

CNI HOLDINGS BERHAD (181758-A)
(Incorporated in Malaysia under the Companies Act, 1965)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018**

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------|---|--|--|---|
| | | 2018 | 2017 | 2018 | 2017 |
| | | CURRENT QUARTER 30/06/2018 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30/06/2017 RM'000 | CURRENT YEAR TO DATE 30/06/2018 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/06/2017 RM'000 |
| Revenue | B 1 | 20,662 | 19,736 | 38,947 | 38,529 |
| Direct operating costs | | (12,091) | (8,881) | (19,369) | (17,277) |
| Gross profit | | 8,571 | 10,855 | 19,578 | 21,252 |
| Other income | | 978 | 87 | 960 | 522 |
| Operating costs | | (7,845) | (11,771) | (18,775) | (24,066) |
| Finance costs | | (14) | (4) | (35) | (7) |
| Share of profit/(loss) of an associate | | (34) | (376) | 2 | (211) |
| Profit/(Loss) before taxation | B 2 | 1,656 | (1,209) | 1,730 | (2,510) |
| Taxation | B 5 | (280) | 153 | (349) | 271 |
| Profit/(Loss) for the financial period | | 1,376 | (1,056) | 1,381 | (2,239) |
| Other comprehensive income/(loss) | | 121 | (281) | 144 | (89) |
| Total comprehensive profit/(loss) for the financial period | | 1,497 | (1,337) | 1,525 | (2,328) |
| Profit/(Loss) attributable to: | | | | | |
| Owners of the company | | 1,163 | (1,433) | 1,151 | (2,391) |
| Non-controlling interest | | 213 | 377 | 230 | 152 |
| | | 1,376 | (1,056) | 1,381 | (2,239) |
| Total comprehensive profit attributable to: | | | | | |
| Owners of the company | | 1,284 | (1,714) | 1,295 | (2,480) |
| Non-controlling interest | | 213 | 377 | 230 | 152 |
| | | 1,497 | (1,337) | 1,525 | (2,328) |
| Weighted average number of shares in issue ('000) | | 712,905 | 712,905 | 712,905 | 712,905 |
| Earnings per share (sen) - basic | B 10 | 0.16 | (0.20) | 0.16 | (0.34) |
| - diluted | B 10 | 0.16 | (0.20) | 0.16 | (0.34) |

Note 1:

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

CNI HOLDINGS BERHAD (181758-A)
(Incorporated in Malaysia under the Companies Act, 1965)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018

| Note | Unaudited AS AT 30/06/2018 RM'000 | Audited AS AT 31/12/2017 RM'000 |
|---|---|--|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 33,727 | 34,577 |
| Investment properties | 2,370 | 2,370 |
| Intangible asset | 1,201 | 1,292 |
| Investment in preference shares | 3,500 | 3,500 |
| Investment in associate | 2,087 | 2,085 |
| Deferred tax asset | 1,168 | 1,249 |
| | 44,053 | 45,073 |
| Current Assets | | |
| Inventories | 14,580 | 14,143 |
| Trade receivables | 14,342 | 13,503 |
| Other receivables, deposits and prepayments | 5,119 | 5,229 |
| Tax recoverable | 470 | 564 |
| Short-term investment | 11,523 | 13,435 |
| Cash and cash equivalents | 5,266 | 8,561 |
| | 51,300 | 55,435 |
| TOTAL ASSETS | 95,353 | 100,508 |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 72,000 | 72,000 |
| Treasury shares | (1,710) | (1,699) |
| Exchange translation reserve | (528) | (672) |
| Retained earnings | 6,022 | 4,871 |
| Total equity attributable to the owners of the Company | 75,784 | 74,500 |
| Non-controlling interest | 1,712 | 1,482 |
| Total Equity | 77,496 | 75,982 |
| Non-current Liabilities | | |
| Finance lease liabilities | 827 | 849 |
| Retirement benefits | 2,300 | 4,111 |
| Deferred tax liabilities | 806 | 806 |
| | 3,933 | 5,766 |
| Current Liabilities | | |
| Trade payables | 2,568 | 4,536 |
| Other payables, deposits and accruals | 10,401 | 13,212 |
| Finance lease liabilities | 607 | 466 |
| Tax Payable | 348 | 546 |
| | 13,924 | 18,760 |
| Total Liabilities | 17,857 | 24,526 |
| TOTAL EQUITY AND LIABILITIES | 95,353 | 100,508 |
| Net assets per share attributable to owners of the Company (RM) | 0.11 | 0.11 |

Note:

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

CNI HOLDINGS BERHAD (181758-A)
(Incorporated in Malaysia under the Companies Act, 1965)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

| | ← Attributable to the Owners of the Company → | | | | | Total |
|---|---|--------------------|------------------------------------|---------------------------------------|-----------------------------|---------------|
| | ← Non-distributable → | | | Distributable Retained Earnings | Non-Controlling interest | |
| | Issued Capital | Treasury Shares | Exchange translation reserve | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Balance as of 1 January 2018 | 72,000 | (1,699) | (672) | 4,871 | 1,482 | 75,982 |
| Comprehensive income | | | | | | |
| Profit for the period | - | - | - | 1,151 | 230 | 1,381 |
| Other comprehensive income | | | | | | |
| Foreign currency translation | - | - | 144 | - | - | 144 |
| Total comprehensive income for the period | - | - | 144 | 1,151 | 230 | 1,524 |
| Transactions with owners | | | | | | |
| Purchase of treasury shares | - | (11) | - | - | - | (11) |
| Total transactions with owners | - | (11) | - | - | - | (11) |
| Balance as of 30 June 2018 | 72,000 | (1,710) | (528) | 6,022 | 1,712 | 77,496 |

| | ← Attributable to the Owners of the Company → | | | | | Total |
|--|---|------------------|------------------------------------|---------------------------------------|-----------------------------|---------------|
| | ← Non-distributable → | | | Distributable Retained Earnings | Non-Controlling interest | |
| | Issued Capital | Share Premium | Exchange translation reserve | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Balance as of 1 January 2017 | 72,000 | (1,683) | (911) | 6,865 | 968 | 77,239 |
| Comprehensive income | | | | | | |
| Loss for the period | - | - | - | (2,391) | 152 | (2,239) |
| Other comprehensive loss | | | | | | |
| Foreign currency translation | - | - | (89) | - | - | (89) |
| Total comprehensive income/(loss) for the period | - | - | (89) | (2,391) | 152 | (2,328) |
| Transactions with owners | | | | | | |
| Purchase of treasury shares | - | (9) | - | - | - | (9) |
| Total transactions with owners | - | (9) | - | - | - | (9) |
| Balance as of 30 June 2017 | 72,000 | (1,692) | (1,000) | 4,474 | 1,120 | 74,902 |

Note:

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

CNI HOLDINGS BERHAD (181758-A)
(Incorporated in Malaysia under the Companies Act, 1965)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

| | 6 Months Ended 30/06/2018 RM'000 | 6 Months Ended 30/06/2017 RM'000 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Profit/(Loss) before tax | 1,730 | (2,510) |
| Adjustment for: | | |
| Amortisation of intangible assets | 91 | 367 |
| Depreciation of property, plant and equipment | 1,155 | 995 |
| Interest expenses | - | 6 |
| Interest income | (198) | (216) |
| Inventories written off | (4) | 112 |
| Loss on disposal of property, plant and equipment | (5) | (29) |
| Property, plant and equipment written off | 11 | 8 |
| Provision/(Reversal) for employee benefits expenses | (1,335) | 182 |
| Retirement benefit expense | 37 | 88 |
| Share of other comprehensive income of associate | (2) | 211 |
| Unrealised (gain) / loss on foreign exchange currency | 73 | 234 |
| | 1,553 | (552) |
| Operating profit/(loss) before working capital changes | | |
| Inventories | (432) | (1,028) |
| Receivables | (802) | (364) |
| Payables | (4,816) | (414) |
| | (4,497) | (2,358) |
| Cash used in operations | | |
| Interest paid | - | (6) |
| Interest received | 198 | 216 |
| Tax paid | (402) | (268) |
| Tax refund | 28 | 148 |
| | (4,673) | (2,268) |
| Net cash used in operating activities | | |
| Cash Flows from Investing Activities | | |
| Purchase of property, plant and equipment | (311) | (613) |
| Purchase of investment property | - | (570) |
| Proceed from disposal of property, plant and equipment | - | 31 |
| Withdrawal/(Purchase) of short-term investments | 1,912 | 3,093 |
| Net cash generated from investing activities | 1,601 | 1,941 |
| Cash Flows from Financing Activities | | |
| Purchase of treasury shares | (11) | (9) |
| Repayment of finance lease liabilities | 119 | 233 |
| Payment of retirement benefit expense | (475) | (3,000) |
| | (367) | (2,776) |
| Net cash used in financing activities | | |
| Net Decrease in Cash and Cash Equivalents | (3,439) | (3,103) |
| Foreign exchange differences | 144 | (188) |
| Cash and Cash Equivalents at beginning of period | 8,561 | 7,706 |
| | 5,266 | 4,415 |
| Cash and Cash Equivalents at end of period | | |
| Cash and Cash Equivalents at end of period comprise of the followings:- | | |
| Cash and bank balances | 5,266 | 4,415 |
| | 5,266 | 4,415 |

Note :

The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in the Malaysia Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa”).

The interim financial statements 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.

The interim financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the Companies Act, 2016.

A2. Significant Accounting Policies

The accounting policies and presentation adapted by the Group in this interim financial statements are consistent with these adopted for the audited financial statements of the Group for the financial year ended 31 December 2017.

The accounting policies and presentation adapted by the Group in this interim financial statements are consistent with these adopted for the audited financial statements of the Group for the financial year ended 31 December 2017.

Effective for financial periods beginning on or after 1 January 2019

| | |
|------------------------|--|
| MFRS 16 | Leases |
| IC Interpretation 23 | Uncertainty over Income Tax Treatments |
| Amendments to MFRS 9 | Prepayment Feature with Negative Compensation |
| Amendments to MFRS 128 | Long-term Interests in Associates and Joint Ventures |
| Amendments to MFRS 119 | Plan Amendments, Curtailment or Settlement |

Annual Improvements to MFRSs 2015-2017 Cycle

Effective for financial periods beginning on or after 1 January 2021

| | |
|---------|---------------------|
| MFRS 17 | Insurance Contracts |
|---------|---------------------|

Effective date to be announced

| | |
|------------------------------------|---|
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
|------------------------------------|---|

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A2. Significant Accounting Policies (Cont’d)

MFRS 15, Revenue from Contracts with Customers

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized upon delivery of goods when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

With the adoption of MFRS15, does not have a material effect on the Group’s financial statements.

MFRS 16, Leases

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

MFRS 9, Financial Instruments

The Group adopted MFRS 9 Financial Instruments on 1 January 2018. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

MFRS 9 contains the classifications categories for financial assets either measured at amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking Expected credit loss (“ECL”) model. Under MFRS 9 loss allowances will be measured on either 12 month ECLs or Lifetime ECLs and the Group elected not to restate the comparatives.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A3. Auditors' Report

There were no audit qualifications on the annual audited financial statements of the Group for the financial year ended 31 December 2017.

A4. Seasonal or Cyclical Factors

The Group's performance is affected by seasonal or cyclical factors on quarter-to-quarter basis; the demand may be skewed towards major festivities such as Hari Raya Puasa and Chinese New Year. This pattern is in line with the forecast and expectation of the Group.

A5. Unusual Items

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

A6. Material Changes in Estimates

There were no changes in the estimate of amounts reported in the prior interim periods of the current financial year, or in previous years, which have material effect on the current quarter under review.

A7. Changes in Debts and Equity Securities

Save as disclosed below, there were no issuances, repurchases and repayment of debt and equity securities during the quarter ended 30 June 2018.

As at 30 June 2018, the number of treasury shares held was 7,157,100 CNI Shares.

A8. Dividend Paid

There were no dividends paid during the current quarter and financial year-to-date under review.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A9. Segmental Reporting

The segmental revenue and results for the financial year-to-date under review are as follows:-

| | Current quarter | | Year to-date | |
|-------------------------------|-----------------|------------|--------------|------------|
| | Revenue | Results | Revenue | Results |
| | 30/06/2018 | 30/06/2018 | 30/06/2018 | 30/06/2018 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Marketing and trading | 13,644 | 137 | 27,313 | (119) |
| Manufacturing | 11,276 | 820 | 22,011 | 1,101 |
| Others | 691 | 370 | 1,462 | 288 |
| Inter-segment elimination | (4,949) | 363 | (11,839) | 458 |
| | 20,662 | 1,690 | 38,947 | 1,728 |
| Share of profit of associates | | (34) | | 2 |
| Income tax credit | | (280) | | (349) |
| Non-controlling interests | | (213) | | (230) |
| Profit for the period | | 1,163 | | 1,151 |

The segmental revenue and results for the preceding year's corresponding financial year-to-date are as follows:-

| | Current quarter | | Year to-date | |
|-------------------------------|-----------------|------------|--------------|------------|
| | Revenue | Results | Revenue | Results |
| | 30/06/2017 | 30/06/2017 | 30/06/2017 | 30/06/2017 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Marketing and trading | 16,119 | (680) | 32,877 | (884) |
| Manufacturing | 11,101 | 1,601 | 17,907 | 783 |
| Others | 674 | (436) | 2,447 | 287 |
| Inter-segment elimination | (8,158) | (1,318) | (14,702) | (2,485) |
| | 19,736 | (833) | 38,529 | (2,299) |
| Share of profit of associates | | (376) | | (211) |
| Income tax credit | | 153 | | 271 |
| Non-controlling interests | | (377) | | (152) |
| Loss for the period | | (1,433) | | (2,391) |

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A11. Changes in Contingent Assets and Contingent Liabilities

As at the date of this announcement, there were no material changes in contingent assets and contingent liabilities of the Group since the last audited financial statements for the financial year ended 31 December 2017.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A12. Capital Commitment

The outstanding capital commitments as at the end of the financial period were as follows:

| | As at 30.06.2018 RM'000 |
|---|--|
| Capital expenditure approved and contracted for | 360 |
| Capital expenditure approved and not contracted for | 1,946 |
| | <u>2,306</u> |

A13. Subsequent Material Events

There were no material events subsequent to the current quarter up to the date of the interim financial report.

A14. Related Party Transactions

Related party transactions were summarized as follows:

| | Current quarter RM'000 | Cumulative quarter RM'000 |
|---|---------------------------------------|--|
| <u>CNI Corporation Sdn Bhd</u> | | |
| Management fee paid and payable | 73 | 146 |
| IT and eCommerce related service | 53 | 106 |
| Trade purchase paid and payable | 177 | 309 |
| Commission receivable | 147 | 214 |
| <u>CNI Venture Sdn Bhd</u> | | |
| Research and development expenditure paid and payable | 72 | 146 |
| <u>CNI China Co. Ltd</u> | | |
| Sales received and receivable | 229 | 229 |
| <u>CNI IPHC</u> | | |
| Trademark fee paid and payable | 59 | 117 |
| <u>Law Yang Keat</u> | | |
| Sales development and marketing advisory paid and payable | 18 | 36 |

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Results for current year quarter compared to corresponding quarter of the preceding year

The Group recorded revenue of RM20.66 million for the current quarter ended 30 June 2018 as compared to RM19.74 million in the previous year corresponding quarter, increased by 5%.

| | Current year quarter | Preceding Year Corresponding quarter | Changes % | Current year-to-date | Preceding Year Corresponding quarter | Changes % |
|---|-----------------------------|---|------------------|-----------------------------|---|------------------|
| | 30/06/2018 | 30/06/2017 | | 30/06/2018 | 30/06/2017 | |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Revenue | 20,662 | 19,736 | 5% | 38,947 | 38,529 | 1% |
| Profit/(Loss) Before Tax | 1,656 | (1,209) | 237% | 1,730 | (2,510) | 169% |
| Profit/(Loss) After Tax | 1,376 | (1,056) | 230% | 1,381 | (2,239) | 162% |
| Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent | 1,163 | (1,433) | 182% | 1,151 | (2,391) | 149% |

The revenue from the marketing and trading segment decreased from RM16.1 million to RM13.6 million, a decrease of 15% as compared to the previous corresponding quarter. This was mainly attributable to lower sales and uncertainties in domestic economic outlook.

Revenue contribution from the manufacturing segment increased from RM11.1 million to RM11.3 million, an increase of 2% as compared to the previous corresponding quarter. The higher revenue was mainly contributed by the increased of Exclusive Mark's external sales.

The others segment representing investment holding, retail of food and beverage businesses. The revenue remain at RM0.7 million. Results for the current quarter improved due to lower operating expenses.

(b) Results for Current YTD 2018 vs corresponding YTD 2017

The Group's revenue for the financial period ended 30 June 2018 was RM38.9 million, 1% higher than previous financial corresponding period. The encouraging results were mainly attributed by better performance from its manufacturing division.

The Group's profit after tax for the financial period ended 30 June 2018 was RM1.38 million.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B2. Material Change in Profit before Taxation (“PBT”) of Current Quarter Compared with Immediate Preceding Quarter**

The Group’s PBT for the current quarter was RM1.66 million, compared to PBT of RM0.07 million in the immediate preceding quarter, mainly driven by increase in revenue and lower operating expenses in current quarter.

| | Current quarter | Immediate Preceding quarter | Changes % |
|-------------------|------------------------|------------------------------------|------------------|
| | 30/06/2018 | 31/03/2018 | |
| | RM’000 | RM’000 | |
| Revenue | 20,662 | 18,285 | 13% |
| Profit Before Tax | 1,656 | 74 | 2138% |

B3. Commentary on Prospects and Targets

The Marketing & Trading Segment will consolidate its business venture and focus in strengthening the growth of its networking starting in Malaysia.

The Board will continue to be mindful of the operating cost and seek new opportunities to enhance operating efficiency and growth.

B4. Profit Forecast and Profit Guarantee

The Group has not issued or disclosed in any public documents any profit forecast or profit guarantee for the current quarter under review.

B5. Income Tax Expense/ (Credit)

The breakdown of tax charge/ (credit) for the current quarter and financial year-to-date were as follows:

| | Current quarter | Year-to-date |
|-------------------------------|------------------------|---------------------|
| | RM’000 | RM’000 |
| Income Tax Expense / (Credit) | <u>280</u> | <u>349</u> |

B6. Corporate Proposals

There were no corporate proposals announced but not completed as at 23 August 2018 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7. Group Borrowings and Debt Securities

The details of the Group borrowings (denominated in Ringgit Malaysia and foreign currency) as at 30.06.2018 were as follow:

| | Foreign Denomination | | RM Denomination | Total |
|-----------------------|----------------------|--------|-----------------|--------|
| | THB'000 # | RM'000 | RM'000 | RM'000 |
| <u>Secured</u> | | | | |
| Short-term borrowings | | | | |
| Hire purchase payable | 41 | 5 | 607 | 607 |
| Long-term borrowings | | | | |
| Hire purchase payable | - | | 827 | 827 |
| | 41 | 5 | 1,434 | 1,434 |

Exchange rate for THB 100 : 12.19

B8. Material Litigation

The Group is not engaged in any material litigation since the date of the last annual statement of financial position up to the date of issuance of this quarterly report.

B9. Proposed Dividend

There was no dividend proposed in the current quarter

B10. Earnings per Share

(a) Earnings per share

The basic earnings per share for the current quarter and financial period-to-date are computed as follow:

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|--------------------------------------|----------------------|-------------------------------------|
| | Current Quarter | Preceding Year Corresponding Quarter | Current Year to-date | Preceding Year Corresponding Period |
| Profit/(Loss) attributable to the owners of the Company (RM'000) | 1,163 | (1,433) | 1,151 | (2,391) |
| Weighted average number of ordinary shares in issue ('000) | 712,905 | 712,905 | 712,905 | 712,905 |
| Basic earnings per share (sen) | 0.16 | (0.20) | 0.16 | (0.34) |

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B10. Earnings per Share (Con't)

(b) Diluted earnings per share

There were no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period.

B11. Profit for the period

Profit before tax is arrived at after charging/ (crediting) the following items:

| | Current Quarter RM'000 | Financial Year-to-date RM'000 |
|---|---------------------------------------|--|
| Amortisation of intangible assets | 10 | 91 |
| Depreciation of property, plant and equipment | 607 | 1,155 |
| Interest expenses | 14 | 35 |
| Inventories (written down)/written off | 72 | (4) |
| Income distribution from short term investment | (86) | (198) |
| Gain on disposal of property, plant and equipment | - | (6) |
| Property, plant and equipment written off | - | 11 |
| Provision/(reversal) for employee benefits expenses | (1,318) | (1,335) |
| Retirement benefits expenses | 17 | 37 |
| Unrealised loss / (gain) on foreign exchange | (176) | 73 |

B12. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2018.