

**Interim Financial Report on Consolidated Results for the Financial Year Ended 30 June 2019**

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

*(The figures have not been audited)*

	Individual Financial Quarter Ended		Year to date Ended	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000
Revenue	5,328	6,047	11,586	11,849
Cost of sales	(1,802)	(2,068)	(3,967)	(4,008)
<b>Gross profit</b>	<u>3,526</u>	<u>3,979</u>	<u>7,619</u>	<u>7,841</u>
Other income	283	414	564	581
Other operating expenses	(429)	(375)	(760)	(766)
Marketing expenses	(2)	(8)	(11)	(12)
Administrative expenses	(1,530)	(1,594)	(3,217)	(3,154)
Finance cost	(11)	-	(11)	-
<b>Profit before tax</b>	<u>1,837</u>	<u>2,417</u>	<u>4,184</u>	<u>4,490</u>
Tax expense	(384)	(514)	(859)	(936)
<b>Profit for the year</b>	<u>1,453</u>	<u>1,903</u>	<u>3,325</u>	<u>3,554</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>1,453</u>	<u>1,903</u>	<u>3,325</u>	<u>3,554</u>
<b>Profit for the year attributable to:</b>				
Owners of the parent	<u>1,453</u>	<u>1,903</u>	<u>3,325</u>	<u>3,554</u>
<b>Earnings per share</b>				
- Basic (sen)	<u>0.34</u>	<u>0.46</u>	<u>0.79</u>	<u>0.86</u>
- Diluted (sen)	<u>0.23</u>	<u>0.31</u>	<u>0.54</u>	<u>0.57</u>

*(The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Year Ended 30 June 2019**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*(The figures have not been audited)*

	Note	(Unaudited) 30.06.2019 RM'000	(Audited) 31.12.2018 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital work in progress		-	8,385
Property, plant and equipment		12,291	2,747
Rights of use assets		528	-
Development costs		11,284	11,090
<b>Total non-current assets</b>		<b>24,103</b>	<b>22,222</b>
<b>Current assets</b>			
Inventories		24	45
Trade and other receivables	B8	7,275	6,639
Cash and cash equivalents	B7	27,019	29,813
Tax recoverable	B5	-	4
<b>Total current assets</b>		<b>34,318</b>	<b>36,501</b>
<b>TOTAL ASSETS</b>		<b>58,421</b>	<b>58,723</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		23,834	20,998
Reserves		29,515	26,204
		53,349	47,202
Non-controlling interests		-	-
<b>TOTAL EQUITY</b>		<b>53,349</b>	<b>47,202</b>

**Interim Financial Report on Consolidated Results for the Financial Year Ended 30 June 2019**

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

*(The figures have not been audited)*

	(Unaudited) 30.06.2019 RM'000	(Audited) 31.12.2018 RM'000
	Note	
<b>EQUITY AND LIABILITIES</b>		
<b>(continued)</b>		
<b>Current liabilities</b>		
Trade and other payables	2,537	10,451
Contract liabilities	2,062	1,070
Tax payable	312	-
<b>Total current liabilities</b>	<u>4,911</u>	<u>11,521</u>
<b>Non current liabilities</b>		
Contract liabilities	161	-
<b>Total non current liabilities</b>	<u>161</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>5,072</u>	<u>11,521</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>58,421</b></u>	<u><b>58,723</b></u>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	0.12	0.11

*(The unaudited Condensed Consolidated Statements of Financial Position should read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Year Ended 30 June 2019**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*(The figures have not been audited)*

	<b>Share Capital RM'000</b>	<b>Other Reverse RM'000</b>	<b>Distributable Retained Earnings RM'000</b>	<b>Total Attributable to the Owners of the Parent RM'000</b>	<b>Total Equity RM'000</b>
<u>6 Months Period Ended</u>					
<u>30 June 2019</u>					
At 1 January 2019	20,998	(81)	26,285	47,202	<b>47,202</b>
Total comprehensive income for the year	-	-	3,325	3,325	<b>3,325</b>
Adoption of MFRS16	-	-	(13)	(13)	<b>(13)</b>
Issuance of ordinary shares pursuant to exercise of warrants	2,835	-	-	2,835	<b>2,835</b>
At 30 June 2019	<u>23,833</u>	<u>(81)</u>	<u>29,596</u>	<u>53,349</u>	<b><u>53,349</u></b>
<u>6 Months Period Ended</u>					
<u>30 June 2018</u>					
At 1 January 2018	20,743	-	25,829	46,572	<b>46,572</b>
Total comprehensive income for the year	-	-	3,554	3,554	<b>3,554</b>
Issuance of ordinary shares pursuant to exercise of warrants	255	-	-	255	<b>255</b>
At 30 June 2018	<u>20,998</u>	<u>-</u>	<u>29,383</u>	<u>50,381</u>	<b><u>50,381</u></b>

*(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.)*

**Interim Financial Report on Consolidated Results for the Financial Year Ended 30 June 2019**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

*(The figures have not been audited)*

	Note	6 Months Period Ended	
		30.06.2019	30.06.2018
		RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		4,183	4,490
Adjustments for:			
Impairment loss on trade receivables		49	-
Amortisation of development costs		1,227	1,052
Depreciation of property, plant and equipment		533	597
Loss on disposal of property, plant and equipment		-	11
Unrealised loss/(gain) on foreign exchange		(2)	3
Interest expense		11	
Interest income from deposits with licensed banks		(562)	(261)
Operating profit before working capital changes		5,439	5,892
Changes in working capital:			
(Increase) in inventories		21	-
(Increase) in trade and other receivables		(691)	(2,725)
Increase in trade and other payables		(6,752)	1,222
Cash generated from operations		(1,983)	4,389
Tax paid		(542)	(638)
<b>Net cash from/(used) in operating activities</b>		<b>(2,525)</b>	<b>3,751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		562	261
Purchase of property, plant and equipment		(1,506)	(138)
Proceeds from disposal of property, plant and equipment		-	14
Purchase of right of use asset		(715)	-
Addition of product development cost		(1,421)	(1,395)
<b>Net cash used in investing activities</b>		<b>(3,080)</b>	<b>(1,286)</b>

**Interim Financial Report on Consolidated Results for the Financial Year Ended 30 June 2019**

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

*(The figures have not been audited)*

		<b>6 Months Period Ending</b>	
	<b>Note</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of			
- Term loan		-	(491)
Proceed from issuance of new shares		2,835	255
Interest paid		(24)	-
<b>Net cash from/(used) in financing activities</b>		<b>2,811</b>	<b>(236)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,794)</b>	<b>2,257</b>
<b>Effects of exchange rate changes</b>		-	(3)
<b>Cash and cash equivalents at 1 January</b>		<b>29,813</b>	<b>21,542</b>
<b>Cash and cash equivalents at 31 March</b>	B7	<b>27,019</b>	<b>23,796</b>

*(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 2018 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 June 2019, 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 2018. 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 2018.

Since the previous annual audited financial statements as at 31 December 2018 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:

	<u>Effective dates for financial periods beginning on or after</u>
Annual Improvements to MFRSs 2015 - 2017 Cycle:	
• Amendments to MFRS 2 <i>Share-Based Payment</i>	1 January 2020
• Amendment to MFRS 3 <i>Business Combination</i>	1 January 2020
• Amendments to MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
• Amendment to MFRS 14 <i>Regulatory Deferral Account</i>	1 January 2020
• Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2020
• Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
• Amendments to MFRS 134 <i>Interim Financial Reporting</i> Amendments to References to the Conceptual Framework in MFRS Standards (Cont’d)	1 January 2020
• Amendment to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
• Amendment to MFRS 138 <i>Intangible Assets</i>	1 January 2020
• Amendment to IC Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2020
• Amendment to IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
• Amendment to IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020

		Effective dates for financial periods beginning on or after
<ul style="list-style-type: none"> <li>• Amendment to IC Interpretation 22 <i>Foreign Currency Transactions and Advances Consideration</i></li> <li>• Amendments to IC Interpretation 132 <i>Intangible Assets – Website Costs</i></li> </ul>		<hr/> 1 January 2020  1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company are in the process of assessing the impact of implementing these Amendments and Standards, since the effect 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 2018 was not qualified.

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

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

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

During the current financial quarter under review and financial year, 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 and financial year.

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

**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 year under review, save as disclosed below

	<b>Ordinary Share Capital</b>
	RM'000
<b>Balance at 1 January 2019</b>	20,998
<b>Add : Warrants converted to ordinary shares</b>	2,836
<b>Balance at 30 June 2019</b>	23,834

**A7. Dividends**

On 22 August 2019, the Board of Directors has declared the first interim single tier dividend of 0.50 sen per ordinary share, amounting to approximately RM3.1 million in respect of financial year ending 31 December 2019. The dividend will be paid on 19 September 2019.

**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**

**(a) Individual quarter**

<b><u>3 Months Period Ended</u></b> <b><u>30 June 2019</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	1,044	3,877	487	5,408
Inter-segment revenue	-	(79)	-	(79)
Revenue from external customers	1,044	3,798	487	5,329
<b>Results</b>				
Segment results	517	880	176	1,573
Finance costs	-	-	-	(11)
Interest income from deposits with licensed bank				275
Profit before tax				1,837
Income tax expense				(384)
<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 June 2018</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	1,440	4,233	453	6,126
Inter-segment revenue	-	(80)	-	(80)
Revenue from external customers	1,440	4,153	453	6,046
<b>Results</b>				
Segment results	641	1,423	214	2,278
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				139
Profit before tax				2,417
Income tax expense				(514)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>1,903</b>

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

**A8. Segmental Reporting (continue)**

**(b) Cumulative quarter**

<b><u>6 Months Period Ended</u></b> <b><u>30 June 2019</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	2,424	8,262	1,059	11,745
Inter-segment revenue	-	(159)	-	(159)
Revenue from external customers	2,424	8,103	1,059	11,586
<b>Results</b>				
Segment results	1,261	1,955	418	3,634
Finance costs	-	-	-	(11)
Interest income from deposits with licensed bank				561
Profit before tax				4,184
Income tax expense				(859)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>3,325</b>

<b><u>6 Months Period Ended</u></b> <b><u>30 June 2018</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	2,804	8,308	895	12,007
Inter-segment revenue	-	(159)	-	(159)
Revenue from external customers	2,804	8,149	895	11,848
<b>Results</b>				
Segment results	1,215	2,601	398	4,214
Finance costs	-	-	-	-
Interest income from deposits with licensed bank				276
Profit before tax				4,490
Income tax expense				(936)
<b>Net profit for the period / Total comprehensive income for the period</b>				<b>3,554</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 31 December 2018 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**

As at 30 June 2019, there is no changes in the composition of the Group.

**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”)**

On 26 December 2017, we have entered into a tenancy agreement with MY E.G. Services Berhad for renting office space located at Level 31, MYEG Tower, Empire City. No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya. Detail of transaction as follows :

Term of tenancy : 1 December 2017 to 31 November 2020  
Monthly rental : RM30,256.20

**A13. Capital Commitments**

On 16 November 2018, the company entered into a Sales and Purchase Agreement (SPA) with Cosmopolitan Avenue Sdn Bhd for the purchase of commercial space for an aggregate purchase consideration of RM9,864,600.00. This is fully paid as of 3 May 2019.

**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		Changes (Amount/%)	Cumulative Period		Changes (Amount/%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30/06/19	30/06/18		30/06/19	30/06/18	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,328	6,047	(718) / (12%)	11,586	11,849	(263) / (2%)
Operating Profit	1,565	2,003	(438) / (22%)	3,630	3,909	(279) / (7%)
Profit Before Interest and Tax	1,549	2,277	(728) / (32%)	3,610	4,212	(602) / (14%)
Profit Before Tax	1,836	2,417	(581) / (24%)	4,183	4,490	(307) / (7%)
Profit After Tax	1,453	1,903	(450) / (24%)	3,325	3,554	(229) / (6%)
Profit Attributable to Ordinary Equity Holders of the Parent	1,453	1,903	(450) / (24%)	3,325	3,554	(229) / (6%)

For the 6 months ended 30 June 2019, the Group registered a turnover of RM11.6 million, decrease of 7% or RM263,000 compared to the same corresponding period last year. The decrease is mainly attributed from lower revenue from Application Solution (AS) segments.

The profit before tax (PBT) for the period under review stood at RM4.2 million, lower by RM307,000 or 7% as compared to the same correspondence period last year. This is mainly due to lower revenue, absent of rental income and offset by higher interest income.

The profit after tax (PAT) recorded at RM3.3 million, lower by RM229,000 or 6% 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 30/06/19	Immediate Preceding Quarter 31/03/19	Changes (Amount / %)
	RM'000	RM'000	RM'000
Revenue	5,328	6,258	(929) / (15%)
Operating Profit	1,565	2,065	(500) / (24%)
Profit Before Interest and Tax	1,549	2,061	(512) / (25%)
Profit Before Tax	1,836	2,347	(511) / (22%)
Profit After Tax	1,453	1,872	(419) / (22%)
Profit Attributable to Ordinary Equity Holders of the Parent	1,453	1,872	(419) / (22%)

The Group's revenue for current quarter recorded at RM5.3 million, lower by RM929,000 or 15% compared to immediate preceding quarter. The decrease was mainly attributed by lower revenue from Application Service Provider (ASP) segment.

PBT in current quarter stood at RM1.8 million, decrease of 22% or RM511,000 compared to immediate preceding quarter. This was mainly due lower revenue and offset by lower cost of sales incurred. PAT recorded at RM1.5 million, decrease of 22% or RM419,000 as compared to immediate preceding quarter.

### B3. Prospects for 2019

In the capital market, Bursa Malaysia is expecting an exciting year for initial public offering (IPO) market and more right issues in the secondary market. Together with the introduction of enhanced order types by Bursa Malaysia and successful implementation of shorter two-day settlement cycle (T+2), we believe it will add trading vibrancy to our local bourse.

We are actively engaged with our customers (stockbrokers and bankers) to ensure our trading systems are enhanced, updated and ready for any uptick in daily share volume and value, new trading features and shorten settlement cycle. In addition, we are developing new solutions that will help customers target growth in business volume and improve processes to reduce operational costs.

Given the above and barring any unforeseen circumstances, the group is positive on our future business.

**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 year.

**B5. Taxation**

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

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.06.19 RM'000	30.06.18 RM'000	30.06.19 RM'000	30.06.18 RM'000
Income tax	384	514	859	936
Deferred tax	-	-	-	-
	<u>384</u>	<u>514</u>	<u>859</u>	<u>936</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 June 2019 comprise of:-

	<b>RM'000</b>
Cash in hand	8
Cash at banks	3,728
Short term fund – Investment in fixed income trust funds	23,283
	<u>27,019</u>

**B8. Trade and Other Receivables**

	<b>RM'000</b>
Trade receivables	5,642
Other receivables	1,633
	<u>7,275</u>

**Analysis of the trade receivables ageing of the Group is as follows:**

	<b>RM'000</b>
0 – 30 days	1,973
31 – 60 days	741
61 – 90 days	612
91 – 120 days	1,180
121 – 150 days	48
More than 150 days	1,298
	<u>5,852</u>
Expected Credit Loss	(180)
Impairment (specific)	(30)
Net trade receivables	<u>5,642</u>

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

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**B9. Group Borrowings and Debt Securities**

The Company does not have any borrowing and debt securities as at the date of this report.

**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 22 August 2019, the Board of Directors has declared the first interim single tier dividend of 0.50 sen per ordinary share, amounting to approximately RM3.1 million in respect of financial year ending 31 December 2019. The dividend will be paid on 19 September 2019.

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

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

	Individual Financial Quarter Ended		Year to date Ended	
	30.06.19	30.06.18	30.06.19	30.06.18
<b><u>(a) Basic EPS</u></b>				
Net profit attributable to the equity holders of the Company (RM'000)	1,453	1,903	3,325	3,554
Weighted average number of ordinary shares in issue ('000)	422,821	414,482	422,821	414,482
Basic EPS (sen)	<u>0.34</u>	<u>0.46</u>	<u>0.79</u>	<u>0.86</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 / year ended 30 June 2019, divided by the weighted average number of ordinary shares outstanding during the financial year.

	Individual Financial Quarter Ended		Year to date Ended	
	30.06.19	30.06.18	30.06.19	30.06.18
<b><u>(b) Diluted EPS</u></b>				
Net profit attributable to the equity holders of the Company (RM'000)	1,453	1,903	3,325	3,554
Weighted average number of ordinary shares in issue ('000)	422,821	414,482	422,821	414,482
Adjusted for :				
Assumed full conversion of Warrants	197,483	205,822	197,483	205,822
	<u>620,304</u>	<u>620,304</u>	<u>620,304</u>	<u>620,304</u>
Diluted EPS (sen)	<u>0.23</u>	<u>0.31</u>	<u>0.54</u>	<u>0.57</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 / year ended 30 June 2019, divided by the weighted average number of ordinary shares outstanding during the financial year.

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

**B14. Profit for the year**

	Individual Financial Quarter Ended		Year-to-date Ended	
	30.06.19 RM'000	30.06.18 RM'000	30.06.19 RM'000	30.06.18 RM'000
<b>Profit for the year is arrived after charging:</b>				
Amortisation of development costs	613	520	1,226	1,052
Depreciation of property, plant and equipment	264	298	439	597
Gain on foreign exchange	<u>6</u>	<u>1</u>	<u>2</u>	<u>10</u>
<b>and after crediting:</b>				
Gain on foreign exchange	-	(15)	-	3
Interest income from deposits with licensed bank	276	140	562	277
Rental income	<u>-</u>	<u>259</u>	<u>-</u>	<u>302</u>

Notes:

\* Denotes amount less than RM1,000