

EKA NOODLES BERHAD (Company No.583565-U)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AND QUARTERLY REPORT FOR THE PERIOD ENDED
30 JUNE 2017

Current Year As at 30.06.17 (Unaudited) RM'000	Preceding Year As at 31.12.16 (Audited) RM'000
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ASSETS

Current Assets

Assets Held for Sale	52,251	57,991
Inventories	1,773	-
Trade Receivables	476	-
Other Receivables, Deposits and Prepayments	3,352	609
Tax Recoverable	245	59
Cash and Bank Balances	168	511
	58,265	59,170
TOTAL ASSETS	58,265	59,170

EQUITY AND LIABILITIES

Share Capital	46,800	46,800
Share Premium	3,600	3,600
Capital Reserve	4,837	4,837
Revaluation Reserve	9,204	9,204
Retained Profits/(Accumulated Losses)	(91,044)	(86,048)
Total Equity	(26,603)	(21,607)

Liabilities

Trade Payables	10,404	8,571
Other Payables and Accruals	13,238	12,583
Amount Owing to Directors	104	375
Borrowings	60,781	59,197
Provision for Taxation	341	51
	84,868	80,777
Total Liabilities	84,868	80,777
TOTAL EQUITY AND LIABILITIES	58,265	59,170

Net Assets Per Ordinary Share Attributable to Ordinary Shareholders (RM)	(0.09)	(0.07)
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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 2016 and the accompanying explanatory notes attached to the interim financial statements.

EKA NOODLES BERHAD (Company No.583565-U)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME AND QUARTERLY REPORT ON CONSOLIDATED PERIOD
ENDED
30 JUNE 2017

	Current Year Quarter	Individual Quarter Preceding Year Corresponding Quarter	Changes (Amount/ %)	Current Year To Date	Cumulative Quarter Preceding Year Corresponding Period	Changes (Amount /%)
	(3 Months) 30.06.17 (Unaudited) RM'000	(3 Months) 30.06.16 (Unaudited) RM'000		(6 Months) 30.06.17 (Unaudited) RM'000	(6 Months) 30.06.16 (Unaudited) RM'000	
Revenue	2,087	5,296	- 61%	2,142	(1) 15,615	-86%
Cost of Sales	(2,343)	(10,654)	-78%	(3,635)	(2) (18,521)	-80%
Gross Profit / (Loss)	(256)	(5,358)	95%	(1,493)	(2,906)	49%
Other Income	3,218	239	1,246%	3,307	640	417%
Administrative Expenses	(853)	(1,167)	-27%	(4,918)	(2,676)	84%
Selling and Distribution Expenses	(116)	(696)	-83%	(219)	(1,640)	-87%
Operating Profit/(Loss)	1,993	(6,982)	129%	(3,323)	(6,582)	50%
Finance Costs	(1,659)	(1,036)	60%	(1,673)	(2,045)	-18%
Profit/(Loss) Before Taxation	334	(8,018)	104%	(4,996)	(8,627)	42%
Taxation	-	-	-	-	-	-
Profit/(Loss) After Taxation	334	(8,018)	104%	(4,996)	(8,627)	42%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	334	(8,018)	104%	(4,996)	(8,627)	42%
Earnings Per Share						
-Basic (sen)	0.11	(2.57)		(1.60)	(2.76)	
-Diluted (sen)	-	-		-	-	

Note:

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

EKA NOODLES BERHAD (Company No.583565-U)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND QUARTERLY REPORT ON
CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital	Exchange Translation Reserve	Share Premium	Non-Distributable Capital Reserve	Revaluation Reserve	Distributable Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Audited</u>							
Balance as at 1 January 2016	46,800	-	3,600	4,837	9,204	(51,942)	12,499
Loss for the year	-	-	-	-	-	(34,106)	(34,106)
Balance as at 31 December 2016	46,800	-	3,600	4,837	9,204	(86,048)	(21,607)
<u>Unaudited</u>							
Balance as at 1 January 2017	46,800	-	3,600	4,837	9,204	(86,048)	(21,607)
Loss for the period	-	-	-	-	-	(4,996)	(4,996)
Balance as at 30 June 2017	46,800	-	3,600	4,837	9,204	(91,044)	(26,603)

Note:-

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

EKA NOODLES BERHAD (Company No.583565-U)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS AND QUARTERLY
REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED
30 JUNE 2017

	Current Year to Date	Preceding Year Corresponding Period
	(6 months)	(6 months)
	30.06.17	30.06.16
	(Unaudited)	(Unaudited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Operations	1,683	16,500
Payment to Suppliers	(1,437)	(14,949)
Payment to Employees	(579)	-
Income Tax (Paid)/Recoverable	104	(67)
Net Cash (used in)/from Operating Activities	(229)	1,484
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposal of Property, Plant and Equipment	147	34
Provision of Property, Plant and Equipment	114	-
Purchase of Property, Plant and Equipment	(14)	(82)
Net Cash from/(used in) Investing Activities	247	(48)
CASH FLOWS FROM FINANCING ACTIVITIES		
Islamic Acceptance Bills	-	(395)
Proceeds from Term Loan	1,786	1,950
Repayment of Hire Purchase Payables	(203)	(42)
Repayment of Term Loan	-	-
Repayment of Islamic Acceptance Bills	-	(258)
Advance from/(Repayment to) the Director	(271)	(100)
Interest Paid	(1,673)	(2,045)
Net Cash from/(used in) Financing Activities	(361)	(890)
Net increase/(decrease) in Cash and Cash Equivalents	(343)	544
Cash and Cash Equivalents at Beginning	511	2,008
Cash and Cash Equivalents at End	168	2,552
Represented by:-		
Fixed Deposits with Licensed Banks	-	1,224
Cash and Bank Balances	168	1,328
	168	2,552

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2017

PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1) Basis of Preparation

The interim financial statements for the current quarter are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This interim financial statement should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016.

A2) Significant Accounting Policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2016 except for the adoption of the following which are applicable to the financial statements and are relevant to the operations:

(i) Adoption of standards and interpretations

	Effective for annual periods beginning on or after
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 12: Disclosure of Interests in Other Entities	1 January 2017

(ii) Standards and interpretations issued but not yet effective

At the date of authorisation of these interim financial statements, the followings standards and interpretations were issued but not yet effective and have not been applied by the Group:

	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2014-2016 Cycle	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4: Insurance Contracts	1 January 2018
Amendments to MFRS 140: Transfers of Investment Property	1 January 2018
MFRS 2: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2017

PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING

The directors expect that the adoption of the above standards will have no material impact on the financial statements for the current quarter.

A3) Seasonal or Cyclical Factors

The Group’s performance is not significantly affected by any seasonal or cyclical factors.

A4) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A5) Material Changes in Estimates

There was no material changes in estimates of amount reported in prior interim period or financial period that have a material effect in the current quarter and financial year-to-date.

A6) Debt and Equity Securities

There were no issuances, repurchases, and repayments of long term debt and equity issued during the current quarter and financial year-to-date.

A7) Dividend Paid

There was no dividend paid in the current quarter and financial year-to-date.

A8) Segmental Information

The Group is principally engaged in the manufacturing and marketing of all types of rice, sago sticks (vermicelli) and other related products. Business segmental information has therefore not been prepared as the Group’s revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and non-cash expenses are mainly confined to one business segment.

The segmental information is therefore presented in respect of the Group’s geographical segments. The Group operates in two principal geographical areas namely West Malaysia and East Malaysia. The segmental information for the past three months ended 30 June 2017 was as follows:

	Revenue	Total Assets	Capital Expenditures
	RM’000	RM’000	RM’000
West Malaysia	1,912	45,884	-
East Malaysia	230	12,381	-
	<u>2,142</u>	<u>58,265</u>	<u>-</u>

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
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PART A: EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING
STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING

A9) Valuation of Property, Plant and Equipment (PPE)

The Group had not carried out the valuation on its property, plant and equipment from the previous audited annual financial statements. The property, plant and equipment of the Group are stated at cost less accumulated depreciation and any accumulated impairment losses.

A10) Events Subsequent to the Balance Sheet Date

There were no other material events subsequent to the reporting period that have not been reflected in the interim financial statements as at the date of this report except disclosed in B7.

A11) Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A12) Changes in Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of the interim financial statements.

A13) Capital Commitments

There was no capital commitment in the current quarter under review.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2017

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

B1) Review of Group Performance

	Apr- June'17 RM'000	Jan- Mar'17 RM'000	Changes (Amount/ %)	Apr- June'16 RM'000	Jan- June'17 RM'000	Jan- June'16 RM'000	Changes (Amount/ %)
Revenue							
- West Malaysia	1,857	55	3,276%	5,296	1,912	15,615	(88%)
- East Malaysia	230	-	100%	-	230	-	100%
Total	2,087	55	3,695%	5,296	2,142	15,615	(86%)
Profit/(Loss) before tax							
- West Malaysia	(262)	(5,200)	95%	(7,400)	(5,462)	(7,610)	28%
- East Malaysia	596	(130)	558%	(618)	466	(1,017)	146%
Total	334	(5,330)	106%	(8,018)	(4,996)	(8,627)	42%

	Current Year Quarter Apr- June'17 RM'000	Immediate Preceding Quarter Jan- Mar'17 RM'000	Changes (Amount/ %)	Current Year to Date Jan- June'17 RM'000
Revenue	2,087	55	3,695%	2,142
Operating Profit/(Loss)	(256)	(4,418)	94%	(1,493)
Profit/(Loss) Before Interest and Tax	1,993	(5,316)	137%	(3,323)
Profit/(loss) Before Tax	334	(5,330)	106%	(4,996)
Profit/(Loss) After Tax	334	(5,330)	106%	(4,996)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	334	(5,330)	106%	(4,996)

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2017

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

Comparison with corresponding period in the previous year

The Group's revenue for the current quarter under review was RM2.09 million and profit before tax was RM0.33 million.

The revenue was decrease by 61%, approximately RM3,21 million lower than preceding year corresponding period under review. This was due to the Group only resumes operations of two subsidiaries and two monthly sales of RM2.09 million were arising in current quarter.

The Group had gained profit before tax of RM0.33 million in the current quarter as compared with the loss before tax of RM8.02 million in previous year corresponding quarter under review, increase by 104%. The Group had reduced cost of sales by 78%, administrative expenses 27% and selling and distribution expenses of 83% compare to preceding year corresponding quarter. The Group had reduced the cost for unproductive manpower, reduced wasted of the power consumed and increased the efficiency of the employees resulted a huge savings in cost of operations. Besides, the Group also had received an insurance compensation of RM0.75 million for damage of factory in East Malaysia due to fire in current quarter. The Group also reversed the excessive provision of impairment loss on trade receivables and provision for doubtful debts of RM2.24 million in current quarter which had over provided in previously.

Comparison with preceding quarter

The Group's revenue for the quarter under review was increase to RM2.09 million, 3,695% as compared with the preceding quarter. This was due to the group had resumes operations of two subsidiaries and two monthly sales of RM2.09 million was arise.

The operating loss was reduced to RM0.26 million (94% reduced) compared to loss RM4.42 million in preceding quarter. The profit before tax was increased by 106% compared to preceding quarter. This mainly due to the Group did not impair any property, plant and equipment in current quarter as compared to the impairment of property, plant and equipment of RM3.7 million incurred in preceding quarter. The operating loss of RM0.26 million in current quarter arise after netting off the cost of sales of RM2.34 million. Out of total cost of sales of RM2.34 million, RM0.57 million derived from ceased operation subsidiaries. Besides, the operating loss of RM0.26 million mainly due to depreciation on property, plant and equipment of RM0.79 million charged in current quarter, which consists of 34% of cost of sales, whereby RM0.26 million depreciation from ceased operation subsidiaries.

The profit before tax for the current quarter was RM0.33 million as compared to the loss before tax RM5.33 million in the immediate preceding quarter under review, increase by 106%. During current quarter, the Group received an insurance compensation of RM0.75 million for damage of factory in East Malaysia due to fire. The Group also reversed the excessive provision of impairment loss on trade receivables and provision for doubtful debts of RM1.25 million in current quarter which had over provided in previously.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2017

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

B2) Current Year Prospects

The Group was currently under process of restructuring and had resumes operation of two subsidiaries.

B3) Variance between Actual Profit and Forecast Profit

The Group did not issue any profit forecast or profit guarantee during the current quarter under review.

B4) Taxation

	Current Year Quarter 30.06.17 RM'000	Current Year-to- Date 30.06.17 RM'000
Income Tax	-	-
Deferred Tax	-	-
	-	-

B5) Unquoted Investments and Properties

There were no sales and purchases of unquoted investments and properties for the current quarter.

B6) Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter.

B7) Corporate Proposals

On 8 August 2017, the Group entered into a Heads of Agreement (“**HOA**”) with Loo Seng Pang, Tai Poh Yak, Ang Eng Hooi, Phnuah Farn Farn, Ang Jin Mao and Dato’ Seri Serm Juthamongkhon (collectively, the “**Vendors**”) to set out the principal terms and conditions to which EKA is considering to acquire the entire issued share capital in Kepala Batas Bihun Sdn Bhd (“**KBB**”) comprising 5,500,002 ordinary shares in KBB (“**Sale Shares**”) from the Vendors (“**Proposed Acquisition**”). The HOA is not exhaustive and is not intended to be legally binding between EKA and the Vendors except as specifically set out in the HOA.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 30 JUNE 2017

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

B8) Borrowings and Debts Securities

The Groups' borrowings as at current quarter ended 30 June 2017 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Borrowings:-			
Hire Purchase Payables	-	332	332
Short Term Loan	2,524	-	2,524
Term Loans	57,925	-	57,925
Total	60,449	332	60,781

The Groups' borrowings as at cumulative quarter preceding year corresponding period ended 30 June 2016 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Borrowings:-			
Hire Purchase Payables	-	61	61
Revolving credit	2,524	-	2,524
Term Loans	4,300	-	4,300
	6,824	61	6,885
Long Term Borrowings:-			
Hire Purchase Payables	-	509	509
Term Loans	61,134	-	61,134
	61,134	509	61,643
	67,958	570	68,528

The revolving credit and term loan bore a weighted average of 8.35% (2016:8.35%) per annum at the end of the reporting period and are secured by:-

- (i) Legal charges over the property, plant and equipment belonging to the Group;
- (ii) A debenture by way of fixed and floating charge over all present and future assets belonging to the Group;
- (iii) Personal guaranteed by a former director of the Company.

B9) Trade Receivables

The trade receivables consists of trade receivable from resumes operation subsidiaries. The Group's normal trade credit term range from 30 to 120 days.

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

B10) Share Capital

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Section 74 of the Act states that all shares issued before or after 31 January 2017 shall have no par or nominal value. Section 618(2) of the Act states that upon the commencement of Section 74, the share premium account and capital redemption reserve shall become part of share capital. Pursuant to Section 618(3) of the Act, the Group may exercise its right to use the credit amount within 24 months after the commencement of the Act, i.e. by 31 January 2019. The Board of Directors will make a decision before the expiry of the 24 months.

B11) Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of the interim financial statements.

B12) Material Litigation

a) Tenaga Nasional Berhad vs Rasayang Food Industries Sdn Bhd

There is no further action until the lapse of Restraining Order on 25 June 2017.

b) Kepala Batas Bihun Sdn Bhd vs Kilang Bihun Bersatu Sdn Bhd

The plaintiff had withdrawn the suit and the defendant has no objection to the withdrawal, the case discontinued on 4 July 2017.

c) SEV Partnership Enterprise vs Kilang Bihun Bersatu Sdn Bhd

There is no further action until the lapse of Restraining Order on 25 June 2017.

d) SEV Partnership Enterprise vs Rasayang Food Industries Sdn Bhd

The matter is now fixed for Case Management on 11 July 2017 pending Penang High Court decision.

e) Metro Supplies Marketing Sdn Bhd vs Rasayang Food Industries Sdn Bhd and Dato' Khor Wooi Chen

Metro Supplies Marketing Sdn Bhd ("MSM") is claiming from Rasayang Food Industries Sdn Bhd ("Rasayang") and Dato' Khor Wooi Chen, jointly and severally pay the followings:

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2017

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

- (1) Outstanding monthly rentals from September 2016 to January 2017, totalling RM200,000
- (2) Monthly rental of RM40,000 per month from February 2017 until the said Property is sold and full purchase price is received by MSM.
- (3) Interest at the rate of 10.6% per annum calculated from the respective due dates of the monthly rentals as in (1) and (2) above, until the date of full payment;
- (4) Costs of this proceeding; and
- (5) Further or other relief and/or order as shall deem fit to grant by the Court.

MSM also claiming from Rasayang the following:

- (i) General damages for the damages to the Property and interest at the rate of 5% per annum calculated from the date of the Writ filed herein until the date of full settlement;
- (ii) Total sum paid to security guards at RM6,000 per month from November 2016 until the Property is purchased by Dato' Khor or sold to third party and interest at the rate of 5% per annum calculated from the respective dates on which such sums are paid by MSM to the security guards until date of full settlement.
- (iii) All quit rent, assessment, rates and taxes in respect of the said Property paid or to be paid by MSM until the said Property is sold shall be debt due and payable to MSM and interest at the rate of 5% per annum calculated from the date such quit rent, assessment, rates and taxes in respect of the said Property are paid by MSM until date of full settlement.

The Board of Directors of EKA wishes to announce that the Order dated 28 March 2017 pursuant to Section 368 of the Companies Act 2016 ("Order") for the EKA Group was set aside by the High Court of Malaya on 19 June 2017.

Notwithstanding the said Order dated 28 March 2017, MSM had on 29 March 2017 filed a civil suit at the Penang High Court against Rasayang Food Industries Sdn Bhd ("Rasayang") and Dato' Khor Wooi Chen and had on 31 March 2017 obtained an injunction for Rasayang to list all its machineries which were in its premises prior to them being dismantled, to reveal the location of the said machineries, to inform MSM on what has happened to the machineries as well as to prohibit Rasayang or its agents to sell, dispose, transfer, assign and/or to deal with the said machineries until final disposal of this action.

The civil suit is now fixed for case management on 5 September 2017.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2017

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

B13) Realized and Unrealized Loss

	30.06.17 RM'000	30.06.16 RM'000
Total retained earnings of the Company and its subsidiaries :-		
- Realized	(148,960)	(71,777)
- Unrealized	-	(530)
	<u>(148,960)</u>	<u>(72,307)</u>
Consolidation adjustments	57,916	11,737
Total accumulated Profit/(losses) of the Group as per consolidated accounts	<u><u>(91,044)</u></u>	<u><u>(60,570)</u></u>

B14) Earnings per Share

The basic earnings per share of the Group are calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period calculated as follows:-

	Current Months Period Ended	Individual Quarter Preceding Year Corresponding Quarter	Current Year to Date	Cumulative Period Preceding Year Corresponding Period
	30.06.17 RM'000	30.06.16 RM'000	30.06.17 RM'000	30.06.16 RM'000
Profit/(Loss) for the Period (RM'000)	334	(8,018)	(4,996)	(8,627)
Weighted Average Number of Ordinary Shares of RM0.15 each ('000)	312,000	312,000	312,000	312,000
Earnings Per Share				
- Basic (sen)	0.11	(2.57)	(1.60)	(2.76)
- Diluted (sen)	-	-	-	-

Diluted earnings per share have not been computed as the effect of the share options under ESOS is anti-dilutive in nature.

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2017

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

B15) Profit / (Loss) for the period / year

	Current Year Quarter	Individual Quarter	Current Year to Date	Cumulative Quarter
	30.06.17	30.06.16	30.06.17	30.06.16
	(3 Months)	(3 Months)	(6 Months)	(6 Months)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit /(Loss) for the period/ year is arrive at after charging/(crediting) :				
Interest expense	1,659	1,862	1,673	2,045
Depreciation and amortization	834	1,978	2,014	3,720
Impairment of Property, plant and equipment	-	-	* 3,698	-
Other Income:- (Gain)/Loss on disposal of PPE	(240)	(17)	(218)	(33)
Reversal of impairment loss on trade receivable	(1,760)	N/A	(1,760)	N/A
Insurance recovery	(770)	N/A	(770)	N/A
Reversal of provision of doubtful debts	(484)	-	(484)	-

Notes:-

- The impairment of property, plant and equipment raised due to lost of property, plant and equipment of a subsidiary.

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 30 JUNE 2017

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

B16) Audit Report Qualifications

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2016 contain qualification.

Basis of Qualified Opinion

The financial statements of the Company have been prepared on the break up basis.

As the Company has ceased its operation with no immediate intention to resume business operations, the preparations of the financial statements for the year ended 31 December 2016 on the going concern basis is no longer appropriate. Accordingly, the financial statements, expressed in Ringgit Malaysia (RM), are prepared on a basis that the Company is not a going concern and on the breakup basis. The actual values realised may differ from the carrying values of assets and liabilities included in these financial statements. We are unable to obtain sufficient appropriate audit evidence to determine the estimated realised values of the Company's property, plant and equipments as the Company is unable to provide clear basis on arriving at the value of those assets in the statement of financial position.

B17) Authorization for Issue

The interim financial report was authorized for release by the Board of Directors in accordance with a resolution of the Board.

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