

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

	Current Year As at 31.12.17 (Unaudited) RM'000	Preceding Year As at 31.12.16 (Audited) RM'000
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ASSETS

Non-Current Assets

Property, Plant and Equipment

	50,656	-
	50,656	-

Current Assets

Assets Held for Sale

Inventories

Trade Receivables

Other Receivables, Deposits and

Prepayments

Tax Recoverable

Cash and Bank Balances

	-	57,991
	1,701	-
	1,511	-
	1,541	609
	-	59
	414	511
	5,167	59,170

TOTAL ASSETS

	55,823	59,170
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EQUITY AND LIABILITIES

Share Capital

Share Premium

Capital Reserve

Warrant Reserve

Others Reserve

Revaluation Reserve

Accumulated Losses

Total Equity

	46,800	46,800
	3,600	3,600
	4,837	4,837
	6,000	6,000
	(6,000)	(6,000)
	9,204	9,204
	(91,214)	(86,048)
	(26,773)	(21,607)

Liabilities

Trade Payables

Other Payables and Accruals

Amount Owing to Directors

Borrowings

Provision for Taxation

	8,836	8,571
	13,434	12,583
	79	375
	59,992	59,197
	255	51
	82,596	80,777

Total Liabilities

	82,596	80,777
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TOTAL EQUITY AND LIABILITIES

	55,823	59,170
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**Net Assets Per Ordinary Share
Attributable to Ordinary Equity
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 31 DECEMBER 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) 31.12.17 (Unaudited) RM'000	(3 Months) 31.12.16 (Unaudited) RM'000		(12 Months) 31.12.17 (Unaudited) RM'000	(12 Months) 31.12.16 (Audited) RM'000	
Revenue	5,522	1,967	181%	13,154	23,910	-45%
Cost of Sales	(5,227)	(6,385)	-18%	(14,037)	(32,100)	-56%
Gross Profit / (Loss)	295	(4,418)	107%	(883)	(8,190)	89%
Other Income	18	150	-88%	6,227	948	557%
Administrative Expenses Selling and Distribution Expenses	(645)	(11,461)	-94%	(6,378)	(23,109)	-72%
Operating Profit/(Loss)	(367)	(16,261)	98%	(1,320)	(30,351)	96%
Finance Costs	(771)	(1,748)	-56%	(3,687)	(4,088)	-10%
Profit/(Loss) Before Taxation	(1,138)	(18,009)	94%	(5,007)	(34,439)	85%
Taxation	(159)	-	100%	(159)	333	148%
Profit/(Loss) After Taxation	(1,297)	(18,009)	93%	(5,166)	(34,106)	85%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(1,297)	(18,009)	93%	(5,166)	(34,106)	85%
Earnings Per Share						
-Basic (sen)	(0.42)	(5.77)		(1.66)	(10.93)	
-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 31 DECEMBER 2017

	Share Capital RM'000	Share Premium RM'000	-----Non-Distributable-----				Distributable Accumulated Losses RM'000	Total Equity RM'000
			Capital Reserve RM'000	Revaluation Reserve RM'000	Warrant Reserve^ RM'000	Others Reserve RM'000		
<u>Audited</u>								
Balance as at 1 January 2016	46,800	3,600	4,837	9,204	6,000	(6,000)	(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	6,000	(6,000)	(86,048)	(21,607)
<u>Unaudited</u>								
Balance as at 1 January 2017	46,800	3,600	4,837	9,204	6,000	(6,000)	(86,048)	(21,607)
Loss for the period	-	-	-	-	-	-	(5,166)	(5,166)
Balance as at 31 December 2017	46,800	3,600	4,837	9,204	6,000	(6,000)	(91,214)	(26,773)

Note:

^ This comprised the fair value of 5-years Warrants 2014/2019.

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

	Current Year to Date	Preceding Year Corresponding Period
	(12 months) 31.12.17	(12 months) 31.12.16
	(Unaudited) RM'000	(Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Operations	11,661	29,463
Payment to Suppliers	(7,274)	(31,070)
Payment to Employees	(2,792)	(6,086)
Income Tax (Paid)/Recoverable	105	(94)
Net Cash (used in)/from Operating Activities	1,700	(7,787)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposal of Property, Plant and Equipment	1,074	34
Provision of Property, Plant and Equipment	-	473
Provision for Doubtful debts	-	8,148
Purchase of Property, Plant and Equipment	(87)	(107)
Written of subsidiaries, net cash disposed	(2)	-
Net Cash from/(used in) Investing Activities	985	8,548
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Term Loan	3,954	3,907
Proceeds of Hire Purchase Payables	65	-
Repayment of Hire Purchase Payables	(112)	(77)
Repayment of Term Loan	(3,000)	(1,411)
Repayment of Islamic Acceptance Bills	-	(258)
Advance from/(Repayment to) the Director	(296)	(31)
Interest Paid	(3,393)	(4,388)
Net Cash from/(used in) Financing Activities	(2,782)	(2,258)
Net increase/(decrease) in Cash and Cash Equivalents	(97)	(1,497)
Cash and Cash Equivalents at Beginning	511	2,008
Cash and Cash Equivalents at End	414	511
Represented by:-		
Fixed Deposits with Licensed Banks	-	-
Cash and Bank Balances	414	511
	414	511

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 31 DECEMBER 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 31 DECEMBER 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 twelve months ended 31 December 2017 was as follows:

	Revenue	Total Assets	Capital Expenditures
	RM’000	RM’000	RM’000
West Malaysia	11,270	44,255	82
East Malaysia	1,884	11,568	5
	13,154	55,823	87

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 31 DECEMBER 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 period, 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.

A14) Warrants

Warrants are reclassified as equity instrument and it allocated its value based on the closing price of the first trading day, if the warrant is listed, or estimated using option pricing models, if the warrant is not listed.

Each warrant entitles the warrant holder during the Exercise period to subscribe for one new ordinary share.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 31 DECEMBER 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

	Oct- Dec'17	July- Sep'17	Changes (Amount/ %)	Oct- Dec'16	Jan- Dec'17	Jan- Dec'16	Changes (Amount/ %)
	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue							
- West Malaysia	4,731	4,627	2%	1,967	11,270	23,910	-53%
- East Malaysia	791	863	-8%	-	1,884	-	100%
Total	5,522	5,490	1%	1,967	13,154	23,910	-45%
Profit/(Loss) before tax							
- West Malaysia	(900)	1,459	-162%	(13,088)	(4,903)	(27,401)	82%
- East Malaysia	(238)	(332)	28%	(4,921)	(104)	(7,038)	99%
Total	(1,138)	1,127	-201%	(18,009)	(5,007)	(34,439)	85%

	Current Year Quarter Oct- Dec'17	Immediate Preceding Quarter July- Sep'17	Changes (Amount/ %)	Current Year to Date Jan- Dec'17	Cumulative Quarter Preceding Year Correspond ing Period Jan- Dec'16	Changes (Amount/ %)
	RM'000	RM'000		RM'000	RM'000	
Revenue	5,522	5,490	1%	13,154	23,910	-45%
Gross Profit/(Loss)	295	315	-6%	(883)	(8,190)	89%
Operating Profit/(Loss)	(367)	2,370	-115%	(1,320)	(30,351)	96%
Profit/(Loss) Before Interest and Tax	(367)	2,370	-115%	(1,320)	(30,351)	96%
Profit/(loss) Before Tax	(1,138)	1,127	-201%	(5,007)	(34,439)	85%
Profit/(Loss) After Tax	(1,297)	1,127	-215%	(5,166)	(34,106)	85%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(1,297)	1,127	-215%	(5,166)	(34,106)	85%

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 31 DECEMBER 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 RM13.2 million and loss before tax was RM5.0 million.

The revenue was decreased by 45%, approximately RM10.8 million lower than preceding year corresponding period under review. However, the gross loss in the current period was RM0.9 million; reduce by 89% as compared to gross loss of RM8.2 million in the preceding year corresponding period under review. The loss before tax had also reduce to RM5.0 million, 85% lower than RM34.4 million loss before tax in the preceding year corresponding period under review. The improvement was mainly due to reduce in expenses incurred such as depreciation charges and there is no further impairment loss on trade and other receivables for the current period under review as compared to RM8.9 million provided in the preceding year corresponding period under review.

For West Malaysia, its revenue decrease to RM11.3 million or represented 53% lower as compared with the preceding year corresponding period under review. The revenue of RM11.3 million solely derived from two subsidiaries in West Malaysia which had resumed operations in the current period under review.

For East Malaysia, the revenue increase by RM1.9 million or represented 100% increase as compared with the preceding year corresponding period under review. The increase was mainly due to the Group had resumed its operations in East Malaysia for the current period under review. East Malaysia did not generated revenue due to the ceases of operations for subsidiaries in West Malaysia for the preceding year corresponding period under review.

West Malaysia had suffered loss before tax of RM4.9 million for current period under review as compared to loss before tax of RM27.4 million in the preceding year corresponding period under review. East Malaysia also suffered a loss of RM0.1 million as compared to loss before tax of RM7.0 million in preceding year corresponding period under review. The improvement was mainly due to resume of operation of subsidiaries during the quarter under review. Overall, loss before tax for both West Malaysia and East Malaysia had reduced in average 85% as compared to preceding year corresponding period under review due to decrease in expenses incurred in the current period under review.

Comparison with preceding quarter

The Group's revenue for the quarter under review was maintained in between range of RM5.5 million, for both current and immediate preceding quarter under review.

For West Malaysia, total revenue increases by 2% as compared with the preceding quarter. For East Malaysia, revenue decreased by 8% as compared with the preceding quarter. The Group had continue the effort such as implementation of new marketing plans, sell strategic and promotion program since the immediate preceding quarter, the Group had now successfully maintain the customers base and the Company's revenue in current quarter under review. Gross profit maintained at RM0.3 million for both quarter under review.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 31 DECEMBER 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 loss before tax of RM1.1 million in current year quarter compared to profit before tax of RM1.1 million in preceding quarter.

For West Malaysia, loss before tax in current year quarter is RM0.9 million, 162% lower than profit before tax of RM1.5 million in preceding quarter.

East Malaysia also suffered a business losses for both quarters under review, that were RM0.2 million and RM0.3 million for current quarter and preceding quarter respectively.

The loss of RM0.9 million in current quarter for West Malaysia mainly resulting from the bank interest charges on loan obtained in the past, provision for director's fee of RM0.22 million and provision for audit fee of RM0.12 million for year 2017. Furthermore, the other income of the Group in current quarter only RM0.02 million as compared to RM2.9 million in the preceding quarter, arising from the gains from written of a subsidiary of RM2.02 million due to winding up by court order and gain on disposal of property, plant and equipment of RM0.8 million.

B2) Current Year Prospects

The Group was currently under process of restructuring and had resumed 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

	Current Year Quarter 31.12.17 RM'000	Current Year -to-Date 31.12.17 RM'000	Cumulative Period Preceding Year Corresponding Period 31.12.16 RM'000
Income Tax			
- Current Year	16	16	11
- Prior year	143	143	186
Deferred Tax			
- Current Year	-	-	-
- Prior year	-	-	(530)
	159	159	(333)

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER
ENDED 31 DECEMBER 2017

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

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.

The parties to the HOA have mutually agreed to a further period of exclusively of 3 months from the expiry of the first extension of HOA on 6 January 2018 (i.e. until 5 April 2018) to decide on whether to proceed with the Proposed Acquisition.

B8) Borrowings and Debts Securities

The Groups’ borrowings as at current quarter ended 31 December 2017 are as follows:-

	Secured RM’000	Unsecured RM’000	Total RM’000
Borrowings:-			
Hire Purchase Payables	-	374	374
Revolving Credit	2,594	-	2,594
Term Loans	57,024	-	57,024
Total	<u>59,618</u>	<u>374</u>	<u>59,992</u>

The Groups’ borrowings as at cumulative quarter preceding year corresponding period ended 31 December 2016 are as follows:-

	Secured RM’000	Unsecured RM’000	Total RM’000
Borrowings:-			
Hire Purchase Payables	-	535	535
Revolving Credit	2,524	-	2,524
Term Loans	56,138	-	56,138
	<u>58,662</u>	<u>535</u>	<u>59,197</u>

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
ENDED 31 DECEMBER 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
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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% of RM21,376.11 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. On 4 January 2018, KBBSB had been served with a Notice Pursuant to Section 465 and 466 of the Companies Act 2016 for the claims. The Court of Appeal fixed the hearing of appeal on 2 May 2018.
		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 8 February 2018 and further extends to 3 May 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 is now fixed on 26 February 2018 and further extends to 26 April 2018.

EKA NOODLES BERHAD (Company No.583565-U)
NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER
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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”)	5. Shell Malaysia Trading Sdn Bhd vs KBBSB - Magistrates Court of Georgetown Writ of Summon and Statement of Claims No. PA-A72NCVC-398-11/2017	Shell Malaysia Trading Sdn Bhd claims against KBBSB: i. sum owed by KBBSB of RM45,374.83 in purchasing fuels; ii. the interest rate of 1% per annum on the outstanding sum of respective invoices which is calculated from the date of the last payment of the invoices up to the date of the Writ; iii. the interest rate of 5% per annum on the outstanding sum of RM45,374.83 from the date of Writ up to the date of dull settlement; iv. cost, and; v. other reliefs or orders as the Court deems fit and proper to grant.	The case management is now fixed on 28 February 2018.
		6. Hap Seng Credit Sdn Bhd vs KBBSB, Chin Seak Huat and Eka Noodles Berhad - Magistrates Court of Kuala Lumpur suit no. i. WA-A72NCC-14860-03/2017 ii. WA-A72NCC-14856-03/2017 iii. WA-A72NCC-14968-03/2017	Hap Seng Credit Sdn Bhd claims against KBBSB: i. sum owed by KBBSB of RM86,154.70 for the motor vehicles hired under the Hire Agreement; ii. legal cost awarded RM4,000.00.	Suit No. WA-A72NCC-14868-03-/2017 (Account No. 10003/32/002795/87) had been withdrawn by the Court on 13 October 2017. The Magistrate Court allowed summary judgement against KBB on 23 November 2017. No further date is given.

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B12) Material Litigation (Continued)

No.	Company	The Creditors	Material Litigations	Remarks
1.	Kilang Bihun Bersatu Sdn Bhd (“KBBSB”)	7. Chep (Malaysia) Sdn Bhd vs KBBSB - Magistrates Court of Georgetown Writ of Summon and Statement of Claims No. WA-A72NCVC-5793-10/2017	Chep (Malaysia) Sdn Bhd claims against KBBSB: iii. sum owed by KBBSB of RM60,103.12 for the pallets hired under the Hire Agreement; iv. interest at the rate of 12% per annum from 30.8.2014 to 30.10.2017 in the sum of RM3,318.09; v. interest at the rate of 5% per annum on the outstanding amount from the date of judgement to the date of full and final settlement; vi. costs; and vii. such further and/or other relief that the Honourable Court deems fit and proper to grant.	The case management is now fixed on 23 April 2018.
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 is now fixed on 9 March 2018.

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B12) Material Litigation (Continued)

No.	Company	The Creditors	Material Litigations	Remarks
4.	Kilang Bihun Bersatu (East Malaysia) Sdn Bhd (“KBBEM”)	1. Dinxings (M) Sdn Bhd vs KBBEM - Magistrate Court of Penang Writ of Summon and Statement of Claims No. PA-A72-127-10/2017	Dinxings (M) Sdn Bhd claims against KBBEM: 1. the sum of RM76,500.00 as at 05 July 2015; 2. interest of 8% per annum on RM76,500.00 from 05 July 2015 until the date of judgement; 3. interest of 8% per annum on RM76,500.00 from date of judgement until final and full payment; 4. costs of this action; and 5. further and other reliefs as the Court deems fit and proper to grant.	The case management is now fixed on 21 February 2018 and further extends to 24 April 2018.

The High Court of Malaya in Penang has granted the Restraining Order no. PA-24NCC-2-01/2018 dated 22 January 2018 to the Company and the EKA Group to convene Creditors’ Meeting and Members’ Meeting pursuant to Section 366 of the Companies Act 2016 within 90 days from 22 January 2018 between 9 am and 5 pm.

All further proceedings or actions against the Company and/or the EKA Group by any party including the scheme creditors but not limited to any winding-up proceeding or taking of any action or proceeding, and so on, or in any way under any form of guarantee or indemnity granted to or conferred by the Company and/or the EKA Group, any enforcement, detention, or any other form of execution of any judgement or order against the Company and/or the EKA Group, any execution of the rights or remedies or powers of appointment of any receiver and manager over the Company or any of the EKA Group (including but not limited to the taking of any actions or proceedings or continuing with the exercise or rights or remedies under any Debenture, the sale of any asset that is the subject of any security interest created by the Company and/or the EKA Group, repossession of any plant, equipment or machinery under lease or hire purchase and any arbitration proceedings be restrained for a period of 90 days effective from 22 January 2018.

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B13) Realized and Unrealized Loss

	31.12.17	31.12.16
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :-		
- Realized	(159,047)	(97,785)
- Unrealized	-	-
	<u>(159,047)</u>	<u>(97,785)</u>
Consolidation adjustments	67,833	11,737
Total accumulated Profit/(losses) of the Group as per consolidated accounts	<u>(91,214)</u>	<u>(86,048)</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
	31.12.17	31.12.16	31.12.17	31.12.16
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the Period (RM'000)	<u>(1,297)</u>	<u>(18,009)</u>	<u>(5,166)</u>	<u>(34,106)</u>
Weighted Average Number of Ordinary Shares of RM0.15 each ('000)	<u>312,000</u>	<u>312,000</u>	<u>312,000</u>	<u>312,000</u>
Earnings Per Share				
- Basic (sen)	<u>(0.42)</u>	<u>(5.77)</u>	<u>(1.66)</u>	<u>(10.93)</u>
- Diluted (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Current Year Quarter 31.12.17 (3 Months) (Unaudited) RM'000	Individual Quarter Preceding Year Corresponding Quarter 31.12.16 (3 Months) (Unaudited) RM'000	Current Year to Date 31.12.17 (12 Months) (Unaudited) RM'000	Cumulative Quarter Preceding Year Corresponding Period 31.12.16 (12 Months) (Audited) RM'000
Profit /(Loss) for the period/ year is arrive at after charging/(crediting) :				
Interest expense	771	1,748	3,687	4,088
Depreciation and amortization	738	1,292	3,127	7,327
Impairment of Property, plant and equipment	-	-	* 3,698	2,909
Provision for doubtful debts	-	5,685	-	8,886
Loss on written off PPE	-	-	221	-
Other Income:- Gain on written of a subsidiary	-	-	(2,020)	-
Rental Income	(60)	-	(80)	(95)
(Gain) on disposal of PPE	-	-	(879)	(33)
Reversal of impairment loss on trade receivable	-	-	(1,835)	-
Insurance recovery	3	-	(773)	-
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) 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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