

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2019

| | ----- Individual Quarter ----- | | ---- Cumulative Quarter ---- | |
|--|--|---|--|--|
| | Current year quarter 31 March 2019 RM'000 | Preceding year corresponding quarter 31 March 2018 RM'000 | Current year to date 31 March 2019 RM'000 | Preceding year corresponding period 31 March 2018 RM'000 |
| Revenue | 7,740 | 9,224 | 37,681 | 20,825 |
| Cost of Sales | <u>(6,995)</u> | <u>(8,053)</u> | <u>(26,696)</u> | <u>(13,873)</u> |
| Gross Profit | 745 | 1,171 | 10,985 | 6,952 |
| Other Operating Income | 163 | 362 | 355 | 349 |
| Operating Expenses | (44,813) | (7,560) | (54,988) | (16,774) |
| Depreciation and amortization | <u>(531)</u> | <u>(527)</u> | <u>(2,249)</u> | <u>(2,072)</u> |
| Operating (Loss) | (44,436) | (6,554) | (45,897) | (11,545) |
| Share of associate's results | (1,167) | 905 | (578) | 4,047 |
| Finance cost | <u>(285)</u> | <u>6</u> | <u>(479)</u> | <u>(347)</u> |
| Loss Before Tax | (45,888) | (5,643) | (46,954) | (7,845) |
| Taxation | <u>(191)</u> | <u>(30)</u> | <u>(1,237)</u> | <u>(248)</u> |
| Loss After Tax | (46,079) | (5,673) | (48,191) | (8,093) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss | <u>(46,079)</u> | <u>(5,673)</u> | <u>(48,191)</u> | <u>(8,093)</u> |
| Loss attributable to : | | | | |
| Equity holders of the Company | (45,406) | (5,617) | (47,674) | (7,902) |
| Non-controlling interests | <u>(673)</u> | <u>(56)</u> | <u>(517)</u> | <u>(191)</u> |
| | <u>(46,079)</u> | <u>(5,673)</u> | <u>(48,191)</u> | <u>(8,093)</u> |
| Total comprehensive loss attributable to : | | | | |
| Equity holders of the Company | (45,406) | (5,617) | (47,674) | (7,902) |
| Non-controlling interests | <u>(673)</u> | <u>(56)</u> | <u>(517)</u> | <u>(191)</u> |
| | <u>(46,079)</u> | <u>(5,673)</u> | <u>(48,191)</u> | <u>(8,093)</u> |
| Weighted average no. of ordinary shares in issue ('000) | 5,072,350 | 3,478,598 | 4,958,822 | 2,993,001 |
| Loss per share (sen):- | | | | |
| a) Basic | (0.90) | (0.16) | (0.96) | (0.26) |

^ As at 31 March 2019, Cekap Air Sdn Bhd recorded unaudited loss after tax of RM2.888 million.

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

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (ii) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial period ended ("FYE") 31 March 2018 and the accompanying explanatory notes attached to the interim financial report.

EA HOLDINGS BERHAD (878041-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

| | As at 31 March 2019 (Unaudited) RM'000 | As at 31 March 2018 (Audited) RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 5,279 | 5,473 |
| Investment in Associate Company | 49,194 | 61,245 |
| Intangible Assets - Goodwill on consolidation | 70,441 | 8,184 |
| Intangible Assets - Intellectual Property Rights | - | 2,844 |
| Intangible Assets - Development costs | 536 | 6,126 |
| | <u>125,450</u> | <u>83,872</u> |
| Current assets | | |
| Inventories | 2,493 | 438 |
| Receivables | 26,600 | 50,425 |
| Amount owing by Associate Company | 5,267 | 7,560 |
| Fixed Deposits with licensed banks | 4,353 | 4,150 |
| Cash And Cash Equivalents | 22,128 | 24,495 |
| | <u>60,841</u> | <u>87,068</u> |
| Total Assets | <u><u>186,291</u></u> | <u><u>170,940</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Equity Holders of the Company | | |
| Share capital | 198,034 | 134,284 |
| Warrants reserve | 19,442 | 19,442 |
| Other reserves | (13,738) | (13,738) |
| Retained earnings | (25,383) | 23,087 |
| | <u>178,355</u> | <u>163,075</u> |
| Non-controlling interests | 455 | 49 |
| Total equity | <u><u>178,810</u></u> | <u><u>163,124</u></u> |
| Non-current liabilities | | |
| Hire purchase creditors | 332 | 407 |
| Term loans | 1,614 | 1,723 |
| Deferred tax liabilities | 59 | 37 |
| | <u>2,005</u> | <u>2,167</u> |
| Current liabilities | | |
| Payables | 3,483 | 3,297 |
| Hire purchase creditors | 175 | 185 |
| Bills payable | 942 | 1,392 |
| Amount due to director | - | 34 |
| Term loans | 113 | 117 |
| Provision for taxation | 763 | 624 |
| | <u>5,476</u> | <u>5,649</u> |
| Total liabilities | <u><u>7,481</u></u> | <u><u>7,816</u></u> |
| Total equity and liabilities | <u><u>186,291</u></u> | <u><u>170,940</u></u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | <u>0.04</u> | <u>0.05</u> |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 31 March 2018 and the accompanying explanatory notes attached to the interim financial report.

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2019

| | Current year to date 31 March 2019 (Unaudited) RM'000 | Preceding year corresponding period 31 March 2018 (Unaudited) RM'000 |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit Before Taxation | (46,954) | (7,845) |
| Adjustments for :- | | |
| Depreciation and amortization | 2,249 | 2,072 |
| Share of associate's results | 578 | (4,047) |
| Impairment loss on goodwill | 8,184 | 3,693 |
| Impairment loss on development cost | 7,407 | - |
| Impairment loss on receivables | 13,826 | 435 |
| Impairment loss on investment in associate | 11,473 | - |
| Gains on disposal | - | (32) |
| Unrealised gains on foreign exchange | - | 11 |
| Interest expenses | 479 | 347 |
| Interest income | (144) | (174) |
| | <u>44,052</u> | <u>2,305</u> |
| Operating loss before working capital changes | (2,902) | (5,540) |
| Changes in working capital | | |
| Net change in inventories | 199 | (44) |
| Net change in trade and other receivables | 15,128 | (16,865) |
| Net change in trade and other payables | (546) | 555 |
| Net cash from operations | <u>11,879</u> | <u>(21,894)</u> |
| Interest received | 144 | 174 |
| Interest paid | (479) | (347) |
| Tax paid | (119) | (961) |
| Net cash generated from/(used in) operating activities | <u>11,425</u> | <u>(23,028)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Investment in new subsidiary company | (15,000) | - |
| (Purchase)/Disposal of plant and equipment | (200) | (31) |
| Net cash generated from/(used in) investing activities | <u>(15,200)</u> | <u>(31)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| (Advances to)/repayment from an associate | 2,293 | (6,213) |
| Placement of fixed deposits | (203) | (397) |
| Rights Issue expenses | - | (1,154) |
| Proceeds from Rights Issue | - | 39,755 |
| Net change in directors | (34) | (70) |
| Repayment of borrowings | (648) | (1,275) |
| Net cash generated from/(used in) financing activities | <u>1,408</u> | <u>30,646</u> |
| Net Change in Cash and Cash Equivalents | (2,367) | 7,587 |
| Cash and Cash Equivalents at beginning of the period | 24,495 | 16,908 |
| Cash and Cash Equivalents at end of the period | <u><u>22,128</u></u> | <u><u>24,495</u></u> |
| Represented by : | | |
| Cash and bank balances | 22,128 | 24,495 |
| | <u>22,128</u> | <u>24,495</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 31 March 2018 and the accompanying explanatory notes attached to the interim financial report.

EA HOLDINGS BERHAD (878041-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2019

| | <----- Attributable to equity holders of the Company -----> | | | | | Non-controlling interests | Total Equity |
|--|---|---|-----------------|--------------------------------------|----------------|---------------------------|-----------------|
| | Share Capital | <----- Non-distributable -----> Warrants Reserve | Other Reserves | <Distributable> Retained Earnings | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 April 2018 | 134,284 | 19,442 | (13,738) | 23,087 | 163,075 | 49 | 163,124 |
| Acquisition of new subsidiary company | 63,750 | - | - | (796) | 62,954 | 923 | 63,877 |
| Loss for the period | - | - | - | (47,674) | (47,674) | (517) | (48,191) |
| Balance as at 31 March 2019 | 198,034 | 19,442 | (13,738) | (25,383) | 178,355 | 455 | 178,810 |
| Balance as at 1 April 2017 | 149,083 | 9,503 | (13,738) | (12,472) | 132,376 | 241 | 132,617 |
| Share capital reduction on 12 September 2017 | (44,616) | - | - | 44,615 | (1) | - | (1) |
| Rights Issue | 39,756 | - | - | (1,154) | 38,602 | - | 38,602 |
| Issuance of Warrants D | (9,939) | 9,939 | - | - | - | - | - |
| Loss for the period | - | - | - | (7,902) | (7,902) | (192) | (8,094) |
| Balance as at 31 March 2018 | 134,284 | 19,442 | (13,738) | 23,087 | 163,075 | 49 | 163,124 |

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 31 March 2018 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 ("FPE") 31 March 2018 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 MFRSs, Interpretations and Technical Releases that are relevant and effective for accounting periods beginning on or after 1 April 2018. The adoption of these new and revised MFRSs, Interpretations and Technical Releases did not result in any changes to the significant accounting policies adopted by the Group.

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 31 March 2018.

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 27 April 2018, 1,593,750,000 EAH Consideration Shares were issued pursuant to the proposed acquisition of Sunland Volonte Agency Sdn Bhd and 1,087,061,194 Warrants E were issued pursuant to the proposed bonus issue of up to 1,596,354,405 Warrants in EAH ("Warrant(s) E") on the basis of five (5) free Warrants E for every 16 existing ordinary shares of EAH ("EAH Shares") held by the shareholders of EAH;
- b) For the current and cumulative financial quarter ended 31 March 2019, new EAH shares were issued arising from the exercise of the Company's warrants as follows :-

| | Current Quarter ended 31 March 2019 | Cumulative Year to date 31 March 2019 |
|------------|---|---|
| Warrants B | 4,064 | 4,064 |

- c) As at 31 March 2019, the following warrants have not been exercised :-

| | |
|------------|-------------------------------|
| Warrants B | (Expired on 24 February 2019) |
| Warrants C | 403,067,132 units |
| 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 31 March 2019 | 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 | 227 | 932 | 1,481 | 5,100 | - | 7,740 |
| Cost of sales | (185) | (908) | (2,180) | (3,722) | - | (6,995) |
| Segment profit | 42 | 24 | (699) | 1,378 | - | 745 |
| Share of associate's results | | | | | | (1,167) |
| Loss before taxation | | | | | | (45,888) |
| Income tax expenses | | | | | | (191) |
| Loss after tax | | | | | | (46,079) |
| Other comprehensive income | | | | | | - |
| Total comprehensive loss | | | | | | (46,079) |

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 31 March 2019.

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, save as disclosed below :-

- (i) On 27 April 2018, the Group completed the acquisition of 90% equity interest in Sunland Volonte Agency Sdn Bhd. for a purchase consideration of RM78,750,000, 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.

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 31 March 2018.

A15. Subsequent material events

There are no material events subsequent to the financial period ended 31 March 2019 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 31.03.19 (RM'000) | Preceding Year Corresponding Quarter 31.03.18 (RM'000) | Changes | | Current Year To-Date 31.03.19 (RM'000) | Preceding Year Corresponding Period 31.03.18 (RM'000) | Changes | |
| | | | (RM'000) | (%) | | | (RM'000) | (%) |
| Revenue | 7,740 | 9,224 | (1,484) | (16.1) | 37,681 | 20,825 | 16,856 | 80.9 |
| Operating Loss | (44,436) | (6,554) | (37,882) | 578.0 | (45,897) | (11,545) | (34,352) | 297.5 |
| Share of associate's results | (1,167) | 905 | (2,072) | (229.0) | (578) | 4,047 | (4,625) | (114.3) |
| Loss before tax | (45,888) | (5,643) | (40,245) | 713.2 | (46,954) | (7,845) | (39,109) | 498.5 |
| Loss after tax | (46,079) | (5,673) | (40,406) | 712.3 | (48,191) | (8,093) | (40,098) | 495.5 |
| Loss attributable to Equity holders of the Company | (45,406) | (5,617) | (39,789) | 708.4 | (47,674) | (7,902) | (39,772) | 503.3 |

For the current financial quarter ended 31 March 2019, the Group recorded revenue of RM7.740 million, a decrease of RM1.484 million compared to the same period in the last financial year. The decrease is mainly due to the lower revenue generated from the ICT Services.

For the cumulative financial quarter ended 31 March 2019, the Group recorded revenue of RM37.681 million, an increase of RM16.856 million compared to the same period in the last financial year. The increase is mainly due to the contribution from Sunland, which contributed RM20.975 million in revenue under the F&B distribution segment.

Weak revenue from the other segments of the Group, namely the ICT Services and Software Solutions mainly contributed to weak performance of the Group, due to the challenging market conditions. For the current financial year, the Group provided impairment losses amounting to RM40.890 million for its tangible and intangible assets, in compliance with approved accounting standards. Similarly, our associate company had also provided impairment losses in compliance with the same accounting standards, which impacted their results.

Revenue by segment :

| | Individual Period | | | | Cumulative Period | | | |
|--------------------|----------------------|--------------------------------------|----------------|---------------|----------------------|-------------------------------------|---------------|-------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Changes | | Current Year To-Date | Preceding Year Corresponding Period | Changes | |
| | 31.12.18 (RM'000) | 31.12.17 (RM'000) | (RM'000) | (%) | 31.12.18 (RM'000) | 31.12.17 (RM'000) | (RM'000) | (%) |
| ICT Services | 227 | 5,961 | (5,734) | (96.2) | 6,550 | 8,882 | (2,332) | (26.3) |
| Software Solutions | 932 | 1,200 | (268) | (22.3) | 3,269 | 5,740 | (2,471) | (43.0) |
| Automation systems | 1,481 | 2,063 | (582) | (28.2) | 6,887 | 6,203 | 684 | 11.0 |
| F&B Distribution | 5,100 | - | 5,100 | N/A | 20,975 | - | 20,975 | N/A |
| Total | 7,740 | 9,224 | (1,484) | (16.1) | 37,681 | 20,825 | 16,856 | 80.9 |

ICT Services Segment

For current financial quarter, ICT services contributed 2.9% of the Group's revenue, a decrease of RM5.734 million compared to the same period last year, due to the completion of major project last year.

Software Solutions Segment

For current financial quarter, Software Solutions contributed 12.0% of the Group's revenue, a decrease of RM0.268 million compared to the same period last year, due to lower project billings during the current period.

Automation Systems Segment

For current financial quarter, Automation Systems contributed 19.1% of the Group's revenue, a decrease of RM0.582 million compared to the same period last year, due to lower progress billings.

F&B Distribution Segment

This is a new revenue stream for the Group pursuant to the acquisition of Sunland. Sunland is principally engaged in the selling and distributing of imported food items such as, amongst others, fruit juice, premium biscuits, canned fruits, jams and spreads, olive oil and vinegar as well as pasta. At present, Sunland is the agent and distributor in Malaysia to 28 foods and beverages brands, of which the major brands include, Basso, Baronia, SICA or SICA Tomatoes, Loreto, Trucillo, Bonomi, Kronos, and D'Amico and is selling and distributing approximately 150 products. For current financial quarter, F&B Distribution contributed 65.9% of the Group's revenue.

B2. Comparison to the results of the preceding quarter

| | Current Year Quarter 31.03.19 (RM'000) | Immediate Preceding Quarter 31.12.18 (RM'000) | Changes | |
|---|--|---|----------|------------|
| | | | (RM'000) | (%) |
| Revenue | 7,740 | 9,791 | (2,051) | (20.9) |
| Operating Loss | (44,436) | (148) | (44,288) | 29,924.3 |
| Share of associate's results | (1,167) | 4 | (1,171) | (29,275.0) |
| Loss before tax | (45,888) | (210) | (45,678) | 21,751.4 |
| Loss after tax | (46,079) | (649) | (45,430) | 7,000.0 |
| Loss attributable to equity holders of the Company | (45,406) | (714) | (44,692) | 6,259.4 |

The Group's revenue for the current quarter decreased by RM2.051 million, which was mainly due to the blockish nature of the Group's revenue, with the Automation segment recording the biggest decrease at RM1.303 million due to the lower progress billing.

B3. Prospects for 2019/2020

The outlook for the ICT market is still very challenging 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. The recently completed acquisition of Sunland Volonte Agency Sdn Bhd and diversification into non-ICT sector will mitigate the Group's dependence on the ICT sector and provide much needed revenue and profit stability to the Group.

B4. Profit forecast and profit estimate

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

B5. Taxation

| | Current Quarter 31.03.19 (RM'000) | Cumulative Year-to-Date 31.03.19 (RM'000) |
|-------------|--|--|
| Current tax | 191 | 1,237 |
| | 191 | 1,237 |

For the current financial quarter and cumulative financial quarter, the effective tax rate of the Group is higher than the statutory rate as only one (1) subsidiary company was in a tax profit position while the other subsidiary companies were 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

The status of utilisation of the gross proceeds of RM39.755 million from the Rights Issue by the Company as at 31 March 2019 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 | 15,000 | - | - | Within 24 months from completion | |
| Repayment of borrowings | 5,000 | 4,550 | 450 | - | Within 24 months from completion | |
| Working capital | 18,755 | 12,555 | 6,200 | 81 | Within 24 months from completion | |
| Rights Issue expenses | 1,000 | 1,081 | (81) | (81) | Upon completion | Being additional rights issue expenses of RM81,000 incurred |
| Total | 39,755 | 33,186 | 6,569 | - | | |

B8. Group borrowings and debt securities

The Group's borrowings as at 31 March 2019 are as follows:-

| | Short Term (RM'000) | Long Term (RM'000) |
|-------------------------|----------------------------|---------------------------|
| Secured | | |
| Term Loans | 110 | 1,614 |
| Bills payable | 942 | - |
| Hire purchase creditors | 175 | 332 |
| Total | 1,227 | 1,946 |

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

| | Current Quarter Ended 31.03.19 (RM'000) | Cumulative Year-to-date 31.03.19 (RM'000) |
|--|--|--|
| This is arrived at after (charging)/crediting :- | | |
| Interest income | 30 | 144 |
| Interest expense | (285) | (479) |
| Depreciation and amortization | (531) | (2,249) |
| Impairment loss on goodwill | (8,184) | (8,184) |
| Impairment loss on development cost | (7,407) | (7,407) |
| Impairment loss on receivables | (13,826) | (13,826) |
| Impairment loss on investment in associate company | (11,473) | (11,473) |

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

B12. Earnings per share

(a) Basic earnings per share

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

| | | Individual Quarter | | Cumulative Period | |
|--|----------|--|--|--|---|
| | | Current Year Quarter 31.03.19 | Preceding Year Corresponding Quarter 31.03.18 | Current Year To-Date 31.03.19 | Preceding Year Corresponding Period 31.03.18 |
| Loss attributable to the equity holders of the Company | (RM'000) | (45,406) | (5,617) | (47,674) | (7,902) |
| Weighted average number of shares in issue | ('000) | 5,072,350 | 3,478,598 | 4,958,822 | 2,993,001 |
| Basic loss per share | (Sen) | (0.90) | (0.16) | (0.96) | (0.26) |

(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
Laang Jhe How (MIA 25193)
(Company Secretary)

Date: 31 May 2019