOK CHYE	4,443,480	0.3%
30	LIM KIAN MIN	4,247,220	0.3%

Analysis Of Warrantholdings For Warrants B
as at 28 JUNE 2017

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 28 JUNE 2017

Name	No. of holders	%	No. of warrants	%
Less than 100	868	35.9	42,022	0.0
100 - 1,000	350	14.4	88,167	0.1
1,001 - 10,000	510	21.1	2,321,348	1.6
10,001 - 100,000	481	19.9	15,944,446	10.8
100,001 and below 5%	210	8.7	111,664,474	75.8
5% and above	1	0.0	17,271,729	11.7
TOTAL	**2,420**	**100.0**	**147,332,186**	**100.0**

DIRECTORS’ WARRANTHOLDINGS AS AT 28 JUNE 2017

	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%	-	-
Dato’ Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	3	0.0%	-	-

Analysis Of **Warrantholdings For Warrants B**

as at 28 JUNE 2017(Continued)

LIST OF 30 LARGEST WARRANT B HOLDERS AS AT 28 JUNE 2017

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 (E-BPJ)	7,260,800	4.9%
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	5,200,000	3.5%
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	5,047,500	3.4%
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG (BTINGGI-CL)	3,782,800	2.6%
6	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD	3,720,600	2.5%
7	LAM CHEE MENG PLEDGED SECURITIES ACCOUNT FOR GAN CHIN SENG	3,300,000	2.2%
8	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU YIM PHENG (1011152)	3,249,000	2.2%
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW HOE THIAM	3,105,109	2.1%
10	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIAU CHZEE HAN (M)	2,356,000	1.6%
11	TAN TIAM YEE	2,320,000	1.6%
12	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG POK SENG	2,063,103	1.4%
13	TAN CHUN HOCK	2,000,000	1.4%
14	ANG YEW CHUAN	1,603,060	1.1%
15	LEE KEN WATT	1,300,000	0.9%
16	TAN KIAN MING	1,300,000	0.9%
17	WOI PEI HOOI	1,300,000	0.9%
18	SIM MUI KHEE	1,289,833	0.9%
19	TEH SOH YONG	1,253,000	0.9%
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ENG CHEW ONG (E-KLG/BTG)	1,243,600	0.8%
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG WEN SHENG (E-KLG)	1,185,000	0.8%
22	LIM KEAN YEW	1,000,000	0.7%
23	YAP FOOK ONN	1,000,000	0.7%
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEW WOON FATT	939,728	0.6%
25	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YOKE CHAN	900,000	0.6%
26	TEOH LEH HOON	871,700	0.6%
27	LEE AIK CHYE	859,492	0.6%
28	HEW AH MOI	848,300	0.6%
29	ONG TECK WAN	839,186	0.6%
30	GAN CHWEN TECK	779,678	0.5%

Analysis Of **Warrantholdings For Warrants C**
as at 28 JUNE 2017

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 28 JUNE 2017

Name	No. of holders	%	No. of warrants	%
Less than 100	159	11.7	8,675	0.0
100 - 1,000	48	3.5	26,328	0.0
1,001 - 10,000	231	17.0	1,308,310	0.5
10,001 - 100,000	611	45.1	25,281,689	9.9
100,001 and below 5%	305	22.5	147,268,221	57.8
5% and above	3	0.2	81,212,677	31.8
TOTAL	**1,357**	**100.0**	**255,105,900**	**100.0**

DIRECTORS’ WARRANTHOLDINGS AS AT 28 JUNE 2017

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

Analysis Of **Warrantholdings For Warrants C**
as at 28 JUNE 2017(Continued)

LIST OF 30 LARGEST WARRANT C HOLDERS AS AT 28 JUNE 2017

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	15,452,200	6.1%
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	14,134,900	5.5%
4	LIM SHIOU GHAY	10,019,600	3.9%
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	5,571,900	2.2%
6	LIM LAY SWEE	5,475,000	2.1%
7	SIM MUI KHEE	4,000,000	1.6%
8	YAP KIN HOONG	3,000,000	1.2%
9	GOH CHIA PHERN	2,658,000	1.0%
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KIM CHOY	2,500,200	1.0%
11	LIEW YOKE CHAN	2,485,500	1.0%
12	KHOR HWE LIANG	2,441,000	1.0%
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ENG CHEW ONG (E-KLG/BTG)	2,417,400	0.9%
14	JEE THAI HUI	2,160,000	0.8%
15	POH PAI SOON	1,976,560	0.8%
16	TAN SWEE CHENG	1,899,600	0.7%
17	CHAN FOCK SENG @ SUJAMIN	1,680,000	0.7%
18	QUAH CHEW HAH	1,515,000	0.6%
19	POO KOK KENG	1,512,000	0.6%
20	BEH SOCK IM	1,500,000	0.6%
21	LIM NGE @ LIM CHOOI BENG	1,500,000	0.6%
22	TEH SOH YONG	1,500,000	0.6%
23	HO KONG LAN	1,395,160	0.5%
24	LAI WENG CHEE @ LAI KOK CHYE	1,280,200	0.5%
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	1,260,000	0.5%
26	JAGGA RAO A/L MALLA NAIDU	1,235,820	0.5%
27	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG (BTINGGI-CL)	1,179,800	0.5%
28	ANG YEW CHUAN	1,147,900	0.4%
29	PEK ENG LAM	1,140,000	0.4%
30	LAM CHEE MENG	1,100,000	0.4%

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting of the Company will be held at Foyer, Palm Garden Golf Club, IOI Resort City,62502 Putrajaya on Wednesday, 6 September 2017 at 9.30 a.m. to transact the following business :

AGENDA

	AS ORDINARY BUSINESS	
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2017 and the Reports of Directors and Auditors thereon.	**Please refer to Explanatory Note (i)**
2.	To approve the payment of Directors' fees amounting to RM36,000 for the financial period ended 31 March 2017.	**Resolution 1**
3.	To re-elect the Director, En. Mohammad Sobri bin Saad, who retires in accordance with Article 86 of the Company's Constitution.	**Resolution 2**
4.	To re-elect the Director, Mr. Leou Thiam Lai, who retires in accordance with Article 93 of the Company's Constitution.	**Resolution 3**
5.	To re-appoint Messrs. Moore Stephens Associates PLT 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 :	
6.	**Authority to issue shares** "THAT, subject always to the Companies Act 2016, the Company's Constitution and the approvals of the relevant governmental/ regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company from time to time 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 pursuant to this Resolution does not exceed 10% of the total number of issue shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."	**Resolution 5**

By Order of the Board

LAANG JHE HOW (MIA 25193)
Company Secretary

Kuala Lumpur
31 July 2017

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 29 August 2017 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.*
2. *A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, participate, speak and vote in its stead.*
3. *A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.*
4. *Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one 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.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.*
6. *The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at No. 149A, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.*

Notice Of **Annual General Meeting**
(Continued)

1. **Explanatory notes on Ordinary Business :-**
   Audited Financial Statement for the financial year ended 31 March 2017

   The item is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

2. **Explanatory notes on Special Business :-**
   Ordinary Resolution 5 - Proposed authority to issue shares

   The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 75 of the Companies Act 2016 at the 7th AGM of the Company (hereinafter referred to as the "General Mandate").

   The Company had been granted a general mandate by its shareholders at the 6th AGM of the Company held on 7 September 2016 (hereinafter referred to as the "Previous Mandate").

   As at the date of this notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

   The General Mandate will enable the Directors of the Company to issue 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**

   The profile of the Director who is standing for re-election as per Resolution 3 of the Notice of 7th AGM is stated on page 11 of this Annual Report.

2. **Statement relating to the 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 issue shares pursuant to Section 75 of the Companies Act 2016 are set out in Explanatory Notes (ii) of the Notice of AGM.

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Form Of **Proxy**

EA HOLDINGS BERHAD
(Company No. 878041-A)
(Incorporated in Malaysia)

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 7th **Annual General Meeting** of the Company to be held at Foyer, Palm Garden Golf Club, IOI Resort City,62502 Putrajaya on Wednesday, 6 September 2017 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	-	%
Proxy 2	-	%
		100%

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

* 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 RM36,000 for the Financial Year Ended 31 March 2017.		
2.	To re-elect the Director, En. Mohammad Sobri bin Saad, who retires in accordance with Article 86 of the Company's Constitution.		
3.	To re-elect the Director, Leou Thiam Lai, who retires in accordance with Article 93 of the Company's Constitution.		
4.	To re-appoint Messrs. Moore Stephens Associates PLT as auditors of the Company and to authorize the Directors to fix their remuneration.		
	AS SPECIAL BUSINESS		
5.	Authority to issue shares.		

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 ______________ 2017

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 29 August 2017 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.*
2. *A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, participate, speak and vote in its stead.*
3. *A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.*
4. *Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one 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.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.*
6. *The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at No. 149A, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.*

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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

Please fold here

EA HOLDINGS BERHAD (878041-A)
Unit 25-5, Level 25, Oval Damansara,
685, Jalan Damansara, 60000 Kuala Lumpur.

Tel: 603 7733 9762 Fax: 603 7733 9765