

## EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2022

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 30 June 2022 RM'000	Preceding year corresponding quarter 30 June 2021 RM'000	Current year to date 30 June 2022 RM'000	Preceding year corresponding period 30 June 2021 RM'000
<b>Revenue</b>	11,368	11,688	35,750	35,942
Cost of Sales	(7,998)	(8,710)	(23,485)	(26,152)
<b>Gross Profit</b>	3,370	2,978	12,265	9,790
Other Operating Income	342	287	519	410
Operating Expenses	(2,932)	(2,152)	(9,266)	(7,237)
Depreciation and amortization	(123)	(141)	(354)	(462)
Operating Profit	657	972	3,164	2,501
Share of associate's results	54	1,597	365	1,752
Finance cost	(82)	(33)	(192)	(275)
<b>Profit Before Tax</b>	629	2,536	3,337	3,978
Taxation	(338)	(499)	(1,029)	(1,071)
<b>Profit After Tax</b>	291	2,037	2,308	2,907
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit</b>	<b>291</b>	<b>2,037</b>	<b>2,308</b>	<b>2,907</b>
<b>Profit attributable to :</b>				
Equity holders of the Company	294	1,917	2,253	2,619
Non-controlling interests	(3)	120	55	288
	<b>291</b>	<b>2,037</b>	<b>2,308</b>	<b>2,907</b>
<b>Total comprehensive profit attributable to :</b>				
Equity holders of the Company	294	1,917	2,253	2,619
Non-controlling interests	(3)	120	55	288
	<b>291</b>	<b>2,037</b>	<b>2,308</b>	<b>2,907</b>
Weighted average no. of ordinary shares in issue ('000)	6,451,690	5,072,361	6,161,410	5,072,361
Earnings per share (sen):-				
a) Basic	0.00	0.04	0.04	0.05

^ As at 30 June 2022, Cekap Air Sdn Bhd recorded unaudited profit after tax of RM1,827,000

The Group's share of profit is based on 20% of equity in Cekap Air Sdn Bhd.

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (ii) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended ("FYE") 30 September 2021 and the accompanying explanatory notes attached to the interim financial report.

## EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

	As at 30 June 2022 (Unaudited) RM'000	As at 30 September 2021 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	5,502	5,670
Right-of-use assets	424	114
Investment in Associate Company	21,375	21,010
Intangible Assets - Goodwill on consolidation	34,987	34,987
Other receivables	1,798	2,082
Investment in quoted shares	23,210	-
	<u>87,296</u>	<u>63,863</u>
<b>Current assets</b>		
Inventories	3,993	6,119
Receivables	28,906	26,781
Contract Assets	1,596	2,180
Amount owing by Associate Company	3,816	4,066
Tax recoverable	51	51
Fixed Deposits with licensed banks	4,059	4,059
Short-term money market deposit	3,000	500
Cash And Cash Equivalents	12,224	15,587
	<u>57,645</u>	<u>59,343</u>
<b>Total Assets</b>	<u>144,941</u>	<u>123,206</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	126,745	198,035
Warrants reserve	9,939	9,939
Other reserves	(16,126)	(13,738)
Accumulated losses	14,540	(87,182)
	<u>135,098</u>	<u>107,054</u>
Non-controlling interests	(991)	1,566
<b>Total equity</b>	<u>134,107</u>	<u>108,620</u>
<b>Non-current liabilities</b>		
Borrowings	1,315	1,455
Lease liabilities	77	47
Deferred tax liabilities	340	340
	<u>1,732</u>	<u>1,842</u>
<b>Current liabilities</b>		
Payables	3,851	6,442
Contract liabilities	-	1,097
Lease liabilities	387	152
Amount due to director	15	15
Borrowings	135	79
Project overdraft	4,410	4,392
Provision for taxation	304	567
	<u>9,102</u>	<u>12,744</u>
<b>Total liabilities</b>	<u>10,834</u>	<u>14,586</u>
<b>Total equity and liabilities</b>	<u>144,941</u>	<u>123,206</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.02</u>	<u>0.02</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 30 September 2021 and the accompanying explanatory notes attached to the interim financial report.

**EA HOLDINGS BERHAD (878041-A)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2022**

	Current year to date 30 June 2022 (Unaudited) RM'000	Preceding year corresponding period 30 June 2021 (Unaudited) RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation	3,337	3,978
Adjustments for :-		
Depreciation and amortization	354	462
Share of associate's results	(365)	(1,752)
Reversal of impairment loss on receivables	(305)	(41)
Interest expenses	192	275
Interest income	(140)	(66)
	<u>(264)</u>	<u>(1,122)</u>
<b>Operating profit before working capital changes</b>	3,073	2,856
Changes in working capital		
Net change in associate company	250	(379)
Net change in inventories	2,126	(2,040)
Net change in trade and other receivables	(1,536)	(5,993)
Net change in trade and other payables	(2,591)	3,662
Net change in contract assets/contract liabilities	(513)	(4,188)
<b>Net cash generated from/(used in) operations</b>	<u>809</u>	<u>(6,082)</u>
Interest received	140	66
Interest paid	(192)	(275)
Tax paid	(1,292)	(1,420)
<b>Net cash used in operating activities</b>	<u>(535)</u>	<u>(7,711)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(55)	(76)
<b>Net cash used in investing activities</b>	<u>(55)</u>	<u>(76)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Placement of fixed deposits	-	(96)
Repayment of lease liability	(176)	(183)
Borrowings	(66)	1,766
Payment of share issuance expenses	(31)	-
<b>Net cash (used in)/generated from financing activities</b>	<u>(273)</u>	<u>1,487</u>
<b>Net Change in Cash and Cash Equivalents</b>	(863)	(6,300)
<b>Cash and Cash Equivalents at beginning of the period</b>	16,087	23,482
<b>Cash and Cash Equivalents at end of the period</b>	<u>15,224</u>	<u>17,182</u>
<b>Represented by :</b>		
Cash and bank balances	15,224	17,182
	<u>15,224</u>	<u>17,182</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FYE 30 September 2021 and the accompanying explanatory notes attached to the interim financial report.

**EA HOLDINGS BERHAD (878041-A)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2022**

	<----- Attributable to equity holders of the Company ----->					Non- controlling interests	Total Equity
	<----- Non-distributable ----->			<Distributable>			
	Share Capital	Warrants Reserve	Other Reserves	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 30 September 2021 (Audited)	198,035	9,939	(13,738)	(87,182)	107,054	1,566	108,620
Issuance of share capital	23,210	-	-	(31)	23,179	-	23,179
Acquisition of subsidiary company	5,000	-	(2,388)	-	2,612	(2,612)	-
Capital reduction	(99,500)	-	-	99,500	-	-	-
Profit for the period	-	-	-	2,253	2,253	55	2,308
<b>Balance as at 30 June 2022</b>	<b>126,745</b>	<b>9,939</b>	<b>(16,126)</b>	<b>14,540</b>	<b>135,098</b>	<b>(991)</b>	<b>134,107</b>
<b>As at preceding year corresponding quarter 30 June 2021</b>							
Balance as at 30 September 2020 (Audited)	198,035	9,939	(13,738)	(72,615)	121,621	1,105	122,726
Profit for the period	-	-	-	2,619	2,619	288	2,907
<b>Balance as at 30 June 2021</b>	<b>198,035</b>	<b>9,939</b>	<b>(13,738)</b>	<b>(69,996)</b>	<b>124,240</b>	<b>1,393</b>	<b>125,633</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FYE 30 September 2021 and the accompanying explanatory notes attached to the interim financial report.

## **EA HOLDINGS BERHAD (878041-A)**

### **NOTES TO THE QUARTERLY REPORT**

#### **PART A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("FRS") 134: INTERIM FINANCIAL REPORTING**

##### **A1. Accounting policies and methods of computation**

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is in compliance with International Accounting Standards IAS 34.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the Financial Year Ended ("FYE") 30 September 2021 and the accompanying explanatory notes attached to the interim financial report.

The accounting policies and methods of computation adopted by EA Holdings Berhad ("EAH") and its subsidiaries ("Group") for these interim financial statements are in compliance with the new and revised FRSS issued by the Malaysian Accounting Standards Board ("MASB").

##### **A2. Adoption of new and revised accounting policies**

The Group has adopted the Malaysian Financial Reporting Standards framework ("MFRS Framework") framework issued by MASB. This MFRS Framework was introduced by the MASB in order to fully converge the Malaysian's existing FRS framework with the International Financial Reporting Standards framework issued by the International Accounting Standard Boards.

The Group has adopted all the new and revised MFRSSs, Interpretations and Technical Releases that are relevant and effective for accounting periods beginning on or after 1 October 2021. The adoption of these new and revised MFRSSs, Interpretations and Technical Releases did not result in any changes to the significant accounting policies adopted by the Group.

##### **A3. Qualification on the Auditors' Report of preceding annual financial statements**

There was no audit qualification to the annual audited financial statements of the Group for the FYE 30 September 2021.

**A4. Seasonal or cyclical factors**

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

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter under review and financial year-to-date.

**A6. Changes in estimates of amounts reported**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the current financial quarter under review and financial year-to-date.

**A7. Issuance or repayment of debt and equity securities -add warrant conversion**

Save as disclosed below, there was no issuance or repayment of debt or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review and financial year-to-date :-

- (a) On 30 November 2021, 1,100,000,000 ordinary shares of the Company were issued to Vinvest Capital Holdings Berhad in relation to the Subscription Agreement with EA Holdings Berhad.
- (b) On 6 January 2022, 279,329,600 ordinary shares of the Company were issued in relation to the acquisition of the remaining 10% equity interest in Sunland Volonte Agency Sdn Bhd.
- (c) As at 30 June 2022, the following warrants have not been exercised :-

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

**A8. Dividend paid**

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

## A9. Segmental information

The Group is organised into the following operating segments:-

- a) ICT Services;
- b) Software Solutions; and
- c) Automation systems comprising RFID, access control systems, building automation system and industrial security system (“Automation Systems”)
- d) Sales and distribution of food and beverages products (“F&B Distribution”)

Quarter ended 30 June 2022	ICT Services (RM'000)	Software Solutions (RM'000)	Automation Systems (RM'000)	F&B Distribution (RM'000)	Eliminations (RM'000)	Consolidated (RM'000)
Revenue from external customers	1,591	919	2,516	6,342	-	11,368
Cost of sales	(893)	(457)	(2,281)	(4,367)	-	(7,998)
Segment profit	698	462	235	1,975	-	3,370
Share of associate's results						54
Profit before taxation						629
Income tax expenses						(338)
Profit after tax						291
Other comprehensive income						-
<b>Total comprehensive income</b>						<b>291</b>

The Group's segmental information by geographical location is not shown as the activities of the Group are predominantly in Malaysia and the overseas segment does not contribute to more than 1% of the consolidated Group's revenue.

## A10. Valuation of property, plant and equipment

The Company has not carried out valuation on its property, plant and equipment in the current financial quarter under review and financial year-to-date.

## A11. Capital commitments

There are no material capital commitments in respect of property, plant and equipment as at 30 June 2022.

## A12. Capital Expenditure

There was no major addition and disposal of the property, plant and equipment during the current financial quarter under review and financial year-to-date.

**A13. Changes in the composition of the Group**

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

**A14. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets arising since the last audited financial statements of the Group for the FYE 30 September 2021.

**A15. Subsequent material events**

There are no material events subsequent to the financial period ended 30 June 2022 that has not been reflected in this interim financial report.

**A16. Significant related party transactions**

There were no related party transactions for the financial year-to-date.



**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of the performance of the Group**

	Individual Period				Cumulative Period			
	Current Year Quarter 30.06.22 (RM'000)	Preceding Year Corresponding Quarter 30.06.21 (RM'000)	Changes		Current Year To-Date 30.06.22 (RM'000)	Preceding Year Corresponding Period 30.06.21 (RM'000)	Changes	
			(RM'000)	(%)			(RM'000)	(%)
Revenue	11,368	11,688	(320)	(2.7)	35,750	35,942	(192)	(0.5)
Operating Profit	657	972	(315)	(32.4)	3,164	2,501	663	26.5
Share of associate's results	54	1,597	(1,543)	(96.6)	365	1,752	(1,387)	(79.2)
Profit before tax	629	2,536	(1,907)	(75.2)	3,337	3,978	(641)	(16.1)
Profit after tax	291	2,037	(1,746)	(85.7)	2,308	2,907	(599)	(20.6)
Profit attributable to Equity holders of the Company	294	1,917	(1,623)	(84.7)	2,253	2,619	(366)	(14.0)

For the current financial quarter ended 30 June 2022, the Group recorded revenue of RM11.368 million, a decrease of RM0.320 million compared to the same period in the last financial year. The decrease was mainly due to the decrease in ICT Services segment. This segment contributed higher revenue during same period in the last financial year, due to the ramping up of the project progress to mitigate the MCO-related delays in the beginning year of 2021. Notwithstanding that, the Software Solutions and F&B Distribution segments had recorded higher revenues to mitigate the decrease in the Group's overall revenues.

For the cumulative financial quarter ended 30 June 2022, the Group recorded revenue of RM35.750 million, a decrease of RM0.192 million as compared to the same period in the last financial year. The decrease was mainly due to the decrease in ICT Services and Automation Systems segments.

The Group recorded lower profits before tax during current and cumulative financial quarter, which was mainly attributable to the lower contribution from share of associate's results, due to the slower progress billings for their water treatment projects.

## Revenue by segment :

	Individual Period				Cumulative Period			
	Current Year Quarter 30.06.22 (RM'000)	Preceding Year Corresponding 30.06.21 (RM'000)	Changes		Current Year To-Date 30.06.22 (RM'000)	Preceding Year Corresponding 30.06.21 (RM'000)	Changes	
			(RM'000)	(%)			(RM'000)	(%)
ICT Services	1,591	3,728	(2,137)	(57.3)	7,407	8,998	(1,591)	(17.7)
Software Solutions	919	472	447	94.7	3,149	1,865	1,284	68.8
Automation systems	2,516	2,526	(10)	(0.4)	6,851	9,536	(2,685)	(28.2)
F&B Distribution	6,342	4,962	1,380	27.8	18,343	15,543	2,800	18.0
<b>Total</b>	<b>11,368</b>	<b>11,688</b>	<b>(320)</b>	<b>(2.7)</b>	<b>35,750</b>	<b>35,942</b>	<b>(192)</b>	<b>(0.5)</b>

### **ICT Services Segment**

For current financial quarter, ICT services contributed 14.0% of the Group's revenue. For financial year-to-date, ICT services recorded decrease of RM1.591 million as compared to the same period last year, due to lower progress billing during current financial year. The higher revenue recorded in same period last year was mainly due to the ramping up on the project progress to mitigate the MCO-related delays in beginning year of 2021.

### **Software Solutions Segment**

For current financial quarter, Software Solutions contributed 8.1% of the Group's revenue. For the financial year-to-date, Software Solutions recorded increase of RM1.284 million compared to the same period last year, due to the new projects won during the current financial year. The revenue comprised mainly of installation, upgrades and maintenance services.

### **Automation Systems Segment**

For current financial quarter, Automation Systems contributed 22.1% of the Group's revenue. For the financial year-to-date, Automation Systems recorded decrease of RM2.685 million compared to the same period last year, due to the lower contribution from the building management systems and integrated security.

### **F&B Distribution Segment**

For current financial quarter, F&B Distribution contributed 55.8% of the Group's revenue. For the financial year-to-date, F&B Distribution recorded increase of RM2.800 million compared to the same period last year, due to the increase of orders from the hypermarkets and retail customers as the re-opening of all sectors during the Covid endemic stage. This segment continued to remain as the main contributor to the Group.

## B2. Comparison to the results of the preceding quarter

	Current Year Quarter 30.06.22 (RM'000)	Immediate Preceding Quarter 31.03.22 (RM'000)	Changes	
			(RM'000)	(%)
Revenue	11,368	13,455	(2,087)	(15.5)
Operating Profit	657	1,173	(516)	(44.0)
Share of associate's results	54	(532)	586	(110.2)
Profit before tax	629	582	47	8.1
Profit after tax	291	262	29	11.1
Profit attributable to equity holders of the Company	294	347	(53)	(15.3)

The Group's revenue for the current quarter decreased by RM2.087 million, mainly due to the decrease in ICT Services, Software Solutions and Automation Systems segments. The Group recorded increase in profit before tax of RM0.047 million. This was mainly attributable to the increase of share of associate's results, which was due to higher progress billings for their water treatment projects during current quarter.

## B3. Prospects for 2022

The Group will continue to seek new business opportunities and new projects to expand its revenue base. The Group will also continue to pursue diversification strategy, which has proven to be effective as demonstrated by the acquisition of Sunland, to reduce reliance on the ICT sector.

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

On 6 January 2022, the Company had increased its paid up share capital of RM5,000,000 via issuance of ordinary shares for acquisition of remaining stake of 10% in Sunland, thereby making Sunland into a wholly-owned subsidiary company of the Group.

As the nation's economy is still recovering from the Covid-19 pandemic, the Group expect to continue this positive trajectory. In the meanwhile, the Group will continue to implement cost control measures across all its operating entities. The actions have been taken to identify and pursue emerging opportunities in order to have better cash flow management.

**B4. Profit forecast and profit estimate**

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

**B5. Taxation**

	<b>Current Quarter 30.06.22 (RM'000)</b>	<b>Cumulative Year-to-Date 30.06.22 (RM'000)</b>
Current tax	338	1,029
	<b>338</b>	<b>1,029</b>

For the current financial quarter and cumulative financial quarter, the effective tax rates of the Group are 89.2% and 33.3% respectively, which were higher than the statutory rate due to certain subsidiary companies of the Group being in tax loss positions.

**B6. Status of corporate proposals**

As at the date of issuance of this interim financial report there are no corporate proposals announced but not completed.

**B7. Status of utilisation of proceeds**

As at the date of this report, the Company has fully utilised the proceeds raised from all its fund raising activities.

**B8. Group borrowings and debt securities**

The Group's borrowings as at 30 June 2022 are as follows:-

	<b>Short Term (RM'000)</b>	<b>Long Term (RM'000)</b>
<b>Secured</b>		
Term Loans	135	1,315
Project Overdraft	4,410	-
Lease Liabilities	387	77
<b>Total</b>	<b>4,932</b>	<b>1,392</b>

**B9. Material Litigation**

There was no material litigation since the last annual statement of financial position of the Group up to the date of this interim financial report.

**B10. Dividends**

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

**B11. Profit for the period**

	<b>Current Quarter Ended 30.06.22 (RM'000)</b>	<b>Cumulative Year-to-date 30.06.22 (RM'000)</b>
This is arrived at after (charging)/crediting :-		
Interest income	12	140
Reversal of impairment loss on receivables	305	305
Interest expense	(82)	(192)
Depreciation and amortization	(123)	(354)

Other disclosure items pursuant to Note 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Securities are not applicable.

## B12. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue for the financial period.

		Individual Quarter		Cumulative Period	
		Current Year Quarter 30.06.22	Preceding Year Corresponding 30.06.21	Current Year To-Date 30.06.22	Preceding Year Corresponding 30.06.21
Profit attributable to the equity holders of the Company	(RM'000)	294	1,917	2,253	2,619
Weighted average number of shares in issue	('000)	6,451,690	5,072,361	6,161,410	5,072,361
Basic earnings per share	(Sen)	0.00	0.04	0.04	0.05

(b) Diluted earnings per share

Diluted earnings per share is not applicable for the financial period as the unexercised convertible warrants were anti-dilutive in nature. This is due to the average market share price of the Company being below the exercise price of the warrants.

By Order of the Board  
Tan Kah Koon  
SSM PC NO. 201908001500 (MAICSA 7066666)  
(Company Secretary)

Date: 30 August 2022