EA Holdings Berhad

2018

ANNUAL REPORT


F1
F2
F3
F4
F5
F6

Contents

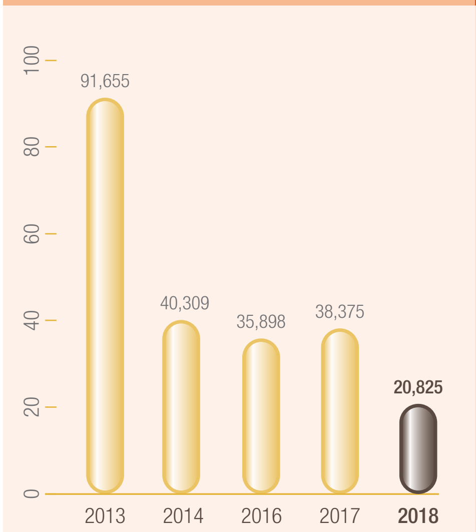
Group Financial Summary

(RM'000)	FYE 31.12.13	FYE 31.12.14	FPE 31.03.16	FYE 31.03.17	FYE 31.03.18
FINANCIAL RESULTS					
Revenue	91,655	40,309	35,898	38,375	20,825
Profit/(Loss) before tax	9,985	5,600	(32,307)	3,457	(7,845)
Profit/(Loss) attributable to equity holders	8,985	4,581	(31,551)	2,831	(7,902)
KEY BALANCE SHEET DATA					
Total Assets	89,505	126,550	138,902	142,112	170,940
Total Liabilities	18,131	9,191	9,153	9,495	7,815
Net assets attributable to equity holders	69,140	114,999	129,545	132,376	163,075
No. of shares in issue at year end ('000)	425,177	850,353	1,490,828	1,490,828	3,478,598
SHARES INFORMATION					
Basic earnings/(loss) per share (sen)	1.61 (*)	0.52 (^)	(2.44)	0.12 (@)	(0.34)
Net assets per share attributable to equity holders (RM)	0.16	0.14	0.09	0.09	0.05

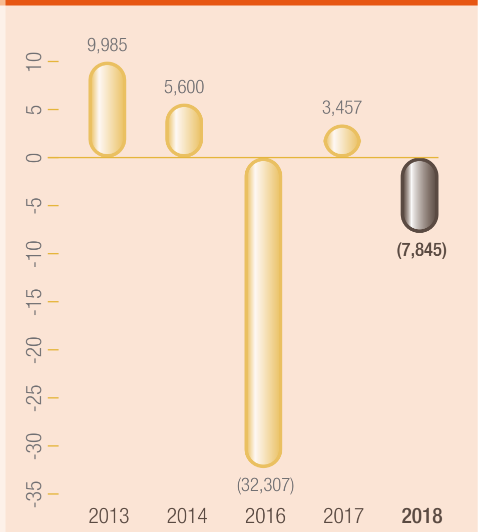
* Adjusted for the Rights Issue completed in 2014
^ Adjusted for the Bonus Issue completed in 2015
@Adjusted for the Rights Issue completed in 2017

Financial Highlights
(Continued)

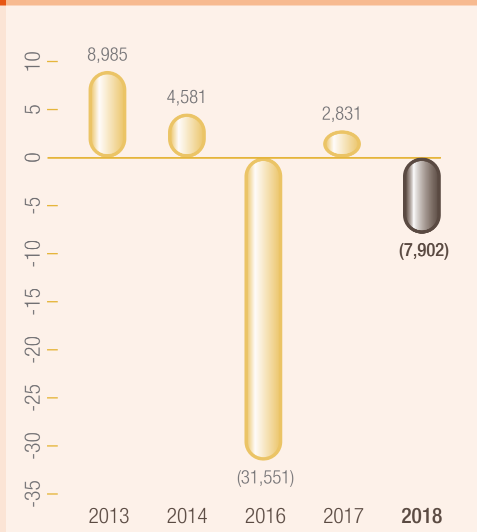
Revenue (RM'000)



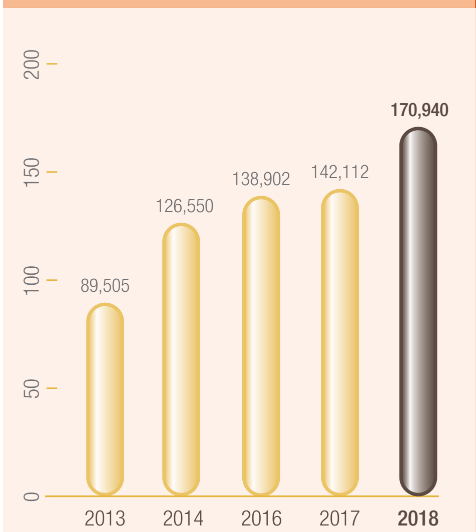
Profit/(Loss) Before Tax (RM'000)



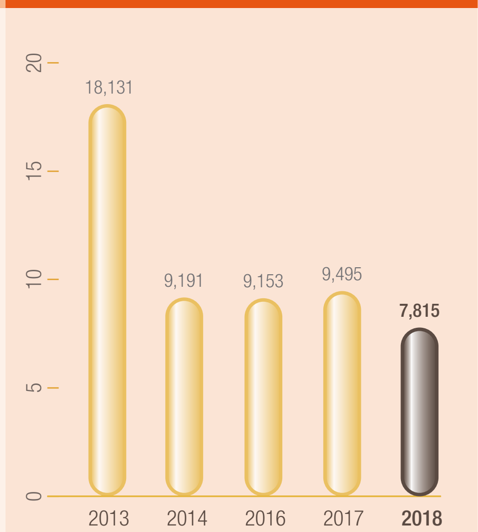
Profit/(Loss) Attributable To Equity Holders (RM'000)



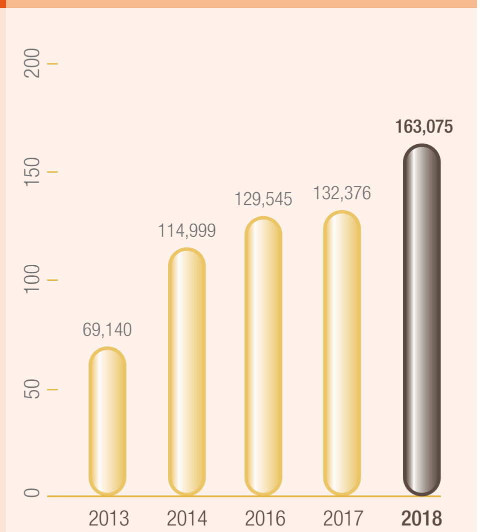
Total Assets (RM'000)



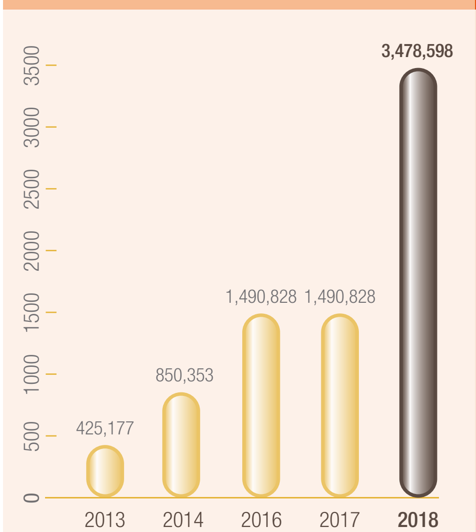
Total Liabilities (RM'000)



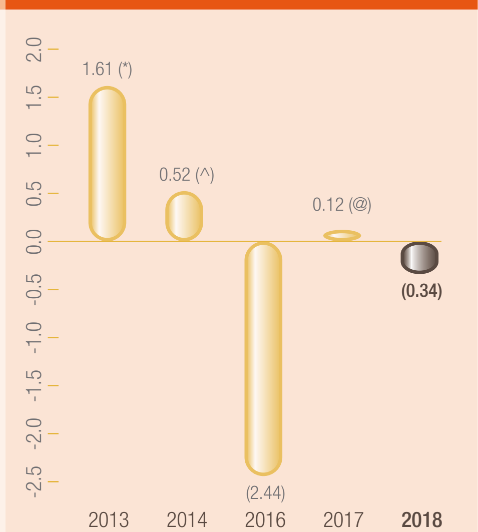
Net Assets Attributable to Equity Holders (RM'000)



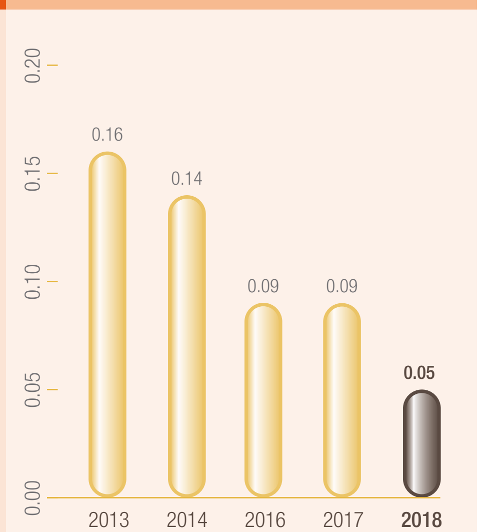
No. of Shares in Issue at Year End ('000)



Basic Earnings/(Loss) 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 present to you the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 March 2018 ("FYE 2018").

After a set of good results for FYE 2017, the unpredictability and uncertainties in the ICT sector had again set our progress back. For the FYE 2018, the Group recorded Loss Before Tax of RM7.845 million, which was mainly attributable to weaker revenues and the provision of impairment loss on goodwill amounting to RM3.693 million. The impairment arose due to a higher discount rate of 13.7% being used in the calculation of the carrying value of the cash generating units related to the goodwill for FYE 2018 (FYE 2017: 9.4%). Amongst the factors that contributed to the high discount rate are the volatility of the EAH's share prices and ratio of equity versus debt, which are considerably higher for the FYE 2018 as compared to FYE 2017.

The outlook for the ICT market is still very weak as there is no discernible pattern on the spending by both the public and private sectors. The number of projects available in the market is still low compared to previous years. In addition, competition is much tougher as we noted more companies are vying for the same jobs.

On a brighter note, the renewed optimism pursuant to the new era of Malaysia, together with the upcoming cancellation of GST, stronger consumer spending and better governance, all of these will hopefully be the critical catalysts that will kick-start our economy again, especially in the ICT sector.

We are also pleased to inform that we have successfully completed the acquisition of Sunland Volonte Agency Sdn Bhd in April 2018. This diversification into non-ICT sector will mitigate the Group's dependence on the ICT sector and will provide much needed revenue and profit stability to the Group. For the next 2 years, the Group is guaranteed a profit after tax of RM6.3 million (90% of RM7.0m) per year from this new acquisition, which will put the Group in a stronger position and with this, we can start the next financial year on a solid base.

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.

As part of our continuing strategy to expand our revenue beyond dependence on the ICT sector, we had in April 2018, diversified into food distribution industry with the acquisition of Sunland Volonte Agency Sdn Bhd.

FINANCIAL OVERVIEW

The outlook for the ICT market was still weak as there was no discernible pattern on the spending by both the public and private sectors. The number of projects available in the market was still low compared to previous years. In addition, competition was much tougher as more companies are vying for the same jobs.

Revenue for the Group decrease by RM17.550 million (45.7%) as compared to the previous FYE 2017, with all segments recording weaker revenues due to lower project wins, lower sales and slower project roll-outs.

For the FYE 2018, the Group recorded Loss Before Tax of RM7.845 million, which was a negative turn-around from the Profit Before Tax of RM3.457 million recorded in the FYE 2017. The Loss Before Tax was mainly attributable to weaker revenues and the provision of impairment loss on goodwill amounting to RM3.693 million. The impairment arose due to a higher discount rate of 13.7% being used in the calculation of the carrying value of the cash generating units related to the goodwill for FYE 2018 (FYE 2017: 9.4%). Amongst the factors that contributed to the high discount rate are the volatility of the EAH's share prices and ratio of equity versus debt, which are considerably higher for the FYE 2018 as compared to FYE 2017.

Cash reserves stood at RM28.645 million as at the end of the FYE 2018 compared to RM20.849 million as at the end of the FYE 2017.

SEGMENTAL OVERVIEW

	FYE 2018		FYE 2017		Changes	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
ICT Services	8,882	42.7%	20,640	53.8%	(11,758)	-57.0%
Software Solutions	5,740	27.6%	10,179	26.5%	(4,439)	-43.6%
Automation Systems	6,203	29.8%	7,556	19.7%	(1,353)	-17.9%
Total	**20,825**	**100.0%**	**38,375**	**100.0%**	**(17,550)**	**-45.7%**

ICT Services

ICT services comprised system integration, application development, maintenance services and supply of ICT software and equipment. Aside from the maintenance services, most of the revenues were non-recurring and new projects were few and hard to come by in FYE 2018. Most of the tenders were for small projects with amount ranging from RM1 million to RM3 million. The barrier to entry for small projects were usually lower, hence we faced stronger competition as there were more competitors vying for the smaller market, thus resulting in us not winning as many tenders as we would have hoped. The decrease was also due to the conclusion of some contracts in the previous FYE 2017.

Software Solutions

Software Solutions segment comprised provision and maintenance of software applications such as, amongst others, e-Solutions, data warehousing, ICT consultancy services and enterprise resource planning (ERP) solutions. This segment continued to struggle as companies were defraying/postponing expansions and replacements of their ICT systems in view of the soft economy.

Management Discussion And Analysis
(Continued)

SEGMENTAL OVERVIEW (Continued)

Automation Systems

The Automation Systems segment has 3 main products, namely, RFID Access Control Systems ("RFID"), Building Management Systems ("BMS") and Integrated Security Division ("ISD"). The decrease in Automation Systems was mainly attributable to lower sales and project roll-outs under the RFID and BMS sub-segments, due to the softer construction sector, as the products under RFID and BMS were usually used for installation in new buildings.

REVIEW OF OPERATING ACTIVITIES

Our main customers have always been the government linked companies ("GLCs") and statutory bodies. The allocation for development expenditure in the national budget continued to fall to 16.4% for 2018, as compared to 17.3% in 2017. Consequently, the marked changes in spending by our main customers impacted the Group's performance.

Revenue for the Group decrease by RM17.550 million (45.7%) as compared to the previous FYE 2017, with all segments recording weaker revenues due to lower project wins, lower sales and slower project roll-outs.

Our main operational expenditure item were staff costs. For the past years, the Group had been streamlining our resources for better cost efficiencies. This had resulted in more manageable staff costs of RM9.155 million for FYE 2018, as compared to RM10.362 million for FYE 2017.

For FYE 2018, net cash used in operating activities was RM23.028 million, as the Group allocated more funds to finance and expand into operations with stronger prospect such as the ISD sub-segment and engineering services for water supply and treatment plants.

BUSINESS RISKS

The key challenges to us are costs and competition. We have been prudently managing and reducing our operational costs, while at the same maintaining good relationship with our current customers, by ensuring good project delivery in timely manners. However, the soft economy and lower budget meant that most of our customers were not spending as much as we had expected and hoped.

We have anticipated this by diversifying our businesses, products and services, so that we have a broader range of customers and with more recurring revenue, while keeping our expenses low.

FUTURE PROSPECTS

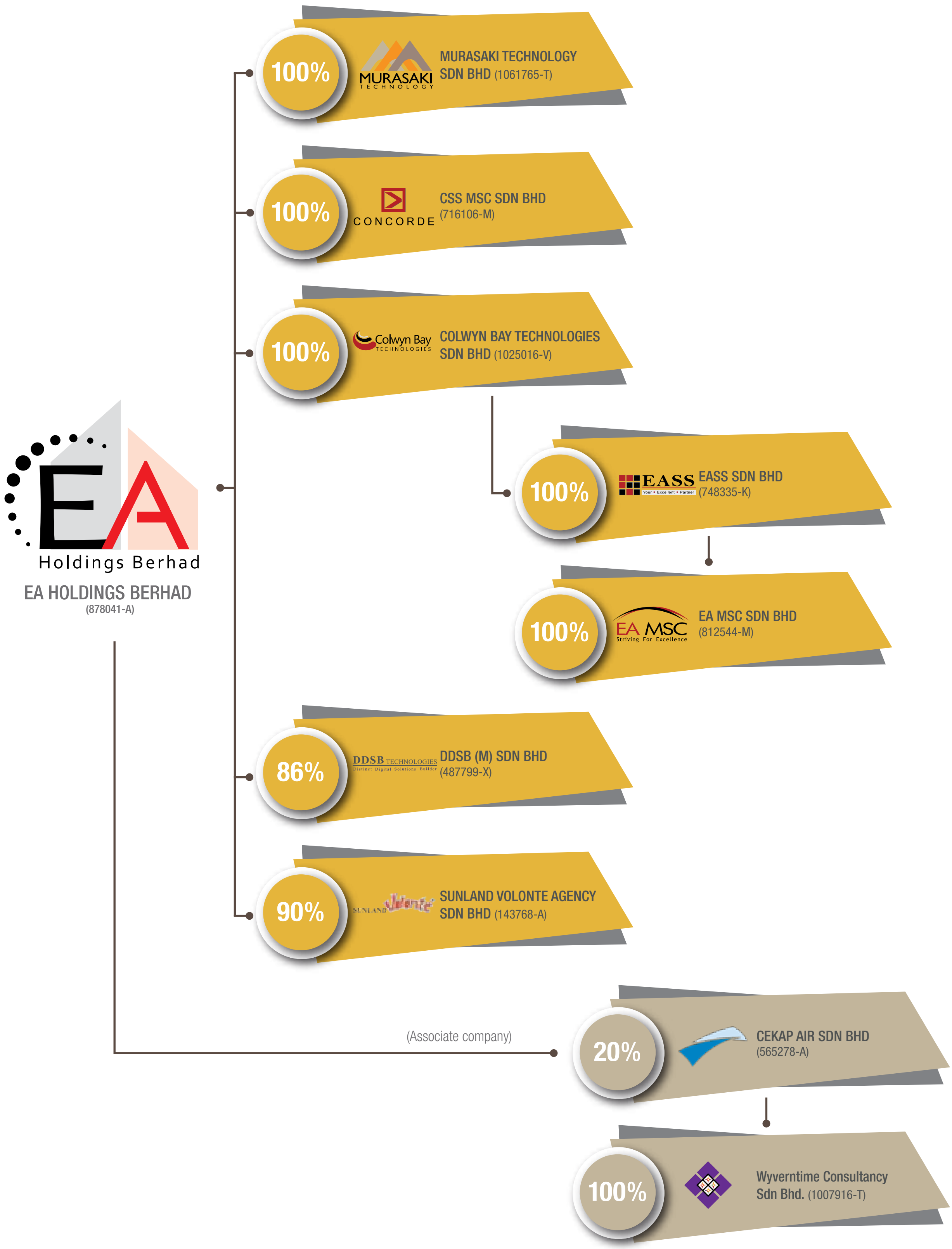
Although we started as an ICT company, the continued shrinking spending in the ICT industry meant that we had to adapt to grow. Slowly but surely, the Group is broadening its revenue scopes. We are no longer solely dependent on the ICT sector, but also have revenues from the construction industry via our Automation Systems segment, food distribution from our newly acquired subsidiary, Sunland Volonte Agency Sdn Bhd, and M&E engineering services for water supply and treatment plants from our associate company, Cekap Air Sdn Bhd.

We will continue with this merger and acquisition ("M&A") strategy as this will enable the Group to further diversify and strengthen our core, to reduce our dependency on the ICT industry and to acquire businesses that will generate strong recurring income, as opposed to the non-recurrent project-based revenue of the Group.

Company 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 :-



Company 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	Independent Non-Executive Director	Malaysian
Abdul Fattah bin Mohamed Yatim	Senior Independent Non-Executive Director	Malaysian

DATO' AZAHAR BIN RASUL

A Malaysian aged 56, male, Dato' Azahar was appointed as the Independent Non-Executive Director on 22 February 2010. 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 6 out of 6 Board meetings held during his tenure in office for the financial period ended 31 March 2018. 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 58, male, Mohammad Sobri is the Group founder and was appointed as the Chief Executive Officer/ Executive Director on 6 November 2009. He is responsible for the operations, strategic planning and direction of our Group. He obtained his Bachelor of Science (Hons) Degree in Mathematics and Computing from The Polytechnic of Wales, Pontypridd, Wales, United Kingdom in 1984.

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

Mohammad Sobri attended 5 out of 6 Board meetings held during his tenure in office for the financial period ended 31 March 2018. 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 60, 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 5 out of 6 Board meetings held during his tenure in office for the financial period ended 31 March 2018. 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 62, 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 firms. 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 attended all Board meetings held during his tenure in office for the financial period ended 31 March 2018. He 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 62, 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 2018. 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 2017 ("MCCG") are applied and practiced by the Group to deliver long term sustainable value to the shareholders and stakeholders.

Principle 1 : Establish Clear Roles and Responsibilities

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.

Clear Functions of the Board and Management

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.

Code of Conduct and Ethics

The Board has been guided by the Code of Conduct for Directors, Management and Officers of the Group, to promote the corporate culture which engenders ethical conduct that permeates throughout the Group to be in line with the MCCG. The Code of Ethics will require all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

Promoting Sustainability

The Board acknowledges the importance of sustainable and responsible business practices in developing the corporate strategy of the Group. The business will be conducted in a responsible, trustworthy and ethical manner while attention will be given to the environmental, social and governance aspects of the business which underpin sustainability as well as balancing the interest of stakeholders to enhance investors' perception and public trust.

Corporate Governance
(Continued)

Principle 1 : Establish Clear Roles and Responsibilities (Continued)

Access to Information and Advice

All Board members have full and unrestricted access to information on the Group's business and affairs. All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory and minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informative decisions. Where required, senior management and external advisors are invited to attend these meetings to explain and clarify on matters tabled.

The Board is regularly updated and advised by the Company Secretaries on new statutory as well as regulatory requirements. The Board has full and unrestricted access to the advice and services of the Company Secretaries as well as the senior management. Where necessary, the Board may obtain independent professional advice at the Company's expenses on the specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters tabled.

Qualified and Competent Company Secretary

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of functions. The Company Secretary ensure that all Board meetings are properly convened, and accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. The Company Secretary also ensure that the Board policies and procedures are followed and rules and regulations, codes or guidance and legislations are complied with.

Principle 2 : Strengthen The Composition

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. All the Directors have also complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on the limit of five (5) directorship in public listed companies.

The profiles of the Directors are presented on page 10 to 11 of this annual report.

Board Committees

To assist the Board in discharge of their duties effectively, the Board has delegated specific functions to certain committees. Each committee will operate within its clearly defined terms of reference.

(a) Audit and Risk Management Committee

The terms of reference of the Audit and Risk Committee are set out on page 20 to 22 of the annual report.

Corporate Governance
(Continued)

Principle 2 : Strengthen The Composition (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. The Nomination Committee is of the opinion that the current Board composition has the necessary knowledge, experience, professionalism, integrity, requisite range of skills and competence to enable them to discharge their duties and responsibilities.

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.

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	1/1	100%

(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, contribution to the national pension fund and benefits-in-kind such as medical care, car allowance and fuel whilst the Non-Executive Directors' package primarily consists of fees only.

Corporate Governance
(Continued)

Principle 2 : Strengthen The Composition (Continued)

Board Committees (Continued)

(c) Remuneration Committee (Continued)

The details of the Directors' remuneration for the financial year ended 31 March 2018 are as follows :-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	442	-
Fees	-	32

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

	Number of Directors	
	Executive Directors	Non-Executive Directors
1 – 50,000	-	3
200,001 -250,000	2	-

The aggregate remuneration of the top 5 Key Senior Management of the Group for the financial year ended 31 March 2018 are as follows :-

Remuneration	Number of Key Senior Management
200,001 – 250,000	5

Remuneration 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	1/1	100%

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 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.

Principle 3 : Reinforced Independence

Annual Assessment of Independence

The Independent Non-Executive Directors provide a broader view and independent assessment to the decision-making process of the Board taking into account of the interest of the Group and all its stakeholders. During the financial year, the Board has assessed the independence of the Independent Non-executive Directors and is generally satisfied with their ability to act independently and objectively in the best interest of the Group.

Tenure of Independent Directors

The Board has adopted a nine (9) year policy for Independent Non-Executive Directors. None of the current independent Board members had served the Company for more than nine years as per the recommendation of the MCCG. 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.

Separation of the positions of the Chairman and CEO

The positions of the Chairman and CEO are held by two different individuals and there is a clear division of responsibilities. The Chairman is responsible for the governance, orderly conduct and effectiveness of the Board while the CEO is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board.

Principle 4 : Foster Commitment

Time 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 2018, six (6) Board meetings were held. The Board is satisfied with the level of time committed by its members in discharging their duties and roles.

The attendance of the Directors at Board meetings during the financial year ended 31 March 2018 are :

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	5/6	83%
3	Basir bin Bachik	Executive Director	5/6	83%
4	Abdul Fattah bin Mohamed Yatim	Independent Non-Executive Director	6/6	100%
5	Leou Thiam Lai	Independent Non-Executive Director	5/5	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.

Corporate Governance
(Continued)

Principle 4 : Foster Commitment (Continued)

Directors' Training (Continued)

During the financial year ended 31 March 2018, the Directors had attended the following training programmes :-

Directors	Title
Dato' Azahar bin Rasul	Liberalisation of Motor Insurance Tariff on 6 June 2017
Mohammad Sobri bin Saad	CA Gen workshop on 11-15 September 2017 URS and Prototype for CMS E01 workshop on 28 November to 1 December 2017
Basir bin Bachik	URS and Prototype for CMS E01 workshop on 28 November to 1 December 2017
Abdul Fattah bin Mohamed Yatim	Trust and Integrity Conference organised by Malaysian Institute of Accountants and Institute of Internal Auditors on 7 February 2018 Logistics and Supply Chain Conference organised by Asian Strategy and Leadership Institute on 29 March 2018
Leou Thiam Lai	National Tax Conference organised by the Chartered Tax Institute of Malaysia on 25 & 26 July 2017 Seminar Percukaian Kebangsaan 2017 organised by Lembaga Hasil Dalam Negeri Malaysia on 2 November 2017 2018 Budget Seminar organised by Chartered Tax Institute of Malaysia on 9 November 2017

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. The Company's Constitution also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following his appointment.

Principle 5 : Uphold Integrity In Financial Reporting

Compliance with Applicable Financial Reporting Standards

The Board aims to provide and present a balanced and understandable assessment of the Group's financial performance through annual audited financial statements and announcement of quarterly reports to shareholders which are prepared in accordance with the provisions of the Companies Act, 2016 and applicable approved accounting standards. The Audit and Risk Management Committee assist the Board to oversee and scrutinise the financial reporting process and quality of the financial reporting. All quarterly reports and financial statements are reviewed and discussed by the Committee before they are tabled to the Board for approval and subsequent release to Bursa Securities and Securities Commission.

Relationship with Auditors

The Group and Audit and Risk Management Committee has always maintained a close and transparent relationship with the both internal and external auditors in seeking professional advice and ensuring compliance with the relevant accounting standards. The internal and external auditors are invited to attend Audit and Risk Management Committee meetings and present their audit findings without the Executive Directors. The Committee is responsible for reviewing audit and non-audit services provided by the auditors. The independence, effectiveness and performance of the external auditors is reviewed annually by the Committee. External auditors will be recommended for re-appointment on the Board and seek approval from the shareholders at the forthcoming AGM.

Principle 6 : Recognise And Manage Risks

Sound Framework to Manage Risks

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Group has put in place a systematic risk management framework and processes to identify, evaluate and monitor principal risks and implement appropriate internal control processes to manage it. The Board has engaged an independent internal auditor that reports directly to the Audit and Risk Management Committee. With the assistance of internal auditor, the Board will continuous review of the key risks of the Group and monitors the implementation of the mitigation plans from time to time.

Principle 6 : Recognise And Manage Risks (Continued)

Internal Audit Function

The Group has outsourced the internal audit function to an independent professional firm which reports directly to Audit and Risk Management Committee. The Committee works together with internal auditor on the scope of the audit and plan internal audit activities annually. All audit findings arising will then report directly to the Committee on a half yearly basis.

Principle 7 : Ensure Timely and High Quality Disclosure

Corporate Disclosure Policies

The Board acknowledges the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosure information to the shareholders and stakeholders. In line with this commitment and in order to enhance the transparency and accountability, the Board has adopted an internal corporate disclosure policies and procedures to facilitate the handling and disclosure of material information in a timely and accurate manner.

Leverage of information Technology for Effective Dissemination of Information

The Group maintains a website at www.eah.com.my that allows all shareholders and investors access to information about the Group.

Principle 8 : Strengthen Relationship Between The Company and Its Shareholders

The Annual General Meeting is the principal forum dialogue with all shareholders. Shareholders are encouraged to participate in the questions and answers session and all the Directors are available to respond to questions during the meeting.

Notice of Annual General Meeting and the annual report are sent to shareholders at least 21 days before the date of the meeting.

Corporate Social Responsibility

The Group 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 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.

(b) 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.

Corporate Governance
(Continued)

Principle 8 : Strengthen Relationship Between The Company and Its Shareholders (Continued)

Corporate Social Responsibility (Continued)

(c) 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.

Corporate Governance Report

This Corporate Governance Statement is complemented by the Corporate Governance Report, which is prepared based on the prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements for ACE Market of Bursa Malaysia Securities Berhad, to provide a detailed description of the application of the Group's corporate governance practices. The Corporate Governance Report is available on the Group's website, www.eah.com.my, as well as on Bursa Malaysia Berhad's website, wwww.bursamalaysia.com.

Compliance Statement

The Board believes that the Company has for the financial year ended 31 March 2018 followed the Principles and Recommendations of MCCG in all material aspects.

This statement is made in accordance with the resolution of the Board dated 31 July 2018.

Directors' Responsibility Statement

This statement is prepared pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The Board is responsible to ensure the financial statements prepared for each financial year have been made in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group, including cash flow and results as at the end of each financial year.

The Directors are responsible for ensuring that the Group and the Company have maintained proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which comply with the provisions of the Companies Act, 2016.

The Directors have general responsibility for taking such steps as are reasonable available to them to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

Audit and Risk Management Committee Members

Chairman	Leou Thiam Lai (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 Company, before submission to the Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgmental issues;

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

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

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

(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 Company's risk management processes;

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

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

3. Authority

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

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

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

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

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

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

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

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

4. Meetings and Minutes

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

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

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

The Secretary to the Committee shall be the Company Secretary.

Audit And Risk Management Committee Report

(Continued)

5. Internal Audit Function

The Company's internal audit function is outsourced to an independent professional internal audit service provider, which reports directly to the Audit and Risk Management Committee. The Internal Auditors adopt a risk-based approach when preparing its annual audit plan and strategy. The principal role of the internal audit is to conduct independent and regular reviews of the various operations of the Company and to provide objective reports on the state of the internal controls to the Audit and Risk Management Committee. All internal audit reports will be presented to the Audit and Risk Management Committee for deliberation. The Audit and Risk Management Committee would then make the relevant recommendations for the management's further action. The total costs incurred for the outsourced internal audit function during the financial year ended 31 March 2018 year was RM9,597.00.

Summary of Activities

During the financial year ended 31 March 2018, 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 2018;
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 four (4) meetings during the financial year ended 31 March 2018. The details of the attendance are as follows:

Directors	No. of meetings attended
Leou Thiam Lai	3/3
Abdul Fattah bin Mohamed Yatim	4/4
Dato' Azahar bin Rasul	4/4

Statement On Risk Management And Internal Controls

The Malaysian Code of Corporate Governance under Principle 6 states that the Board should establish a sound risk management framework and internal controls systems to safeguard shareholders' investments and the Group's assets.

Board Responsibilities

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

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

System of Risk Management

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

System of Internal Control

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

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

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

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

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

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

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

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

Statement On Risk Management And Internal Controls
(Continued)

Internal Audit Function

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

The functions of the internal audit are as follows :-

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

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

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

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

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

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

Conclusion

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

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

Review of the Statement by the External Auditors

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

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

This Statement was made in accordance with a resolution of the Board dated 31 July 2018.

Additional Compliance Information

(a) Utilisation of Proceeds

The status of utilisation of the gross proceeds of RM39.755 million from the Rights Issue by the Company as at 31 March 2018 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	15,000	7,875	7,125	-	Within 24 months from completion	
Repayment of borrowings	5,000	3,074	1,926	-	Within 24 months from completion	
Working capital	18,755	2,555	16,200	81	Within 24 months from completion	
Rights Issue expenses	1,000	1,081	-	(81)	Upon completion	Being the additional rights issue expenses of RM81,000 incurred
Total	**39,755**	**14,585**	**25,251**	**-**		

(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	5,000	5,000
Total	40,000	115,000

(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 hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2018.

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	Company
	RM	RM
Loss for the financial year, net of tax	8,093,555	16,429,059
Attributable to:		
Owners of the Company	7,902,243	16,429,059
Non-controlling interests	191,312	-
	8,093,555	16,429,059

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.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Company is not in a position to pay or declare dividends for the current financial year.

ISSUANCE OF SHARES OR DEBENTURES

On 12 September 2017, the Company carried out a capital reduction exercise via the reduction and cancellation of the share capital of the Company from RM149,083,389 to RM104,467,856 to the extent of RM44,615,533 pursuant to Sections 115(a) and 116 of the Companies Act, 2016.

On 1 November 2017, the Company has increased its paid-up share capital from RM104,467,856 to RM144,223,262 via issuance and subscription of 1,987,770,288 Rights shares together with 993,885,016 free Warrants D at an issue price of RM0.02 per Rights share. The theoretical fair value for the 993,885,016 Warrants D at RM0.01 per Warrant D was recognised as a discount of issuance, by which the share capital of the Company decreases from RM144,223,262 to RM134,284,411. The new shares issued rank parri passu with the existing ordinary shares.

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

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' Report
(Continued)

DIRECTORS OF THE COMPANY

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

Dato' Azahar Bin Rasul
Mohammad Sobri Bin Saad
Basir Bin Bachik
Abdul Fattah Bin Mohamed Yatim
Leou Thiam Lai (Appointed on 27 July 2017)
Choo Seng Choon (Resigned on 5 May 2017)

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act, 2016, the Directors who served in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report are as follows:

Chia Kok Chin
Chong Chee Loong
Low Tee Chow
Norazian Binti Abdul Kudus
Siah Jiin Shyang (Resigned on 12 February 2018)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares				Amount	
	At 1.4.2017 Unit	Addition Unit	Sold Unit	At 31.3.2018 Unit	At 1.4.2017 RM	At 31.3.2018 RM
Name of Director						
Ordinary shares in the Company						
Direct interest:						
- Mohammad Sobri Bin Saad	175,052,949	251,863,151	-	426,916,100	17,505,295	22,542,558
- Basir Bin Bachik	492,000	-	-	492,000	49,200	49,200
- Abdul Fattah Bin Mohamed Yatim	18	-	-	18	2	2

Directors' Report
(Continued)

DIRECTORS' INTERESTS (Continued)

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in the shares and warrants of the Company and of its related corporations during the financial year were as follows: (cont'd)

	Number of Warrants B 2014/2019			
	At 1.4.2017 Unit	Addition Unit	Exercised/ Sold Unit	At 31.3.2018 Unit
Warrants B 2014/2019				
Direct interest:				
- Mohammad Sobri Bin Saad	17,271,729	10,017,602	-	27,289,331
- Basir Bin Bachik	142,074	82,402	-	224,476
- Abdul Fattah Bin Mohamed Yatim	3	1	-	4

	Number of Warrants C 2014/2019			
	At 1.4.2017 Unit	Addition Unit	Exercised/ Sold Unit	At 31.3.2018 Unit
Warrants C 2014/2019				
Direct interest:				
- Mohammad Sobri Bin Saad	51,652,577	29,915,834	-	81,568,411

	Number of Warrants D 2017/2022			
	At 1.4.2017 Unit	Addition Unit	Exercised/ Sold Unit	At 31.3.2018 Unit
Warrants D 2017/2022				
Direct interest:				
- Mohammad Sobri Bin Saad	-	125,931,575	-	125,931,575

None of the other Directors in office at the end of the financial year had any interest in the shares and warrants 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 and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM	Subsidiaries RM
Fee	31,500	-
Salary, bonus and allowances	180,000	-
Consultation fee	-	240,000
Contributions to defined contribution plan	21,600	-
Social security contributions	828	-
Total fees and other benefits	233,928	240,000

DIRECTORS' REMUNERATION AND BENEFITS (Continued)

Since the end of the previous financial year, 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 24(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.

(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 is RM35,000 and its subsidiaries is RM75,000.

(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.

Directors' Report
(Continued)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events are disclosed in Note 31 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of subsequent events are disclosed in Note 32 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 31 July 2018.

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 38 to 104 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 2018 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 31 July 2018

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 38 to 104 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 31 July 2018

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 2018 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 38 to 104.

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 2018, 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 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 2018, as shown in Note 9 to the financial statements, the Group recorded goodwill amounted to RM8,183,985, which represented 4.8% 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 audit procedures to evaluate management's methodology and assumptions used in the VIU and for each CGU: • 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; and • Assessed the appropriateness of the financial statements disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. Our evaluation of the recoverable amounts of goodwill is consistent with management's assessment.

Independent Auditors' Report

To The Members Of Ea Holdings Berhad
(Continued)

Key Audit Matters (Continued)

Key Audit Matters	Our audit performed and responses thereon
Valuation of Investment in An Associate	
As at 31 March 2018, as shown in Note 11 to the financial statements, the Group has investment in an associate, Cekap Air Sdn. Bhd. ("CASB") of RM61,245,098 which represented 36% 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 which is dependent on 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 audit procedures in relation to the valuation of investment in an associate: • 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 flow 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 flow projections prepared by the management; and • Assessed the adequacy of the disclosures presented within the consolidated financial statements in Note 11 to the financial statements. Our evaluation of the recoverable amounts of investment in associate is consistent with management's assessment.

Independent Auditors' Report

To The Members Of Ea Holdings Berhad
(Continued)

Key Audit Matters (Continued)

Key Audit Matters	Our audit performed and responses thereon
Recoverability Assessment of Trade Receivables	
As disclosed in Note 13 to the financial statement, the Group has net trade receivables of RM32,176,952 after an impairment allowance of RM506,451 as at 31 March 2018. The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to the aging profile, historical payment pattern and the past record of default of the customer. Management would make specific provision against individual balances with references to the recoverable amount. We have identified impairment on trade receivables as a key audit matter because of the significance of trade receivables in the financial statements both in amount and nature and the significant judgements required for the identification of impairment events and the determination of the impairment charge. The judgements include the credit risks of customers, the timing and amount of realisation of these receivables.	We have performed the following audit procedures in relation to the recoverability of trade receivables: • Tested the reliability of aging of trade receivables at year end on a sample basis; • Obtained a list of outstanding receivables and identified any debtors with financial difficulties through discussion with management; • Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, latest correspondence with customers and considered if any additional provision should be made; • Tested subsequent settlement of trade receivables after the financial year end on a sample basis, if any; and • Circulated confirmation letters to debtors on a sample basis to ascertain validity of the balance of debtors as at financial year end. We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supportable based on available evidence.
Impairment Review of the Company's Investment in Subsidiaries	
As disclosed in Note 10 to the financial statements, the carrying amount of the Company's investment in subsidiaries amounted to RM22,038,589, representing approximately 15% of the Company's total assets as at the reporting date. During the financial year, the Company has recognised an additional impairment loss of RM14,208,647 for its investment in subsidiaries. A history of recent losses by certain subsidiaries has resulted in an indication that the carrying amount of investment in subsidiaries may be impaired. Accordingly, the Company estimated the recoverable amount of the investment in subsidiaries based on value-in-use ("VIU") calculation using cash flow projections derived from the most recent financial forecast approved by Directors covering a five-year period. We have identified the impairment review of investment in subsidiaries as a key audit matter as impairment test involves significant management judgement in estimating the underlying assumptions to be applied in the discounted cash flow projections of the VIU calculation. The recoverable amount of the Company's investment in subsidiaries is highly sensitive to key assumptions applied in respect of future revenue growth rate, gross margin, the long-term growth rate 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 audit procedures to evaluate management's methodology and assumptions used in the VIU and for each CGU: • Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors; • Compared the key assumptions including forecast revenue, growth rates, 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 of the recoverable amounts of the cost of investment; • Assessed the appropriateness of the financial statement disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive; • Evaluated management's budgeting process by comparing actual results to historical cash flow projections; and • Assessed the adequacy and appropriateness of the disclosure made in the financial statements. Our evaluation of the recoverable amounts of investment in subsidiaries is consistent with management's assessment.

Independent Auditors' Report

To The Members Of Ea Holdings Berhad
(Continued)

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.

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 have 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 the 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's 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.

Independent Auditors' Report

To The Members Of Ea Holdings Berhad
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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.

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 Matter

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.

MOORE STEPHENS ASSOCIATES PLT
LLP0000963-LCA & AF002096
Chartered Accountants

STEPHEN WAN YENG LEONG
02963/07/2019 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 31 July 2018

Statements Of Comprehensive Income
For The Financial Year Ended 31 March 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Revenue	4	20,825,083	38,374,576	-	-
Other items of income					
Other income		349,247	309,512	270,483	176,360
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		44,033	(473,738)	-	-
Purchases and other direct costs		(13,917,024)	(26,229,418)	-	-
Employee benefits expense	5(a)	(7,824,767)	(8,969,544)	(443,238)	(447,621)
Directors' remuneration	5(b)	(1,330,052)	(1,391,917)	(233,928)	(238,394)
Depreciation of property, plant and equipment	8	(1,147,442)	(1,176,513)	(258,446)	(260,357)
Amortisation of intangible assets	9	(924,913)	(924,913)	-	-
Impairment loss on goodwill	9	(3,692,677)	(1,517,406)	-	-
Impairment loss on investment in subsidiaries	10	-	-	(14,208,647)	-
Impairment loss on trade receivables	13	(444,241)	(227,868)	-	-
Other expenses		(3,482,309)	(3,020,285)	(1,290,096)	(760,306)
(Loss)/profit from operations		(11,545,062)	(3,808,571)	(16,163,872)	10,977,979
Finance costs	5	(347,101)	(413,716)	(261,077)	(275,832)
Share of result of associate, net of tax	11	4,046,669	7,679,631	-	-
(Loss)/profit before tax	5	(7,845,494)	3,457,344	(16,424,949)	10,702,147
Tax expense	6	(248,061)	(589,524)	(4,110)	(30,181)
(Loss)/profit net of tax, representing total comprehensive income for the financial year		(8,093,555)	2,867,820	(16,429,059)	10,671,966

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 2018

(Continued)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
(Loss)/profit net of tax, representing total comprehensive income attributable to:-					
Owners of the Company		(7,902,243)	2,831,363	(16,429,059)	10,671,966
Non-controlling interests	10(a)	(191,312)	36,457	-	-
		(8,093,555)	2,867,820	(16,429,059)	10,671,966
(Loss)/earnings per ordinary share attributable to owners of the Company					
Basic and diluted (sen):	7	(0.34)	0.19		

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 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	8	5,473,493	6,557,130	3,996,525	4,254,971
Intangible assets	9	17,153,350	21,770,940	-	-
Investment in subsidiaries	10	-	-	22,038,589	36,247,236
Investment in an associate	11	61,245,098	57,198,429	47,040,000	47,040,000
		83,871,941	85,526,499	73,075,114	87,542,207
Current assets					
Inventories	12	437,535	393,502	-	-
Trade receivables	13	32,176,952	32,341,849	-	-
Other receivables and deposits	14	18,248,457	1,654,183	13,877,371	185,046
Amounts owing by subsidiaries	15	-	-	31,958,455	30,187,571
Amount owing by an associate	15	7,559,689	1,346,862	8,146,915	2,306,862
Tax recoverable		-	-	-	2,200
Fixed deposits placed with licensed banks	16	4,150,322	3,753,110	1,997,127	1,933,861
Cash and bank balances		24,494,747	17,095,912	22,631,336	8,615,550
		87,067,702	56,585,418	78,611,204	43,231,090
TOTAL ASSETS		170,939,643	142,111,917	151,686,318	130,773,297

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 2018

(Continued)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity					
Share capital	17	134,284,411	149,083,389	134,284,411	149,083,389
Reserves	18	28,790,570	(16,707,149)	13,983,733	(22,987,170)
Total equity attributable to owners of the Company		163,074,981	132,376,240	148,268,144	126,096,219
Non-controlling interests	10(a)	49,248	240,560	-	-
Total Equity		163,124,229	132,616,800	148,268,144	126,096,219
Liabilities					
Non-current liabilities					
Borrowings	19	2,129,967	2,452,776	1,722,633	1,840,269
Deferred tax liabilities	20	37,168	137,142	-	-
		2,167,135	2,589,918	1,722,633	1,840,269
Current liabilities					
Trade payables	21	1,896,083	930,746	-	-
Other payables and accruals	22	1,400,561	1,812,721	480,185	163,572
Amounts owing to Directors	23	33,878	103,878	3,728	73,728
Borrowings	19	1,693,921	2,823,024	1,211,628	2,599,509
Tax payable		623,836	1,234,830	-	-
		5,648,279	6,905,199	1,695,541	2,836,809
Total Liabilities		7,815,414	9,495,117	3,418,174	4,677,078
TOTAL EQUITY AND LIABILITIES		170,939,643	142,111,917	151,686,318	130,773,297

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 2018

		<------------------------Attributable to Owners of the Company------------------------>							
			<----------------Non-Distributable---------------->			Distributable			
		Share Capital	Share Premium	Warrants Reserve	Other Reserve	Accumulated Losses	Total	Non-Controlling Interests	Total Equity
Group	**Note**	RM	RM	RM	RM	RM	RM	RM	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	17	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.

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 March 2018

(Continued)

Group	Note	<----Attributable to Owners of the Company----				---->			
		<----Non-Distributable----			---->	Distributable			
		Share Capital	Warrants Reserve	Capital Reserve	Other Reserve	(Accumulated Losses)/ Retained earnings	Total	Non-Controlling Interests	Total Equity
		RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2017		149,083,389	9,502,695	-	(13,737,745)	(12,472,099)	132,376,240	240,560	132,616,800
Loss net of tax, representing total comprehensive income for the financial year		-	-	-	-	(7,902,243)	(7,902,243)	(191,312)	(8,093,555)
Transactions with owners of the Company:									
Issuance of ordinary shares pursuant to:									
- Rights issue	17	39,755,406	-	-	-	-	39,755,406	-	39,755,406
- Fair value on warrant D	18	(9,938,851)	9,938,851	-	-	-	-	-	-
Share issuance expenses		-	-	-	-	(1,154,422)	(1,154,422)	-	(1,154,422)
Capital reduction	17	(44,615,533)	-	12,125,668	-	32,489,865	-	-	-
Set-off with accumulated losses		-	-	(12,125,668)	-	12,125,668	-	-	-
Total transactions with owners of the Company		(14,798,978)	9,938,851	-	-	43,461,111	38,600,984	-	38,600,984
At 31 March 2018		134,284,411	19,441,546	-	(13,737,745)	23,086,769	163,074,981	49,248	163,124,229

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 2018

			<----------------Non-Distributable--------------->				
		Share Capital	Share Premium	Capital Reserve	Warrants Reserve	Accumulated Losses	Total Equity
Company	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
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	17	617	(617)	-	-	-	-
At 31 March 2017		149,083,389	-	-	9,502,695	(32,489,865)	126,096,219
At 1 April 2017		149,083,389	-	-	9,502,695	(32,489,865)	126,096,219
Loss net of tax, representing total comprehensive income for the financial year		-	-	-	-	(16,429,059)	(16,429,059)
Transactions with owners of the Company:							
Issuance of ordinary shares pursuant to:							
- Rights issue	17	39,755,406	-	-	-	-	39,755,406
- Fair value on warrant D	18	(9,938,851)	-	-	9,938,851	-	-
Share issuance expenses		-	-	-	-	(1,154,422)	(1,154,422)
Capital reduction	17	(44,615,533)	-	12,125,668	-	32,489,865	-
Set-off with accumulated losses		-	-	(12,125,668)	-	12,125,668	-
Total transactions with owners of the Company		(14,798,978)	-	-	9,938,851	43,461,111	38,600,984
At 31 March 2018		134,284,411	-	-	19,441,546	(5,457,813)	148,268,144

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 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Cash Flows from Operating Activities					
(Loss)/profit before tax:		(7,845,494)	3,457,344	(16,424,949)	10,702,147
Adjustments for:-					
Amortisation of:					
- development costs		749,913	749,913	-	-
- intellectual property		175,000	175,000	-	-
Deposits written off		10,000	8,395	-	
Depreciation of property, plant and equipment		1,147,442	1,176,513	258,446	260,357
(Gain)/loss on disposal of property, plant and equipment		(32,397)	14,348	-	-
Impairment loss on:					
- goodwill		3,692,677	1,517,406	-	-
- investment in subsidiaries		-	-	14,208,647	-
- trade receivables		444,241	227,868	-	-
- other receivables		-	4,225	-	-
Interest expense		347,101	413,716	261,077	275,832
Inventory written off		-	53,258	-	-
Property, plant and equipment written off		-	59,865	-	-
Reversal of impairment loss:					
- investment in subsidiairies		-	-	-	(12,508,297)
- development costs		-	(1,438,943)	-	-
Bad debts recovered		(18,900)	-	-	-
Interest income		(173,759)	(204,061)	(110,882)	(53,960)
Share of result of associate, net of tax		(4,046,669)	(7,679,631)	-	-
Unrealised loss/(gain) on foreign exchange		11,004	(12,231)	-	-
Operating loss before working capital changes		(5,539,841)	(1,477,015)	(1,807,661)	(1,323,921)
Changes in working capital:					
Inventories		(44,033)	420,480	-	-
Receivables		(16,864,718)	(19,561)	(13,692,325)	(66,232)
Payables		555,377	(254,440)	318,813	(442,549)
Cash used in operations		(21,893,215)	(1,330,536)	(15,181,173)	(1,832,702)
Tax paid		(961,229)	(674,219)	(4,110)	(50,181)
Interest paid		(347,101)	(413,716)	(261,077)	(275,832)
Interest received		173,759	204,061	110,882	53,960
Net cash used in operating activities		(23,027,786)	(2,214,410)	(15,335,478)	(2,104,755)

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 2018
(Continued)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (cont'd)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	8(b)	(76,908)	(124,571)	-	(4,433)
Proceeds from disposal of property, plant and equipment		45,500	113,000	-	-
Net cash used in investing activities		(31,408)	(11,571)	-	(4,433)
Cash Flows from Financing Activities					
(Advances to)/repayment from an associate		(6,212,827)	3,204,203	(5,840,053)	1,244,203
(Advances to)/repayment from subsidiaries		-	-	(1,770,884)	6,736,668
Drawdown of borrowings		-	-	-	896,042
Increased in fixed deposits pledged		(397,212)	(183,855)	(63,266)	(50,858)
Payment of share issuance expenses		(1,154,422)	-	(1,154,422)	-
Proceeds from rights issue		39,755,406	-	39,755,406	-
(Repayments to)/advances to Director		(70,000)	92,228	(70,000)	73,728
Repayment of borrowings		(1,274,633)	(765,139)	(1,031,326)	(160,719)
Net cash from financing activities		30,646,312	2,347,437	29,825,455	8,739,064
Net increase in cash and cash equivalents		7,587,118	121,456	14,489,977	6,629,876
Effect of exchange rate changes on cash and cash equivalents		(11,004)	12,231	-	-
Cash and cash equivalents at beginning of financial year		15,527,100	15,393,413	7,046,738	416,862
Cash and cash equivalents at end of financial year	(i)	23,103,214	15,527,100	21,536,715	7,046,738

Note:

(i) Cash and cash equivalents comprise:

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Fixed deposits with licensed banks	16	4,150,322	3,753,110	1,997,127	1,933,861
Cash and bank balances		24,494,747	17,095,912	22,631,336	8,615,550
		28,645,069	20,849,022	24,628,463	10,549,411
Less: Fixed deposits pledged as collaterals	16	(4,150,322)	(3,753,110)	(1,997,127)	(1,933,861)
Less: Bank overdrafts	19(c)	(1,391,533)	(1,568,812)	(1,094,621)	(1,568,812)
		23,103,214	15,527,100	21,536,715	7,046,738

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 2018

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 31 July 2018.

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") and Amendments to IC Int

(i) Adoption of new MFRS, Amendments/Improvements to MFRSs

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

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

The adoption of the above Amendments/Improvements did not have any significant effect on the financial statements of the Group and of the Company.

(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 2018

MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("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 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contract.
Amendments to MFRS 15	Clarification to MFRS 15: Revenue from Contract with Customers
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

Annual Improvements to MFRSs 2014-2016 Cycle

2. BASIS OF PREPARATION (Continued)

(a) Statement of Compliance (Continued)

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

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

Annual Improvements to MFRSs 2015-2017 Cycle

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	Share-Based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimate and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 132	Intangible Assets-Web Site Costs

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	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:

2. BASIS OF PREPARATION (Continued)

(a) Statement of Compliance (Continued)

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

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.

MFRS 16 Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowings rate.

The Directors anticipate that the application of MFRS 16 in the future may have an impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 16 until the Group and the Company perform a detailed review.

(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.

2. BASIS OF PREPARATION (Continued)

(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 and the Company anticipate 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 reporting 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.

The carrying amount of intangible assets at 31 March 2018 was RM8,969,365 (2017: RM9,894,278) and the annual amortisation charged for the financial year ended 31 March 2018 was RM924,913 (2017: RM924,913) 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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

2. BASIS OF PREPARATION (Continued)

(d) Significant Accounting Estimates and Judgements (Continued)

(vi) Impairment of loans and receivables

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of consolidation (Continued)

Consolidation (Continued)

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.

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.

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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

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 adjusted 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 and other income recognition

Revenue and other income are 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 and other income can be measured reliably. Revenue and other income are 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.

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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

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.

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, which comprise free warrants granted to shareholders.

(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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

(iii) Depreciation (Continued)

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%
Renovation	20%

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.

(j) Intangible assets

Goodwill

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.

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 first-in-first out ("FIFO") method, 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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

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) 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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

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	
	2018	2017	2018	2017
	RM	RM	RM	RM
Information and communications technologies ("ICT") services	8,881,786	20,639,937	-	-
Radio frequency identification ("RFID"), access control system and building automation system	6,202,741	7,555,929	-	-
Software solutions	5,740,556	10,178,710	-	-
	20,825,083	38,374,576	-	-

5. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging/(crediting): -

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Auditors' remuneration					
- statutory audit		110,000	110,000	35,000	35,000
- other services		5,000	8,000	5,000	8,000
Amortisation of:					
- development costs	9	749,913	749,913	-	-
- intellectual property	9	175,000	175,000	-	-
Deposits written off		10,000	8,395	-	-
Depreciation of property, plant and equipment	8	1,147,442	1,176,513	258,446	260,357
Directors' remuneration	(b)	1,330,052	1,391,917	233,928	238,394
Employee benefits expenses	(a)	7,824,767	8,969,544	443,238	447,621
Impairment loss on:					
- goodwill	9	3,692,677	1,517,406	-	-
- investment in subsidiaries	10	-	-	14,208,647	-
- trade receivables	13	444,241	227,868	-	-
- other receivables	14	-	4,225	-	-
Inventories written off	12	-	52,358	-	-
Interest expenses on:					
- bank overdrafts		220,735	217,414	170,364	133,489
- bank guarantee		-	49	-	49
- blanket contract financing line		-	44,207	-	44,207
- hire purchase payables		35,959	56,773	306	2,814
- term loans		90,407	95,273	90,407	95,273

Notes To The Financial Statements
– 31 March 2018
(Continued)

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

(Loss)/profit before tax is arrived at after charging/(crediting): -(Continued)

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Loss/(gain) on foreign exchange:					
- realised		276	(5,760)	-	-
- unrealised		11,004	(12,231)	-	-
Property, plant and equipment written off		-	59,865	-	-
Rental of premises		285,900	235,371	-	-
Rental of office equipment		5,610	3,030	-	-
Tax penalty		130,414	17,719	-	-
(Gain)/loss on disposal of property, plant and equipment		(32,397)	14,348	-	-
Interest income		(173,759)	(204,061)	(110,882)	(53,960)
Rental income		(123,601)	(86,400)	(159,601)	(122,400)
Reversal of impairment loss:					
- development costs	9	-	(1,438,943)	-	-
- investment in subsidiaries	10	-	-	-	(12,508,297)
Bad debts recovered		(18,900)	-	-	-

(a) Employee benefits expense

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Salaries, wages, allowances and bonuses	6,759,276	7,882,902	368,509	380,480
Contributions to defined contribution plan	753,640	885,731	44,010	44,194
Social security contributions	67,332	69,593	2,676	2,554
Other benefits	244,519	131,318	28,043	20,393
	7,824,767	8,969,544	443,238	447,621

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

(Loss)/profit before tax is arrived at after charging/(crediting): -(Continued)

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

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Directors of the Company				
Executive:				
Salaries, wages allowances and bonuses	180,000	180,000	180,000	180,000
Consultation fee	240,000	240,000	-	-
Contributions to defined contribution plan	21,600	21,600	21,600	21,600
Social security contributions	828	794	828	794
	442,428	442,394	202,428	202,394
Non-executive:				
Fees	31,500	36,000	31,500	36,000
	473,928	478,394	233,928	238,394
Directors of the subsidiaries				
Executive:				
Fees	150,000	180,000	-	-
Salaries, wages allowances and bonuses	628,400	653,600	-	-
Contributions to defined contribution plan	75,168	77,472	-	-
Social security contributions	2,556	2,451	-	-
	856,124	913,523	-	-
Total	1,330,052	1,391,917	233,928	238,394
Analysis excluding benefits-in-kind				
Total executive directors' remuneration	1,298,552	1,355,917	202,428	202,394
Total non-executive directors' remuneration	31,500	36,000	31,500	36,000
	1,330,052	1,391,917	233,928	238,394

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

	No. of Directors	
	2018	2017
Executive Directors:		
RM150,001 - RM200,000	1	1
RM200,001 - RM250,000	1	1
Non-Executive Directors:		
Below RM50,000	2	2

Notes To The Financial Statements

– 31 March 2018

(Continued)

6. TAX EXPENSE

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Income tax:				
Based on result for current year	10,523	673,146	-	-
Under-provision in prior financial years	337,512	18,549	4,110	30,181
	348,035	691,695	4,110	30,181
Deferred tax (Note 20):				
Origination and reversal of temporary differences	(110,841)	(70,377)	-	-
Under/(over)-provision in prior financial year	10,867	(31,794)	-	-
	(99,974)	(102,171)	-	-
Tax expense for the financial year	248,061	589,524	4,110	30,181

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

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
(Loss)/profit before tax	(7,845,494)	3,457,344	(16,424,949)	10,702,147
Tax at the Malaysian statutory income tax rate of 24%	(1,882,919)	829,763	(3,941,988)	2,568,515
Tax effect on share of results of associate	(971,201)	(1,843,111)	-	-
Expenses not deductible for tax purpose	1,686,865	877,859	333,661	175,145
Utilisation of previously unrecognised deferred tax assets	-	(352,859)	-	(2,743,660)
Deferred tax assets not recognised	1,066,937	1,091,117	3,608,327	-
Under/(over)-provision in prior financial year				
- current income tax	337,512	18,549	4,110	30,181
- deferred tax	10,867	(31,794)	-	-
Tax expense for the financial year	248,061	589,524	4,110	30,181

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 2008 and 2 July 2009 respectively.

The Group and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances respectively, available for set-off against future taxable profit as follows:

	Group		Company	
		Restated		Restated
	2018	2017	2018	2017
	RM	RM	RM	RM
Unutilised tax losses	15,220,210	11,177,943	819,178	-
Unabsorbed capital allowances	551,925	366,524	5,408	-
	15,772,135	11,544,467	824,586	-

The availability of the tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit.

7. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic

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

	Group	
	2018	2017
Basic (loss)/earnings per share		
(Loss)/profit after tax attributable to owners of the Company (RM)	(7,902,243)	2,831,363
Number of ordinary shares at beginning of the year	1,490,827,716	1,490,827,716
Effect of weighted average number of ordinary shares issued during the year	822,337,845	-
Weighted average number of ordinary shares in issue at end of financial year	2,313,165,561	1,490,827,716
Basic (loss)/earnings per share (sen)	(0.34)	0.19

(b) Diluted

The Group has no dilution in its earnings per ordinary share as the exercise price of the warrants have exceeded the average market price of ordinary shares during the financial year. 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							
2018							
Cost							
At 1 April 2017	4,608,783	359,022	232,544	3,760,598	2,587,394	343,804	11,892,145
Additions	-	19,836	2,055	36,149	-	18,868	76,908
Disposals	-	-	-	-	(243,925)	-	(243,925)
Written off	-	(163,717)	-	-	-	-	(163,717)
At 31 March 2018	4,608,783	215,141	234,599	3,796,747	2,343,469	362,672	11,561,411
Accumulated Depreciation							
At 1 April 2017	454,109	276,584	84,501	2,415,804	1,924,821	179,196	5,335,015
Charge for the financial year	230,440	25,590	18,620	583,719	243,797	45,276	1,147,442
Disposals	-	-	-	-	(230,822)	-	(230,822)
Written off	-	(163,717)	-	-	-	-	(163,717)
At 31 March 2018	684,549	138,457	103,121	2,999,523	1,937,796	224,472	6,087,918
Net Carrying Amount							
At 31 March 2018	3,924,234	76,684	131,478	797,224	405,673	138,200	5,473,493

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
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	Renovation RM	Total RM
Company							
2018							
Cost							
At 1 April 2017 / 31 March 2018	4,608,783	21,384	23,306	29,215	392,180	153,572	5,228,440
Accumulated Depreciation							
At 1 April 2017	454,109	13,938	23,305	18,782	392,179	71,156	973,469
Charge for the financial year	230,440	2,396	-	3,579	-	22,031	258,446
At 31 March 2018	684,549	16,334	23,305	22,361	392,179	93,187	1,231,915
Net Carrying Amount							
At 31 March 2018	3,924,234	5,050	1	6,854	1	60,385	3,996,525
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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Assets pledged as security

As at 31 March 2018, freehold office units of the Group and of the Company with total net carrying amount of RM2,536,664 (2017: RM2,685,880) 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 RM1,387,570 (2017: RM1,468,794) are pledged to financial institution for banking facilities granted to the associate.

(b) Acquisition of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM76,908 (2017: RM384,571) and RM Nil (2017: RM4,433) respectively, which are satisfied by the following:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Hire purchase arrangements	-	260,000	-	-
Cash payments	76,908	124,571	-	4,433
	76,908	384,571	-	4,433

(c) Assets held under hire purchase arrangements

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

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Motor vehicles	405,672	662,573	-	1

Notes To The Financial Statements

– 31 March 2018

(Continued)

9. INTANGIBLE ASSETS

	Goodwill on consolidation RM	Intellectual property RM	Development costs RM	Total RM
Group				
2018				
Cost				
At 1 April 2017 / 31 March 2018	30,751,282	3,500,000	15,460,180	49,711,462
Accumulated Amortisation				
At 1 April 2017	-	481,250	5,921,286	6,402,536
Charge for the financial year	-	175,000	749,913	924,913
At 31 March 2018	-	656,250	6,671,199	7,327,449
Accumulated Impairment Loss				
At 1 April 2017	18,874,620	-	2,663,366	21,537,986
Impairment loss for the financial year	3,692,677	-	-	3,692,677
At 31 March 2018	22,567,297	-	2,663,366	25,230,663
Net Carrying Amount				
At 31 March 2018	8,183,985	2,843,750	6,125,615	17,153,350
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

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 RM	CSS MSC RM	DDSB RM	EASS RM	EA MSC RM	Total RM
Group						
2018						
Goodwill	6,895,628	-	676,403	-	611,954	8,183,985
Intellectual property	2,843,750	-	-	-	-	2,843,750
Development costs	-	3,023,502	2,123,384	-	978,729	6,125,615
	9,739,378	3,023,502	2,799,787	-	1,590,683	17,153,350
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

Notes To The Financial Statements
– 31 March 2018
(Continued)

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 13.70% (2017: 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 projects 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 margins are assumed to be maintained over the budgeted period.

(iii) Pre-tax discount rate

Pre-tax discount rate of 13.7% (2017: 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 of the Company.

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, total impairment loss amounted to RM3,692,677 (2017: RM1,517,406) was recognised to write-down the carrying amounts of goodwill attributable to individual CGUs as follows:

	Group	
	2018	2017
	RM	RM
MTSB	3,061,396	-
CSS MSC	272,026	523,709
EASS	359,255	-
DDSB	-	993,697
	3,692,677	1,517,406

The impairment loss has been recognised in the statements of comprehensive income under the line item “impairment loss on goodwill”.

Reversal of impairment loss

In previous financial year, the Directors have reassessed its recoverable amount of its development costs and RM1,438,943 of the initially recognised impairment loss has been reversed accordingly.

10. INVESTMENT IN SUBSIDIARIES

	Company 2018 RM	Company 2017 RM
Unquoted shares, at cost		
At beginning/end of the financial year	71,381,000	71,381,000
Accumulated Impairment Loss		
At beginning of the financial year	35,133,764	47,642,061
Impairment loss for the financial year	14,208,647	-
Reversal of impairment loss	-	(12,508,297)
At end of the financial year	49,342,411	35,133,764
Net carrying amount		
At end of the financial year	22,038,589	36,247,236

The details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Principal Activities	Effective Equity Interest 2018 %	Effective Equity Interest 2017 %
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	Hardware system integration, mechanical and engineering services	100	100

Notes To The Financial Statements
– 31 March 2018
(Continued)

10. INVESTMENT IN SUBSIDIARIES (Continued)

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

	2018	2017
DDSB (M) Sdn. Bhd.		
NCI percentage of ownership interest and voting interest	14.00%	14.00%
Carrying amount of NCI (RM)	49,248	240,560
(Loss)/profit allocated to NCI (RM)	(191,312)	36,457

(b) 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: -

	2018 RM	2017 RM
DDSB (M) Sdn. Bhd.		
Assets and liabilities		
Non-current assets	2,156,947	2,436,233
Current assets	5,214,382	5,958,112
Non-current liabilities	(38,639)	(133,019)
Current liabilities	(6,980,906)	(6,543,038)
Net assets	351,784	1,718,288
Results		
Revenue	2,097,000	2,347,108
(Loss)/profit for the financial year	(1,366,504)	260,416
Total comprehensive income	(1,366,504)	260,416
Cash flows		
Cash flows (used in)/from operating activities	(1,945,654)	262,258
Cash flows from investing activities	25,664	110,687
Cash flows from/(used in) financing activities	864,670	(5,084,149)
	(1,055,320)	(4,711,204)

11. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unquoted shares, at cost				
At beginning/end of the financial year	47,040,000	47,040,000	47,040,000	47,040,000
Add: Share of post-acquisition results				
At beginning of the financial year	10,158,429	2,478,798	-	-
Add: Additions	4,046,669	7,679,631	-	-
At end of the financial year	14,205,098	10,158,429	-	-
	61,245,098	57,198,429	47,040,000	47,040,000

11. INVESTMENT IN AN ASSOCIATE (Continued)

(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 Associate	Country of Incorporation	Principal Activities	Proportion of Ownership Interest 2018	Proportion of Ownership Interest 2017
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 26.

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

	2018 RM	2017 RM
Assets and liabilities		
Non-current assets	1,748,556	1,667,332
Current assets	152,601,787	108,643,872
Non-current liabilities	(1,930,333)	(1,610,212)
Current liabilities	(63,152,066)	(39,666,394)
Net assets	89,267,944	69,034,598
Results		
Revenue	61,710,078	119,444,747
Profit for the financial year	20,233,346	39,719,821
Total comprehensive income	20,233,346	39,719,821
Cash flows		
Cash flows (used in)/from operating activities	919,214	(5,735,945)
Cash flows used in investing activities	(100,691)	(101,927)
Cash flows from/(used in) financing activities	(351,444)	775,957
	467,079	(5,061,915)

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

	Group 2018 RM	Group 2017 RM
Group's share of net assets	17,853,588	13,806,919
Goodwill	43,391,510	43,391,510
Carrying amount in the statements of financial position	61,245,098	57,198,429
Group's share of results, net of tax	4,046,669	7,679,631

Notes To The Financial Statements
– 31 March 2018
(Continued)

12. INVENTORIES

	Group 2018 RM	Group 2017 RM
At cost		
Inventories	437,535	393,502

The Group recognised inventories as cost of sales amounted to RM4,087,361 (2017: RM6,147,703).

The Group has written off inventories of RM Nil (2017: RM53,258) which was recognised as an expense in the line item "changes in inventories of trading merchandise".

13. TRADE RECEIVABLES

	Group 2018 RM	Group 2017 RM
Accrued billings	229,420	-
Trade receivables, gross	32,453,983	32,569,717
	32,683,403	32,569,717
Less: Allowance for impairment loss		
At beginning of the financial year	(227,868)	-
Addition	(444,241)	(227,868)
Written off	165,658	-
At end of the financial year	(506,451)	(227,868)
Trade receivables, net	32,176,952	32,341,849

The normal trade credit terms extended to customers range from 30 to 60 days (2017: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.

14. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Other receivables, gross	6,217,671	418,597	5,960,404	87,429
Less: Allowance for impairment loss				
At beginning of the financial year	(169,597)	(165,372)	-	-
Addition	-	(4,225)	-	-
Written off	169,597	-	-	-
At end of the financial year	-	(169,597)	-	-
Other receivables, net	6,217,671	249,000	5,960,404	87,429
Deposits, net	9,125,735	1,405,183	7,916,967	97,617
Advance payment	2,905,051	-	-	-
Other receivables, deposits and prepayment, net	18,248,457	1,654,183	13,877,371	185,046

15. AMOUNTS OWING BY SUBSIDIARIES AND AN ASSOCIATE

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

16. FIXED DEPOSITS PLACED WITH LICENSED BANKS

The effective interest rates of the fixed deposits placed with licensed banks range from 2.50% to 3.35% (2017: 2.55% to 3.35%) per annum. The short-term deposit has maturity periods ranging from 1 month to 12 months (2017: 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 RM4,150,322 and RM1,997,127 (2017: RM3,753,110 and RM1,933,861) respectively, which have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 19.

17. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2018	2017	2018	2017
	Units	Units	RM	RM
Issued and fully paid:				
At beginning of the financial year	1,490,827,716	1,490,827,716	149,083,389	149,082,772
Issued during the year	1,987,770,288	-	39,755,406	-
Capital reduction	-	-	(44,615,533)	-
Transfer to warrants reserve (Note 18(b))	-	-	(9,938,851)	-
Transfer from share premium (Note 18(a))	-	-	-	617
At end of the financial year	3,478,598,004	1,490,827,716	134,284,411	149,083,389

(a) "No Par Value" Regime

In accordance with the transitional provision of the Companies Act, 2016 ("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. The transfer from share premium has been done in previous financial year.

(b) Ordinary Shares

During the financial year, the Company has completed a capital reduction exercise via the reduction and cancellation of the share capital of EAH which is lost or unrepresented by available assets to the extent of RM44,615,533 as at 31 March 2017 pursuant to Section 115(a) and Section 116 of the Companies Act, 2016. On 12 September 2017, the issued and paid-up share capital of the Company was reduced from RM149,083,389 to RM104,467,856.

Thereafter by applying an amount equal to RM44,615,533, being the credit arising from the cancellation of the share capital of the Company, towards writing-off of the accumulated losses. The excess credit after offsetting the accumulated losses of the Company is credited to a capital reserve account of the Company which shall be applied towards setting off future losses of the Company. The capital reserve is non-distributable without confirmation of the High Court of Malaya.

Notes To The Financial Statements
– 31 March 2018
(Continued)

17. SHARE CAPITAL (Continued)

(b) Ordinary Shares (Continued)

Subsequent to the capital reduction, the capital reserve of RM12,125,668 has been fully set-off with the losses incurred during the financial year.

On 1 November 2017, the Company has increased its paid-up share capital from RM104,467,856 to RM144,223,262 via issuance and subscription of 1,987,770,288 Rights shares together with 993,885,016 free Warrants D at an issue price of RM0.02 per Rights share, 85,451,758 additional Warrants B and 147,961,232 additional Warrants C. The theoretical fair value for the 993,885,016 Warrants D at RM0.01 per Warrant D was recognised as a discount of issuance, by which the share capital decreased from RM144,223,262 to RM134,284,411. This has created a warrant reserve of RM9,938,851 correspondently (Note 18).

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.

(c) Detachable Warrants

(i) 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 warrant entitles the holder of the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.18 per warrant. Subsequently, the exercise price of the warrant was adjusted from RM0.18 to RM0.14 and additional 28,293,156 warrants were issued arising from the adjustments pursuant to the rights issue exercise.

In 2016, 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.

During the financial year, the exercise price of the warrant was further adjusted from RM0.12 to RM0.09 and additional 85,451,758 warrants were issued arising from the adjustments pursuant to the right issue exercise as disclosed in Note 17(b).

The movement in this warrant is as follows:

	Group and Company	
	2018 Units	2017 Units
Balance as at beginning of the financial year	147,332,186	147,332,186
Adjustment pursuant to right issue	85,451,758	-
Balance as at end of the financial year	232,783,944	147,332,186

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 RM0.09 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.

17. SHARE CAPITAL (Continued)

(c) Detachable Warrants (Continued)

(ii) 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 2016, 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.

During the financial year, the exercise price of the warrant was further adjusted from RM0.10 to RM0.07 and additional 147,961,232 warrants were issued arising from the adjustments pursuant to the right issue exercise as disclosed in Note 17(b).

The movement in this warrant is as follows:

	Group and Company	
	2018 Units	2017 Units
Balance as at beginning of the financial year	255,105,900	255,105,900
Adjustment pursuant to right issue	147,961,232	-
Balance as at end of the financial year	403,067,132	255,105,900

The salient features of the warrants are as follows:

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

(2) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share at an exercise price of RM0.07 per ordinary share;

(3) The exercise price and the number of warrants is 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 entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mention in item (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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

17. SHARE CAPITAL (Continued)

(c) Detachable Warrants (Continued)

(iii) Warrants D 2017/2022

During the financial year, the Company issued 993,885,016 free detachable warrants pursuant to the rights issue with warrants on the basis of two (2) free warrants for every four (4) rights shares subscribed for. Each warrant entitles the holder of the right to subscribe for one (1) new ordinary share each in the Company at an exercise price of RM0.05 per warrant.

The movement in this warrant is as follows:

	Group and Company	
	2018	2017
	Units	Units
Balance as at beginning of the financial year	-	-
Additions	993,885,016	-
Balance as at end of the financial year	993,885,016	-

The salient features of the warrants are as follows:

(1) The issue date of the warrants is 1 November 2017 and the expiry date are 25 October 2022. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;

(2) Each warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.05 per ordinary share;

(3) 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;

(4) The exercise price and the number of warrants is 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;

(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	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Non-distributable reserve:					
Share premium	(a)	-	-	-	-
Warrants reserve	(b)	19,441,546	9,502,695	19,441,546	9,502,695
		19,441,546	9,502,695	19,441,546	9,502,695
Other reserve	(c)	(13,737,745)	(13,737,745)	-	-
Distributable reserve:					
Retained earnings/(Accumulated losses)		23,086,769	(12,472,099)	(5,457,813)	(32,489,865)
		28,790,570	(16,707,149)	13,983,733	(22,987,170)

18. RESERVES (Continued)

(a) Share premium

	Group and Company	
	2018	2017
	RM	RM
At beginning of the financial year	-	617
Transfer to share capital (Note 17(a))	-	(617)
At end of the financial year	-	-

This reserve comprises the premium paid on subscription of shares in the Company over and above the par values of the shares. All of the share premium has been transferred to the share capital in previous financial year.

(b) Warrants reserve

	Group and Company	
	2018	2017
	RM	RM
At beginning of the financial year	9,502,695	9,502,695
Transfer from share capital (Note 17(a))	9,938,851	-
At end of the financial year	19,441,546	9,502,695

This reserve comprises the recognition of fair value of the Company warrants arising from the additional share issuance attached with warrants. The increase was mainly due to recognition of fair value of Warrant D during the financial year.

(c) 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 Group.

19. BORROWINGS

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Non-current					
Hire purchase payables	(a)	407,334	612,507	-	-
Term loans	(b)	1,722,633	1,840,269	1,722,633	1,840,269
		2,129,967	2,452,776	1,722,633	1,840,269
Current					
Hire purchase payables	(a)	185,381	246,526	-	23,011
Term loans	(b)	117,007	111,644	117,007	111,644
Bank overdrafts	(c)	1,391,533	1,568,812	1,094,621	1,568,812
Blanket contract financing line	(d)	-	896,042	-	896,042
		1,693,921	2,823,024	1,211,628	2,599,509
Total borrowings		3,823,888	5,275,800	2,934,261	4,439,778

Notes To The Financial Statements

– 31 March 2018

(Continued)

19. BORROWINGS (Continued)

Maturity profile of borrowings:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
On demand or within 1 year	1,693,921	2,823,024	1,211,628	2,599,509
More than 1 year and less than 2 years	277,981	322,179	122,626	117,007
More than 2 years and less than 5 years	641,737	732,533	404,360	385,829
More than 5 years	1,210,249	1,398,064	1,195,647	1,337,433
	3,823,888	5,275,800	2,934,261	4,439,778

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

	Group		Company	
	2018	2017	2018	2017
	%	%	%	%
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	8.35	8.35
Hire purchase payables	4.98 - 6.10	4.98 - 6.10	6.01	6.01
Term loans	4.70	4.70	4.70	4.70

(a) Hire purchase payables

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

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Minimum hire purchase payments:				
Within 1 year	210,384	283,597	-	23,317
More than 1 year and less than 2 years	171,129	230,524	-	-
More than 2 years and less than 5 years	253,470	376,823	-	-
More than 5 years	14,740	62,516	-	-
	649,723	953,460	-	23,317
Less: Future finance charges	(57,008)	(94,427)	-	(306)
Present value of hire purchase payables	592,715	859,033	-	23,011
Present value of hire purchase payables:				
Within 1 year	185,381	246,526	-	23,011
More than 1 year and less than 2 years	155,355	205,172	-	-
More than 2 years and less than 5 years	237,377	346,704	-	-
More than 5 years	14,602	60,631	-	-
	592,715	859,033	-	23,011
Representing:				
Current portion	185,381	246,526	-	23,011
Non-current portion	407,334	612,507	-	-
	592,715	859,033	-	23,011

19. BORROWINGS (Continued)

(b) Term loans

	Group and Company 2018 RM	Group and Company 2017 RM
Current liabilities		
Due in 1 year or less	117,007	111,644
Non-current liabilities		
More than 1 year and less than 2 years	122,626	117,007
More than 2 years and less than 5 years	404,360	385,829
More than 5 years	1,195,647	1,337,433
	1,722,633	1,840,269
	1,839,640	1,951,913

Term loans are secured as follows:

(i) Freehold buildings with a total carrying amount of RM2,536,664 (2017: RM2,685,880) 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 RM2,536,664 (2017: RM2,685,880) 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;

(iv) A fresh guarantee of RM8,500,000 jointly by Director of the Company; and

(v) Corporate Guarantee by the Company to one of its subsidiaries.

(d) Blanket contract financing line (“BCFL”)

BCFL is secured as follows:

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

(ii) A fresh guarantee of RM7,000,000 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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

20. DEFERRED TAX LIABILITIES

	Group 2018 RM	Group 2017 RM
At beginning of the financial year	137,142	239,313
Recognised in profit or loss (Note 6)	(99,974)	(102,171)
At end of the financial year	37,168	137,142

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 2017	(40,025)	(20,920)	(41,055)	(102,000)
Recognised in profit or loss	39,122	(3,856)	(2,022)	33,244
At 31 March 2018	(903)	(24,776)	(43,077)	(68,756)
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)

	Property, plant and equipment RM
Deferred tax liabilities	
At 1 April 2017	239,142
Recognised in profit or loss	(133,218)
At 31 March 2018	105,924
At 1 April 2016	367,981
Recognised in profit or loss	(128,839)
At 31 March 2017	239,142

	Unabsorbed capital allowance RM	Others RM	Property, plant and equipment RM	Total RM
Company				
Deferred tax liabilities/assets				
At 1 April 2017	(1,071)	-	1,071	-
Recognised in profit or loss	920	(1,072)	152	-
At 31 March 2018	(151)	(1,072)	1,223	-
At 1 April 2016	(605)	-	605	-
Recognised in profit or loss	(466)	-	466	-
At 31 March 2017	(1,071)	-	1,071	-

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
	2018	2017	2018	2017
	RM	RM	RM	RM
Unutilised tax losses	15,116,977	11,177,942	819,178	-
Unabsorbed capital allowances	548,161	271,299	4,779	-
Other deductible temporary differences	2,995,128	2,765,453	49,342,740	35,132,000
	18,660,266	14,214,694	50,166,697	35,132,000

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

	Group	
	2018	2017
	RM	RM
Third parties	1,391,188	660,584
Deferred revenue	504,895	270,162
	1,896,083	930,746

The normal trade credit terms granted to the Group and to the Company range from 30 to 90 days (2017: 30 to 90 days).

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Other payables	950,662	1,273,935	403,060	84,179
Accruals	430,699	538,786	57,925	79,393
Deposits received	19,200	-	19,200	-
	1,400,561	1,812,721	480,185	163,572

23. AMOUNTS OWING TO DIRECTORS

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

Notes To The Financial Statements
– 31 March 2018
(Continued)

24. 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	
	2018 RM	2017 RM	2018 RM	2017 RM
Transactions with subsidiaries:				
Rental income	-	-	(38,160)	(38,160)
Repayment from	-	-	2,284,503	7,911,387
Advances to	-	-	(4,017,227)	(1,136,559)
Transactions with associate:				
Repayment from	-	3,204,203	-	1,885,000
Advances to	(6,212,827)	-	(5,840,053)	(640,797)
Transactions with Directors:				
(Repayment to)/advances from	(70,000)	92,228	(70,000)	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	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors:				
- Fees	181,500	216,000	31,500	36,000
- Salary and wages	808,400	833,600	180,000	180,000
- Consultation fee	240,000	240,000	-	-
- Contributions to defined contribution plan	96,768	99,072	21,600	21,600
- Social security contributions	3,384	3,245	828	794
	1,330,052	1,391,917	233,928	238,394

25. CAPITAL AND OTHER COMMITMENTS

Non-cancellable operating lease commitment – Group as lessee

	Group	
	2018 RM	2017 RM
Future minimum rental:		
Not more than 1 year	211,102	218,478
More than 1 year but not more than 2 years	23,700	132,402
	234,802	350,880

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

26. CONTINGENT LIABILITIES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Secured				
Corporate guarantee given to subsidiaries for banking facilities granted	-	-	296,912	-
Corporate guarantee given to associate for banking facilities granted	2,174,338	2,552,162	2,174,338	2,552,162

27. 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 — Hardware system integration, mechanical and engineering services

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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

27. SEGMENT INFORMATION (Continued)

(a) Reporting format (Continued)

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.

27. SEGMENT INFORMATION (Continued)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2018							
Revenue							
External sales		8,881,786	5,740,556	6,202,741	-	-	20,825,083
Inter-segment sales	A	-	40,000	-	-	(40,000)	-
Total revenue		8,881,786	5,780,556	6,202,741	-		20,825,083
Results							
Amortisation of:							
- development costs		-	599,339	150,574	-	-	749,913
- intellectual property		-	175,000	-	-	-	175,000
Depreciation of property, plant and equipment		183,583	650,929	54,484	258,446		1,147,442
Impairment loss on:							
- goodwill		-	-	-	-	3,692,677	3,692,677
- investment in subsidiaries		-	-	-	16,647,011	(16,647,011)	-
- trade receivables		82,000	287,163	75,078	-	-	444,241
Deposit written off		10,000	-	-	-	-	10,000
Gain on disposal of property, plant and equipment		-	(32,397)	-	-	-	(32,397)
Bad debts recovered		-	-	(18,900)	-	-	(18,900)
Interest income		(52,918)	(234)	(9,725)	(110,882)	-	(173,759)

27. SEGMENT INFORMATION (Continued)

	Note	ICT consultancy RM	Software solution RM	RFID system RM	Investment holding RM	Elimination RM	Total RM
2018 (Continued)							
Segment results		(60,487)	(4,115,339)	(1,715,433)	(18,608,137)	12,954,334	(11,545,062)
Interest expenses		(77,454)	(8,570)	-	(261,077)	-	(347,101)
Share of associate's results		-	-	-	-	4,046,669	4,046,669
Loss before tax		(137,941)	(4,123,909)	(1,715,433)	(18,869,214)		(7,845,494)
Tax (expenses)/income		(290,870)	44,110	2,809	(4,110)	-	(248,061)
Loss for the financial year		(428,811)	(4,079,799)	(1,712,624)	(18,873,324)		(8,093,555)
Segment assets							
Investment in associate		-	-	-	47,040,000	14,205,098	61,245,098
Other segment assets		27,749,108	34,434,965	12,075,352	110,194,869	(74,759,749)	109,694,545
Total assets	B	27,749,108	34,434,965	12,075,352	157,234,869		170,939,643
Segment liabilities	C	23,995,739	20,922,883	11,177,972	6,401,325	(55,343,509)	7,154,410
Other information							
Additions to non-current assets excluding deferred tax assets and financial assets	D	30,799	19,836	26,273	-	-	76,908

27. 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)

27. 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
Profit/(loss) 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

27. 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:

	2018 RM	2017 RM
Investment in associate	14,205,098	10,158,429
Inter-segment assets	(74,759,749)	(85,436,914)
	(60,554,651)	(75,278,485)

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

	2018 RM	2017 RM
Inter-segment liabilities	(55,343,509)	(53,066,340)

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

	2018 RM	2017 RM
Property, plant and equipment	76,908	384,571

Geographical information

All of the segments are operated within Malaysia.

Major customer information

The Group has 4 customers which contribute approximately RM10.5 million or 51% (2017: 3 customers, RM24 million or 63%) of the Group's revenue during the financial year.

28. 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 at amortised cost 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 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.

Notes To The Financial Statements
– 31 March 2018
(Continued)

28. 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 2018, the Group has significant concentration of credit risk arising from the amounts owing from 4 customers (2017: 4 customers) constituting 71% (2017: 74%) 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.

28. 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			
2018			
Neither past due nor impaired	3,755,267	-	3,755,267
Past due but not impaired:			
31 days to 60 days	214,953	-	214,953
61 days to 90 days	487,422	-	487,422
More than 90 days	27,489,890	-	27,489,890
	28,192,265	-	28,192,265
Impaired	506,451	(506,451)	-
	32,453,983	(506,451)	31,947,532
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

Notes To The Financial Statements
– 31 March 2018
(Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(a) Credit risk (Continued)

Receivables (Continued)

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 RM28,192,265 (2017: RM25,084,296) 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.

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:

	2018 RM	2017 RM
Group		
At beginning of the financial year	227,868	-
Charge for the financial year	444,241	227,868
Written off during the financial year	(165,658)	-
At end of the financial year	506,451	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:

	2018 RM	2017 RM
Group		
At beginning of the financial year	169,597	165,372
Charge for the financial year	-	4,225
Written off during the financial year	(169,597)	-
At end of the financial year	-	169,597

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.

28. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(a) Credit risk (Continued)

Receivables (Continued)

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 of the Group and of the Company amounts to RM2,174,338 (2017: RM2,552,162) and RM296,912 (2017: RM Nil) representing the outstanding banking facilities of the associate and subsidiaries 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.

(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 significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Floating rate instruments				
Financial assets	4,150,322	3,753,110	1,997,127	1,933,861
Financial liabilities	(3,231,173)	(4,416,767)	(2,934,261)	(4,416,767)
Net financial assets/(liabilities)	919,149	(663,657)	(937,134)	(2,482,906)

Notes To The Financial Statements
– 31 March 2018
(Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(b) Interest Rate Risk (Continued)

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	
	2018	2017	2018	2017
	RM	RM	RM	RM
Effect on profit after tax				
Increase of 10 basis points	699	(504)	(712)	(1,887)
Decrease of 10 basis points	(699)	504	712	1,887
Effect on equity				
Increase of 10 basis points	699	(504)	(712)	(1,887)
Decrease of 10 basis points	(699)	504	712	1,887

(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	
	2018	2017
	RM	RM
United States Dollar ("USD")		
Cash at bank	292	121,254

Sensitivity analysis for foreign currency risk

The followings table demonstrates the sensitivity of the Group's (loss)/profit 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 Loss net of tax	
		2018	2017
		RM	RM
USD/RM	- strengthened 10% (2017: 10%)	(22)	(9,215)
	- weakened 10% (2017: 10%)	22	9,215

28. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(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.

<u>Analysis of financial instruments by remaining contractual maturities</u>

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
2018						
Group						
Financial liabilities:						
Trade payables	1,896,083	1,896,083	-	-	-	1,896,083
Other payables and accruals	1,400,561	1,400,561	-	-	-	1,400,561
Amount owing to Director	33,878	33,878	-	-	-	33,878
Term loans	1,839,640	200,667	200,667	602,001	1,396,581	2,399,916
Hire purchase payables	592,715	210,384	171,129	253,470	14,740	649,723
Bank overdrafts	1,391,533	1,507,726	-	-	-	1,507,726
	7,154,410	5,249,299	371,796	855,471	1,411,321	7,887,887
Company						
Financial liabilities:						
Other payables and accruals	480,185	480,185	-	-	-	480,185
Amount owing to Director	3,728	3,728	-	-	-	3,728
Term loans	1,839,640	200,667	200,667	602,001	1,396,581	2,399,916
Bank overdrafts	1,094,621	1,186,022	-	-	-	1,186,022
	3,418,174	1,870,602	200,667	602,001	1,396,581	4,069,851

28. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(d) Liquidity Risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	Carrying Amount RM	<---- Contractual Cash Flows ---- 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
Blanket contract financing line	896,042	970,862	-	-	-	970,862
Bank overdrafts	1,568,812	1,699,808	-	-	-	1,699,808
	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. 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 amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM
2018					
Group					
Financial liabilities					
Hire purchase payables (non-current)	-	-	386,639	386,639	407,334
2017					
Group					
Financial liabilities					
Hire purchase payables (non-current)	-	-	560,922	560,922	612,507

30. 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 ended 31 March 2018 and 31 March 2017.

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 2018 and 31 March 2017, which are within the Group's objectives of capital management are as follows:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Borrowings	3,823,888	5,275,800	2,934,261	4,439,778
Trade and other payables	3,296,644	2,743,467	480,185	163,572
Less: Cash and bank balances	(28,645,069)	(20,849,022)	(24,628,463)	(10,549,411)
Net debts	(21,524,537)	(12,829,755)	(21,214,017)	(5,946,061)
Equity attributable to the Owners of the Company, representing total capital	163,074,981	132,376,240	148,268,144	126,096,219
Capital and net debts	141,550,444	119,546,485	127,054,127	120,150,158
Gearing ratio	*	*	*	*

* Not meaningful

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

i) A capital reduction exercise via the reduction and cancellation of the share capital of the Company which is lost on unrepresented by available assets to the extent of RM44,615,533 as at 31 March 2017 pursuant to Section 115(a) and Section 116 of the Companies Act, 2016. Thereafter by applying an amount equal to RM44,615,533, being the credit arising from the cancellation of the share capital of the Company, towards writing-off of the accumulated losses. The excess credit after offsetting the accumulated losses of the Company is credited to a capital reserve account of the Company which shall be applied towards setting off future losses of the Company. The capital reserve is non-distributable without confirmation of the High Court of Malaya.

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 share for every three (3) existing Company's share 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.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Continued)

On 12 September 2017, the capital reduction exercise has been completed and the issued and paid-up share capital of the Company was reduced from RM149,083,389 to RM104,467,856 (Note 17(b)).

On 1 November 2017, the Company has increased its paid-up share capital from RM104,467,856 to RM144,223,262 via issuance and subscription of 1,987,770,288 Rights shares together with 993,885,016 free Warrants D at an issue price of RM0.02 per Rights share. The theoretical fair value for the 993,885,016 Warrants D at RM0.01 per Warrant D was recognised as a discount of issuance, by which the share capital decreased from RM144,223,262 to RM134,284,411. This has created a warrant reserve of RM9,938,851 correspondently (Note 18).

On 14 December 2017, the Group initiated a proposed acquisition of 90% equity interest of Sunland Volonte Agency Sdn. Bhd. ("Sunland"), comprising 225,000 ordinary shares of Sunland from Dato' Cheong Soo Han, Law Kum Wah, Chong Nyet Fan and Goh Swee Sim (collectively referred to as "Vendors") for a purchase consideration of RM78,750,000 to be satisfied via a combination of cash payment of RM15,000,000 and the issuance and allotment of 1,593,750,000 new ordinary shares of EAH at the issue price of RM0.04 per EAH share amounting to RM63,750,000, together with bonus issue of up to 1,596,354,405 Warrants in the Company ("Warrant E") on the basis of five (5) free Warrants E for every 16 existing ordinary shares of the Company at an entitlement date to be determined later.

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

Following to the proposed acquisition on 14 December 2017 (Note 31), the Company had on 3 April 2018 announced to Bursa Malaysia Securities Berhad that has resolved to approve the following subject to the approval from shareholders of the Company: -

(i) To fix the exercise price of Warrants E at RM0.035 each. The exercise price per Warrant E represents a discount of approximately 1.71% to the theoretical ex-all price of the Company shares of RM0.03561, calculated based on the 5-day weighted average market price of the Company as traded on Bursa Malaysia Securities Berhad up to and including 2 April 2018 of RM0.03580 per share, on the basis of five (5) free Warrants E for every 16 existing ordinary shares of the Company.

On 27 April 2018, the Company announced to Bursa Malaysia Securities Berhad upon the completion of the following after obtained approval from shareholders of the Company: -

(i) Listing of: -

  (i) Up to 1,593,750,000 new ordinary shares of the Company issued pursuant to the completion of acquisition of 90% equity interest in Sunland Volonte Agency Sdn. Bhd. ("Sunland") for a purchase consideration of RM78,750,000 to be satisfied via a combination of cash payment of RM15,000,000 and the issuance and allotment of 1,593,750,000 new ordinary shares of the Company at an issue price of RM0.04 per share amounting to RM63,750,000. Consequent thereon, Sunland became the subsidiary of the Company.

  (ii) Up to 1,087,061,194 units of Warrants E of the Company issued pursuant to the bonus issue of Warrant E.

33. COMPARATIVE FIGURES

The comparative figures are reclassified to conform with the current year's presentation: -

	As previously reported RM	As reclassified RM
2017		
Group		
Statements of Comprehensive Income		
Purchases and other direct costs	(26,229,718)	(26,229,418)
Employee benefits expense	(9,441,244)	(8,969,544)
Impairment loss on trade receivables	-	(227,868)
Other expenses	(2,776,153)	(3,020,285)
	(38,447,115)	(38,447,115)

List of Properties

TITLE / LOCATION	DESCRIPTION / EXISTING USE	REGISTERED OWNER	AGE OF BUILDINGS (Years)	BUILT-UP AREA (Sq feet)	TENURE	CARRYING AMOUNT @ 31.03.18 (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	4 years	3,148	Freehold	1,387,570	1,624,472
No. 22-3A Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	4 years	1,579	Freehold	644,650	758,412
No. 22-5 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	4 years	1,579	Freehold	651,430	766,389
No. 28-2 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Office Use	EA Holdings Bhd	4 years	1,504	Freehold	620,292	729,755
No. 29-2 Oval Damansara No. 685, Jalan Damansara 60000 Kuala Lumpur	Office Unit/ Tenanted	EA Holdings Bhd	4 years	1,504	Freehold	620,292	729,755
						3,924,235	4,608,783

Analysis Of Shareholdings
As At 2 July 2018

Share Capital	
Total number of issued shares	**5,072,348,004**
Class of shares	Ordinary Shares
Voting Rights	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

	No. of holders	%	No. of shares	%
Less than 100	139	2.2	6,428	0.0
100 - 1,000	134	2.1	59,267	0.0
1,001 - 10,000	468	7.4	2,886,295	0.1
10,001 - 100,000	2,786	44.3	136,567,746	2.7
100,001 and below 5%	2,767	43.9	3,608,718,067	71.1
5% and above	2	0.0	1,324,110,201	26.1
TOTAL	**6,296**	**100.0**	**5,072,348,004**	**100.0**

SUBSTANTIAL SHAREHOLDER

	Direct Interest		Deemed Interest	
Name	No. of shares	%	No. of shares	%
Cheong Soo Han	1,062,500,001	20.9%	-	-
Chong Mui Fun	696,241,700	13.7%	-	-
Mohammad Sobri bin Saad	426,916,100	8.4%	-	-

DIRECTORS' SHAREHOLDING

	Direct Interest		Deemed Interest	
Name	No. of shares	%	No. of shares	%
Mohammad Sobri bin Saad	426,916,100	8.4%	-	-
Basir bin Bachik	492,000	0.0%	-	-
Leou Thiam Lai	-	-	-	-
Abdul Fattah bin Mohamed Yatim	18	0.0%	-	-
Dato' Azahar bin Rasul	-	-	-	-

Analysis Of Shareholdings

As At 2 July 2018 (Continued)

LIST OF 30 LARGEST SHAREHOLDERS AS AT 2 JULY 2018

NO.	NAME	NO. OF SHARES	%
1	CHEONG SOO HAN	852,500,001	16.8%
2	CHONG MUI FUN	471,610,200	9.3%
3	MOHAMMAD SOBRI BIN SAAD	243,333,300	4.8%
4	CHONG MUI FUN	224,631,500	4.4%
5	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD	210,000,000	4.1%
	UOB KAY HIAN SECURITIES (M) SDN BHD FOR CHEONG SOO HAN (EAH)		
6	RHB NOMINEES (TEMPATAN) SDN BHD	183,582,800	3.6%
	PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD		
7	CHONG NYET FAN	142,083,333	2.8%
8	GOH SWEE SIM	142,083,333	2.8%
9	KENANGA NOMINEES (TEMPATAN) SDN BHD	142,083,333	2.8%
	LAW KUM WAH		
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD	55,000,000	1.1%
	PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)		
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD	51,614,000	1.0%
	PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG (BTINGGI-CL)		
12	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD	35,000,000	0.7%
	UOB KAY HIAN SECURITIES (M) SDN BHD FOR GOH SWEE SIM (EAH)		
13	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD	35,000,000	0.7%
	UOB KAY HIAN SECURITIES (M) SDN BHD FOR LAW KUM WAH (EAH)		
14	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD	35,000,000	0.7%
	UOB KAY HIAN SECURITIES (M) SDN BHD FOR CHONG NYET FAN (EAH)		
15	JAGGA RAO A/L MALLA NAIDU	29,833,520	0.6%
16	KONG SIEW MEE	26,779,200	0.5%
17	SIM MUI KHEE	26,495,100	0.5%
18	LOW BOON NGEE	23,100,000	0.5%
19	CIMSEC NOMINEES (TEMPATAN) SDN BHD	19,999,900	0.4%
	CIMB BANK FOR SEE JOVIN (MY2752)		
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD	19,805,400	0.4%
	LING KHENG		
21	YAP YOUNG SIONG	18,633,333	0.4%
22	KENANGA NOMINEES (TEMPATAN) SDN BHD	16,500,000	0.3%
	PLEDGED SECURITIES ACCOUNT FOR ONG KING SENG		
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	14,500,000	0.3%
	EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)		
24	ENG BOON CHONG	14,000,000	0.3%
25	SJ SEC NOMINEES (TEMPATAN) SDN BHD	14,000,000	0.3%
	PLEDGED SECURITIES ACCOUNT FOR LAU YAU YAN (SMT)		
26	GOH FUI FIN	13,533,000	0.3%
27	PANG SHIEW WAI	12,800,200	0.3%
28	TAN CHONG JEAN	12,299,900	0.2%
29	PER YA CHEN	12,100,000	0.2%
30	TEIN YUK YING	11,856,100	0.2%

Analysis Of Warrantholdings - Warrants B (2014/2019)

As At 2 July 2018

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

DISTRIBUTION OF WARRANTHOLDINGS

Name	No. of holders	%	No. of warrants	%
Less than 100	622	25.9	30,854	0.0
100 - 1,000	633	26.3	150,707	0.1
1,001 - 10,000	379	15.8	1,942,813	0.8
10,001 - 100,000	532	22.1	18,455,885	7.9
100,001 and below 5%	238	9.9	167,461,586	71.9
5% and above	2	0.1	44,742,099	19.2
TOTAL	**2,406**	**100.0**	**232,783,944**	**100.0**

DIRECTORS' WARRANTHOLDINGS

	Direct Interest		Deemed Interest	
Name	No. of warrants	%	No. of warrants	%
Mohammad Sobri bin Saad	27,289,331	11.7%	-	-
Basir bin Bachik	224,476	0.1%	-	-
Leou Thiam Lai	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	4	0.0%	-	-

Analysis Of Warrantholdings - Warrants B (2014/2019)

As At 2 July 2018 (Continued)

LIST OF 30 LARGEST WARRANT B HOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	27,289,331	11.7%
2	GAN CHOON HOCK	17,452,768	7.5%
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	8,607,050	3.7%
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	8,000,000	3.4%
5	LAM CHEE MENG	7,000,000	3.0%
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG (BTINGGI-CL)	6,320,000	2.7%
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW HOE THIAM	4,906,072	2.1%
8	TAN CHUN HOCK	4,632,900	2.0%
9	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR LEE TONG HUAT	4,604,900	2.0%
10	TAN TIAM YEE	4,215,700	1.8%
11	GOH CHIA PHERN	3,396,000	1.5%
12	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG POK SENG	3,259,702	1.4%
13	WOI PEI HOOI	3,000,000	1.3%
14	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ENG CHEW ONG (E-KLG/BTG)	2,607,632	1.1%
15	ANG YEW CHUAN	2,532,834	1.1%
16	NG SHING YU	2,370,000	1.0%
17	WONG PAK LOUN	2,180,007	0.9%
18	TAN KIAN MING	2,054,000	0.9%
19	SIM MUI KHEE	2,037,936	0.9%
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	2,012,900	0.9%
21	TEH SOH YONG	1,979,740	0.9%
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG WEN SHENG (E-KLG)	1,872,300	0.8%
23	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIAU CHZEE HAN (M)	1,672,480	0.7%
24	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU YIM PHENG (1011152)	1,632,820	0.7%
25	LIM KEAN YEW	1,580,000	0.7%
26	WOI PEI HOOI	1,500,000	0.6%
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHIA PHERN (E-BPJ)	1,400,000	0.6%
28	LEE AIK CHYE	1,357,997	0.6%
29	ONG TECK WAN	1,325,913	0.6%
30	CHEN KAH WING	1,316,000	0.6%

Analysis Of Warrantholdings For Warrants C (2014/2019)

As At 2 July 2018

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

DISTRIBUTION OF WARRANTHOLDINGS

Name	No. of holders	%	No. of warrants	%
Less than 100	184	14.1	13,740	0.0
100 - 1,000	44	3.4	15,918	0.0
1,001 - 10,000	170	13.0	1,059,697	0.3
10,001 - 100,000	528	40.5	23,894,792	5.9
100,001 and below 5%	375	28.8	268,454,074	66.6
5% and above	2	0.2	109,628,911	27.2
TOTAL	**1,303**	**100.0**	**403,067,132**	**100.0**

DIRECTORS' WARRANTHOLDINGS

	Direct Interest		Deemed Interest	
Name	No. of warrants	%	No. of warrants	%
Mohammad Sobri bin Saad	81,568,411	20.2%	-	-
Basir bin Bachik	-	-	-	-
Leou Thiam Lai	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	-	-	-	-

Analysis Of Warrantholdings For Warrants C (2014/2019)

As At 2 July 2018 (Continued)

LIST OF 30 LARGEST WARRANT C HOLDERS AS AT 2 JULY 2018

NO.	NAME	NO. OF WARRANTS	%
1	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	81,568,411	20.2%
2	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	28,060,500	7.0%
3	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU YIM PHENG (1011152)	14,558,076	3.6%
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE TONG HUAT (E-KPG)	8,700,000	2.2%
5	LAM CHEE MENG	7,500,000	1.9%
6	LIM NGE @ LIM CHOOI BENG	7,082,218	1.8%
7	SIM MUI KHEE	6,320,000	1.6%
8	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	5,900,002	1.5%
9	GOH CHIA PHERN	5,612,000	1.4%
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KIM CHOY	5,197,094	1.3%
11	LEE TONG TAI	4,998,600	1.2%
12	YAP KIN HOONG	4,740,000	1.2%
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ENG CHEW ONG (E-KLG/BTG)	4,210,068	1.0%
14	LIEW YOKE CHAN	3,927,090	1.0%
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	3,820,440	0.9%
16	TEH SOH YONG	3,758,300	0.9%
17	HO LEE FUNG	3,484,900	0.9%
18	JEE THAI HUI	3,412,800	0.8%
19	FOONG WAI CHEE	3,184,843	0.8%
20	POH PAI SOON	3,122,964	0.8%
21	WOI PEI HOOI	3,002,704	0.7%
22	TAN SWEE CHENG	3,001,368	0.7%
23	LAM MEI LING	3,000,000	0.7%
24	JAGGA RAO A/L MALLA NAIDU	2,742,595	0.7%
25	CHAN FOCK SENG @ SUJAMIN	2,654,400	0.7%
26	YAP KEH GUAN	2,600,000	0.6%
27	TAN CHUN HOCK	2,580,000	0.6%
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK (E-TAI/KKR)	2,500,000	0.6%
29	POO KOK KENG	2,388,960	0.6%
30	BEH SOCK IM	2,370,000	0.6%

Analysis Of Warrantholdings For Warrants D (2017/2022)
As At 2 July 2018

Type of Securities	Warrants 2017/2022
Voting Rights	One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS

Name	No. of holders	%	No. of warrants	%
Less than 100	87	3.5	4,012	0.0
100 - 1,000	36	1.5	19,878	0.0
1,001 - 10,000	250	10.1	1,562,810	0.2
10,001 - 100,000	1,272	51.5	56,086,385	5.6
100,001 and below 5%	820	33.2	599,933,126	60.4
5% and above	4	0.2	336,278,805	33.8
TOTAL	**2,469**	**100.0**	**993,885,016**	**100.0**

DIRECTORS' WARRANTHOLDINGS

	Direct Interest		Deemed Interest	
Name	No. of warrants	%	No. of warrants	%
Mohammad Sobri bin Saad	125,931,575	12.7%	-	-
Basir bin Bachik	-	-	-	-
Leou Thiam Lai	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	-	-	-	-

Analysis Of Warrantholdings For Warrants D (2017/2022)

As At 2 July 2018 (Continued)

LIST OF 30 LARGEST WARRANT D HOLDERS AS AT 2 JULY 2018

NO.	NAME	NO. OF WARRANTS	%
1	CHONG MUI FUN	139,031,480	14.0%
2	MOHAMMAD SOBRI BIN SAAD	71,666,650	7.2%
3	CHONG MUI FUN	71,315,750	7.2%
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	54,264,925	5.5%
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	16,000,000	1.6%
6	SIM MUI KHEE	15,000,010	1.5%
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	15,000,000	1.5%
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG (BTINGGI-CL)	14,750,000	1.5%
9	LUM YIN MUI	13,818,100	1.4%
10	OON LEONG LYE @ KHOO LEONG LYE	10,500,000	1.1%
11	JAGGA RAO A/L MALLA NAIDU	8,666,720	0.9%
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR SEE JOVIN (MY2752)	8,000,000	0.8%
13	KONG SIEW MEE	7,920,400	0.8%
14	YONG SIW YA	7,000,000	0.7%
15	LAM CHEE MENG	6,500,000	0.7%
16	QUEK KHENG KOK	6,000,000	0.6%
17	TEIN YUK YING	6,000,000	0.6%
18	GOH CHIA PHERN	5,500,950	0.6%
19	SUA TIEN FONG	5,000,000	0.5%
20	TYE YONG POU	5,000,000	0.5%
21	DESTINET SDN BHD	4,235,260	0.4%
22	CHOW KOH FEI	4,186,200	0.4%
23	ENG BOON CHONG	4,000,000	0.4%
24	LOW BOON NGEE	4,000,000	0.4%
25	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU YAU YAN (SMT)	4,000,000	0.4%
26	GOH FUI FIN	3,866,500	0.4%
27	TAN CHONG JEAN	3,649,950	0.4%
28	HO LEE FUNG	3,648,800	0.4%
29	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR LEE TONG HUAT	3,500,000	0.4%
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHOW MUN YEOW	3,300,000	0.3%

Analysis Of Warrantholdings For Warrants E (2018/2023)
As At 2 July 2018

Type of Securities	Warrants 2018/2023
Voting Rights	One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS

Name	No. of holders	%	No. of warrants	%
Less than 100	419	7.0	15,458	0.0
100 - 1,000	196	3.3	95,005	0.0
1,001 - 10,000	1,295	21.7	7,081,801	0.7
10,001 - 100,000	2,971	49.8	114,346,652	10.5
100,001 and below 5%	1,080	18.1	611,327,185	56.2
5% and above	4	0.1	354,195,093	32.6
TOTAL	**5,965**	**100.0**	**1,087,061,194**	**100.0**

DIRECTORS' WARRANTHOLDINGS

	Direct Interest		Deemed Interest	
Name	No. of warrants	%	No. of warrants	%
Mohammad Sobri bin Saad	133,411,281	12.3%	-	-
Basir bin Bachik	153,750	0.0%	-	-
Leou Thiam Lai	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Abdul Fattah bin Mohamed Yatim	5	0.0%	-	-

Analysis Of Warrantholdings For Warrants E (2018/2023)

As At 2 July 2018 (Continued)

LIST OF 30 LARGEST WARRANT E HOLDERS AS AT 2 JULY 2018

NO.	NAME	NO. OF WARRANTS	%
1	CHONG MUI FUN	147,378,187	13.6%
2	MOHAMMAD SOBRI BIN SAAD	76,041,656	7.0%
3	CHONG MUI FUN	73,405,625	6.8%
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD SOBRI BIN SAAD	57,369,625	5.3%
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN CHEE WAI (E-BPJ)	17,187,500	1.6%
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	16,500,000	1.5%
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHIN HONG (BTINGGI-CL)	16,129,375	1.5%
8	LEE LAI YENG	10,145,800	0.9%
9	JAGGA RAO A/L MALLA NAIDU	9,322,975	0.9%
10	KONG SIEW MEE	8,368,500	0.8%
11	SIM MUI KHEE	8,279,718	0.8%
12	LOW BOON NGEE	7,118,150	0.7%
13	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR SEE JOVIN (MY2752)	6,249,968	0.6%
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD LING KHENG	6,189,187	0.6%
15	LEE CHEE KIAN	5,800,000	0.5%
16	CHONG MEE FAH @ FREDERICK CHONG	5,000,000	0.5%
17	LAILA BINTI ISMAIL	4,500,000	0.4%
18	ENG BOON CHONG	4,375,000	0.4%
19	YONG SIW YA	4,270,600	0.4%
20	TA SECURITIES HOLDINGS BERHAD	4,250,000	0.4%
21	GOH FUI FIN IVT (PO2)	4,229,062	0.4%
22	TAN CHONG JEAN	3,843,718	0.4%
23	PER YA CHEN	3,781,250	0.3%
24	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU YAU YAN (SMT)	3,750,000	0.3%
25	TEIN YUK YING	3,705,031	0.3%
26	LAU YAU YEE	3,578,125	0.3%
27	ONG EE LING	3,533,800	0.3%
28	ONG KHEAM CHYE	3,500,000	0.3%
29	SUA TIEN FONG	3,500,000	0.3%
30	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG CHAI GO	3,281,250	0.3%

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 8th Annual General Meeting of the Company will be held at Greens 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana Golf, 47410 Petaling Jaya, Selangor on Thursday, 6 September 2018 at 10.00 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 2018 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 2018.	**Resolution 1**
3.	To approve the payment of Directors' fees amounting to RM150,000 for the financial period ending 31 March 2019.	**Resolution 2**
4.	To re-elect the Director, En. Basir Bin Bachik, who retires in accordance with Article 86 of the Company's Constitution.	**Resolution 3**
5.	To re-elect the Director, Dato' Azahar bin Rasul, who retires in accordance with Article 86 of the Company's Constitution.	**Resolution 4**
6.	To re-appoint Messrs. Moore Stephens Associates PLT as auditors of the Company and to authorize the Directors to fix their remuneration.	**Resolution 5**
	AS SPECIAL BUSINESS	
	To consider and, if deemed fit, to pass the following resolution :	
7.	**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 6**

By Order of the Board

LAANG JHE HOW (MIA 25193)
Company Secretary

Kuala Lumpur
31 July 2018

Notice Of Annual General Meeting

(Continued)

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 29 August 2018 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.*

1. Explanatory notes on Ordinary Business :-

Audited Financial Statement for the financial year ended 31 March 2018

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 6 - 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 8th AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the 7th AGM of the Company held on 6 September 2017 (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 Directors who are standing for re-election as per Resolutions 3 and 4 of the Notice of 8th AGM is stated on page 10-11 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.

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 8th **Annual General Meeting** of the Company to be held at Greens 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Tropicana Golf, 47410 Petaling Jaya, Selangor on Thursday, 6 September 2018 at 10.00 a.m. and at any adjournment thereof.

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

Proxy 1	-	%	In case of a vote by show of hands, Proxy 1*/ Proxy 2* shall vote on my/ our behalf.
Proxy 2	-	%	
		100%	

* Strike out whichever is inapplicable

Please indicate with " 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.

	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees amounting to RM36,000 for the financial year ended 31 March 2018.		
2.	To approve the payment of Directors' fees amounting to RM150,000 for the financial year ending 31 March 2019.		
3.	To re-elect the Director, En. Basir bin Bachik, who retires in accordance with Article 86 of the Company's Constitution.		
4.	To re-elect the Director, Dato' Azahar bin Rasul, who retires in accordance with Article 86 of the Company's Constitution.		
5.	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		
6.	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 ____________ 2018

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 29 August 2018 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.*

Please fold here

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

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