

# APPASIA BERHAD

Company No. 643683-U  
(Incorporated In Malaysia)

## QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 June 2018 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (The figures have not been audited)

	As At 30 June 2018 (Unaudited) RM'000	As At 31 Dec 2017 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	549	536
Investment properties	2,377	2,402
Research and development expenditure	1,415	1,066
Investment in associate company	23	37
	<u>4,364</u>	<u>4,041</u>
<b>Current Assets</b>		
Inventories	176	179
Trade receivables	32,574	98,639
Other receivables	1,370	1,858
Amount due from an associate company	18	-
Tax recoverable	233	63
Fixed deposits placed with licensed bank	5,112	5,041
Cash and bank balances	13,390	15,494
Assets classified as held for sale	-	828
	<u>52,873</u>	<u>122,102</u>
<b>TOTAL ASSETS</b>	<b><u>57,237</u></b>	<b><u>126,143</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	50,464	50,451
Warrants reserve	20,489	20,489
Other reserve	(20,489)	(20,489)
Share issuance scheme option reserve	970	978
Foreign currency translation reserve	28	5
Accumulated losses	(23,975)	(24,813)
<b>Total Equity</b>	<u>27,487</u>	<u>26,621</u>
<b>LIABILITIES</b>		
<b>Non-Current Liability</b>		
Finance lease payables	126	50
<b>Current Liabilities</b>		
Trade payables	25,007	96,772
Other payables	4,287	2,557
Provision for taxation	273	51
Finance lease payables	57	92
	<u>29,624</u>	<u>99,472</u>
<b>Total Liabilities</b>	<u>29,750</u>	<u>99,522</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>57,237</u></b>	<b><u>126,143</u></b>
Net assets per ordinary share attributable to owners of the parent (sen)	7.96	7.71

### Notes:

The unaudited 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 in this interim financial statements.

**APPASIA BERHAD**

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**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 June 2018****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter Ended 30 June 2018 RM'000	Quarter Ended 30 June 2017 RM'000	Period ended 30 June 2018 RM'000	Period ended 30 June 2017 RM'000
Revenue	A8	33,399	7,723	94,243	9,220
Cost of sales		(32,759)	(6,718)	(91,371)	(6,946)
Gross profit		640	1,005	2,872	2,274
Other income		39	39	1,634	80
Administrative expenses		(1,358)	(1,137)	(3,360)	(3,035)
Finance costs		(2)	(3)	(4)	(6)
Share of result of associate company		(6)	-	(14)	-
<b>(Loss)/Profit from operations</b>		<b>(687)</b>	<b>(96)</b>	<b>1,128</b>	<b>(687)</b>
Share-based payment		-	116	-	(1,331)
<b>(Loss)/Profit before taxation</b>		<b>(687)</b>	<b>20</b>	<b>1,128</b>	<b>(2,018)</b>
Taxation	B5	46	-	(294)	-
<b>Net (loss)/profit for the period</b>		<b>(641)</b>	<b>20</b>	<b>834</b>	<b>(2,018)</b>
<b>Other comprehensive (loss)/income</b>					
Exchange translation differences for foreign operation		1	1	23	1
<b>Total comprehensive (loss)/income for the period</b>		<b>(640)</b>	<b>21</b>	<b>857</b>	<b>(2,017)</b>
(Loss)/Profit for the period attributable to:					
Owners of the parent		(641)	20	834	(2,018)
Total comprehensive (loss)/profit attributable to:					
Owners of the parent		(640)	21	857	(2,017)
(Loss)/Profit Per Share (sen)					
Basic	B10	(0.19)	0.01	0.24	(0.70)
Diluted	B10	(0.18)	0.01	0.22	(0.55)

**Notes:**

The unaudited Condensed Consolidated Statement of 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 in this interim financial statements.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 June 2018

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

	Attributable to Owners of the Parent						Distributable Accumulated Losses	Total Equity
	Non-Distributable				Share Issuance Scheme Option	Foreign Currency Translation Reserve		
	Share Capital	* Share Premium	Warrants Reserve	Other Reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Period ended 30 June 2018</b>								
As at 1 January 2018	50,451	-	20,489	(20,489)	978	5	(24,813)	26,621
Share options lapsed	-	-	-	-	(4)	-	4	-
Exercised of shares options	13	-	-	-	(4)	-	-	9
Total comprehensive income for the period	-	-	-	-	-	23	834	857
As at 30 June 2018	50,464	-	20,489	(20,489)	970	28	(23,975)	27,487
<b>Period ended 30 June 2017</b>								
As at 1 January 2017	28,372	4,411	20,982	(20,982)	1,741	(9)	(24,472)	10,043
Shares option granted under SIS	-	-	-	-	1,447	-	-	1,447
Shares options lapsed	-	-	-	-	(257)	-	141	(116)
Conversion of warrants	425	-	(493)	493	-	-	-	425
Exercised of shares options	1,477	-	-	-	(423)	-	-	1,054
Total comprehensive loss for the period	-	-	-	-	-	1	(2,018)	(2,017)
As at 30 June 2017	30,274	4,411	20,489	(20,489)	2,508	(8)	(26,349)	10,836

\*

The new Companies Act 2016 (the "Act"), which come into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM4.411 million become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM4.411 million for purposes as set out in Sections 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The unaudited 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 in this interim financial statements.)

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**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 June 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(The figures have not been audited)

	<b>Period Ended 30 June 2018</b>	<b>Period Ended 30 June 2017</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	1,128	(2,018)
Adjustments for:-		
Depreciation of investment properties	32	45
Depreciation of property, plant and equipment	118	315
Amortisation of research and development expenditure	151	-
Share-based payment	-	1,331
Inventories written off	-	37
Share of result of associate company	14	-
Property, plant and equipment written off	-	14
Gain on disposal of property, plant and equipment	(16)	-
Gain on disposal of investment properties	(1,579)	-
Impairment loss on trade receivables	64	-
Loss on disposal of membership	-	19
Interest expense	4	6
Interest income	(11)	(1)
Unrealised loss on foreign exchange	29	7
Operating loss before working capital changes	(66)	(245)
Changes in working capital:		
Inventories	3	22
Trade receivables	66,001	(7,310)
Other receivables	488	(711)
Trade payables	(71,765)	6,684
Other payables	1,730	(446)
Associate company	(18)	-
	(3,561)	(1,761)
Cash used in operations	(3,627)	(2,006)
Interest paid	(4)	(6)
Interest received	11	1
Tax paid	(194)	(25)
Tax refund	33	32
Net cash used in operating activities	(3,781)	(2,004)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(185)	(11)
Proceeds from disposal of property, plant and equipment	70	-
Proceeds from disposal of investment properties	2,400	-
Addition of research and development expenditure	(500)	(674)
Net cash generated from / (used in) investing activities	1,785	(685)

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**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 June 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

(The figures have not been audited)

	<b>Period Ended 30 June 2018</b>	<b>Period Ended 30 June 2017</b>
	RM'000	RM'000
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from conversion of warrants	-	425
Proceeds from exercise of SIS options	9	1,054
Decrease in fixed deposits pledged	-	17
Addition of finance lease payables	100	-
Repayment of finance lease payables	(59)	(56)
Net cash used in financing activities	50	1,440
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,946)	(1,249)
<b>EFFECT OF EXCHANGE TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>	(87)	(6)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	20,535	5,176
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	18,502	3,921
Cash and cash equivalents comprises:		
Fixed deposits placed with licensed bank	5,112	-
Cash and bank balances	13,390	3,921
	18,502	3,921

**Notes:**

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached in this interim financial statements.

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## A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

### A1. BASIS OF PREPARATION

The interim financial statements is unaudited and has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of Bursa Malaysia Securities Berhad ACE Market Listing Requirements (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2017 and the accompanying explanatory notes. The explanatory notes attached to the interim financial statements provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

The significant accounting policies, methods of computations and interpretation adopted by AppAsia Berhad (“AppAsia” or “Company”) and its subsidiary companies (“Group”) in the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2017 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial statements effective from 1 January 2018, as disclosed below:

- MFRS 9
- MFRS 15 and amendments to MFRS 15
- IC Interpretation 22
- Amendments to MFRS 2
- Amendments to MFRS 4
- Amendments to MFRS 140
- Annual Improvement to MFRSs 2014-2016 Cycle:
- Amendments to MFRS 1
- Amendments to MFRS 128

#### **MFRSs, amendments to MFRSs and IC Interpretation that are applicable to the Group but not yet effective**

The Malaysian Accounting Standards Board had issued the following new standards, amendments to MFRSs and IC Interpretation. All of which are effective for the financial period beginning on or after 1 January 2019 unless otherwise mentioned. The Group did not early adopt these new standards, amendments to MFRSs and IC Interpretation.

- MFRS 16 Leases
- IC Interpretation 23 Uncertainty over Income Tax Treatments

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## A1. BASIS OF PREPARATION (CONT'D)

- Amendments to MFRS 9 Prepayment Features with Negative Compensation
- Amendments to MFRS 119 Plan Amendments, Curtailment or Settlement
- Amendments to MFRS 128 Long-term interests in Associates or joint Ventures
- Annual Improvements to MFRSs 2015-2017 Cycle:
  - Amendments to MFRS 3
  - Amendments to MFRS 11
  - Amendments to MFRS 112
  - Amendments to MFRS 123
- MFRS 17 Insurance Contracts
- Amendments to MFRS 10 and MFRS 128 Sale or Constitution of Assets between an Investor and its Associate or Joint Venture

## A2. AUDIT REPORT ON THE PRECEDING ANNUAL FINANCIAL STATEMENTS

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

## A3. SEASONALLY OR CYCLICAL FACTORS

The operation of the Group were not significantly affected by any major seasonal or cyclical factors during the current financial quarter under review and financial year-to-date.

## A4. UNUSUAL ITEMS

There were no significant unusual items or events that arose, which affecting assets, liabilities, equity, net income or cash flows.

## A5. MATERIAL CHANGE IN ESTIMATES

There were no material changes in estimates that have had material effect on the current financial quarter under review and financial year-to-date.

## A6. DEBT AND EQUITY SECURITIES

There were no other issuance, cancellations, or repayments of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

## A7. DIVIDEND PAID

No dividend was declared, approved or paid during the current financial quarter under review and financial year-to-date.

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## A8. SEGMENTAL INFORMATION

In line with the Group's strategy to penetrate into different IT consumers market, the management has currently segregate the Group into the following core business units based on different products, services and market segments as follows:

### ICT Security Business

Provides the solutions, products and services in the information technology security sector which include managed security services, security-enhanced enterprise solutions, managed infrastructure services, IT hardware and software trading, system development, IT security consultation, penetration testing and related professional services. Also provides advanced backup and Secure Enterprise File Management solutions and advanced cloud solution and services.

### E-Commerce Business

Focus in the research, development of online marketplace which caters for business-to-business (B2B) and business-to-consumer (B2C) transactions and operations of e-commerce platforms.

### Digital Contents

Provide e-media technologies and solutions for digital media industries and contents aggregation, development of mobile applications, games and portal.

### Management Services

Investment holding and provision of management services.

The Group management strategically dedicates the operation of each business units to the respective subsidiaries and monitors the operation separately for effective resource allocation and performance assessment. Each business unit's performance is evaluated based on the long term business value and profitability.

### **Results for six (6) months ended 30 June 2018**

	ICT security business	E-commerce business	Digital Contents	Management Services	Eliminations	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External revenues	272	92,700	1,171	100	-	94,243
Inter segment	164	-	6	1,002	(1,172)	-
<b>Total revenue</b>	<b>436</b>	<b>92,700</b>	<b>1,177</b>	<b>1,102</b>	<b>(1,172)</b>	<b>94,243</b>
<b>Segment Results</b>						
Interest income	2	8	1	-	-	11
Finance costs	-	-	-	(4)	-	(4)
Depreciation and amortisation	(18)	(75)	(108)	(100)	-	(301)
Other non-cash items <sup>(1)</sup>	1,576	(89)	(4)	19	-	1,502
Segment gain/loss before tax	1,276	(306)	488	(1,407)	1,076	1,127



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## A8. SEGMENTAL INFORMATION (CONT'D)

### Results for six (6) months ended 30 June 2017

	ICT security business	E-commerce business	Digital Contents	Management Services	Eliminations	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External revenues	1,316	6,734	1,136	34	-	9,220
Inter segment	121	2	-	-	(123)	-
<b>Total revenue</b>	<b>1,437</b>	<b>6,736</b>	<b>1,136</b>	<b>34</b>	<b>(123)</b>	<b>9,220</b>
<b>Segment Results</b>						
Interest income	-	1	-	-	-	1
Finance costs	-	-	-	(6)	-	(6)
Depreciation and amortisation	(34)	(16)	(50)	(260)	-	(360)
Other non-cash items <sup>(1)</sup>	-	(56)	(2)	(1,350)	-	(1,408)
Segment gain/(loss) before tax	338	(630)	521	(2,973)	726	(2,018)

(1) Other non-cash items consist of the following as presented in the respective notes to the financial statements:

	As at 30 June 2018	As at 30 June 2017
	RM'000	RM'000
Loss on disposal of membership	-	(19)
Gain on disposal of property, plant and equipment	16	-
Gain on disposal of investment properties	1,579	-
Gain on subsidiary striking off	12	-
Impairment loss on trade receivables	(64)	-
Property, plant and equipment written off	-	(14)
Inventories written off	-	(37)
Bad debt written off	(12)	-
Share-based payment	-	(1,331)
Unrealised loss on foreign exchange	(29)	(7)
	<b>1,502</b>	<b>(1,408)</b>

## A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The valuations of property, plant and equipment and investment properties have been brought forward without any amendments from the previous audited financial statements.

## A10. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

There was no material event subsequent to the end of the current financial quarter under review and financial period-to-date that has not been reflected in the interim financial statements.

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### **A11. CHANGES IN THE COMPOSITION OF THE GROUP**

On 6 June 2018, the Company announced that AppAsia Online Sdn Bhd (“AppAsia Online”), a wholly-owned subsidiary of the Group had been struck off and dissolved from the Register of the Companies Commission of Malaysia under Section 550 of the Companies Act, 2016.

On 19 June 2018, the Company announced that AppAsia International Pty Ltd (“AIPL”), an indirect wholly-owned subsidiary of the Group had on 9 June 2018 applied to Australian Securities and Investments Commission for the voluntary deregistration of AIPL.

Save for the above, there were no changes in the composition of the Group during the current financial quarter under review.

### **A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Save for the material events disclosed in Notes A10 in this quarterly report, there was no contingent liabilities and contingent assets at the end of the current financial quarter under review and financial period-to-date that has not been reflected in the interim financial statements.

### **A13. CAPITAL COMMITMENTS**

There were no capital commitments during the period under review.

### **A14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

Save for the above, there are no related party transactions which would have a material impact on the financial position and the business of the Group during the current financial quarter under review and financial period-to-date.

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### B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

#### FOR THE ACE MARKET

##### B1. PERFORMANCE REVIEW

	Current quarter ended		Changes (%)	Cumulative quarter ended		Changes (%)
	30 June 2018 RM'000	30 June 2017 RM'000		30 June 2018 RM'000	30 June 2017 RM'000	
Revenue	33,399	7,723	332.5	94,243	9,220	922.2
(Loss)/Profit before interest and taxation (PBIT/LBIT)	(685)	23	(3,078.3)	1,132	(2,012)	(156.3)
(Loss)/Profit before taxation (PBT/LBT)	(687)	20	(3,535.0)	1,128	(2,018)	(155.9)
(Loss)/Profit after taxation (PAT/LAT)	(641)	20	(3,305.0)	834	(2,018)	(141.3)
(Loss)/Profit attributable to ordinary equity holders of the parent	(641)	20	(3,305.0)	834	(2,018)	(141.3)

#### Review of results for current quarter

For the current quarter financial period ended 30 June 2018, the Group registered a revenue of RM 33.4 million, LBIT and LBT of RM 0.69 million as compared to a revenue of RM 7.72 million, PBIT and PBT of RM 0.02 million in the same quarter for the financial period ended 30 June 2017.

#### Commentary on revenue

The Group recorded a higher revenue for the current quarter, mainly due to revenue contributed from the e-commerce division as compared to the same quarter for the financial period ended 30 June 2017.

#### Commentary on LBIT/ LBT

The Group recorded an increase in LBIT and LBT for the current quarter financial period and it was mainly due to the writing off of the expenses related to the aborted ASX listing exercise.

#### Review of results for the financial period ended 30 June 2018

The Group registered a revenue of RM 94.24 million, PBIT and PBT of RM 1.13 million for the financial period ended 30 June 2018 as compared to a revenue of RM 9.22 million, LBIT of RM 2.01 million and LBT of RM 2.02 million in the financial period ended 30 June 2017.

#### Commentary on revenue

The revenue growth came mainly from the e-commerce division as a result of the full launch of the B2B marketplace. The other key contributor to revenue growth was the continued increase in contribution from digital content.

#### Commentary on PBIT/ PBT

The Group recorded an increase in PBIT and PBT for the current financial period compared to the financial period ended 30 June 2017, which was in tandem with the increase in revenue and lower administrative and operation costs.

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### B2. COMMENTS ON MATERIAL CHANGE IN (LOSS)/PROFIT BEFORE TAXATION

	Current quarter 30 June 2018 RM'000	Preceding quarter 31 Mar 2018 RM'000	Changes (%)
Revenue	33,399	60,844	(45.1)
(Loss)/Profit from operations	(685)	1,818	(137.7)
(Loss)/Profit before taxation (LBT/PBT)	(687)	1,816	(137.8)
(Loss)/Profit after taxation (LAT/PAT)	(641)	1,476	(143.4)
(Loss)/Profit attributable to ordinary equity holders of the parent	(641)	1,476	(143.4)

The Group recorded a loss before taxation of RM 0.69 million for the current financial quarter under review as compared to profit before taxation of RM 1.82 million recorded in the immediate preceding quarter ended 31 Mar 2018.

The LBT is mainly due to the writing off of the expenses related to the aborted ASX listing exercise and the decrease in revenue as compared to the previous quarter.

### B3. PROSPECTS FOR FINANCIAL YEAR 2018

The sales of products and services through the marketplace under the e-commerce business segment have experienced a slowdown. The outlook of the e-commerce business expansion remains challenging.

In the digital content business, the business is expected to grow steadily in line with the growing trend in the digital media and advertisement industry. The Group will continue to explore other digital content business opportunities in different sectors and countries.

The Group has introduced the all-in-one managed cloud services with the IT Security solutions under the "Extol" brand name through a partnership with Alibaba Cloud. The combination of IT security and cloud services may provide more opportunities for the Group to expand to various sectors in the IT industry.

While improving our existing business, the Group shall continue to explore and venture into other related growing sectors like mobile payments, industry wide online platforms, various types of digital content platforms and the like.

### B4. VARIANCE ON PROFIT FORECAST AND PROFIT GUARANTEE

Not applicable as no profit forecast or profit guarantee was provided.

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### B5. TAXATION

Income tax expense comprises the followings:

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
In respect of the current period :-	RM'000	RM'000	RM'000	RM'000
Provision for current year taxation	(118)	-	222	-
Effect of real property gain tax	72	-	72	-
Total income tax expense	(46)	-	294	-

### B6. STATUS OF CORPORATE PROPOSALS

Save for the material events disclosed in Notes A10 in this quarterly report, there was no other corporate proposal at the end of the current financial quarter under review and financial period-to-date that has not been reflected in the interim financial statements.

### B7. STATUS OF UTILISATION OF PROCEEDS

The private placement was completed subsequent to the listing of 31,381,000 new ordinary shares on the Ace Market of Bursa Securities on 18 December 2017.

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Timeframe of Utilisation (from the date of listing of placement share) RM'000
Working capital	7,835	3,581	4,254	within 12 months
Future business expansion	2,267	891	1,376	within 12 months
Expenses in relation to the Proposed Private Placement	291	291	-	within 2 weeks
<b>Total</b>	<b>10,393</b>	<b>4,763</b>	<b>5,630</b>	

### B8. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings denominated in Ringgit Malaysia as at the end of the current financial quarter under review are as follows:

	Current Liabilities	Non-Current Liabilities	Total
	RM'000	RM'000	RM'000
<b>Secured</b>			
Finance lease payables	57	126	183

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### B9. MATERIAL LITIGATION

As at the date of this report, there is no material litigation or arbitration, which has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

### B10. (LOSS)/PROFIT PER SHARE

(a) Basic (loss)/profit per share

The basic (loss)/profit per share for the current financial quarter and financial period to-date are computed as follows:

	Current quarter ended		Cumulative quarter ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
(Loss)/Profit attributed to owners of the parent for the period (RM'000)	(641)	20	834	(2,018)
Weighted average number of issued ordinary shares ('000)	345,250	289,014	345,244	286,720
Basic (loss)/profit per share (sen)	(0.19)	0.01	0.24	(0.70)

(b) Diluted (loss)/profit per share

The diluted (loss)/profit per share for current financial quarter and financial period to-date are computed as follows:

	Current quarter ended		Cumulative quarter ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
(Loss)/Profit attributed to owners of the parent for the period (RM'000)	(641)	20	834	(2,018)
Weighted average number of issued ordinary shares ('000)	349,224	374,545	383,949	369,438
Diluted (loss)/profit per share (sen)	(0.18)	0.01	0.22	(0.55)

## APPASIA BERHAD

Company No. 643683-U  
(Incorporated In Malaysia)

### B11. REALISED AND UNREALISED LOSSES DISCLOSURE

Total accumulated losses may be analyzed as follows:

	As at 30 June 2018	As at 30 June 2017
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiary companies:		
Realised	(19,787)	(22,988)
Unrealised	(29)	(7)
	<u>(19,816)</u>	<u>(22,995)</u>
Total accumulated losses from associate company:		
Realised	(14)	-
	<u>(19,830)</u>	<u>(22,995)</u>
Less: Consolidation adjustments	(4,145)	(3,354)
Total accumulated losses as per condensed consolidated statement of financial position	<u>(23,975)</u>	<u>(26,349)</u>

### B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Total comprehensive income for the period was derived after charging / (crediting) the following items:

	Current quarter ended		Cumulative quarter ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	149	172	301	360
Impairment on trade receivables	(482)	-	64	-
Finance costs	2	3	4	6
Unrealised (gain)/loss on foreign exchange	(1)	2	29	7
Interest income	(7)	-	(11)	(1)
Rental income	(5)	(37)	(16)	(75)
Inventories written off	-	-	-	37
Property, plant and equipment written off	-	14	-	14
Loss on disposal of membership	-	19	-	19
Gain on disposal of property, plant and equipment	(20)	-	(16)	-
Gain on disposal of investment properties	-	-	(1,579)	-

Save for items disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

### B13. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue on 23 August 2018 in accordance with resolution of the board of directors.