

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2017**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

*(The figures have not been audited)*

	<b>Individual Financial Quarter Ended</b>		<b>Cumulative Financial Quarter Ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	5,596	5,216	17,392	17,303
Cost of sales	(1,926)	(2,160)	(6,022)	(6,926)
<b>Gross profit</b>	<b>3,670</b>	<b>3,056</b>	<b>11,370</b>	<b>10,377</b>
Other income	137	296	447	595
Other operating expenses	(351)	(426)	(1,044)	(1,541)
Marketing expenses	(5)	(30)	(15)	(97)
Administrative expenses	(1,553)	(1,520)	(4,315)	(4,346)
Finance costs	-	-	-	-
<b>Profit before tax</b>	<b>1,898</b>	<b>1,376</b>	<b>6,443</b>	<b>4,988</b>
Tax expense	(445)	(181)	(1,470)	(1,145)
<b>Profit for the period</b>	<b>1,453</b>	<b>1,195</b>	<b>4,973</b>	<b>3,843</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,453</b>	<b>1,195</b>	<b>4,973</b>	<b>3,843</b>
<b>Profit for the period attributable to:</b>				
Owners of the parent	1,453	1,286	4,973	4,079
Non-controlling interests	-	(91)	-	(236)
	<b>1,453</b>	<b>1,195</b>	<b>4,973</b>	<b>3,843</b>
<b>Earnings per share</b>				
- Basic (sen)	<b>0.35</b>	<b>0.62</b>	<b>1.20</b>	<b>1.97</b>
- Diluted (sen)	<b>0.23</b>	<b>N/A</b>	<b>0.80</b>	<b>N/A</b>

*(The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2017**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	Note	(Unaudited) 30.09.2017 RM'000	(Audited) 31.12.2016 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		15,703	15,908
Development costs		10,264	9,832
<b>Total non-current assets</b>		25,967	25,740
<b>Current assets</b>			
Inventories		48	26
Trade and other receivables	B7	6,381	3,962
Cash and cash equivalents	B8	20,791	23,329
<b>Total current assets</b>		27,220	27,317
<b>TOTAL ASSETS</b>		<b>53,187</b>	<b>53,057</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		20,744	20,687
Reserves		24,478	24,815
		45,222	45,502
Non-controlling interests		-	(81)
<b>TOTAL EQUITY</b>		<b>45,222</b>	<b>45,421</b>

*(The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2017**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

*(The figures have not been audited)*

	Note	(Unaudited) 30.09.2017 RM'000	(Audited) 31.12.2016 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>(continued)</b>			
<b>Non-current liabilities</b>			
Borrowings	B9	3,504	4,240
Deferred tax liabilities		63	63
<b>Total non-current liabilities</b>		3,567	4,303
<b>Current liabilities</b>			
Trade and other payables		3,067	2,291
Borrowings	B9	981	981
Current tax liabilities		350	61
<b>Total current liabilities</b>		4,398	3,333
<b>TOTAL LIABILITIES</b>		7,965	7,636
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>53,187</b>	<b>53,057</b>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>			
		0.11	0.21

*(The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*(The figures have not been audited)*

	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total Attributable to the Owners of the Parent RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<u>9 Months Period Ended</u>						
<u>30 September 2017</u>						
At 1 January 2017	20,744	-	24,758	45,502	(81)	<b>45,421</b>
Total comprehensive income for the period	-	-	4,973	4,973	-	<b>4,973</b>
NCI reclassification as result of acquisition of Insage	-	-	(81)	(81)	81	-
Dividend paid	-	-	(5,172)	(5,172)	-	<b>(5,172)</b>
At 30 September 2017	<u>20,687</u>	<u>57</u>	<u>23,026</u>	<u>43,770</u>	<u>-</u>	<u><b>45,222</b></u>
<u>9 Months Period Ended</u>						
<u>30 September 2016</u>						
At 1 January 2016	20,677	-	23,263	43,940	506	<b>44,446</b>
Issuance of shares pursuant to conversion of warrants (1)	10	57	-	67	-	<b>67</b>
Total comprehensive income for the period	-	-	4,025	4,025	(236)	<b>3,789</b>
Disposal of investment in subsidiary	-	-	(9)	(9)	(320)	<b>(329)</b>
Dividend paid	-	-	(4,135)	(4,135)	-	<b>(4,135)</b>
At 30 September 2016	<u>20,687</u>	<u>57</u>	<u>23,144</u>	<u>43,888</u>	<u>(50)</u>	<u><b>43,838</b></u>

*(The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

*(The figures have not been audited)*

	<b>9 Months Period Ended</b>	
	<b>30.09.2017</b>	<b>30.09.2016</b>
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,443	4,988
Adjustments for:		
Amortisation of development costs	1,555	1,370
Depreciation of property, plant and equipment	715	1,039
Unrealised loss/(gain) on foreign exchange	28	10
Gain on disposal of property, plant and equipment	-	(23)
Property, plant and equipment written off	-	96
Interest income from deposits with licensed banks	(431)	(395)
Operating profit before working capital changes	8,310	7,085
Changes in working capital:		
(Increase)/decrease in inventories	(22)	52
(Increase)/decrease in trade and other receivables	(2,372)	2,921
Increase/(Decrease) in trade and other payables	723	118
(Increase) in development cost	(1,987)	(1,977)
Cash generated from operations	4,652	8,199
Tax paid	(1,181)	(1,718)
<b>Net cash from operating activities</b>	<b>3,471</b>	<b>6,481</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	431	395
Effect on cash flow from disposal of subsidiary	-	141
Purchase of property, plant and equipment	(511)	(160)
Proceeds from disposal of property, plant and equipment	-	24
<b>Net cash used in investing activities</b>	<b>(80)</b>	<b>400</b>

**Interim Financial Report on Consolidated Results for the Financial Quarter Ended 30 September 2017**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

*(The figures have not been audited)*

		<b>9 Months Period Ended</b>	
	<b>Note</b>	<b>30.09.2017</b>	<b>30.09.2016</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of			
- Term loan		(736)	(736)
Proceed from issuance of new shares		-	67
Dividend paid		(5,171)	(4,135)
<b>Net cash used in financing activities</b>		<b>(5,907)</b>	<b>(4,804)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,516)</b>	<b>2,077</b>
<b>Effects of exchange rate changes</b>		<b>(22)</b>	<b>(15)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>23,329</b>	<b>19,702</b>
<b>Cash and cash equivalents at 30 September</b>	<b>B7</b>	<b>20,791</b>	<b>21,764</b>

Notes:

\* Denotes amount less than RM1,000

*(The unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)*

## **A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)**

### **A1. Basis of Preparation**

The unaudited interim financial statements, for the period ended 30 September 2017, have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The unaudited interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 December 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transaction 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.

Since the previous annual audited financial statements as at 31 December 2016 were issued, the Group has adopted the Malaysia Financial Reporting Standards (“MFRS”) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converged Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

At the date of issuance of this unaudited interim financial statements, the MFRSs, amendments to MFRSs and IC Interpretation have been issued by MASB but not yet effective are as listed below:

#### **New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2017**

The Standards and Amendments that are issued but not yet effective up to the date of issuance of financial statements of the Group and the Company are disclosed below. The Group and the Company intend to adopt these Standards and Amendments, if applicable, when they become effective.

<b><u>Title</u></b>	<b><u>Effective date</u></b>
Amendments to MFRS 12 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2017
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 1 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
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
Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 140 Transfers of Investment Property	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

**A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)**

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**A1. Basis of Preparation (continue)**

Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	See MFRS 4 Paragraphs 46 and 48
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Amendments and Standards, since the effects would only be observable for the future financial years.

**A2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2016 was not qualified.

**A3. Seasonality or Cyclicalities of Interim Operations**

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

During the current financial quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

**A5. Material Changes in Accounting Estimates**

There was no material changes in estimates of amounts reported in the prior financial year that has a material effect on the current financial quarter under review.

**A6. Issuances, Cancellation, Repurchases, Resale and Repayments of Debts and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.



**A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)**

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**A7. Dividends Paid and Distributed**

On 24 February 2017, the Board of Directors had declared a first interim tax exempt dividend of 1.0 sen per ordinary share, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2017. The dividend was paid to the shareholders of EForce on 28 March 2017.

On 19 May 2017, the Board of Directors had declared a second interim tax exempt dividend of 1.5 sen per ordinary share, amounting to approximately RM3.09 million in respect of financial year ending 31 December 2017. The dividend was paid to the shareholders of EForce on 16 June 2017.

**A8. Segmental Reporting**

Segment information is presented in respect of the Group’s business segments.

- (i) Application Solutions (“AS”)
  - Sales of software applications and product on an outright purchase basis.
- (ii) Application Services Providers (“ASP”)
  - Income from outsourcing service charge which is volume and transaction based.
- (iii) Maintenance Services
  - Provision of maintenance services.

**A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)**

**A8. Segmental Reporting (continue)**

**(a) Individual quarter**

<b><u>3 Months Period Ended</u></b> <b><u>30 September 2017</u></b>	<b>AS</b> <b>RM'000</b>	<b>ASP</b> <b>RM'000</b>	<b>Maintenance</b> <b>Services</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Revenue</b>				
Total revenue	1,592	3,631	452	5,675
Inter-segment revenue	-	(79)	-	(79)
Revenue from external customers	1,592	3,552	452	5,596
<b>Results</b>				
Segment results	730	830	204	1,764
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				134
Profit before tax				1,898
Income tax expense				(445)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>1,453</b>

<b><u>3 Months Period Ended</u></b> <b><u>30 September 2016</u></b>	<b>AS</b> <b>RM'000</b>	<b>ASP</b> <b>RM'000</b>	<b>Maintenance</b> <b>Services</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Revenue</b>				
Total revenue	993	3,830	472	5,295
Inter-segment revenue	-	(79)	-	(79)
Revenue from external customers	993	3,751	472	5,216
<b>Results</b>				
Segment results	29	982	214	1,225
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				151
Profit before tax				1,376
Income tax expense				(181)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>1,195</b>

**A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)**

**A8. Segmental Reporting (continue)**

**(b) Cumulative quarter**

<b><u>9 Months Period Ended</u> <u>30 September 2017</u></b>	<b>AS RM'000</b>	<b>ASP RM'000</b>	<b>Maintenance Services RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Total revenue	4,169	12,059	1,403	17,631
Inter-segment revenue	-	(238)	-	(238)
Revenue from external customers	4,169	11,821	1,403	17,393
<b>Results</b>				
Segment results	1,917	3,452	643	6,012
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				431
Profit before tax				6,443
Income tax expense				(1,470)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>4,973</b>

<b><u>9 Months Period Ended</u> <u>30 September 2016</u></b>	<b>AS RM'000</b>	<b>ASP RM'000</b>	<b>Maintenance Services RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Total revenue	4,194	12,048	1,439	17,681
Inter-segment revenue	(17)	(361)	-	(378)
Revenue from external customers	4,177	11,687	1,439	17,303
<b>Results</b>				
Segment results	820	3,037	737	4,594
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				394
Profit before tax				4,988
Income tax expense				(1,145)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>3,843</b>

**A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) (continued)**

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**A9. Subsequent Material Event**

There was no material event subsequent to the current financial quarter ended 30 September 2017 up to the date of the announcement of this report which is likely to substantially affect the results of the operations of the Group for the current financial quarter under review.

**A10. Changes in the Composition of the Group**

The Board of Directors of Excel Force MSC Berhad (“EFORCE” or “the Company”) wishes to announce that the Company has on 31 March 2017 entered into a Share Sale Agreement to acquire its remaining shareholding of 80,000 ordinary shares in Insage MSC Sdn. Bhd. (“Insage”), representing 40% of the total issued and paid up share capital of Insage, from Mr. Kek Chin Wu and Ms. Kek Pei Chin holding an equal amount of 40,000 Insage Shares each for a total cash consideration of RM1.00 (“the Acquisition”). Upon the Acquisition, Insage shall be a wholly-owned subsidiary of EFORCE

**A11. Changes in Contingent Liabilities or Contingent Assets**

There were no material contingent liabilities or contingent assets for the current financial quarter under review.

**A12. Recurrent Related Party Transactions (“RRPT”)**

There were no RRPT in the Group during the current financial quarter under review.

**A13. Capital Commitments**

As at 30 September 2017, the Group has no material capital commitment in respect of property, plant and equipment.

**A14. Memorandum of Understanding (MOU)**

On 1 August 2017, The Board of Directors of EForce announced the signing of a MOU with Aquis for software and operations support. The MOU concerns intention to enter into a software delivery, support and operations agreement in the area of designing and building infrastructure and software, and customised training to support operationalization.

As at reporting date, we are still in discussion with Aquis and has not formalise the MOU into a definitive agreement yet.

## B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)

### B1. Review of Group's Performance

#### *Current Year -to date vs. Previous Year-to date*

	Individual Period (3 <sup>rd</sup> quarter)		Changes (Amount/%)	Cumulative Period		Changes (Amount/%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30/09/17	30/09/16		30/09/17	30/09/16	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,596	5,216	380/7%	17,392	17,303	90/1%
Operating Profit	1,760	1,080	680/63%	5,996	4,393	1,603/36%
Profit Before Interest and Tax	1,763	1,225	538/44%	6,012	4,593	1,419/31%
Profit Before Tax	1,898	1,376	522/38%	6,443	4,988	1,455/29%
Profit After Tax	1,453	1,195	258/22%	4,973	3,843	1,130/29%
Profit/(loss) Attributable to Ordinary Equity Holders of the Parent	1,453	1,286	167/13%	4,973	4,079	894/22%

For the 9 months ended 30 September 2017, the Group registered a turnover of RM17.4 million, slight increase of 1% or RM90K compared to the same corresponding period last year. The growth achieved in the current year make up for the effect on disposal of two subsidiaries in previous year. Exclude the one off impact on disposal, the Group's revenue has grew by 9%, mainly contributed from Application Solution (AS) and Application Service Provider (ASP) segments.

The profit before tax (PBT) for the period under review stood at RM6.4 million, higher by RM1.4 million or 29% as compared to the same correspondence period last year. The increase in PBT mainly attributed from impact on disposal of loss making subsidiaries last year and revenue growth in 2017.

The profit after tax (PAT) recorded at RM4.9 million, an increase of RM1.1 million or 29% compared to same corresponding period last year.

## **B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B)**

### **B2. Variation of Results against Preceding Quarter**

	Current Quarter 30/09/17	Immediate Preceding Quarter 30/06/17	Changes (Amount/%)
	RM'000	RM'000	RM'000
Revenue	5,596	6,002	(406)/(7%)
Operating Profit	1,760	2,260	(500)/(22%)
Profit Before Interest and Tax	1,763	2,265	(502)/(22%)
Profit Before Tax	1,898	2,414	(516)/(21%)
Profit After Tax	1,453	1,864	(411)/(22%)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,453	1,864	(411)/(22%)

The Group's revenue for current quarter record at RM5.6 million, lower by RM406K or 7% compared to immediate preceding quarter. This was attributed by lower revenue from segment Application Service providers (ASP) as a result from lower trade volume.

PBT in current quarter stood at RM1.9 million, decrease of 21% or RM516K compared to immediate preceding quarter. This was mainly attributed from lower revenue and higher operating expenses.

PAT recorded at RM1.5 million, decrease of 22% or RM412K as compared to immediate preceding quarter.

### **B3. Prospects for 2017**

We expect to sustain the results achieved to date in the last 3 months of 2017. We are closely monitoring the recent rise in global crude oil and increasing possibility of interest rate rise that will impact consumption and investment, decision of customers and businesses in Malaysia. We will adjust and adopt our business plan to meet our objective for 2018 accordingly.

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)**

**B4. Variance of Profit Forecast and Shortfall in Profit Guarantee**

The Group has not issued any profit forecast nor profit guarantee for the current financial quarter under review and the financial period to-date.

**B5. Taxation**

The taxation charge for the individual financial quarter and the cumulative financial quarter are as follows:

	<b>Individual Financial Quarter Ended</b>		<b>Cumulative Financial Quarter Ended</b>	
	<b>30.09.17</b>	<b>30.09.16</b>	<b>30.09.17</b>	<b>30.09.16</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax	445	181	1,470	964
Deferred tax	-	-	-	-
	<u>445</u>	<u>181</u>	<u>1,470</u>	<u>964</u>

**B6. Status of Corporate Proposals**

There were no corporate proposals announced as at the date of this quarterly report.

**B7. Cash and cash equivalents**

The Group cash and cash equivalents as at 30 September 2017 comprise of:-

	<b>RM'000</b>
Cash in hand	16
Cash at banks	6,883
Short term fund - Investment in fixed income trust funds	13,892
	<u>20,791</u>

**B8. Trade Receivables**

The ageing analysis of trade receivables of the Group is as follow :

	<b>RM'000</b>
0 – 30 days	1,816
31 – 60 days	847
61 – 90 days	324
91 – 120 days	532
121 – 150 days	209
Above 151 days	803
	<u>4,531</u>

## **B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)**

### **B9. Group Borrowings and Debt Securities**

The Group borrowing consist of term loan which is secured by a first party charge over the long term leasehold land and a building of the Group. The term loan is denominated in Ringgit Malaysia ('RM').

The Group borrowings as at 30 September 2017 were as follow:-

	<b>Term Loan RM'000</b>
Current	981
Non-current	3,504
	<u>4,485</u>

### **B10. Off Balance Sheet Financial Instruments**

The Company does not have any off balance sheet financial instruments as at the date of this report.

### **B11. Material Litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant and the Board does not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

### **B12. Dividends**

On 24 February 2017, the Board of Directors had declared a first interim tax exempt dividend of 1.0 sen per ordinary share, amounting to approximately RM2.06 million in respect of financial year ending 31 December 2017. The dividend was paid to the shareholders of EForce on 28 March 2017.

On 19 May 2017, the Board of Directors had declared a second interim tax exempt dividend of 1.5 sen per ordinary share, amounting to approximately RM3.09 million in respect of financial year ending 31 December 2017. The dividend was paid to the shareholders of EForce on 16 June 2017.



**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)**

**B13. Earnings per Share ("EPS")**

	<b>Individual Financial Quarter Ended</b>		<b>Cumulative Financial Quarter Ended</b>	
	<b>30.09.17</b>	<b>30.09.16</b>	<b>30.09.17</b>	<b>30.09.16</b>
<b><u>(a) Basic EPS</u></b>				
Net profit attributable to the equity holders of the Company (RM'000)	1,452	1,286	4,973	4,079
Weighted average number of ordinary shares in issue ('000)	413,732	206,866	413,732	206,866
Basic EPS (sen)	<u>0.35</u>	<u>0.62</u>	<u>1.20</u>	<u>1.97</u>

The calculation of the basic EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter ended 30 September 2017, divided by the weighted average number of ordinary shares outstanding during the financial year.

	<b>Individual Financial Quarter Ended</b>		<b>Cumulative Financial Quarter Ended</b>	
	<b>30.09.17</b>	<b>30.09.16</b>	<b>30.09.17</b>	<b>30.09.16</b>
<b><u>(b) Diluted EPS</u></b>				
Net profit attributable to the equity holders of the Company (RM'000)	1,452	1,286	4,973	4,079
Weighted average number of ordinary shares in issue ('000)	413,732	206,866	413,732	206,866
Adjusted for :				
Assumed full conversion of Warrants	206,572	-	206,572	-
	<u>620,304</u>	<u>413,438</u>	<u>620,304</u>	<u>413,438</u>
Diluted EPS (sen)	<u>0.23</u>	<u>0.62</u>	<u>0.80</u>	<u>1.97</u>

The calculation of the diluted EPS is based on the net profit attributable to equity holders of the parent for the current financial quarter ended 30 September 2017, divided by the weighted average number of ordinary shares outstanding during the financial year.

The diluted EPS for previous correspondence period ended 30 September 2016 is same as the basic earnings per share because the effect of the assumed conversion of warrants will be anti-dilutive.

**B. EXPLANATORY NOTES AS PER MAIN MARKET LISTING REQUIREMENTS (APPENDIX 9B) (continued)**

**B14. Realised and Unrealised Profits**

The breakdown of retained profits of the Group as at 30 September 2017 into realised and unrealised profits, pursuant to the directive issued by Bursa Securities dated 25 March 2010, is as follow:

	<b>As at 30.09.17 RM'000</b>	<b>As at 30.09.16 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	24,374	22,803
- Unrealised (loss) / profit	(89)	(88)
	<u>24,285</u>	<u>22,714</u>
Add: Consolidation adjustments	193	429
Total Group retained profits as per consolidated accounts	<u>24,478</u>	<u>23,143</u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

**B15. Profit for the Period**

	<b>Individual Financial Quarter Ended</b>		<b>Cumulative Financial Quarter Ended</b>	
	<b>30.09.17 RM'000</b>	<b>30.09.16 RM'000</b>	<b>30.09.17 RM'000</b>	<b>30.09.16 RM'000</b>
<b>Profit for the period is arrived after charging:</b>				
Amortisation of development costs	518	434	1,555	1,370
Depreciation of property, plant and equipment	248	306	715	1,039
Finance costs	-	-	-	-
Loss on foreign exchange	<u>10</u>	<u>-</u>	<u>29</u>	<u>66</u>
<b>and after crediting:</b>				
Gain on disposal of property, plant and equipment	-	-	-	22
Gain on foreign exchange	-	13	-	25
Interest income from deposits with licensed bank	134	152	431	395
Rental income	<u>5</u>	<u>23</u>	<u>35</u>	<u>53</u>

Notes:

\* Denotes amount less than RM1,000