

**EKA NOODLES BERHAD (Company No.583565-U)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AND QUARTERLY REPORT FOR THE PERIOD ENDED**  
**30 JUNE 2018**

	<b>Current Year As at 30.06.18 (Unaudited) RM'000</b>	<b>Preceding Year As at 31.12.17 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<b>Property, Plant and Equipment</b>	49,860	50,656
	<b>49,860</b>	<b>50,656</b>
<b>Current Assets</b>		
Inventories	2,658	1,701
Trade Receivables	2,411	1,511
Other Receivables, Deposits and Prepayments	2,341	1,356
Cash and Bank Balances	410	414
	7,820	4,982
<b>TOTAL ASSETS</b>	<b>57,680</b>	<b>55,638</b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	46,800	46,800
Share Premium	3,600	3,600
Capital Reserve	4,837	4,837
Warrant Reserve	6,000	6,000
Others Reserve	(6,000)	(6,000)
Revaluation Reserve	9,204	9,204
Accumulated Losses	(92,730)	(91,213)
<b>Total Equity</b>	<b>(28,289)</b>	<b>(26,772)</b>
<b>Non Current Liabilities</b>		
Hire Purchase Payables	543	302
Deferred Taxation	9	-
	<b>552</b>	<b>302</b>
<b>Current Liabilities</b>		
Trade Payables	9,124	8,836
Other Payables and Accruals	4,504	3,390
Borrowings	71,123	69,554
Hire Purchase Payables	171	72
Provision for Taxation	495	256
	85,417	82,108
<b>Total Liabilities</b>	<b>85,969</b>	<b>82,410</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57,680</b>	<b>55,638</b>
<b>Net Assets Per Ordinary Share Attributable to Ordinary Shareholders (RM)</b>	<b>(0.09)</b>	<b>(0.09)</b>

Notes:-

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached 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 2018**

	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) 30.06.18 (Unaudited) RM'000	(3 Months) 30.06.17 (Unaudited) RM'000		(6 Months) 30.06.18 (Unaudited) RM'000	(6 Months) 30.06.17 (Unaudited) RM'000	
Revenue	6,788	2,087	225%	13,056	2,142	510%
Cost of Sales	(5,295)	(2,343)	126%	(10,314)	(3,635)	184%
<b>Gross Profit / (Loss)</b>	<b>1,493</b>	<b>(256)</b>	<b>683%</b>	<b>2,742</b>	<b>(1,493)</b>	<b>284%</b>
Other Income	73	3,218	-98%	173	3,307	-95%
Administrative Expenses	(894)	(853)	5%	(1,717)	(4,918)	-65%
Selling and Distribution Expenses	(542)	(116)	367%	(965)	(219)	341%
<b>Operating Profit/(Loss)</b>	<b>130</b>	<b>1,993</b>	<b>-93%</b>	<b>233</b>	<b>(3,323)</b>	<b>107%</b>
Finance Costs	(786)	(1,659)	-53%	(1,584)	(1,673)	-5%
<b>Profit/(Loss) Before Taxation</b>	<b>(656)</b>	<b>334</b>	<b>-296%</b>	<b>(1,351)</b>	<b>(4,996)</b>	<b>73%</b>
Taxation	(166)	-	100%	(166)	-	100%
<b>Profit/(Loss) After Taxation</b>	<b>(822)</b>	<b>334</b>	<b>-346%</b>	<b>(1,517)</b>	<b>(4,996)</b>	<b>70%</b>
<b>Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent</b>	<b>(822)</b>	<b>334</b>	<b>-346%</b>	<b>(1,517)</b>	<b>(4,996)</b>	<b>70%</b>
Earnings Per Share						
-Basic (sen)	(0.26)	0.11		(0.48)	(1.60)	
-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 2017 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 2018**

	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		
<b><u>Audited</u></b>								
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 year	-	-	-	-	-	-	(5,165)	(5,165)
Balance as at 31 December 2017	46,800	3,600	4,837	9,204	6,000	(6,000)	(91,213)	(26,772)
<b><u>Unaudited</u></b>								
Balance as at 1 January 2018	46,800	3,600	4,837	9,204	6,000	(6,000)	(91,213)	(26,772)
Loss for the period	-	-	-	-	-	-	(1,517)	(1,517)
Balance as at 30 June 2018	46,800	3,600	4,837	9,204	6,000	(6,000)	(92,730)	(28,289)

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**  
**30 JUNE 2018**

	<b>Current Year to Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>(6 months)</b>	<b>(6 months)</b>
	<b>30.06.18</b>	<b>30.06.17</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Operations	12,156	1,683
Payment to Suppliers	(9,925)	(1,437)
Payment to Employees	(2,090)	(579)
Income Tax (Paid)/Recoverable	82	104
<b>Net Cash (used in)/from Operating Activities</b>	<b>223</b>	<b>(229)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Disposal of Property, Plant and Equipment	-	147
Provision of Property, Plant and Equipment	-	114
Purchase of Property, Plant and Equipment	(71)	(14)
<b>Net Cash from/(used in) Investing Activities</b>	<b>(71)</b>	<b>247</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Term Loan	-	1,786
Repayment of Hire Purchase Payables	(62)	(203)
Advance from/(Repayment to) the Director	(79)	(271)
Interest Paid	(15)	(1,673)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(156)</b>	<b>(361)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>(4)</b>	<b>(343)</b>
<b>Cash and Cash Equivalents at Beginning</b>	<b>414</b>	<b>511</b>
<b>Cash and Cash Equivalents at End</b>	<b>410</b>	<b>168</b>
<b>Represented by:-</b>		
Fixed Deposits with Licensed Banks	-	-
Cash and Bank Balances	410	168
	<b>410</b>	<b>168</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 2017 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 2018**

**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 2017.

**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 2017. The standards and interpretations that are issued but not yet effective up to date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

	Effective dates for financial periods <u>beginning</u> <u>on or after</u>
Annual Improvements to MFRSs 2014 – 2016 Cycle:	
• Amendments to MFRS 1	1 January 2018
• Amendments to MFRS 128	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) 1 January 2018
MFRS 15	Revenue from Contracts with Customers 1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions 1 January 2018 & 1 January 2020
Amendments to MFRS 15	Clarifications to MFRS 15 1 January 2018
Amendments to MFRS 140	Transfers of Investment Property 1 January 2018
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i> 1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration 1 January 2018
MFRS 16	Leases 1 January 2019

**EKA NOODLES BERHAD (Company No.583565-U)**  
**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 30 JUNE 2018**

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

**A2) Significant Accounting Policies (Cont’d)**

		Effective dates for financial periods <u>beginning on or</u> <u>after</u>
Amendment to MFRS 3	Business Combination	1 January 2020
Amendment to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138	Intangible Assets	1 January 2020
Amendment to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendment to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendment to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The initial application of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Company except as mentioned below:

- MFRS 9, *Financial Instruments* (effective 1 January 2018) will replace MFRS 139, *Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading).

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

**A2) Significant Accounting Policies (Cont’d)**

A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than the profit or loss, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit losses model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Company are currently still in process of assessing the impact of the new standards upon initial application of these standards.

- MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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.



**EKA NOODLES BERHAD (Company No.583565-U)**  
**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 30 JUNE 2018**

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

**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.

**A8) Segmental Information (Cont’d)**

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 six months ended 30 June 2018 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	11,268	46,184	430
East Malaysia	1,788	11,496	-
	<b>13,056</b>	<b>57,680</b>	<b>430</b>

**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.

**EKA NOODLES BERHAD (Company No.583565-U)**  
**NOTES TO THE INTERIM FINANCIAL REPORTS FOR QUARTER**  
**ENDED 30 JUNE 2018**

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

**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.

**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 30 JUNE 2018**

**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'18 RM'000	Jan- Mar'18 RM'000	Changes (Amount/ %)	Apr- June'17 RM'000	Current Year to Date Jan- June'18 RM'000	Cumulative Quarter Preceding Year Corresponding Period Jan- June'17 RM'000	Changes (Amount/ %)
<b>Revenue</b>							
- West Malaysia	5,870	5,398	8.74%	1,857	11,268	1,912	489.33%
- East Malaysia	918	870	5.52%	230	1,788	230	677.39%
<b>Total</b>	<b>6,788</b>	<b>6,268</b>	<b>8.30%</b>	<b>2,087</b>	<b>13,056</b>	<b>2,142</b>	<b>509.52%</b>
<b>Profit/(Loss) before tax</b>							
- West Malaysia	(481)	(501)	3.99%	(262)	(982)	(5,462)	82.02%
- East Malaysia	(175)	(194)	9.79%	596	(369)	466	179.18%
<b>Total</b>	<b>(656)</b>	<b>(695)</b>	<b>5.61%</b>	<b>334</b>	<b>(1,351)</b>	<b>(4,996)</b>	<b>72.96%</b>

	Current Year Quarter Apr- June'18 RM'000	Immediate Preceding Quarter Jan- Mar'18 RM'000	Changes (Amount/ %)	Current Year to Date Jan- June'18 RM'000	Cumulative Quarter Preceding Year Corresponding Period Jan- June'17 RM'000	Changes (Amount/ %)
Revenue	6,788	6,268	8.30%	13,056	2,142	509.52%
Gross Profit/(Loss)	1,493	1,249	19.54%	2,742	(1,493)	283.66%
Operating Profit/(Loss)	130	103	26.21%	233	(3,323)	107.01%
Profit/(Loss) Before Interest and Tax	130	103	26.21%	233	(3,323)	107.01%
Profit/(Loss) Before Tax	(656)	(695)	5.61%	(1,351)	(4,996)	72.96%

**EKA NOODLES BERHAD (Company No.583565-U)**  
**NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER**  
**ENDED 30 JUNE 2018**

**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)**

		<b>Current Year Quarter Apr- June'18 RM'000</b>	<b>Immediate Preceding Quarter Jan- Mar'18 RM'000</b>	<b>Changes (Amount/ %)</b>	<b>Current Year to Date Jan- June'18 RM'000</b>	<b>Cumulative Quarter Preceding Year Corresponding Period Jan- June'17 RM'000</b>	<b>Changes (Amount /%)</b>
Profit/(Loss)	After	(822)	(695)	-18.27%	(1,517)	(4,996)	69.64%
Tax							
Profit/(Loss)	Attributable to Ordinary Equity Holders of the Parent	(822)	(695)	-18.27%	(1,517)	(4,996)	69.64%

***Comparison with corresponding period in the previous year***

The Group's revenue for the current period under review was RM13.06 million and loss before tax was RM1.35 million.

The revenue was increased to RM13.06 million, increased by 509.52% or RM10.92 million to higher than preceding year corresponding period under review. In the preceding year corresponding period under review, the Group resumes operations of two subsidiaries and only 2 monthly sales generated.

The Group had generated a gross profit of RM2.74 million or 283.66% higher than gross loss of RM1.49 million in the preceding year corresponding period under review. The improvement in gross profit resulting from the Group had consistently increased its business revenue from its business activities and the revenue derived was excessive to cover its cost of sales. The gross margin for the current period was 20% as compared to -69.70% in the preceding year corresponding period under review.

The Group gains an operating profit of RM0.23 million in the current period as compared to operating loss of RM3.32 million in the preceding year corresponding period under review, increased by 107.01%. The Group had controlled its administrative expenses to RM1.72 million, reduces by 65.09% as compared to RM4.92 million in the preceding year corresponding period under review. The Group has no any impairment of property, plant and equipment in the current period as compared to impairment of property, plant and equipment of RM3.70 million in the preceding year corresponding period under review.

**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)**

The Group suffered a loss before tax of RM1.35 million, 72.96% lower than RM5.00 million loss before tax in the preceding year corresponding period under review. This loss before tax of RM1.35 million arose after deducting the finance cost, i.e. term loan interest and lease interest of RM1.58 million.

For West Malaysia, its revenue increased by RM9.36 million to RM11.27 million or represented 489.33% higher as compared to RM1.91 million in the preceding year corresponding period under review. For East Malaysia, the revenue increased to RM1.79 million, increased by RM1.56 million or represented 677.39% increase as compared with RM0.23 million in the preceding year corresponding period under review. The increased in revenue represent that the Group had consistently derived business revenue from its business activities since resumes its business operations in 2<sup>nd</sup> quarter in year 2017.

West Malaysia had suffered a lower loss before tax of RM0.98 million for current period under review as compared to loss before tax of RM5.46 million in the preceding year corresponding period under review. The improvement was mainly due to the Group did not incurred any impairment of property, plant and equipment in the current period as compared to RM3.70 million impairment of property, plant and equipment in preceding year corresponding period under review.

East Malaysia also suffered a loss before tax of RM0.37 million as compared to profit before tax of RM0.47 million in preceding year corresponding period under review. Profit before tax of RM0.47 million for East Malaysia in preceding year corresponding period under review arose from one off insurance compensation on damage of factory due to fire of RM0.77 million.

***Comparison with preceding quarter***

The Group's revenue for the current quarter under review was RM6.79 million and loss before tax was RM0.66 million.

The Group's revenue for the quarter under review was RM6.79 million as compared to RM6.27 million in the immediate preceding quarter under review, increased by RM0.52 million or 8.30%.

For West Malaysia, total revenue increases by 8.74% or RM0.48 million to RM5.88 million as compared to RM5.40 million in the preceding quarter. For East Malaysia, revenue also increased by RM0.05 million or 5.52% to RM0.92 million as compared to RM0.87 million in the preceding quarter. The increased arose from the demands from customers in line with the Hari Raya Puasa celebration in 2<sup>nd</sup> quarter of 2018.

The gross profit increased to RM1.49 million, increased by RM0.24 million, or 19.54% as compared to RM1.25 million in the immediate preceding quarter under review in line with the increase of revenue for current quarter.

**EKA NOODLES BERHAD (Company No.583565-U)**  
**NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER**  
**ENDED 30 JUNE 2018**

**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 was an operating profit of RM0.13 million, 26.21% or RM0.03 million higher than RM0.10 million in the immediate preceding quarter under review.

There was loss before tax of RM0.66 million in the current quarter compared to RM0.70 million in the immediate preceding quarter under review, increased by RM0.04 million or 5.61%.

For West Malaysia, loss before tax in current year quarter is RM0.48 million, 3.99% or RM0.02 million lower than loss before tax of RM0.50 million in preceding quarter. East Malaysia also suffered a business losses for both quarters under review, the loss before tax in the current quarter was reduced to RM0.18 million as compared to RM0.20 million in the preceding quarter, reduced by RM0.02 million or 9.79%. The decreased mainly due to reduction of repairs and upkeep expenses for property, plant and equipment.

Loss after tax increased to RM0.82 million, increased by 18.27%, or RM0.12 million as compared RM0.70 million in the immediate preceding quarter under review due to provisional of income tax and deferred tax expenses during the quarter.

In conclusion, there were no significant changes on loss before tax for West and East Malaysia for 1<sup>st</sup> and 2<sup>nd</sup> quarter of year 2018.

**B2) Current Year Prospects**

The Group was currently still under process of corporate restructuring.

**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 30.06.18 RM'000</b>	<b>Current Year -to-Date 30.06.18 RM'000</b>	<b>Cumulative Period Preceding Year Corresponding Period 30.06.17 RM'000</b>
Income Tax	157	157	-
Deferred Tax	9	9	-
	<hr/> 166 <hr/>	<hr/> 166 <hr/>	<hr/> - <hr/>

**EKA NOODLES BERHAD (Company No.583565-U)**  
**NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER**  
**ENDED 30 JUNE 2018**

**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 27 February 2018, the Group entered into a conditional Share Purchase Agreement (“SPA”) with Loo Seng Pang, Tai Poh Yak, Ang Eng Hooi, Phnuah Farn Farn, Ang Jin Mao and Dato’ Seri Mr Serm Juthamongkhon (collectively, the “Vendors”) to acquire the entire issued share capital in Kepala Batas Bihun Sdn Bhd (“KBB”) comprising 5,500,002 ordinary shares in KBB for a purchase consideration of RM55,000,000 to be satisfied in part by cash payment of RM33.0 million and RM22.0 million via the issuance of 440,000,000 EKA Shares (“Consideration Shares”) to the Vendors and/or their nominees at an issue price of RM0.05 per ordinary share in EKA (“Proposed Acquisition”).

The Proposed Acquisition is a component of a series of proposals set out in the SPA, to regularise the financial condition of EKA (i.e. the “Proposed Regularisation Plan”), with the intention of restoring EKA onto a stronger financial footing.

The conditional period for the satisfaction of the conditions period is 8 months from the date of agreement (27 February 2018) i.e. the conditional period will end on 26 October 2018. Once the conditions precedent have been satisfied within the conditional period (can be any time by 26 October 2018; the date the last of the conditions precedent is satisfied is known as the “Unconditional Date”), the completion date will be 7 Business Days from the said Unconditional Date.

**B8) Borrowings and Debts Securities**

The Groups’ borrowings as at current quarter ended 30 June 2018 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	-	171	171
Revolving Credit	2,594	-	2,594
Term Loans	68,529	-	68,529
<b>Total</b>	<u>71,123</u>	<u>171</u>	<u>71,294</u>

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**B8) Borrowings and Debts Securities (Cont'd)**

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Long Term Borrowings:-</b>			
Hire Purchase Payables	-	543	543
Revolving Credit	-	-	-
Term Loans	-	-	-
<b>Total</b>	<u>-</u>	<u>543</u>	<u>543</u>
<b>Total</b>	<u>71,123</u>	<u>714</u>	<u>71,837</u>

The Groups' borrowings as at cumulative quarter preceding year corresponding period ended 30 June 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>Borrowings:-</b>			
Hire Purchase Payables	-	332	332
Revolving Credit	2,524	-	2,524
Term Loans	57,925	-	57,925
	<u>60,449</u>	<u>332</u>	<u>60,781</u>

The revolving credit and term loan bore a weighted average of 8.35% (2017:8.35%) 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.



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**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. 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 corns 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 appeal was discontinued by KBBSB on 4 June 2018.
		2. 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 Petitioner had withdrawn the petition with no order as cost and liberty to file afresh on 5 June 2018.
		3. Great Line Success Sdn Bhd vs KBBSB - Penang High Court Petition and Affidavit Petition No. PA-28NCC-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.	Great Line Success Sdn Bhd had filed a Notice of Discontinuance on 11 April 2018.

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**B12) Material Litigation (Continued)**

No.	Company	The Creditors	Material Litigations	Remarks
1.	Kilang Bihun Bersatu Sdn Bhd (“KBBSB”)	4. 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	Hap Seng Credit Sdn Bhd claims against KBBSB: i. sum owed by KBBSB of RM43,078.59 and interest for the sum of RM42,951.16 due to default by KBBSB under its hire purchase facility.	The court on 23 November 2017 allowed Hap Seng Credit Sdn Bhd’s application for summary judgement for the amount of RM43,077.35 with costs of RM2,000.00.  The execution of the judgement (if any) is restrained by restraining order obtained by the EKA Group on 28 May 2018.
		5. Hap Seng Credit Sdn Bhd vs KBBSB, Chin Seak Huat and Eka Noodles Berhad - Magistrates Court of Kuala Lumpur suit no. i. WA-A72NCC-14856-03/2017	Hap Seng Credit Sdn Bhd claims against KBBSB: i. sum owed by KBBSB of RM43,077.35 and interest for the sum of RM42,949.92 due to default by KBBSB under its hire purchase facility.	The court on 23 November 2017 allowed Hap Seng Credit Sdn Bhd’s application for summary judgement for the amount of RM43,077.35 with costs of RM2,000.00.  The execution of the judgement (if any) is restrained by restraining order obtained by the EKA Group on 28 May 2018.

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**B12) Material Litigation (Continued)**

No.	Company	The Creditors	Material Litigations	Remarks
1.	Kilang Bihun Bersatu Sdn Bhd (“KBBSB”)	6. 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 Court had postponed the decision of the Plaintiff’s summary judgement application to 30 August 2018 in view of the Restraining Order obtained by KBBSB.

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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: i. sum owed by KBBSB of RM60,103.12 for the pallets hired under the Hire Agreement; ii. interest at the rate of 12% per annum from 30.8.2014 to 30.10.2017 in the sum of RM3,318.09; iii. 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; iv. costs; and v. such further and/or other relief that the Honourable Court deems fit and proper to grant.	The Court had fixed the trails to 3 and 4 September 2018.
2.	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; and 5. further and other reliefs as the Court deems fit and proper to grant.	The Plaintiff had withdrawn the suit with liberty to file afresh and no order as cost on 30 May 2018.

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**B12) Material Litigation (Continued)**

No.	Company	The Creditors	Material Litigations	Remarks
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 court had delivered its judgement on 24 April 2018 in favour of Bank Pertanian Malaysia Berhad on the following claims against KBBSB and ENB:  1. the judgement sum of RM3,183,860.21, RM1,336,666.01 and RM2,539,949.41;  2. ta’widh of 1% per annum from 9 January 2017 on RM2,098,510.14 and RM1,006,269.85 up to the date of full of full and final settlement or maturity of BBA facility or judgement date (whichever is earlier);  3. ta’widh at the rate of “Interbank Islamic Money Market” per annum from judgement date on RM3,183,860.21 and RM1,336,505.56 up to the date of full and final settlement;

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**B12) Material Litigation (Continued)**

No.	Company	The Creditors	Material Litigations	Remarks
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		4. ta’widh at the rate of “Interbank Islamic Money Market” per annum from judgement date on RM3,183,860.21 and RM1,336,505.56 up to the date of full and final settlement; 5. Ta’widh at the rate of Interbank Islamic Money Market per annum from 9 January 2017 on RM2,517,608.68 up to the date of full and final settlement; and 6. Cost of RM6,000. The execution of the judgement (if any) is restrained by restraining order obtained by the EKA Group on 28 May 2018.

On 28 May 2018, the High Court of Malaya in Penang has granted an Order pursuant to Section 366 of the Companies Act, 2016 to EKA and all its wholly-owned subsidiaries the liberty to hold meetings with its scheme creditors and members pursuant to Section 366 of the Companies Act, 2016 for the purposes of taking into consideration and, if considered fit, to approve with or without any modification of the proposed scheme within 90 days from 28 May 2018 between 9am and 5pm.

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 28 May 2018 subject to the terms and conditions fixed by the Court pursuant to Section 368 of the Companies Act, 2016.

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**B12) Material Litigation (Continued)**

The Order is not expected to have any material impact on the financial and operational matters of the Company and the EKA Group as the Order is to solely facilitate the Company and the EKA Group's scheme of arrangement.

**B13) Realized and Unrealized Loss**

	<b>30.06.18</b>	<b>30.06.17</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries :-		
- Realized	(150,627)	(148,960)
- Unrealized	-	-
	<u>(150,673)</u>	<u>(148,960)</u>
Consolidation adjustments	57,897	57,916
Total accumulated Profit/(losses) of the Group as per consolidated accounts	<u>(92,730)</u>	<u>(91,044)</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>30.06.18 RM'000</b>	<b>30.06.17 RM'000</b>	<b>30.06.18 RM'000</b>	<b>30.06.17 RM'000</b>
Profit/(Loss) for the Period (RM'000)	(822)	334	(1,517)	(4,996)
Weighted Average Number of Ordinary Shares of RM0.15 each ('000)	312,000	312,000	312,000	312,000
Earnings Per Share				
- Basic (sen)	(0.26)	0.11	(0.48)	(1.60)
- Diluted (sen)	-	-	-	-

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**B14) Earnings per Share (Cont'd)**

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

	<b>Current Year Quarter 30.06.18 (3 Months) (Unaudited) RM'000</b>	<b>Individual Quarter Preceding Year Corresponding Quarter 30.06.17 (3 Months) (Unaudited) RM'000</b>	<b>Current Year to Date 30.06.18 (6 Months) (Unaudited) RM'000</b>	<b>Cumulative Quarter Preceding Year Corresponding Period 30.06.17 (6 Months) (Unaudited) RM'000</b>
<b>Profit /(Loss) for the period/ year is arrive at after charging/(crediting) :</b>				
Interest expense	786	1,659	1,584	1,673
Depreciation and amortization	616	834	1,226	2,014
Impairment of Property, plant and equipment	-	-	-	3,698
Other Income:-				
Gain on disposal of PPE	-	(240)	-	(218)
Reversal of provision of doubtful debts	-	(484)	-	(484)
Rental Income	(60)	-	(120)	-
Insurance recovery	-	(770)	(26)	(770)
Reversal of impairment loss on trade receivable	-	(1,760)	-	(1,760)



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**B15) Profit / (Loss) for the period / year (Cont'd)**

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

**B16) Practice Note 17 (“PN17”) Status**

On 30 August 2016, the Company announced that it had triggered the prescribed criteria pursuant to Paragraph 8.04 and Paragraph 2.1 (a) of Practice Note 17 (“PN17”) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and was hence an affected issuer under PN17.

The PN17 criteria was triggered as a result of the Company’s shareholders’ equity on a consolidated basis is 25% or less of the issued and paid-up capital of the Company and such shareholders’ equity is less than RM40.0 million in the Company’s unaudited interim financial results for the 2nd quarter ended 30 June 2016.

The Company is required to take necessary steps to comply with the following obligations:

- (i) within twelve (12) months from the date of this announcement that the Company is an affected issuer under PN17 on 30 August 2016, to submit a Regularisation Plan to the Securities Commission of Malaysia and Bursa Securities;
- (ii) Implement the Regularisation Plan within the time frame stipulated by the SC and/or Bursa Securities, as the case may be;
- (iii) Announce within three (3) months from the First Announcement, whether the Regularisation Plan will result in a significant change in the business direction or policy of the Company;
- (iv) Announce the status of the Regularisation Plan and the number of months to the end of the relevant time frames referred to in Paragraphs 5.1 and 5.2 of PN17, as may be applicable, on a monthly basis until further notice from Bursa Securities;
- (v) announce its compliance or non-compliance with any particular obligation imposed pursuant to PN17, on an immediate basis;
- (vi) announce the details of the Regularisation Plan (“Requisite Announcement”) and sufficient information to demonstrate that the Company is able to comply with all the requirements set out in Paragraph 5.0 of PN17 after implementation of the Regularisation Plan, which shall include a timetable for the complete implementation of the Regularisation Plan. The Requisite Announcement must be made by the Company’s appointed Principal Adviser; and
- (vii) where the Company fails to regularise its condition, it will announce the dates of suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by Bursa Securities.

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**B16) Practice Note 17 (“PN17”) Status (Cont’d)**

On 27 February 2018, the Company has entered into a conditional share purchase agreement (“SPA”) with Loo Seng Pang, Tai Poh Yak, Ang Eng Hooi, Phnuah Farn Farn, Ang Jin Mao and Dato’ Seri Mr Serm Juthamongkhon (collectively, the “Vendors”) to acquire the entire issued share capital in Kepala Batas Bihun Sdn Bhd (“KBB”) comprising 5,500,002 ordinary shares in KBB for a purchase consideration of RM55,000,000 to be satisfied in part by cash payment of RM33.0 million and RM22.0 million via the issuance of 440,000,000 Company’s Shares (“Consideration Shares”) to the Vendors and/or their nominees at an issue price of RM0.05 per ordinary share in the Company (“Proposed Acquisition”).

The Proposed Acquisition is a component of a series of proposals set out in the SPA, to regularise the financial condition of the Company (i.e. the “Proposed Regularisation Plan”), with the intention of restoring the Company onto a stronger financial footing.

Pursuant thereto, the Proposed Regularisation Plan shall comprise the following:-

- a) Proposed Capital Reconstruction;
- b) Proposed Debt Restructuring Scheme;
- c) Proposed Rights Issue with Warrants; and
- d) Proposed Acquisition.

On 14 March 2018, Bursa Securities granted the Company an extension of time of up to 31 May 2018 for the submission of the proposed Regularisation Plan to Bursa Securities.

On 31 May 2018, a further application for extension of time up to 30 June 2018 for the Company to submit its regularization plan to the relevant authorities.

The application in relation to the Proposed Regularisation Plan has been submitted to Bursa Securities Berhad on 8 June 2018 for its approval.

Bursa Malaysia Securities Berhad (“Bursa Securities”) had on 27 June 2018 approved the application for an extension of time up to 8 June 2018 to submit the Company’s regularisation plan to the regulatory authorities in view that the Company had submitted its regularisation plan to Bursa Securities on 8 June 2018.

The aforesaid extension of time is without prejudice to Bursa Securities’ rights to proceed to suspend the trading of the securities of EKA and to de-list the Company in the event:

- (i) the Company fails to obtain the approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; or
- (ii) the Company fails to implement its regularisation plan within the time frame or extended time frames stipulated by any of the regulatory authorities.

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**B16) Practice Note 17 (“PN17”) Status (Cont’d)**

Upon occurrence of any events set out in (i) to (ii) above, Bursa Securities shall suspend the trading of the listed securities of EKA on the 6th market day after the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company’s right to appeal against the delisting.

Court Convened Meetings ("CCM")

The Court Convened Meetings ("CCM") of Scheme Creditors was held on 18 July 2018 and have approved by Scheme Creditors, with modifications, to the proposed scheme of arrangement and compromise between the EKA Group and the Scheme Creditors.

The modification to the proposed scheme of arrangement and compromise with the Scheme Creditors was pursuant to the salient terms of the settlement arrangement with the Scheme Creditors. The modification is highlighted as follows:-

1. The Secured Creditors shall fully release and discharge EKA, Kilang Bihun Bersatu Sdn. Bhd. and/or its personal guarantors, in full from all obligations and liabilities (including indemnities, undertaking, judgements awarded and/or other obligations, if any) and where applicable, from all actions, proceedings, claims and demands upon completion of the Proposed Debt Restructuring Scheme saved for the personal guarantee by Dato’ Sri Chin Seak Huat to Bank Pertanian Malaysia Berhad.
2. The Unsecured Creditors shall fully discharge and free the Group, previous and existing Board of EKA and EKA Group from all actions, proceedings, claims and demands upon the completion of Proposed Debt Restructuring Scheme saved for the personal guarantee by Dato’ Sri Chin Seak Huat to Bank Pertanian Malaysia Berhad.

Save for the above, there was no other changes to the proposed scheme of arrangement and compromise with the Scheme Creditors.

**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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