



UZMA BERHAD

(Company No: 769866-V)

(Incorporated in Malaysia with limited liability under the Companies Act 2016)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2018

1. BASIS OF REPORTING PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provision of the Listing Requirements of the Bursa Malaysia Securities Berhad and Malaysia Financial Reporting Standard 134: *Interim Financial Reporting* (“MFRS 134”).

The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2016. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2016.

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those applied by the Group in its audited financial statements for the year ended 31 December 2016.

During the current financial period, the Company and its subsidiary companies (“Group”) have adopted the following new accounting standards and interpretations (including the consequential amendments):-

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 – 2016 Cycles:

- Amendments to MFRS 12: Clarification of the Scope of Standard

The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group.

1. BASIS OF REPORTING PREPARATION (CONT'D)

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	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
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

1. BASIS OF REPORTING PREPARATION (CONT'D)

These pronouncements are not to have any material impact to the financial statements of the Group upon their initial application, except for described below:

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The Group and the Company is currently assessing the financial impact of adopting MFRS 9.

MFRS 15: Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15 & Amendments to MFRS 15: Clarifications to MFRS 15

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15. The Group and the Company is currently assessing the financial impact that may arise from the adoption of MFRS15.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2016.

3. SEASONAL OR CYCLICAL FACTORS

The principal business operations of the Group are not significantly affected by seasonal or cyclical factors during the period under review.

4. ITEMS OF UNUSUAL NATURE AND AMOUNT

There were no items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, size or incidence in the interim financial reports.

5. MATERIAL CHANGES IN ESTIMATES

There were no changes in the estimates of amount relating to the prior financial years that have a material effect in the current quarter under review.

6. ISSUANCES, REPURCHASES, AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, repurchases, and repayments of debt and equity securities during the current quarter and period, except as announced on 16 June 2017, the Company completed Private Placement of up to 29,093,500 new ordinary shares of Uzma Berhad representing approximately 10% of the existing total number of issued shares of Uzma.

7. DIVIDENDS PAID

No dividend had been paid and / or recommended for the current financial period.

8. SEGMENTAL INFORMATION

The Group is organised into 3 main business segments as follows:-

- (i) Services segment - involved in provision of geoscience and reservoir engineering, drilling, project and oilfield operations services, wireline services and other specialised services.
- (ii) Trading segment - involved in manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services, trading of hardware and equipment for oil refinery.
- (iii) Investment holding

	SERVICES RM'000	TRADING RM'000	INVESTMENT HOLDING RM'000	ELIMINATIONS RM'000	THE GROUP RM'000
REVENUE					
External revenue	435,670	114,451	-	-	550,121
Inter-segment revenue	68,777	5,672	450	(74,899)	-
Total revenue	<u>504,447</u>	<u>120,123</u>	<u>450</u>	<u>(74,899)</u>	<u>550,121</u>
RESULTS					
Segment results	39,589	13,828	4,508		57,925
Finance costs	(70,277)	(179)	(1,954)	36,395	(36,015)
Share of profit of investments accounted for using the equity method					<u>9,124</u>
Profit from ordinary activities before taxation					31,034
Income tax expense					<u>278</u>
Profit from ordinary activities after taxation					31,312
Non- controlling interest					<u>(2,602)</u>
Net profit attributable to owners of the Company					<u>28,710</u>

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment in the current period under review.

10. CAPITAL COMMITMENTS

Approved and contracted for plant and equipment as at 30 June 2018 RM 4,605,372

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED

There were no material events subsequent to the end of the current quarter.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group from the beginning of the period up to 28 August 2018 as announced, the Company incorporated four (4) new subsidiaries detailed as follow:

(i) Uzma Laboratory Sdn. Bhd. (Company No. 1227506-M)

Principal activities	:	Business of geosciences and reservoir engineering, drilling project and operation services and other specialized services within the oil and gas industry.
Paid-up capital	:	RM100 represented by 100 ordinary shares.
Shareholders	:	(i) Uzma Berhad (94%) (ii) Michael Gerard Snape (3%) (iii) Douglas Denis Langton (3%)

(ii) Environergy Sdn. Bhd. (Company No. 1227529-U)

Principal activities	:	Electric power generation and transmission, renewable energy power.
Paid-up capital	:	RM1.00 represented by 1 ordinary share
Shareholders	:	Uzma Berhad (100%)

(iii) Uzma Resources Solutions Sdn Bhd (Company No. 1238916-W)
(Formerly Known as Teraju Meriah Sdn. Bhd.)

Principal activities	:	Professional Manpower Consultancy for Oil and Gas Industry
Paid-up capital	:	RM1.00 represented by 1 ordinary share
Shareholders	:	Uzma Berhad (100%)

(iv) Uzma Intergrasi Padu Berhad (Company No. 1280789-X)

Principal activities	:	Undertake the fund raising exercise entailing proposed Islamic medium term nites programme of up to RM1.0billion under the Islamic principle of Wakalah Bi Al-Istithmar
Paid-up capital	:	RM100 represented by 100 ordinary share
Shareholders	:	Uzma Berhad (100%)

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent assets of the Group during the quarter under review.

The Company has given corporate guarantees to licensed financial institutions for banking facilities granted to its subsidiaries. In relation thereto, the Company has contingent liabilities amounting to approximately RM442 million as at 30 June 2018.

14. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

	(Unaudited) Cumulative 18 months Period To Date 30.06.2018 RM'000	(Audited) Cumulative 12 months Year To Date 31.12.2016 RM'000	Difference	
			RM'000	%
Revenue	550,121	471,050	79,071	16.8
Gross profit GPM	210,416 38%	122,233 26%	88,183	72.1
Profit before taxation ("PBT")	31,034	50,536	(19,502)	(38.6)
Adjust for:				
-Unrealised loss/(gain) on foreign exchange	15,213	(17,029)		
-Impairment on receivable	23,097	1,704		
Adjusted PBT	<u>69,344</u>	<u>35,211</u>	34,133	96.9

The Group changed its financial year end from 31 December to 30 June. Accordingly, in the current quarter ended 30 June 2018 cover a 18-month period from 1 January 2017 to 30 June 2018 ("PTD 2018") as compared to the 12-month period from 1 January 2016 to 31 December 2016 ("PTD 2017").

The Group's revenue increase by RM79.0 million or 16.8% as compared to period-to-date ("PTD") 2017. The Group's gross profit increased by RM88.1 million or 72.1%. This is mainly due the improvement of gross profit margin.

The Group reported increase in Adjusted PBT of RM34.1 million or 96.9% in PTD 2018 as compared to PTD 2017. The increase in Adjusted PBT was due to improvement in gross profit offset by higher operating expenses and finance costs.

15. MATERIAL CHANGES IN THE RESULTS OF THE CURRENT QUARTER COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

	(Unaudited) Current Quarter Ended 30.06.2018 RM'000	(Unaudited) Preceding Quarter Ended 31.03.2018 RM'000	Difference	
			RM'000	%
Revenue	82,477	91,932	(9,455)	(10.3)
Gross profit	25,884	39,763	(13,879)	(34.9)
GPM	31%	43%		
PBT	2,070	2,369	(299)	(12.6)
Adjust for:				
-Unrealised (gain)/loss on foreign exchange	(10,538)	11,427		
-Impairment on receivable	17,490	-		
Adjusted PBT	<u>9,022</u>	<u>13,796</u>	(4,774)	(34.6)

The Group's revenue decreased by RM9.4 million or 10.3% was mainly due to lower recognition of revenue for certain projects. As a result of lower revenue, gross profit decreased by RM13.9 million or 34.9%.

The Group reported decrease in Adjusted PBT of RM4.8 million or 34.6% in current quarter as compared to previous quarter.

16. PROSPECTS AND PROGRESS TO ACHIEVE FORECAST FOR NEXT FINANCIAL YEAR

Barring any unforeseen circumstances, the Directors remain optimistic with the Group's prospects for the remaining period to the end of financial year and next financial year, based on the positive developments of the Company specific in PTD 2018 as follows:

- (i) As announced on 19 January 2012, the Group has completed the acquisition of 30.02 % equity interest in SVP principally engaged in the business of oil and gas services specialising in providing well-pumping and coil tubing services within the oil and gas sector. SVP is currently contributing positively to the Group's earnings.
- (ii) As announced on 19 April 2013, MECAS received a Letter of Award from EMEPMI for the provision of oilfield chemicals and associated services. The contract period is for 5 years (primary term) from 1 April 2013 to 31 March 2018 with an extension option of 2 years. The value for the primary term is estimated at RM238 million.
- (iii) On 1 April 2014, the Company announced that a contractor Group that includes its wholly owned subsidiary, Uzma Energy Venture (Sarawak) Sdn. Bhd. and EQ Petroleum Developments Malaysia Sdn. Bhd. ("Contractor Group"), had on 27 March 2014 signed a Small Field Risk Service Contract ("SFRSC") with Petroliam Nasional Berhad to carry out the development and production of petroleum from the Tanjung Baram Fields.
- (iv) As announced on 23 July 2014, Uzma completed the acquisition of the entire equity interest in MMSVS Group Holdings Limited ("MMSVS"). The principal activities of MMSVS are the provision of services in relation to the repair and maintenance of exploratory and production wells utilizing Hydraulic Workover Units. The acquisition is expected to contribute positively to the Group's future earnings.
- (v) As announced on 4 August 2014, Uzma completed the acquisition of the entire issued and paid-up share capital of Premier Enterprise Corporation (M) Sdn Bhd ("PEC"). PEC is principally engaged in the business of oil and gas services specialising in the business of trading of chemical and other commodities in oil refinery. The acquisition is envisaged to provide earning accretion to the Company upon completion of the acquisition.
- (vi) On 21 May 2015, Sazma Aviation Sdn. Bhd., a 40% associate company of Uzma, was awarded by PETRONAS Carigali Sdn Bhd ("PCSB") with a contract for the provision of aviation services for PETRONAS Sabah Operations (SBO). The contract is valued at RM154 million. The duration of the contract is for five years effective from 23 March 2015 to 22 March 2020 with an extension option exercisable by PCSB of 1 year until 22 March 2021.
- (vii) As announced on 10 July 2015, UESB was awarded by PETRONAS Carigali Sdn Bhd ("PCSB") with a contract for Leasing, Operation and Maintenance of the D18 Water Injection Facility for PCSB. The contract value is estimated at RM350 million to RM400 million. The duration of the contract is for 5 years leasing period effective from 31 March 2016.
- (viii) As announced on 6 February 2017, UESB was awarded by PETRONAS Carigali Sdn Bhd with an Umbrella Contract for the Provision of Electric Wireline Logging (EWL). The contract will run for a duration of 3 years, commencing from 1 December 2016 to 30 December 2019, with two extension options of 1 year each for Cased Hole Logging Services across the Pan Malaysia area. Upon issuance of specific work order, the Company expects the contract to contribute positively to its future earnings.

16. PROSPECTS AND PROGRESS TO ACHIEVE FORECAST FOR NEXT FINANCIAL YEAR (CONT'D)

- (ix) As announced on 28 February 2017, Uzma Engineering Sdn. Bhd. (“UESB”) was awarded by Murphy with a contract for the Provision of Hydraulic Workover Unit and services. The contract will run for a duration of 2 years with an extension option of one (1) year. Upon issuance of specific work order, the Company expects the contract to contribute positively to its future earnings.
- (x) As announced on 22 March 2017, UESB was awarded by PETRONAS Carigali Sdn Bhd with a contract for the Provision of Fishing Equipment and Services and services. The contract will run for a duration of 2 years with an extension option of one (1) year. Upon issuance of specific work order, the Company expects the contract to contribute positively to its future earnings.
- (xi) As announced on 9 January 2018, UESB was awarded by PETRONAS Carigali Sdn Bhd three (3) umbrella contracts for the provision of electrical submersible pump (“ESP”) and services for PCSB as follows:-
- (a) Supply of Jointed Tubing ESP and the Deployments;
 - (b) Supply of Coiled Tubing ESP and the Deployment; and
 - (c) Surveillance, Monitoring and Maintenance of ESP.
- The tenure of the contract is three years from 20 November 2017 to 19 November 2020 with first extension option of one (1) year. Upon issuance of specific work order, the Group expects the contract to contribute positively to its future earnings.
- (xii) As announced on 17 January 2018, UESB was awarded by PETRONAS Carigali Sdn Bhd for the provision of Hydraulic Workover Unit (“HWU”) – “Ghazi 461” from 28 December 2017 until completion of three (3) firm well with extension option of a further six (6) wells. Upon issuance of specific work order, the Group expects the contract to contribute positively to its future earnings.
- (xiii) As announced on 1 March 2018, UESB was awarded by PETRONAS Carigali Sdn Bhd for an umbrella contract for the Provision of 150K, 225K and 460K Drilling of Hydraulic Workover Unit (HWU). The tenure of the Umbrella Contract is three (3) years from 6 February 2018 to 5 February 2021 with an extension option period of one (1) year. Upon issuance of specific work order, the Group expects the contract to contribute positively to its future earnings.
- (xiv) As announced on 27 April 2018, UESB was awarded by PETRONAS Carigali Sdn Bhd for an umbrella contract for the Provision of Well Abandonment Integrated Services. The tenure of the Umbrella Contract is two (2) years from 29 March 2018 to 29 March 2020 with an extension option period of one (1) year. Upon issuance of specific work order, the Group expects the contract to contribute positively to its future earnings.
- (xv) As announced on 25 July 2018, UESB was awarded by PETRONAS Carigali Sdn Bhd for an umbrella contract for the Provision of Drilling Fluids and Associated Services. The tenure of the Umbrella Contract is five (5) years from 30 May 2018 to 30 May 2023. Upon issuance of specific work order, the Group expects the contract to contribute positively to its future earnings.

16. PROSPECTS AND PROGRESS TO ACHIEVE FORECAST FOR NEXT FINANCIAL YEAR (CONT'D)

- (xvi) As announced on 27 July 2018, Uzma Integrasi Padu Berhad was proposed an establishment of Unrated Islamic Medium Term Notes (“Sukuk Wakalah”) Programme up to RM1.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar under Securities Commission’s Guideline on Unlisted Capital Market Products under the Lodge and Launch Framework.

The Sukuk Wakalah Programme serves as funding platform for Uzma Group to raise funds to support its growing and for better asset-liability management as its proceeds from the issuance of Sukuk Wakalah will be used for Shariah-compliant as follows:

- (a) Advancement to Uzma Group for its general corporate, capital expenditure and working capital requirement purposes via Shariah-compliant manner;
- (b) Refinance existing and future financing/borrowings of Uzma Group;
- (c) Payment for all fees, costs and expense in relation to the Sukuk Wakalah Programme

The tenure of the Sukuk Wakalah Programme is fifteen (15) years from the date of first issuance of Sukuk Wakalah under the Sukuk Wakalah Programme and the Sukuk Wakalah Programme shall be unrated.

- (xvii) As announced on 7 August 2018 and 8 August 2018, UESB was awarded by PETRONAS Carigali Sdn Bhd a work order for the Provision of Well Abandonment Integrated Services for Pulau-A (“the Work Order”). The tenure of the Work Order is from 2 July 2018 until the completion of 22 firm wells which is estimated to be within the next 12 months. The Group expects the Work Order to contribute positively to its future earnings.

17. STATEMENT BY DIRECTORS

Not applicable.

18. VARIANCE BETWEEN ACTUAL PROFIT AND FORECAST PROFIT

Not applicable as the Group has not previously disclosed or announced any revenue or profit forecast, estimate, projection or internal targets since the beginning of financial period ended 30 June 2018.

19. TAXATION

	(Unaudited) Current Quarter Ended 30.06.18 RM'000	(Unaudited) Corresponding Quarter Ended 31.12.2016 RM'000	(Unaudited) Cumulative Period To Date 30.06.18 RM'000	(Audited) Corresponding Period To Date 31.12.2016 RM'000
Current tax *	(2,197)	(4,269)	(4,953)	(6,015)
Deferred tax	4,944	(1,446)	5,231	(400)
	<u>2,747</u>	<u>(5,715)</u>	<u>278</u>	<u>(6,415)</u>

* The Group utilised the tax incentive during the financial period ended 30 June 2018 which is given by Malaysian Investment Development Authority ("MIDA") for acquisition of MMSVS as disclosed in Note 16 (iv).

20. ADDITIONAL DISCLOSURE

	(Unaudited) Current Quarter Ended 30.06.2018 RM'000	(Unaudited) Cumulative Period To Date 30.06.2018 RM'000
<u>Profit for the period is arrived at after crediting/ (charging):</u>		
- Net foreign exchange Gain/(loss)	10,825	(14,021)
- Depreciation of property, plant and equipment	(8,825)	(49,958)
- Amortisation of intangible assets	(97)	(598)
- Impairment loss on receivables	(17,490)	(23,097)

Other than the above, there is no impairment loss on property, plant and equipment, gain or loss on disposal of quoted or unquoted securities, inventories written off, gain or loss on derivatives and exceptional items included in the results for current quarter.

21. STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced by the Group that have not been completed as at 28 August 2018.

22. UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

As disclosed in Note 6, the total proceeds raised from the Private Placement was RM49,458,950. The status of utilisation of proceeds from the Private Placement as at 30 June 2018, as follows:

Purpose	Proposed utilisation	Actual utilisation up to 30 June 2018	Intended time frame for utilisation	Deviations	Explanation
	RM'000	RM'000	Months	RM'000	
Capital expenditure	30,000	(10,410)	24	19,590	To be utilised
Working capital	3,748	(3,748)	12	-	
Repayment of bank overdrafts	15,000	(15,000)	12	-	
Estimated expenses relating to the Proposed Private Placement	711	(711)	1	-	
	<u>49,459</u>	<u>(29,869)</u>		<u>19,590</u>	

23. GROUP BORROWINGS AND DEBT SECURITIES

The details of the Group's borrowings are as follows:

	As at 30 June 2018					
	Short term		Long term		Total	
	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)
<u>Secured</u>						
Bank loans (RM)	N/A	81,478	N/A	130,967	N/A	212,445
Bank loans (USD) *	2,933	11,841	29,536	119,252	32,469	131,093
Bank Loan (THB) **	2,805	342	14,844	1,809	17,649	2,151
Hire purchase payables (RM)	N/A	582	N/A	15,092	N/A	15,674
Hire purchase payables (USD)	N/A	-	N/A	-	N/A	-
		<u>94,243</u>		<u>267,120</u>		<u>361,363</u>
<u>Unsecure</u>						
Bank loans (RM)	N/A	-	N/A	-	N/A	-
Hire purchase payables (RM)	N/A	-	N/A	-	N/A	-
		<u>-</u>		<u>-</u>		<u>-</u>
Total		<u>94,243</u>		<u>267,120</u>		<u>361,363</u>

23. GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)

	As at 31 December 2016					
	Short term		Long term		Total	
	Foreign Currency (‘000)	RM (‘000)	Foreign Currency (‘000)	RM (‘000)	Foreign Currency (‘000)	RM (‘000)
<u>Secured</u>						
Bank loans (RM)	N/A	120,440	N/A	152,564	N/A	273,004
Bank loans (USD) #	10,934	47,406	36,772	163,966	47,706	211,372
Bank Loan (THB) ##	4,542	569	20,115	2,519	24,657	3,088
Hire purchase payables (RM)	N/A	788	N/A	5,887	N/A	6,675
Hire purchase payables (THB) ##	319	40	663	83	982	123
		<u>169,243</u>		<u>325,019</u>		<u>494,262</u>
<u>Unsecure</u>						
Bank loans (RM)	N/A	-	N/A	-	N/A	-
Hire purchase payables (RM)	N/A	-	N/A	-	N/A	-
		<u>-</u>		<u>-</u>		<u>-</u>
Total		<u>169,243</u>		<u>325,019</u>		<u>494,262</u>

Notes:

- * - Converted at exchange rate of 4.0375 as at 30 June 2018.
- ** - Converted at exchange rate of 0.1219 as at 30 June 2018.
- # - Converted at exchange rate of 4.4860 as at 31 December 2016.
- ## - Converted at exchange rate of 0.1252 as at 31 December 2016.

24. OFF STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

The Group does not have any off statement of financial position financial instruments.

25. MATERIAL LITIGATION

As at 30 June 2018, neither the Company nor its subsidiaries is involved in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

26. PROPOSED DIVIDEND

No dividend has been proposed for the current quarter.

27. EARNINGS PER SHARE (“EPS”)

	(Unaudited) Current Quarter ended 30.06.2018	(Unaudited) Corresponding Quarter ended 30.06.2017	(Unaudited) Cumulative Period to date 30.06.2018	(Audited) Corresponding Year to date 31.12.2016
(i) Basic EPS				
Net profit attributable to owners of the Company (RM'000)	4,579	5,606	28,710	39,328
Weighted average number of ordinary shares in issue ('000)	309,638	292,052	309,638	290,936
Basic EPS (sen)	1.48	1.92	9.27	13.52
(ii) Adjusted EPS				
Net profit attributable to owners of the Company (RM'000)	4,579	5,606	28,710	39,328
Adjust for :				
-Unrealised foreign exchange (gain)/loss	(10,538)	3,596	15,213	(17,029)
-Impairment on receivable	17,490	4,644	23,097	1,704
Weighted average number of ordinary shares in issue ('000)	309,638	292,052	309,638	290,936
Adjusted EPS (sen)	3.72	4.74	21.64	8.25

(a) Basic EPS

The basic EPS is calculated based on the Group's profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the reporting period.

(b) Adjusted EPS

The adjusted EPS is calculated based on the Group's profit attributable to owners of the Company (excluding unrealised foreign exchange gain/loss) divided by the weighted average number of ordinary shares in issue during the reporting period.

(c) Fully diluted EPS

Fully diluted EPS were not computed as there were no outstanding potential ordinary shares to be issued as at the end of the reporting period.