

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2018**

	Note	3 months ended		6 months ended	
		30/6/18	30/6/17	30/6/18	30/6/17
		RM'000	RM'000	RM'000	RM'000
REVENUE		17,854	12,846	33,710	26,614
COST OF SALES		(13,599)	(10,694)	(25,919)	(21,090)
GROSS PROFIT		4,255	2,152	7,791	5,524
OTHER INCOME		251	46	108	119
ADMINISTRATIVE EXPENSES		(4,001)	(3,798)	(7,963)	(7,529)
SELLING AND DISTRIBUTION EXPENSES		(239)	(106)	(467)	(226)
OTHER EXPENSES		(49)	(314)	(367)	(402)
FINANCE COST		(39)	(32)	(77)	(61)
PROFIT/(LOSS) BEFORE TAX		178	(2,052)	(975)	(2,575)
TAX EXPENSE		(30)	-	(97)	(2)
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		148	(2,052)	(1,072)	(2,577)
OTHER COMPREHENSIVE LOSS					
Foreign currency translation difference		(65)	(65)	(190)	(103)
		(65)	(65)	(190)	(103)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD		83	(2,117)	(1,262)	(2,680)
Profit/(loss) attributable to:					
Owners of the parent		108	(1,670)	(1,251)	(2,074)
Non-controlling interests		40	(382)	179	(503)
		148	(2,052)	(1,072)	(2,577)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		43	(1,735)	(1,441)	(2,177)
Non-controlling interests		40	(382)	179	(503)
		83	(2,117)	(1,262)	(2,680)
Earnings/(loss) per share (sen)					
Basic	25	0.06	(0.93)	(0.70)	(1.16)
Diluted	25	Warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.			

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Note	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
		<b>As at 30/6/2018</b>	<b>As at 31/12/2017</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		29,681	28,188
		<u>29,681</u>	<u>28,188</u>
<b>Current assets</b>			
Inventories		1,592	1,778
Trade receivables		23,386	22,701
Other receivables		4,914	5,821
Tax recoverable		342	849
Deposits with licensed banks		499	499
Cash and bank balances		3,626	4,620
		<u>34,359</u>	<u>36,268</u>
<b>TOTAL ASSETS</b>		<b><u>64,040</u></b>	<b><u>64,456</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		48,115	48,115
Retained earnings		3,298	4,549
Other reserves		(21,943)	(21,753)
		<u>29,470</u>	<u>30,911</u>
Non-controlling interests		12,822	12,643
<b>TOTAL EQUITY</b>		<b><u>42,292</u></b>	<b><u>43,554</u></b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		837	837
Borrowings	20	21	21
		<u>858</u>	<u>858</u>
<b>Current liabilities</b>			
Trade payables		9,058	7,924
Other payables		8,586	8,710
Borrowings	20	3,246	3,357
Tax payables		-	53
		<u>20,890</u>	<u>20,044</u>
<b>TOTAL LIABILITIES</b>		<b><u>21,748</u></b>	<b><u>20,902</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>64,040</u></b>	<b><u>64,456</u></b>
Net assets per share attributable to owners of the parent (RM)		<u>0.16</u>	<u>0.17</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2018

Cumulative quarter ended 30 JUNE 2018

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL	SHARE PREMIUM	MERGER DEFICIT	WARRANT RESERVE	CURRENCY FLUCTUATION RESERVE	OTHER RESERVE				RETAINED EARNINGS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000				RM'000
<b>Balance as at 01.01.2018</b>	48,115	-	(22,246)	93	4,347	(3,947)	4,549	30,911	12,643	43,554
<b>Transaction with owners:-</b>										
Total comprehensive loss for the financial period	-	-	-	-	(190)	-	(1,251)	(1,441)	179	(1,262)
<b>Balance as at 30.6.2018</b>	<b>48,115</b>	<b>-</b>	<b>(22,246)</b>	<b>93</b>	<b>4,157</b>	<b>(3,947)</b>	<b>3,298</b>	<b>29,470</b>	<b>12,822</b>	<b>42,292</b>

Cumulative quarter ended 30 JUNE 2017

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL	SHARE PREMIUM	MERGER DEFICIT	WARRANT RESERVE	CURRENCY FLUCTUATION RESERVE	OTHER RESERVE				RETAINED EARNINGS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000				RM'000
<b>Balance as at 01.01.2017</b>	44,695	3,420	(22,246)	93	4,644	(3,947)	8,137	34,796	13,955	48,751
<b>Transactions with owners:-</b>										
Total comprehensive loss for the financial period	-	-	-	-	(103)	-	(2,074)	(2,177)	(503)	(2,680)
<b>Balance as at 30.6.2017</b>	<b>44,695</b>	<b>3,420</b>	<b>(22,246)</b>	<b>93</b>	<b>4,541</b>	<b>(3,947)</b>	<b>6,063</b>	<b>32,619</b>	<b>13,452</b>	<b>46,071</b>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial statements.)

**MCLEAN TECHNOLOGIES BERHAD (Company No: 893631-T)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

	30/6/2018	6 months ended 30/6/2017
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(975)	(2,575)
Adjustments for:		
Bad debt written off	49	-
Depreciation	2,305	2,238
Gain on disposal of property, plant and equipment	-	(8)
Interest income	(1)	(10)
Interest expenses	77	61
Unrealised gain on foreign exchange	(55)	(72)
Operating profit/(loss) before working capital changes	<u>1,400</u>	<u>(366)</u>
Changes in working capital:-		
Inventories	162	(376)
Receivables	(374)	539
Payables	1,555	1,537
<b>CASH GENERATED FROM OPERATIONS</b>	<u>2,743</u>	<u>1,334</u>
Tax refunded/(paid)	358	(101)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><b>3,101</b></u>	<u><b>1,233</b></u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,954)	(2,008)
Proceeds from disposal of property, plant and equipment	-	18
Interest received	1	10
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u><b>(3,953)</b></u>	<u><b>(1,980)</b></u>
<b>FINANCING ACTIVITIES</b>		
Drawdown of borrowings	-	782
Interest paid	(77)	(61)
Repayment of term loan	(25)	(25)
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<u><b>(102)</b></u>	<u><b>696</b></u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(954)	(51)
Brought forward	5,119	7,089
Effects of exchange translation differences on cash and cash equivalents	(40)	(38)
Carried forward	<u><u><b>4,125</b></u></u>	<u><u><b>7,000</b></u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial statements.)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD  
ENDED 30 JUNE 2018**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS  
FINANCIAL PERIOD ENDED 30 JUNE 2018**

**1. Basis of Preparation**

The Condensed Interim Financial Statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Statements also complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017. The explanatory notes attached to these 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 financial year ended 31 December 2017.

**2. Significant Accounting Policies**

Significant accounting policies and methods of computation adopted for the condensed interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2017 except for the adoption of the new/revised MFRS and IC Interpretations mentioned below.

**2.1 Standards Issued and Effective**

The Group adopted the following amendments/improvements to MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2018:-

- 1) Amendments to MFRS 1, First-Time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014-2016 Cycle)
- 2) Amendments to MFRS 128, Investment in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)
- 3) Amendments to MFRS 2, Classification and Measurement of Share-based Payment Transactions
- 4) Amendments to MFRS 9, Financial Instruments
- 5) Amendments to MFRS 15, Revenue from Contracts with Customers
- 6) Clarifications to MFRS 15, Revenue from Contracts with Customers
- 7) Amendments to MFRS 140, Transfers of Investment Property
- 8) IC Interpretation 22 – Foreign Currency Translation and Advance Consideration

There is no material impact arising from adoption of the above standards and amendments on the financial statements of the Group.

## **2.2 Standards Issued but not yet Effective**

The following accounting standards, amendments and interpretations have been issued by Malaysian Accounting Standard Board (“MASB”) but have not been adopted by the Group.

### **MFRS, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2019**

MFRS 16, Leases

Amendments to MFRS 3, Business Combinations (Annual Improvements 2015-2017 Cycle)

Amendments to MFRS 9, Prepayment Features with Negative Compensation

Amendments to MFRS 11, Joint Arrangements (Annual Improvements 2015-2017 Cycle)

Amendments to MFRS 112, Income Taxes (Annual Improvements 2015-2017 Cycle)

Amendments to MFRS 123, Borrowing Costs (Annual Improvements 2015-2017 Cycle)

Amendments to MFRS 128, Long-Term Interests in Associates and Joint Ventures

IC Interpretation 23 – Uncertainty Over Income Tax Treatments

### **MFRS, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2020**

Amendments to MFSR 2, Share-based payments

Amendments to MFRS 3, Business Combination

Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources

Amendments to MFRS 101, Presentation of Financial Statements

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to MFRS 134, Interim Financial Reporting

IC Interpretation 132, Amendments to IC Interpretation 132, Intangible Assets – Web Site Costs

### **MFRS, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2021**

MFRS 17, Insurance Contracts

### **MFRS and Amendments effective for a date yet to be confirmed**

Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture

## **3. Audit Report of Preceding Annual Financial Statements**

The preceding year annual audited financial statements were not subject to any qualification.

## **4. Seasonal or Cyclical Factors**

The Group's operations were not subject to any seasonal or cyclical changes.

## **5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There was no other item which is unusual because of its size or incidences that has affected the assets, liabilities, equity, net income or cash flow of the Group for the current financial quarter under review.

## **6. Material Changes in Estimates**

There were no material changes in estimates for the quarter ended 30 June 2018.

**7. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

**8. Dividend Paid**

There were no dividends declared or paid by the Group for the current quarter under review.

**9. Segmental Reporting**

The segmental results of the Group for the current and previous financial year-to-date under review is set out below:

<b>Geographical information</b>		
Revenue information based on the geographical location of customers are as follows:-		
<b>Location</b>	<b>6 Months Ended 30.6.2018 RM'000</b>	<b>6 Months Ended 30.6.2017 RM'000</b>
People's Republic of China	6,139	6,909
Malaysia	14,458	6,012
Singapore	20,134	17,669
Others	1,054	722
Inter segment	(8,075)	(4,698)
	<b>33,710</b>	<b>26,614</b>

The business of the Group is generated from the business of surface treatment, precision cleaning, clean bulkpack and related service mainly in HDD and consumer electrics industries and there is only one business segment identified by the management.

**10. Valuation of Property, Plant and Equipment**

The Group's property, plant and equipment were stated at cost less accumulated depreciation.

**11. Material Events Subsequent to the End of the Current Financial Quarter**

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

**12. Changes in the Composition of the Group**

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

**13. Contingent Liabilities and Contingent Assets**

**(a) Contingent liabilities**

The Group has secured bank guarantee given to the Royal Malaysian Customs Department for RM437,724.

**(b) Contingent assets**

There were no contingent assets as at the end of current financial quarter.

**14. Capital Commitment**

	<b>As at 30.6.2018 RM'000</b>	<b>As at 30.6.2017 RM'000</b>
Authorised and contracted for:-		
Office equipment, electrical fittings and furniture and fittings	2,198	4,389
Authorised but not contracted for:-		
Office equipment, electrical fittings and furniture and fittings	60	-
Plant and machineries	38	-
	<u>98</u>	<u>-</u>

**15. Review of Performance**

**Comparison between Current Financial Quarter Ended 30 June 2018 and Previous Corresponding Quarter Ended 30 June 2017**

A summary of the Group’s performance is set out below:-

	<b>3 Months Ended</b>		<b>Increase/(Decrease)</b>	
	<b>30.6.2018</b>	<b>30.6.2017</b>		
	<b>Surface Treatment &amp; Precision Cleaning RM'000</b>	<b>Surface Treatment &amp; Precision Cleaning RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	17,854	12,846	5,008	38.98
Gross profit	4,255	2,152	2,103	97.72
Profit/(loss) before tax	178	(2,052)	2,230	NA
Profit/(loss) after tax	148	(2,052)	2,200	NA
Profit/(loss) attributable to owners of the parent	108	(1,670)	1,778	NA

**Surface Treatment & Precision Cleaning Division**

Revenue for the current quarter increased 38.98% as compared to the preceding year corresponding quarter. The increase is broad based across all surface treatment and precision cleaning services.

Gross profit margin increased from 16.75% to 23.83% in the current quarter mainly due to higher set up cost incurred for new spray paint project in the previous financial quarter.

For the current financial quarter, the Group other income of RM251,000 is mainly due to a gain on foreign exchange of RM213,000. In the previous year corresponding quarter, the group suffered a loss on foreign exchange of RM314,000 reflected in Other expenses.

For the current financial quarter, the Group reported a profit before tax of RM0.18 million as compared to a loss before tax of RM2.05 million in the previous year corresponding quarter.



**Comparison between Current Period-to-date Ended 30 June 2018 and Previous Corresponding Period-to-date Ended 30 June 2017**

	6 Months Ended		Increase/(Decrease)	
	30.6.2018	30.6.2017		
	Surface Treatment & Precision Cleaning RM'000	Surface Treatment & Precision Cleaning RM'000	RM'000	%
Revenue	33,710	26,614	7,096	26.66
Gross profit	7,791	5,524	2,267	41.03
Loss before tax	(975)	(2,575)	1,600	NA
Loss after tax	(1,072)	(2,577)	1,505	NA
Loss attributable to owners of the parent	(1,251)	(2,074)	823	NA

**Surface Treatment & Precision Cleaning Division**

Total revenue from Surface Treatment & Precision Cleaning for the current period increased by 26.66% as compared to the preceding year corresponding period. The increase is broad based across all surface treatment and precision cleaning services.

Gross profit margin increased from 20.75% to 23.11% in the current quarter mainly due to higher set up cost incurred for new spray paint project in previous financial quarter.

Overall, the Group reported a loss before tax of RM0.98 million as compared to a loss before tax of RM2.58 million in the previous year corresponding period.

**16. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter**

	Current Quarter	Immediate Preceding Quarter	Increase/(Decrease)	
	30.6.2018	31.3.2018		
	Surface Treatment & Precision Cleaning RM'000	Surface Treatment & Precision Cleaning RM'000	RM'000	%
Revenue	17,854	15,856	1,998	12.60
Gross profit	4,255	3,536	719	20.33
Profit/(loss) before tax	178	(1,153)	1,331	NA
Profit/(loss) after tax	148	(1,220)	1,368	NA
Profit/(loss) attributable to owners of the parent	108	(1,359)	1,467	NA

**Surface Treatment & Precision Cleaning Division**

The Group's revenue from Surface Treatment & Precision Cleaning for current financial quarter has increased by 12.60% as compared to the immediate preceding quarter. The increase is broad based across all surface treatment and precision cleaning services.

Gross profit margin for the surface treatment and precision cleaning division increased from 22.30% to 23.83% in the current financial quarter.

The Group registered a profit before tax of RM0.18 million as compared to a loss before tax of RM1.15 million in the immediate preceding quarter.

**17. Future Prospects**

Major HDD manufacturers are shifting more operations from China and Malaysia into Thailand, the Group immediate focus is on its Thai factory setup . Our Thai factory is expected to commence operations by the 4<sup>th</sup> quarter of 2018.

Demand for surface treatment services is increasingly more volatile in line with the recent economic uncertainty. However Surface treatment operating performance is expected to be positive for the next quarter.

Overall 2<sup>nd</sup> half operating performance is expected to be better than 1<sup>st</sup> half of 2018.

**18. Variance of Profit Forecast and Shortfall in Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee for the current financial quarter.

**19. Status of Corporate Proposals**

Warrants 2015/2020 with exercise right expiring on 7 October 2020

Up to 30 June 2018, the total number of warrants converted into ordinary shares at RM0.25 each and the number of unexercised warrants are as follows:

Total number of warrants listed	Total number of warrants converted into ordinary shares	Total number of unexercised warrants
28,175,996	5,000,000	23,175,996

**20. Group Borrowings and Debt Securities**

The Group’s borrowings as at 30 June 2018 presented as follows:-

	As at 2 <sup>nd</sup> quarter ended 2018					
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination and RM equivalent	Foreign denomination	RM denomination and RM equivalent	Foreign denomination	RM denomination and RM equivalent
	SGD’000	RM’000	SGD’000	RM’000	SGD’000	RM’000
<b>Secured</b>						
Finance lease liability	-	21	-	25	-	46
Factoring loan	-	-	1,089	3,221	1,089	3,221

	As at 2 <sup>nd</sup> quarter ended 2017					
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination and RM equivalent	Foreign denomination	RM denomination and RM equivalent	Foreign denomination	RM denomination and RM equivalent
	SGD'000	RM'000	SGD'000	RM'000	SGD'000	RM'000
<b>Secured</b>						
Finance lease liability	-	71	-	25	-	96
Factoring loan	-	-	939	2,927	939	2,927

The total borrowings denominated in foreign currency as at 30 June 2018 are: -

Foreign currency – SGD 1,088,819 @ RM2.9586/SGD	<b>RM'000</b> <u>3,221</u>
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Increased in borrowings mainly for working capital requirement and operational capital expenditure. The factoring loan is charged at an effective interest rate of approximately 3.75% per annum. The finance lease liabilities are charged at an effective interest rate of 3.35% per annum.

## 21. Offsetting of Financial Instruments

As at 30 June 2018, the Group is a party to a foreign currency forward contract of USD140,000 at the rate of 1.335. Had the contract been settled at the financial position date, the net effect on the exchange exposure is an increase in the loss of RM11,929.

## 22. Material Litigation

On 16 February 2016, Petroliam Nasional Berhad (“Petroliam”) and Petronas Gas Berhad (“PGB”) (“collectively referred to as “Petronas”), through their appointed solicitor, have issued a letter of demand to the Company’s subsidiaries, DWZ Industries Sdn. Bhd. (“DWZ”) and DWZ Industries (Johor) Sdn. Bhd. (“DWZ Johor”) (“collectively referred to as “DWZ Entities”) for unlawful entry into PGB’s land by way of installing a piping structure under the land and discharge of foreign effluent which caused damage to PGB’s pipeline. The amount of damages demanded is RM46,754,614.07. DWZ Entities through its solicitor has taken all measures to resist the claim.

On 31 October 2016, DWZ Entities has been served with a writ and a statement of claim in respect of the Civil Action commenced by PGB. The claim for remedial and other works have been quantified in the Statement of Claim at the sum of RM6,634,305.40. However, the Statement of Claim also includes heads of claim for general damages as well as aggravated, exemplary or punitive damages which are not quantified at the date of this report.

The trial for Johor Bahru Civil Suit No. JA-22NCVC-204-10/2016, between Petronas Gas Berhad and DWZ Entities, has progressed on 11.3.2018, 20.5.2018, 6.6.2018, 18.6.2018, 19.6.2018, 20.6.2018 and 21.6.2018. Both the Plaintiff and DWZ Entities called for their respective witnesses. Expert evidence was also adduced on both sides.

The trial for this civil suit has been concluded, and the High Court has given directions for the filing and exchange of Written Submissions. A date for Oral Clarification has been fixed before the Trial Judge, on 5.9.2018.

**23. Dividend Payable**

There was no dividend payable or proposed during the current quarter ended 30 June 2018.

**24. Taxation**

Details of taxation are as follows: -

	3 Months Ended		6 Months Ended	
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
Current taxation	30	-	97	2
	30	-	97	2

The effective tax rate is not reflective of the statutory tax rate principally due to the restriction in the group relief available in respect of losses incurred by certain subsidiary companies and expenses which were not deductible for tax purposes.

**25. Earning/(Loss) Per Share**

**Basic**

The calculation of the basic earnings per share is based on the net profit divided by the weighted average number of ordinary shares.

	3 Months Ended		6 Months Ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
Net profit/(loss) for the period attributable to owners of the parent (RM'000)	108	(1,670)	(1,251)	(2,074)
Weighted average number of ordinary shares in issue ('000)	178,778	178,778	178,778	178,778
Basic EPS/(LPS) (sen)	0.06	(0.93)	(0.70)	(1.16)

**Diluted**

Warrants are excluded from the diluted earnings per share calculation because their effects are anti-dilutive.

**26. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

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

	<b>3 Months Ended 30 June 2018 RM'000</b>	<b>6 Months Ended 30 June 2018 RM'000</b>
(a) Interest income	(1)	(1)
(b) Other income including investment income	(37)	(107)
(c) Interest expenses	39	77
(d) Depreciation	1,156	2,305
(e) Bad debts written off	49	49
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	-
(h) Intangible asset written off	-	-
(i) Foreign exchange (gain)/loss	(213)	318
(j) Gain or loss on derivatives	-	-
(k) Exceptional items	-	-

- End -