

**M N C WIRELESS BERHAD**  
(Company No. 635884 - T)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

|   | Individual Quarter                              |  | Cumulative Quarter                              |  |
|---|---|--|---|--|
|   | Current Year<br>Quarter<br>31.03.2018<br>RM'000 | Preceding<br>Year<br>Quarter<br>31.03.2017<br>RM'000 | Current Year<br>To Date<br>31.03.2018<br>RM'000 | Preceding<br>Year<br>To Date<br>31.03.2017<br>RM'000 |
| Revenue   | 3,503   | 3,480  | 3,503   | 3,480  |
| Cost of sales   | (2,630)   | (2,470)  | (2,630)   | (2,470)  |
| Gross profit  | 873   | 1,010  | 873   | 1,010  |
| Operating expenses  | (1,805)   | (956)  | (1,805)   | (956)  |
| Other operating income  | 108   | 246  | 108   | 246  |
| Finance expenses  | (13)  | (10)   | (13)  | (10)   |
| (Loss)/Profit before taxation   | (837)   | 290  | (837)   | 290  |
| Taxation  | (9)   | (98)   | (9)   | (98)   |
| (Loss)/Profit for the period  | (846)   | 192  | (846)   | 192  |
| Other comprehensive income  | -   | -  | -   | -  |
| Total comprehensive loss/income for the period                        | (846)   | 192  | (846)   | 192  |
| (Loss)/Profit after taxation attributable to owners of the Company    | (846)   | 192  | (846)   | 192  |
| Total comprehensive loss/income attributable to owners of the Company | (846)   | 192  | (846)   | 192  |
| Earnings Per Share  |   |  |   |  |
| (i) Basic (Sen)   | (0.18)  | 0.14   | (0.18)  | 0.14   |
| (ii) Diluted (Sen)  | N/A   | 0.06   | N/A   | 0.06   |

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

**M N C WIRELESS BERHAD**  
(Company No. 635884 - T)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018 (UNAUDITED)**

|   | <b>As At<br/>31.03.2018<br/>Unaudited<br/>RM'000</b> | <b>As At<br/>31.12.2017<br/>Audited<br/>RM'000</b> |
|---|--|--|
| <b>Assets</b>                               |  |  |
| <b>Non-Current Assets</b>                   |  |  |
| Other investment                            | 2,998  | 1,780  |
| Property and equipment                      | 8,398  | 8,552  |
|   | 11,396   | 10,332   |
| <b>Current Assets</b>                       |  |  |
| Trade receivables                           | 3,355  | 5,126  |
| Other receivables, deposits and prepayments | 4,303  | 3,432  |
| Current tax assets                          | 299  | 319  |
| Short-term investment                       | 829  | 2,665  |
| Fixed deposits                              | 22,398   | 22,381   |
| Cash and bank balances                      | 2,394  | 2,385  |
|   | 33,578   | 36,308   |
| <b>Total Assets</b>                         | 44,974   | 46,640   |
| <b>Equity and Liabilities</b>               |  |  |
| <b>Equity</b>                               |  |  |
| Share capital                               | 44,556   | 44,556   |
| Share premium                               | -  | -  |
| ESOS reserve                                | 65   | 65   |
| Revaluation reserve                         | 1,932  | 1,932  |
| Warrant reserve                             | 4,724  | 4,724  |
| Accumulated losses                          | (11,903)   | (11,057)   |
| <b>Total Equity</b>                         | 39,374   | 40,220   |
| <b>Current Liabilities</b>                  |  |  |
| Trade payables                              | 2,014  | 3,124  |
| Other payables and accruals                 | 1,071  | 731  |
| Hire Purchase                               | 100  | 133  |
| Term loans                                  | 64   | 64   |
|   | 3,249  | 4,052  |
| <b>Non-Current Liabilities</b>              |  |  |
| Term loans                                  | 865  | 881  |
| Hire Purchase                               | 827  | 827  |
| Deferred taxation                           | 659  | 660  |
| <b>Total Liabilities</b>                    | 5,600  | 6,420  |
| <b>Total Equity and Liabilities</b>         | 44,974   | 46,640   |
| No. of ordinary shares ('000)               | 478,383  | 478,383  |
| Net assets per ordinary share (sen)         | 8.23   | 8.41   |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

**M N C WIRELESS BERHAD**

(Company No. 635884 - T)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR  
THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

|  | Curent Year<br>To Date<br>31.03.2018<br>RM'000 | Preceding Year<br>To Date<br>31.03.2017<br>RM'000 |
|--|--|---|
| <b>Cash Flows from Operating Activities</b>                    |  |   |
| (Loss)/Profit before taxation                                  | (837)  | 291   |
| Adjustments for:-  |  |   |
| Non-cash items   | 719  | 70  |
| Interest expenses  | 13   | 10  |
| Interest income  | (72)   | (138)   |
| Non-operating items  | -  | -   |
| <b>Operating (loss)/profit before working capital changes</b>  | <u>(177)</u>                                   | <u>233</u>  |
| Decrease/(Increase) in trade and other receivables             | 760  | (2,638)   |
| (Decrease)/Increase in trade and other payables                | (1,401)  | 153   |
| <b>Net cash for operations</b>                                 | <u>(818)</u>                                   | <u>(2,252)</u>                                    |
| Tax paid   | (10)   | (68)  |
| Tax refunded   | -  | 5   |
| <b>Net cash for operating activities</b>                       | <u>(828)</u>                                   | <u>(2,315)</u>                                    |
| <b>Cash Flows From Investing Activities</b>                    |  |   |
| Interest received  | 72   | 138   |
| Purchase of property and equipment                             | (9)  | (564)   |
| Purchase of quoted shares                                      | (997)  | -   |
| Investment in subsidiaries                                     | -  | (1,101)   |
| <b>Net cash for investing activities</b>                       | <u>(934)</u>                                   | <u>(1,527)</u>                                    |
| <b>Cash Flows From Financing Activities</b>                    |  |   |
| Interest paid  | (13)   | (10)  |
| Proceeds from issuance of share capital                        | -  | 1,101   |
| Repayment of term loans and hire purchase                      | (49)   | (53)  |
| Placement of fixed deposit pledged as securities               | -  | (100)   |
| <b>Net cash from financing activities</b>                      | <u>(62)</u>                                    | <u>938</u>  |
| Decrease in cash and cash equivalents                          | (1,824)  | (2,904)   |
| Cash and cash equivalents at beginning of the financial period | 8,858  | 23,737  |
| Cash and cash equivalents at end of the financial period       | <u><u>7,034</u></u>                            | <u><u>20,833</u></u>                              |
| <b>Represented By:</b>   |  |   |
| Cash and bank balances   | 2,394  | 20,517  |
| Short term deposit with financial institution                  | 4,640  | 416   |
|  | <u>7,034</u>                                   | <u>20,933</u>                                     |
| Less : Short term deposits pledged as securities               | -  | (100)   |
|  | <u><u>7,034</u></u>                            | <u><u>20,833</u></u>                              |

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

|   | Attributable to Owners of the Company |  |                                  |                              |                                 | Total equity<br>RM'000 |
|---|---------------------------------------|--|----------------------------------|------------------------------|---------------------------------|------------------------|
|   | Share<br>Capital<br>RM'000            | Non-distributable<br>ESOS<br>Reserve<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Warrant<br>Reserve<br>RM'000 | Accumulated<br>Losses<br>RM'000 |                        |
| <b>Three (3) months ended 31 March 2018</b>                                       |                                       |  |                                  |                              |                                 |                        |
| As at 1 January 2018  | 44,556                                | 65   | 1,932                            | 4,724                        | (11,057)                        | 40,220                 |
| Loss after taxation   | -                                     | -  | -                                | -                            | (846)                           | (846)                  |
| Other comprehensive income:   |                                       |  |                                  |                              |                                 |                        |
| - Revaluation surplus   | -                                     | -  | -                                | -                            | -                               | -                      |
| - Transfer to profit or loss upon disposal of available-for-sale financial assets | -                                     | -  | -                                | -                            | -                               | -                      |
| Total comprehensive income for the period   | -                                     | -  | -                                | -                            | (846)                           | (846)                  |
| Realisation of revaluation reserve  | -                                     | -  | -                                | -                            | -                               | -                      |
| As at 31 March 2018   | 44,556                                | 65   | 1,932                            | 4,724                        | (11,903)                        | 39,374                 |
| <b>Three (3) months ended 31 March 2017</b>                                       |                                       |  |                                  |                              |                                 |                        |
| As at 1 January 2017  | 37,789                                | -  | 1,954                            | 4,724                        | (10,380)                        | 34,087                 |
| Profit for the financial period   | -                                     | -  | -                                | -                            | 192                             | 192                    |
| Other comprehensive income  |                                       |  |                                  |                              |                                 |                        |
| - Revaluation of properties, net of tax   | -                                     | -  | -                                | -                            | -                               | -                      |
| - Fair Value changes of available-for-sale financial assets                       | -                                     | -  | -                                | -                            | -                               | -                      |
| Total comprehensive income for the period   | -                                     | -  | -                                | -                            | 192                             | 192                    |
| Realisation of revaluation reserve  | -                                     | -  | (3)                              | -                            | 3                               | -                      |
| As at 31 March 2017   | 37,789                                | -  | 1,951                            | 4,724                        | (10,185)                        | 34,279                 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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**NOTES TO THE QUARTERLY REPORT –31 MARCH 2018**

***Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting***

**1. First-time adoption of Malaysian Financial Reporting Standards (MFRS)**

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9 of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2016 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2017. The adoption of these standards, amendments and interpretations has no material impact to these interim financial statements.

The significant accounting policies applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2016 except for the effects of newly issued Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) to be applied by all Entities Other Than Private Entities for the financial period beginning on 1 January 2017:-

**MFRSs (Including The Consequential Amendments)**

The Group has not applied in advance the following new MFRSs and amendments/improvements to MFRSs that have been issued by MASB but not yet effective for the current financial year:

| <b>MFRSs (Including The Consequential Amendments)</b>   | <b>Effective Date</b> |
|---|-----------------------|
| MFRS 9 - Financial Instruments (IFRS 9 as issued by IASB in July 2014)  | 1 January 2018        |
| MFRS 15 - Revenue from Contracts with Customers   | 1 January 2018        |
| MFRS 15 – Clarifications to MFRS 15   | 1 January 2018        |
| Amendments to MFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions | 1 January 2018        |
| Amendments to MFRS 140 Investment Property - Transfers of Investment Property                                 | 1 January 2018        |
| Annual Improvements to MFRS Standards 2014 – 2016 Cycle   | 1 January 2018        |
| IC Interpretation 22 Foreign Currency Transactions and Advance Consideration                                  | 1 January 2018        |
| MFRS 16 – Leases  | 1 January 2019        |

|   |                 |
|---|-----------------|
| Amendments to MFRS 9 Financial Instruments – Prepayment Features with Negative Compensation   | 1 January 2019  |
| Amendments to MFRS 119 Employee Benefits - Plan Amendment, Curtailment or Settlement  | 1 January 2019  |
| Annual Improvements to MFRS Standards 2015 – 2017 Cycle   | 1 January 2019  |
| Amendments to MFRS 128 Investments in Associates and Joint Ventures – Long-Term Interests in Associates and Joint Ventures                                  | 1 January 2019  |
| IC Interpretation 23 Uncertainty over Income Tax Treatment  | 1 January 2019  |
| MFRS 17 – Insurance Contracts   | 1 January 2021  |
| Amendments to MFRS 10 Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture             | To be announced |
| Amendments to MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be announced |

The above accounting standards and interpretations (including the consequential amendments) are not expected to have a material impact to the financial statements of the Group operations except as follows:-

**MFRS 9 (IFRS 9 issued by IASB in July 2014)**

MFRS 9 (IFRS 9 as issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking ‘expected loss’ impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held.

**2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2017 was not subject to any qualification.

**3. Comments About Seasonal or Cyclical Factors**

The business of the Group is not affected by any significant seasonal or cyclical factors.

**4. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

**5. Changes in Estimates**

There were no significant changes in estimates which will have a material effect in the current quarter under review.

**6. Changes in Debt and Equity Securities**

There was no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter under review.

**7. Dividends Paid**

There were no dividends paid during the current quarter under review.

**8. Valuation of Property and Equipment**

The Group did not revalue any of its property or equipment during the current quarter under review.

**9. Subsequent Events**

There were no material events subsequent to the end of the financial quarter which is not reflected in the financial statements of the current quarter under review.

**10. Changes in the Composition of the Group**

There were no changes in the composition of the group during the current quarter under review.

**11. Contingent Assets and Contingent Liabilities**

There were no material contingent assets and contingent liabilities as at the date of this report.

**12. Commitments**

There were no commitments as at the date of this report.

**13. Significant Related Party Disclosures**

There were no significant related party transactions during the current period under review.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

1. Financial review for Current Quarter and Cumulative Quarter

|   | Individual Period<br>(1 <sup>st</sup> Quarter) |   |                     | Cumulative Period           |  |                     |
|---|--|---|---------------------|-----------------------------|--|---------------------|
|   | Current<br>Year<br>Quarter                     | Preceding<br>Year<br>Corresponding<br>Quarter | Changes<br>(Amount) | Current<br>Year to-<br>Date | Preceding<br>Year<br>Corresponding<br>Period | Changes<br>(Amount) |
|   | 31.03.2018                                     | 31.03.2017                                    |                     | 31.03.2018                  | 31.03.2017                                   |                     |
|   | RM'000   | RM'000  | RM'000              | RM'000                      | RM'000                                       | RM'000              |
| Revenue   | 3,503  | 3,480   | 23                  | 3,503                       | 3,480  | 23                  |
| Operating<br>(Loss)/Profit  | (824)  | 300   | (1,124)             | (824)                       | 300  | (1,124)             |
| (Loss)/Profit<br>Before<br>Interest and<br>Tax  | (824)  | 300   | (1,124)             | (824)                       | 300  | (1,124)             |
| (Loss)/Profit<br>Before Tax   | (837)  | 290   | (1,127)             | (837)                       | 290  | (1,127)             |
| (Loss)/Profit<br>After Tax  | (846)  | 192   | (1,127)             | (846)                       | 192  | (1,127)             |
| (Loss)/Profit<br>Attributable<br>to Ordinary<br>Equity<br>Holder of<br>the<br>Company | (846)  | 192   | (1,127)             | (846)                       | 192  | (1,127)             |



|   | Q1 2018<br>RM'000 | Q1 2017<br>RM'000 |
|---|-------------------|-------------------|
| Revenue:-                                 |                   |                   |
| - Wireless/Mobile Services                | 2,230             | 1,746             |
| - Digital and multimedia related services | 1,273             | 1,734             |
| Loss before taxation                      |                   |                   |
| - Wireless/Mobile Services                | (533)             | 182               |
| - Digital and multimedia related services | (304)             | 108               |

The Group's revenue for the current quarter increase, compared to the preceding year corresponding quarter, due to higher contribution from Wireless/Mobile Services, as a result of the increased efforts by the group and its business partners to promote these services.

The Group registered a loss before tax, compared to the preceding year corresponding quarter profit before tax, due to higher operating expenditure, higher customer acquisition cost and administrative cost, coupled with higher infrastructure cost.

## 2. Financial review for Current Quarter and Immediate Preceding Quarter

|   | Current<br>Quarter | Immediate<br>Preceding<br>Quarter | Changes<br>(Amount) |
|---|--------------------|-----------------------------------|---------------------|
|   | 31.03.2018         | 31.12.2017                        |                     |
|   | RM'000             | RM'000                            | RM'000              |
| <b>Revenue</b>  | 3,503              | 4,428                             | (925)               |
| <b>Operating Loss</b>                                 | (824)              | (542)                             | (282)               |
| <b>Loss Before Interest and Tax</b>                   | (824)              | (542)                             | (282)               |
| <b>Loss Before Tax</b>                                | (837)              | (556)                             | (281)               |
| <b>Loss After tax</b>                                 | (846)              | (272)                             | (574)               |
| <b>Loss Attributable to the Owners of the Company</b> | (846)              | (272)                             | (574)               |

The Group registered a lower loss after tax compared to the immediate preceding quarter, as a result of the increased efforts by the group and its business partners to promote these services.

### 3. Prospects

Market environment remains challenging, coupled with the general slowdown in the local economy, higher customer acquisition cost and keener competition amongst players in the respective business segment markets, all of which may result in lower revenue in the respective business segments.

The Group intends to utilise the rights issue proceeds to expand the wireless and mobile application service, multimedia related service and digital related service business segments. The proceeds has been partially utilised to acquire licenses, to support the TAC platform, purchase the advertising panels, which comprise of LCD HD Screen, set up marketing and IT-support office at Johor and Penang respectively and rent a shop lot for the branch office expansion.

Development of an inclusive e-commerce platform with integrated payment gateway solutions and end-to-end logistics support, through strategic business collaboration such as the recent Memorandum of Understanding signing agreement with M3 Technologies (Asia) Bhd, is ongoing.

Development of digital platforms to support Syarikat Perumahan Negara Berhad ("SPNB") Digital Transformation Roadmap is ongoing further to execution of the Subscription and Shareholders' Agreement ("SSA") with SPNB Dana Sdn. Bhd. on 24 October 2017 with the incorporation of SDMNC Sdn Bhd on 7 November 2017 to jointly assist and support SPNB Dana in its undertaking and development of the business of providing short-term loans for down-payments and/or differential sum for eligible homebuyers of housing developments developed by SPNB and its subsidiaries; and the subscription for up to 20,000,000 redeemable preference shares in SDMNC Sdn Bhd by MNC for a total cash consideration of RM20,000,000.

Development of an online platform for leasing and short term luxury rental services for 120 units of Marina Point, Malacca, further to recent Memorandum of Understanding signing agreement with Sanichi Property Sdn. Bhd, is ongoing.

### 4. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any public documents.

### 5. Taxation

|                  | Current Quarter   |                   | Cumulative Quarter |                   |
|------------------|-------------------|-------------------|--------------------|-------------------|
|                  | Q1 2018<br>RM'000 | Q1 2017<br>RM'000 | Q1 2018<br>RM'000  | Q1 2017<br>RM'000 |
| Current year tax | (9)               | (11)              | (9)                | (11)              |
| Prior year tax   | NIL               | (86)              | NIL                | (86)              |
| Deferred tax     | NIL               | (1)               | NIL                | (1)               |
| Tax expense      | (9)               | (98)              | (9)                | (98)              |

## 6. Status of Corporate Proposals

(a) Status of utilisation of proceeds raised as at 31 March 2018 from the multiple proposal pursuant to announcement that Rights Issue with Warrants has been completed on 11 November 2016, following the admission of the Warrants to the official list and the listing of and quotation for 283,420,500 Rights Shares together with 188,946,927 Warrants on the ACE Market of Bursa securities on 11 November 2016.

| No | Purpose   | Proposed Utilisation | Actual Utilisation | Intended Timeframe For Utilisation | Deviation amount | Explanations (if the deviation is 5% or more) |
|----|---|----------------------|--------------------|------------------------------------|------------------|---|
| 1  | Wireless and mobile application services expenses                               | 2,000,000            | -                  | Within twenty-four (24) months     | -                | -   |
| 2  | Multimedia related service expenses<br>- Infrastructure development expenditure | 3,000,000            | (2,947,317)        | Within twenty-four (24) months     | -                | -   |
| 3  | Digital related service expenses<br>- Purchases of advertising display panels   | 8,000,000            | -                  | Within twenty-four (24) months     | -                | -   |
| *4 | Branch Expansion  | 4,000,000            | -                  | Within twenty-four (24) months     | -                | -   |
| 5  | Repayment of bank borrowings  | 2,750,000            | (2,750,000)        | Within twelve (12) months          | -                | -   |
| 6  | Working capital   | 8,021,011            | (3,702,426)        | Within twenty-four (24) months     | -                | -   |
| 7  | Expenses for the Corporate Exercises  | 570,989              | (570,989)          | Within six (6) months              | -                | -   |
|    |   | 28,342,000           | (9,970,732)        |                                    |                  |   |

**Note:**

Unutilized proceeds are placed in interest bearing fixed deposit with licensed financial and non-financial institutions(s) and short-term money market instruments.

Corporate exercise estimated expense surplus is adjusted accordingly to working capital.

\*Proposed utilisation for Branch Expansion is extended by 12 months as the Company has yet to identify suitable marketing sales personnel and software programmers for the respective new branches.

## 6. Status of Corporate Proposals

- (b) The Company has obtained the mandate from the members at the last Annual General Meeting held on 25 May 2017 ("the Previous Mandate"). The Previous Mandate has been utilised for the private placement of up to 10% of the share capital of Company ("Private Placement") as announced to Bursa Malaysia Securities Berhad on 25 May 2017.

Bursa Malaysia Securities Berhad had on 31 May 2017 granted its approval for the Private Placement. Pursuant thereto, the Company had issued 43,489,400 ordinary shares at an issue price of RM0.05454 each. With the completion of the Private Placement, the Company has raised a total proceed of RM2.372 million as at the date on 25.08.2017, and that the details of the utilisation of the proceed raised from the Private Placement, as at the date of the printing of this Annual Report, are as follows:-

| No | Purpose   | Status of Utilisation | Actual Utilisation (RM'000) | Intended Timeframe For Utilisation | Amount Unutilised (RM'000) |
|----|---|-----------------------|-----------------------------|------------------------------------|----------------------------|
| 1  | Funding for the Project                               | On going              | -                           | Within twelve (12) months          | 2,273 *                    |
| 2  | Estimated expenses for the Proposed Private Placement | Fully                 | 99                          | Within twelve (12) months          | -                          |
|    |   | TOTAL                 | 99                          |                                    | 2,273                      |

Note:

\*Includes RM 51,000.00 which was excess of actual utilization over estimated expenses for the said Private Placement, which is adjusted to working capital.

## 7. Group Borrowings and Debt Securities

|                | As at 1 <sup>st</sup> quarter ended 31 March 2018 |            |              |
|----------------|---|------------|--------------|
|                | Non-current                                       | Current    | Total        |
|                | RM'000  | RM'000     | RM'000       |
| <b>Secured</b> |   |            |              |
| Term loan      | 865   | 64         | 929          |
| Hire Purchases | 827   | 100        | 927          |
| <b>Total</b>   | <b>1,692</b>                                      | <b>164</b> | <b>1,856</b> |
|                | As at 1 <sup>st</sup> quarter ended 31 March 2017 |            |              |
|                | Non-current                                       | Current    | Total        |
|                | RM'000  | RM'000     | RM'000       |
| <b>Secured</b> |   |            |              |
| Term loan      | 2,551   | 175        | 2,726        |
| Hire Purchases | 489   | 50         | 539          |
| <b>Total</b>   | <b>3,040</b>                                      | <b>225</b> | <b>3,265</b> |

## 8. Trade Receivables

The Group's normal trade credit terms range from cash term to 90 days term (2016: cash terms to 90 days). Other credit terms are assessed and approved on a case by case basis. There are no trade receivables from related parties.

|                                     | As at 1ST quarter ended 31 March 2018 |            |            |                    |        |
|-------------------------------------|---------------------------------------|------------|------------|--------------------|--------|
|                                     | Current                               | 1-3 months | 3-6 months | More than 6 months | Total  |
|                                     | RM'000                                | RM'000     | RM'000     | RM'000             | RM'000 |
| Denominated in RM Trade receivables | 852                                   | 688        | 1,036      | 779                | 3,355  |

## 9. Changes in Material Litigation

There is no material outstanding litigation as at the date of issue of these interim financial statements.

## 10. Dividend Payable

The Board of Directors did not recommend any dividend for the current quarter under review.

## 11. Off-balance sheet financial instruments

There was no financial instrument with off-balance sheet risk as at the date of this announcement.

## 12. Earnings/Loss per Share

|   | Current Year<br>Quarter<br>31.03.2018 | Preceding<br>Year<br>Corresponding<br>Quarter<br>31.03.2017 | Current Year<br>To Date<br>31.03.2018 | Preceding<br>Year<br>To Date<br>31.03.2017 |
|---|---------------------------------------|---|---------------------------------------|--|
| <b>Basic Earnings Per share</b>                               |                                       |   |                                       |  |
| (Loss)/Profit after taxation<br>(RM'000)                      | (846)                                 | 192   | (846)                                 | 192  |
| Weighted average number of<br>ordinary shares in issue ('000) | 431,053                               | 136,404   | 431,053                               | 136,404                                    |
| Basic Earnings per share (sen)                                | (0.18)                                | 0.14  | (0.18)                                | 0.14                                       |

**13. Basic Diluted Earnings Per Share**

|   | Current Year<br>Quarter<br>31.03.2018 | Preceding<br>Year<br>Corresponding<br>Quarter<br>31.03.2017 | Current Year<br>To Date<br>31.03.2018 | Preceding<br>Year<br>To Date<br>31.03.2017 |
|---|---------------------------------------|---|---------------------------------------|--|
| <b>Basic Diluted Per share</b>                                |                                       |   |                                       |  |
| (Loss)/Profit after taxation<br>(RM'000)                      | (846)                                 | 192   | (846)                                 | 192  |
| Weighted average number of<br>ordinary shares in issue ('000) | 651,027                               | 325,351   | 651,027                               | 325,351                                    |
| Basic Diluted Earnings per share<br>(sen)                     | Not<br>Applicable                     | 0.06  | Not<br>Applicable                     | 0.06                                       |

**14. Loss Before Taxation**

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

|                                    | Current Year<br>Quarter<br>31.03.2018<br>RM'000 | Current Year<br>To Date<br>31.03.2018<br>RM'000 |
|------------------------------------|---|---|
| Interest income                    | (72)  | (72)  |
| Interest expense                   | 13  | 13  |
| Depreciation of equipment          | 162   | 162   |
| Unrealised losses on quoted shares | 557   | 557   |

**15. Disclosure of nature of outstanding derivatives**

There was no outstanding derivative as at reporting period.

**16. Disclosure of gains / losses arising from fair value changes of financial liabilities**

There were no gains or losses arising from fair value changes of financial liabilities as at the reporting period.