

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

	<b>Current Year As at 30.09.17 (Unaudited) RM'000</b>	<b>Preceding Year As at 31.12.16 (Audited) RM'000</b>
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**ASSETS**

**Non-Current Assets**

**Property, Plant and Equipment**

	51,355	-
	51,355	-

**Current Assets**

Assets Held for Sale

Inventories

Trade Receivables

Other Receivables, Deposits and

Prepayments

Tax Recoverable

Cash and Bank Balances

	-	57,991
	1,587	-
	681	-
	4,348	609
	247	59
	172	511
	7,035	59,170

**TOTAL ASSETS**

	<b>58,390</b>	<b>59,170</b>
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**EQUITY AND LIABILITIES**

Share Capital

Share Premium

Capital Reserve

Revaluation Reserve

Retained Profits/(Accumulated Losses)

**Total Equity**

	46,800	46,800
	3,600	3,600
	4,837	4,837
	9,204	9,204
	(89,917)	(86,048)
	<b>(25,476)</b>	<b>(21,607)</b>

**Liabilities**

Trade Payables

Other Payables and Accruals

Amount Owing to Directors

Borrowings

Provision for Taxation

	8,610	8,571
	12,758	12,583
	62	375
	62,095	59,197
	341	51
	83,866	80,777

**Total Liabilities**

**TOTAL EQUITY AND LIABILITIES**

	<b>83,866</b>	<b>80,777</b>
	<b>58,390</b>	<b>59,170</b>

**Net Assets Per Ordinary Share  
Attributable to Ordinary Equity  
Shareholders (RM)**

	(0.08)	(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 SEPTEMBER 2017**

	<b>Current Year Quarter</b>	<b>Individual Quarter Preceding Year Corresponding Quarter</b>	<b>Changes (Amount/ %)</b>	<b>Current Year To Date</b>	<b>Cumulative Quarter Preceding Year Corresponding Period</b>	<b>Changes (Amount /%)</b>
	<b>(3 Months) 30.09.17 (Unaudited) RM'000</b>	<b>(3 Months) 30.09.16 (Unaudited) RM'000</b>		<b>(9 Months) 30.09.17 (Unaudited) RM'000</b>	<b>(9 Months) 30.09.16 (Unaudited) RM'000</b>	
Revenue	5,490	6,328	-13%	7,632	21,943	-65%
Cost of Sales	(5,175)	(7,194)	-28%	(8,810)	(24,715)	-64%
<b>Gross Profit / (Loss)</b>	<b>315</b>	<b>(866)</b>	<b>136%</b>	<b>(1,178)</b>	<b>(3,772)</b>	<b>69%</b>
Other Income	2,902	158	1737%	6,209	798	678%
Administrative Expenses	(815)	(3,798)	-79%	(5,733)	(6,474)	-11%
Selling and Distribution Expenses	(32)	(791)	-96%	(251)	(2,430)	-90%
<b>Operating Profit/(Loss)</b>	<b>2,370</b>	<b>(5,297)</b>	<b>145%</b>	<b>(953)</b>	<b>(11,878)</b>	<b>92%</b>
Finance Costs	(1,243)	(594)	109%	(2,916)	(2,639)	11%
<b>Profit/(Loss) Before Taxation</b>	<b>1,127</b>	<b>(5,891)</b>	<b>119%</b>	<b>(3,869)</b>	<b>(14,517)</b>	<b>73%</b>
Taxation	-	(11)	-100%	-	(11)	-100%
<b>Profit/(Loss) After Taxation</b>	<b>1,127</b>	<b>(5,902)</b>	<b>119%</b>	<b>(3,869)</b>	<b>(14,528)</b>	<b>73%</b>
<b>Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent</b>	<b>1,127</b>	<b>(5,902)</b>	<b>119%</b>	<b>(3,869)</b>	<b>(14,528)</b>	<b>73%</b>
Earnings Per Share						
-Basic (sen)	0.36	(2.46)	-	(1.24)	(4.66)	-
-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 SEPTEMBER 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
<b><u>Audited</u></b>							
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)
<b><u>Unaudited</u></b>							
Balance as at 1 January 2017	46,800	-	3,600	4,837	9,204	(86,048)	(21,607)
Loss for the period	-	-	-	-	-	(3,869)	(3,869)
Balance as at 30 September 2017	46,800	-	3,600	4,837	9,204	(89,917)	(25,476)

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 SEPTEMBER 2017**

	<b>Current Year to Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>(9 months) 30.09.17</b>	<b>(9 months) 30.09.16</b>
	<b>(Unaudited) RM'000</b>	<b>(Unaudited) RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Operations	6,969	26,146
Payment to Suppliers	(7,203)	(24,945)
Payment to Employees	(1,609)	-
Income Tax (Paid)/Recoverable	103	(96)
<b>Net Cash (used in)/from Operating Activities</b>	<b>(1,740)</b>	<b>1,105</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Disposal of Property, Plant and Equipment	1,161	34
Provision of Property, Plant and Equipment	297	-
Purchase of Property, Plant and Equipment	(15)	(106)
Written of subsidiaries, net cash disposed	(2)	-
<b>Net Cash from/(used in) Investing Activities</b>	<b>1,441</b>	<b>(72)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Islamic Acceptance Bills	71	(413)
Proceeds from Term Loan	3,045	2,646
Repayment of Hire Purchase Payables	(219)	(64)
Repayment of Term Loan	-	-
Repayment of Islamic Acceptance Bills	-	(420)
Advance from/(Repayment to) the Director	(314)	(31)
Interest Paid	(2,623)	(2,640)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(40)</b>	<b>(922)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>(339)</b>	<b>111</b>
<b>Cash and Cash Equivalents at Beginning</b>	<b>511</b>	<b>2,008</b>
<b>Cash and Cash Equivalents at End</b>	<b>172</b>	<b>2,119</b>
<b>Represented by:-</b>		
Fixed Deposits with Licensed Banks	-	1,224
Cash and Bank Balances	172	895
	<b>172</b>	<b>2,119</b>

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 SEPTEMBER 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

	<b>Effective for annual periods beginning on or after</b>
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:

	<b>Effective for annual periods beginning on or after</b>
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 SEPTEMBER 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 September 2017 was as follows:

	<b>Revenue</b>	<b>Total Assets</b>	<b>Capital Expenditures</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
West Malaysia	6,539	46,102	11
East Malaysia	1,093	12,288	4
	<b>7,632</b>	<b>58,390</b>	<b>15</b>

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

**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**

During the current quarter, a subsidiary company, Rasayang Food Industries Sdn Bhd was wound up on 27 September 2017 by Penang High Court. There were no other changes in the composition of the Group (except mentioned in the above) 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 SEPTEMBER 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**

	<b>July- Sep'17</b>	<b>Apr- June'17</b>	<b>Changes (Amount/ %)</b>	<b>July- Sep'16</b>	<b>Jan- Sep'17</b>	<b>Jan- Sep'16</b>	<b>Changes (Amount/ %)</b>
	<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>Revenue</b>							
- West Malaysia	4,627	1,857	149%	6,328	6,539	21,943	-70%
- East Malaysia	863	230	275%	-	1,093	-	100%
<b>Total</b>	<b>5,490</b>	<b>2,087</b>	<b>163%</b>	<b>6,328</b>	<b>7,632</b>	<b>21,943</b>	<b>-65%</b>
<b>Profit/(Loss) before tax</b>							
- West Malaysia	1,459	(262)	658%	(4,802)	(4,003)	(12,411)	68%
- East Malaysia	(332)	596	-156%	(1,100)	134	(2,117)	106%
<b>Total</b>	<b>1,127</b>	<b>334</b>	<b>237%</b>	<b>(5,902)</b>	<b>(3,869)</b>	<b>(14,528)</b>	<b>73%</b>

	<b>Current Year Quarter July- Sep'17</b>	<b>Immediate Preceding Quarter Apr- June'17</b>	<b>Changes (Amount/ %)</b>	<b>Current Year to Date Jan- Sep'17</b>	<b>Cumulative Quarter Preceding Year Correspond ing Period Jan- Sep'16</b>	<b>Changes (Amount/ %)</b>
	<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b>	<b>RM'000</b>	
Revenue	5,490	2,087	163%	7,632	21,943	-65%
Gross Profit/(Loss)	315	(256)	223%	(1,178)	(3,772)	69%
Operating Profit/(Loss)	2,370	1,993	19%	(953)	(11,878)	92%
Profit/(Loss) Before Interest and Tax	2,370	1,993	19%	(953)	(11,878)	92%
Profit/(loss) Before Tax	1,127	334	237%	(3,869)	(14,517)	73%
Profit/(Loss) After Tax	1,127	334	237%	(3,869)	(14,528)	73%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,127	334	237%	(3,869)	(14,528)	73%

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

*Comparison with corresponding period in the previous year*

The Group's revenue for the current period under review was RM7.63 million and loss before tax was RM5.89 million.

The revenue was decreased by 65%, approximately RM14.31 million lower than preceding year corresponding period under review. However, the gross loss in the current period was RM1.18 million; reduce by 69% as compared to gross loss of RM3.77 million in the preceding year corresponding period under review. The loss before tax had also reduce to RM3.87 million, 73% lower than RM14.52 million loss before tax in the preceding year corresponding period under review. The improvement was mainly due to gains arising from other income stated in B15.

For West Malaysia, its revenue decrease to RM6.54 million or represented 70% lower as compared with the preceding year corresponding period under review. The drop in revenue was due to only two subsidiaries in West Malaysia has resumes operations since last quarter and some of ex-customers already shifted to our competitors affected by cessation of operations of the Group earlier of the year 2017.

For East Malaysia, the revenue increase by RM1.09 million or represented 100% increase as compared with the preceding year corresponding period under review. The increase was mainly due to the Group had resumes its operations in East Malaysia since last quarter. East Malaysia did not generated revenue due to the Group failure to appoint distributor to run the production and marketing since 1 August 2016.

West Malaysia had suffered loss before tax of RM4.00 million for this period as compared to loss before tax of RM12.41 million in the preceding year corresponding period under review. East Malaysia manage to gain a profit before tax of RM0.13 million, increased by 106% as compared to loss before tax of RM2.12 million in preceding year corresponding period under review. The improvement was mainly due to resumes of operation of subsidiaries during the quarter under review.

*Comparison with preceding quarter*

The Group's revenue for the quarter under review was increase to RM5.49 million, 163% increase compared to RM2.09 million in the preceding quarter.

For both West Malaysia and East Malaysia, revenue is higher by 149% and 275% respectively as compared with the preceding quarter. The increase was mainly due to a lot of previous existing customer and had continuing business dealing with the Group. Besides, implementation of new marketing plans, sell strategic and promotion program had successfully attract new customers to buy our products. This had resulted in a gross profit of RM0.32 million as compared to gross loss of RM0.26 million in preceding quarter, increase by 223%.

The operating profit was increased to RM2.37 million compared to operating profit of RM1.99 million in preceding quarter.

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

There is a profit before tax of RM1.13 million in current year quarter compared to profit before tax of RM0.33 million in preceding quarter. For West Malaysia, profit before tax in current year quarter is RM1.46 million, 658% higher than loss before tax of RM0.26 million in preceding quarter. This was due to the operating costs and overhead incurred in the production is higher than the income generated. In additions, the Group also reversed the excessive provision of impairment loss on trade receivables and provision for doubtful debts of RM1.25 million in preceding quarter which had over provided previously. Besides, there is a gain from written of a subsidiary of RM2.02 million due to winding up by court order.

East Malaysia had suffered a loss before tax of RM0.33 million as compared to profit before tax of RM0.60 million in preceding quarter. This was due to higher of fixed cost incurred in the production compared to income generated. Furthermore, a sum of RM0.75 million insurance compensation for damage of factory in East Malaysia was received in preceding quarter.

**B2) Current Year Prospects**

The Group was currently under process of restructuring and had resumes operation of three 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**

	<b>Current Year Quarter 30.09.17 RM'000</b>	<b>Current Year -to-Date 30.09.17 RM'000</b>	<b>Cumulative Period Preceding Year Corresponding Period 30.09.16 RM'000</b>
Income Tax	-	-	11
Deferred Tax	-	-	-
	-	-	11

**B5) Unquoted Investments and Properties**

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

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

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

**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.

The parties to the HOA have mutually agreed to an extension of time of 90 days (i.e. until 6 January 2018) to execute the definitive agreement in relation to the Proposed Acquisition.

**B8) Borrowings and Debts Securities**

The Groups’ borrowings as at current quarter ended 30 September 2017 are as follows:-

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
<b>Short Term Borrowings:-</b>			
Hire Purchase Payables	-	316	316
Short Term Loan	2,594	-	2,594
Term Loans	59,185	-	59,185
<b>Total</b>	<u>61,779</u>	<u>316</u>	<u>62,095</u>

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

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

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

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.

**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**

No.	Company	The Creditors	Material Litigations	Remarks
1.	Kilang Bihun Bersatu Sdn Bhd ("KBBSB")	1. Kepala Batas Bihun Sdn Bhd vs KBBSB - Butterworth Session Court civil proceeding no. B52-09-03/2015	The case discontinue on 4 July 2017.	The case discontinue on 4 July 2017.

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

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

**B12) Material Litigation (Continued)**

No.	Company	The Creditors	Material Litigations	Remarks
1.	Kilang Bihun Bersatu Sdn Bhd (“KBBSB”)	2. SEV Partnership Enterprise (“SEV”) vs KBBSB - Penang High Court summon no. PA-22NCVC-66-04/2016	SEV claims sum owed by KBBSB of RM1,625,475.10 corn and sago starch supplied to KBBSB. Penang High Court had on 30 August 2017 instructed KBBSB to pay SEV sum of RM1,625,475.10 with annual interest rate of 4% together with legal expenses of RM5,000.00.	Civil Appeal No. P-02(IM)(NCVC)-1990-10/2017 had been submitted to Court of Appeal, Putrajaya. The case management now fixed on 13 December 2017.
		3. Bukit Raya Sdn Bhd vs KBBSB - Penang High Court Petition and Affidavit Petition No. PA-28-NCC-104-07/2017	Bukit Raya Sdn Bhd claims sum owed by KBBSB to-date is RM917,577.40 and had filed a proof of debt showing the same and acknowledged by KBBSB in Statement of Account.	The case management fixed on 7 November 2017 and further extends to 11 January 2018.
		4. Great Line Success Sdn Bhd vs KBBSB - Penang High Court Petition and Affidavit Petition No. PA-28-NCC-105-07/2017	Great Line Success Sdn Bhd claims sum owed by KBBSB to-date is RM349,801.99 and had filed a proof of debt showing the same and acknowledged by KBBSB in Statement of Account.	The case management fixed on 7 November 2017 and further extends to 14 December 2017.
2.	Rasayang Food Industries Sdn Bhd (“RSY”)	1. Tenaga Nasional Berhad vs RSY - Butterworth Session Court civil proceeding no. B52NCVC-17-11/2015	Tenaga Nasional Berhad is claiming the losses raised from the electricity meter tempering.	RSY was wound up on 27 September 2017 by Penang High Court’s Order based on the date of petition filed on 29 March 2017 by SEV Partnership Enterprise.

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**B12) Material Litigation (Continued)**

No.	Company	The Creditors	Material Litigations	Remarks
2.	Rasayang Food Industries Sdn Bhd (“RSY”)	2. SEV Partnership Enterprise (“SEV”) vs RSY - Penang High Court Companies (Winding Up) No.: PA-28NCC-40-03/2017	SEV claims sum owed by RSY RM581,835.68 on sago and corn starch supplied to RSY.	RSY was wound up on 27 September 2017 by Penang High Court’s Order based on the date of petition filed on 29 March 2017 by SEV Partnership Enterprise.
		3. Metro Supplies Marketing Sdn Bhd (“MSM”) vs RSY and Dato’ Khor Wooi Chen - Penang High Court Companies (Winding Up) No.: PA-28NCC-40-03/2017	MSM is claiming the outstanding monthly factory rental from September 2016 to January 2017 and monthly rental of RM40,000 per month from February 2017 until the said property is sold.	RSY was wound up on 27 September 2017 by Penang High Court’s Order based on the date of petition filed on 29 March 2017 by SEV Partnership Enterprise.
3.	Kilang Bihun Bersatu Sdn Bhd (“KBBSB”) and Eka Noodle Berhad (“ENB”)	1. Bank Pertanian Malaysia Berhad vs KBBSB & ENB - Penang High Court Writ of Summon and Statement of Claims No. PA-22M-12-09/2017	Bank Pertanian Malaysia Berhad claims against KBBSB and ENB:  i. the sum RM7,060,475.63 (RM3,183,860.21 + RM1,336,666.01 + RM2,539,949.41)  ii. ta’widh upon the sum RM2,098,510.14 and RM1,006,269.85 based on rate of 1% per annum from 9 January 2017.  iii. ta’widh upon the sum RM2,517,608.68 based on the “Interbank Islamic Money Market” rate per annum.	The case management fixed on 10 November 2017 and further extends to 10 January 2018.

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**B13) Realized and Unrealized Loss**

	<b>30.09.17</b>	<b>30.09.16</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries :-		
- Realized	(157,750)	(77,679)
- Unrealized	-	(530)
	<u>(157,750)</u>	<u>(78,209)</u>
Consolidation adjustments	67,833	11,737
Total accumulated Profit/(losses) of the Group as per consolidated accounts	<u>(89,917)</u>	<u>(66,472)</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:-

	<b>Current Months Period Ended</b>	<b>Individual Quarter Preceding Year Corresponding Quarter</b>	<b>Current Year to Date</b>	<b>Cumulative Period Preceding Year Corresponding Period</b>
	<b>30.09.17 RM'000</b>	<b>30.09.16 RM'000</b>	<b>30.09.17 RM'000</b>	<b>30.09.16 RM'000</b>
Profit/(Loss) for the Period (RM'000)	1,127	(5,902)	(3,869)	(14,528)
Weighted Average Number of Ordinary Shares of RM0.15 each ('000)	312,000	312,000	312,000	312,000
Earnings Per Share				
- Basic (sen)	0.36	(2.46)	(1.24)	(4.66)
- 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.



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

	<b>Current Year Quarter 30.09.17 (3 Months) (Unaudited) RM'000</b>	<b>Individual Quarter Preceding Year Corresponding Quarter 30.09.16 (3 Months) (Unaudited) RM'000</b>	<b>Current Year to Date 30.09.17 (9 Months) (Unaudited) RM'000</b>	<b>Cumulative Quarter Preceding Year Corresponding Period 30.09.16 (9 Months) (Unaudited) RM'000</b>
<b>Profit /(Loss) for the period/ year is arrive at after charging/(crediting) :</b>				
Interest expense	1,243	594	2,916	2,639
Depreciation and amortization	375	2,229	2,389	5,949
Impairment of Property, plant and equipment	-	-	* 3,698	-
Provision for doubtful debts	-	2,462	-	-
Loss on written off PPE	-	-	221	-
Other Income:- Gain on written of a subsidiary	(2,020)	-	(2,020)	-
Rental Income	(20)	-	(20)	-
(Gain) on disposal of PPE	(779)	-	(939)	(33)
Reversal of impairment loss on trade receivable	(75)	-	(1,835)	-
Insurance recovery	-	-	(770)	-
Reversal of provision of doubtful debts	-	-	(484)	-

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

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.

**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.

Step taken

The Group has resumes business operations for three subsidiaries and had intention to resumes business operations for all subsidiaries soon, the financial statements for the year ended 31 December 2017 will be prepared on a going concern basis instead of breakup basis. The financial statements for the each interim report also prepared on a going concern basis effective from 1 April 2017.

The Group was currently under process of preparing restructuring plan scheme for the Group.

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**B17) Winding Up of A Subsidiary**

During the quarter, the Group had winding up a subsidiary, Rasayang Food Industries Sdn Bhd as instructed by Penang High Court on 27 September 2017 based on the date of petition filed on 29 March 2017 by the Petitioner, SEV Partnership Enterprise.

The fair value of the identifiable assets and liabilities of the subsidiary at the date of winding up are as follows:-

	At date of Winding Up Carrying Amount / Fair Value RM ('000)
Other receivables, deposit and prepayment	195
Trade payables	(1,921)
Other payables and accruals	(294)
Gain on written of a subsidiary	<u>2,020</u>
Net identifiable assets and liabilities	<u>-</u>
Cash and cash equivalents of subsidiary winding up	<u>(2)</u>
Net cash outflow for winding of subsidiary	<u>(2)</u>

**B18) 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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