

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018 - UNAUDITED**

	Note	3 months ended		12 months ended	
		31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Revenue	8	52,820	45,959	199,985	196,282
Cost of sales		(30,913)	(25,202)	(119,839)	(112,042)
Gross profit		21,907	20,757	80,146	84,240
Other income*		828	302	2,521	1,662
Selling & distribution expenses		(6,945)	(7,777)	(33,959)	(31,837)
Administrative expenses#		(5,339)	(6,209)	(18,015)	(17,625)
Finance costs	20	(252)	(89)	(627)	(388)
Profit before tax	19	10,199	6,984	30,066	36,052
Income tax expense	21	(3,962)	(1,092)	(6,634)	(6,946)
Profit for the period		6,237	5,892	23,432	29,106
Other comprehensive income					
Exchange differences on translation of foreign operations		(514)	(2,680)	(1,154)	(4,999)
Other comprehensive expense, net of tax		(514)	(2,680)	(1,154)	(4,999)
Total comprehensive income for the period		5,723	3,212	22,278	24,107
Profit attributable to:					
Owners of the company		6,237	5,852	23,432	29,106
Non-controlling interest		-	40	-	-
Profit for the period		6,237	5,892	23,432	29,106
Total comprehensive income attributable to:					
Owners of the company		5,723	3,172	22,278	24,107
Non-controlling interest		-	40	-	-
Total comprehensive income for the period		5,723	3,212	22,278	24,107
Earnings per share					
Basic (Sen)	26	1.73	1.63	6.52	8.10
Diluted (Sen)		N/A	N/A	N/A	N/A

* Inclusive of net foreign currency gains of RM0.5 million and RM1 million in Q4 2018 and year ended 2018 respectively.

Inclusive of net foreign currency losses of RM0.8 million and RM2.6 million in Q4 2017 and year ended 2017 respectively.

The Condensed Consolidated Statement of Profit or Loss and Other 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 the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	unaudited 31.12.2018 RM'000	audited 31.12.2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		244,423	230,810
Investment properties		2,469	2,539
Prepaid lease payments		2,935	3,114
Deferred tax assets		476	407
		<u>250,303</u>	<u>236,870</u>
Current assets			
Other investments		2,414	872
Inventories		23,466	15,210
Current tax assets		5,778	2,767
Trade and other receivables		51,438	49,209
Prepayments		2,713	245
Cash and cash equivalents		39,459	62,785
		<u>125,268</u>	<u>131,088</u>
Total assets		<u><u>375,571</u></u>	<u><u>367,958</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		179,760	179,760
Reserves		142,330	129,040
Total equity		<u>322,090</u>	<u>308,800</u>
Liabilities			
Non-current liabilities			
Loans and borrowings	23	12,981	16,603
Deferred tax liabilities		5,857	1,199
		<u>18,838</u>	<u>17,802</u>
Current liabilities			
Loan and borrowings	23	3,623	7,761
Trade and other payables		30,283	33,134
Current tax liabilities		737	461
		<u>34,643</u>	<u>41,356</u>
Total liabilities		<u>53,481</u>	<u>59,158</u>
Total equity and liabilities		<u><u>375,571</u></u>	<u><u>367,958</u></u>
Net assets per share attributable to owners of the Company (RM)		<u>0.90</u>	<u>0.86</u>

The Condensed Consolidated Statement 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 the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	<-----Attributable to owners of the Company----->				
	<-----Non-distributable----->			Distributable	
(Audited)	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2017	134,820	37,535	14,984	104,095	291,434
Net profit for the financial year	-	-	-	29,106	29,106
Other comprehensive expense for the financial year	-	-	(4,999)	-	(4,999)
Total comprehensive (expense)/income for the financial year	-	-	(4,999)	29,106	24,107
Contributions by and distributions to owners					
-bonus issue	44,940	(37,535)	-	(7,405)	-
-dividends to owners of the Company	-	-	-	(6,741)	(6,741)
At 31 December 2017	179,760	-	9,985	119,055	308,800
(Unaudited)					
At 1 January 2018	179,760	-	9,985	119,055	308,800
Net profit for the financial period	-	-	-	23,432	23,432
Other comprehensive expense for the financial year	-	-	(1,154)	-	(1,154)
Total comprehensive (expense)/income for the financial year	-	-	(1,154)	23,432	22,278
Contributions by and distributions to owners					
-dividends to owners of the Company	-	-	-	(8,988)	(8,988)
At 31 December 2018	179,760	-	8,831	133,499	322,090

The Condensed Consolidated Statement 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 the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	unaudited 31.12.2018 RM'000	audited 31.12.2017 RM'000
Cash flows from operating activities		
Profit before tax	30,066	36,052
Adjustments for:		
Depreciation and amortisation	7,001	6,181
(Gain)/loss on disposal of plant and equipment	(48)	87
Interest expense	413	160
Interest income	(655)	(710)
Unrealised foreign exchange differences	(243)	1,371
Net impairment loss/(gain) on financial assets	683	(179)
<i>Operating profit before working capital changes</i>	<u>37,217</u>	<u>42,962</u>
Changes in working capital:		
Inventories	(8,256)	(2,301)
Trade and other receivables	(5,742)	(1,313)
Trade and other payables	(1,805)	(1,048)
<i>Cash generated from operations</i>	<u>21,414</u>	<u>38,300</u>
Income tax paid	(4,767)	(9,211)
Income tax refund	-	194
Net cash from operating activities	<u>16,647</u>	<u>29,283</u>
Cash flows from investing activities		
Interest received	655	710
(Acquisition)/disposal of other investments	(2,225)	475
Proceeds from disposal of plant and equipment	51	119
Purchase of property, plant and equipment	(21,287)	(35,539)
Net cash used in investing activities	<u>(22,806)</u>	<u>(34,235)</u>
Cash flows from financing activities		
Dividends paid	(8,988)	(6,741)
Interest paid	(413)	(1,085)
Drawdown of borrowings	-	4,445
Repayment of borrowings	(7,760)	(3,320)
Net cash used in financing activities	<u>(17,161)</u>	<u>(6,701)</u>
Net decrease in cash and cash equivalents	(23,320)	(11,653)
Effect of changes in foreign exchange rate	(6)	(6,001)
Cash and cash equivalents at beginning of year	62,785	80,439
Cash and cash equivalents at end of year	<u>39,459</u>	<u>62,785</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

1 Basis of Preparation

The condensed consolidated interim financial statements ("interim financial statements") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS"), MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2017. These explanatory notes attached to the interim financial statement 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.

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in audited financial statements for the financial year ended 31 December 2017, except for the following new and amendments to MFRSs which are applicable to its financial statements:

Adoption of New MFRSs, Amendments to MFRSs and IC interpretation

On 1 January 2018, the Group adopted the following new MFRSs, amendments to MFRSs and IC Interpretation mandatory for annual financial period beginning on or after 1 January 2018.

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014-2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 128	Long-term Interest in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	Shared-based Payments
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
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
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amendments to:-	
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Stripping Cost in the Production Phase of a Surface Mine
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 132	Intangible Assets - Web Site Costs

Effective for financial periods beginning on or after 1 January 2021

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

Deferred to a date to be determined by MASB

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

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application.

2 Qualification of financial statements

The financial statements of the Company and its subsidiaries for the financial year ended 31 December 2017 were not qualified.

3 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and year ended 31 December 2018.

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

5 Changes in estimates

There were no changes in estimates that have had any material effect in the current quarter and year ended 31 December 2018.

6 Debt and equity securities

The Company has implemented an ESOS of up to 15% of the Company's issued and paid-up share capital (excluding treasury shares, if any) for the eligible employees of the Group effective from 2 October 2018. As at the date of this report, the Company has yet to grant any options under the ESOS.

7 Dividends paid

The following dividends were paid during the current and previous financial year ended:

	31 Dec 2018	31 Dec 2017
First interim dividend		
For the financial year ended	31 Dec 2018	31 Dec 2017
Approval and declared on	1 Mar 2018	3 Mar 2017
Date paid	30 Mar 2018	31 Mar 2017
Number of ordinary shares on which dividends were paid ('000)	359,520	269,640
Interim dividend per share (single-tier)	2.5 sen	2.5 sen
Net dividend paid (RM'000)	8,988	6,741

8 Segmental information

The Group's business segments comprise mainly the manufacturing and sale of frozen food products.

Business segmental information therefore has not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, depreciation and amortisation, and non-cash expenses are mainly confined to one business segment.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	3 months ended		Year-to-date ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	RM'000	RM'000	RM'000	RM'000
Malaysia	21,032	17,773	81,294	76,332
Rest of Asia	10,086	8,161	38,048	34,277
Europe	2,810	4,452	16,204	16,278
North America	15,060	13,042	53,216	58,723
Oceania	3,606	2,531	10,757	10,161
Africa	226	-	466	511
Consolidated	<u>52,820</u>	<u>45,959</u>	<u>199,985</u>	<u>196,282</u>

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

9 Valuation of property, plant and equipment

No revaluation of property, plant and equipment were undertaken during the current quarter under review.

10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter up to the date of this report.

11 Changes in the composition of the Group

On 30 October 2018, the Company incorporated a 60% owned subsidiary, KLBG Sdn Bhd ("KLBG"). KLBG was incorporated as a private company by shares and the share capital is RM1,000 comprising 1,000 ordinary shares. The principal activity of KLBG is manufacturing, trading, distributing and exporting of food products.

12 Changes in contingent liabilities and contingent assets

Contingent Liabilities

	31 Dec 2018	31 Dec 2017
	RM'000	RM'000
Guarantees		
Corporate guarantees given by the Company to licensed banks for banking facilities granted to subsidiaries	82,115	95,850

Contingent Assets

The Group does not have any material contingent assets as at 31 December 2018.

13 Capital commitments

The capital commitments of the Group as at 31 December 2018 is as follows:

	RM'000
Property, plant and equipment	
Contracted but not provided for	5,699

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

14 Related party transactions

The Group's related party transactions in the current quarter and the cumulative period-to-date ended 31 December 2018 are as follows:

	3 months ended 31 Dec 2018 RM'000	Year-to-date ended 31 Dec 2018 RM'000
Transactions with a company in which the daughter of Gan Thiam Chai and Kwan Sok Kay, the spouse of Timothy Tan Heng Han, Directors of the Company has interests:		
Hot & Roll Sdn Bhd		
-Sales	427	1,580
Transactions with a company in which the spouse of Gan Thiam Hock, a Director of the Company has interests:		
K.C. Belight Food Industry (M) Sdn Bhd		
-Sales	6	9
Transactions with a company in which the sons and the spouse of Gan Thiam Hock, a Director of the Company has interests:		
MH Delight Sdn Bhd		
-Sales	367	1,046
-Purchases	565	1,592
Transaction with a company in which the daughters of Gan Thiam Chai and Kwan Sok Kay, the son of Gan Thiam Hock and the spouse of Timothy Tan Heng Han, Directors of the Company have interests:		
Food Valley Sdn Bhd		
-Purchases	4,394	18,999
-Rental of factory	-	39
Transactions with companies in which Nareshchandra Gordhandas Nagrecha, a Director of the Company has interest:		
Shana Foods Limited		
-Sales	1,334	10,844
Rubicon Food Products Limited		
-Sales	1,423	6,292
Transactions with a company in which the son of Nareshchandra Gordhandas Nagrecha, a Director of the Company has interests:		
Rubicon Exotic Drinks FZE		
-Sales	120	184

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

3 months Year-to-date
ended ended
31 Dec 2018 31 Dec 2018
RM'000 RM'000

Transactions with companies in which Lim Hun Soon @ David Lim, a Director of the Company has interest:

Peoplelogy Development Sdn Bhd

-Professional fee on Strategic Coaching & Development Program

- 156

The above transactions have been entered in the normal course of business and have been established on terms and condition that are not materially different from those obtainable in similar transactions with unrelated parties.

15 Review of performance

	3 months ended 31 Dec 2018 RM'000	3 months ended 31 Dec 2017 RM'000	Changes (%)	Year-to-date ended 31 Dec 2018 RM'000	Year-to-date ended 31 Dec 2017 RM'000	Changes (%)
Revenue	52,820	45,959	14.9%	199,985	196,282	1.9%
Profit before tax	10,199	6,984	46.0%	30,066	36,052	-16.6%
Profit after tax	6,237	5,892	5.9%	23,432	29,106	-19.5%
Profit attributable to owners of the Company	6,237	5,852	6.6%	23,432	29,106	-19.5%

Quarter 4, 2018 vs Quarter 4, 2017

For the current quarter ended 31 December 2018, the Group recorded a revenue of RM52.8 million, 14.9% higher than the corresponding quarter ended 31 December 2017. The increase in turnover were mainly due to better exchange rate in export market and higher spring roll sales in Malaysia market in the current quarter.

Profit after tax for the Group increased to RM6.2 million from RM5.9 million in the corresponding quarter ended 31 December 2017. The higher profitability as a result of better exchange rate and savings from advertisement and promotion expenses were partially offset by start-up cost incurred in Pulau Indah plant. Tax expense for the current quarter increased to RM4.0 million mainly due to recognition of deferred tax expense in the current quarter. The capitalisation of the new plant created a huge balances of unabsorbed capital allowances, the Reinvestment Allowance incentive cannot be utilised this year and the Group will carry forward all its unutilised Reinvestment Allowance incentive to the following years.

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

Year-to-date, 2018 vs Year-to-date, 2017

For the twelve months ended 31 December 2018, the Group registered a turnover of RM200 million, 1.9% higher than the previous year's corresponding period. The increase in turnover was mainly driven by the Malaysia performance, which increased by 6.5% as a result of selling price adjustment in July 2017. The US market, on the other hand, declined approximately RM5.51 million due to unfavourable exchange rate in current year.

Profit after tax for the Group decreased by 19.5% or RM5.6 million compared to last year, mainly led by unfavourable USD/RM exchange rate and higher new plant start-up costs in the current year.

16 Variance of quarterly results compared to preceding quarter

	Current Quarter 31 Dec 2018 RM'000	Immediate Preceding Quarter 30 Sep 2018 RM'000	Changes %
Revenue	52,820	48,499	9%
Profit before tax	10,199	7,934	29%
Profit after tax	6,237	7,096	-12%
Profit attributable to owner of the Company	6,237	7,096	-12%

The Group recorded a higher turnover of RM52.8 million but lower profit after tax of RM6.2 million for the current quarter under review compared to the immediate preceding quarter of RM48.5 million and RM7.1 million. The increase in turnover mainly contributed by strong Malaysia festive season sales. The decrease in profit after tax were mainly due to underestimation of tax expense in the past 3 quarters.

17 Commentary on the prospect

The relocation from both factories to Pulau Indah has been successfully completed in Q4 2018. With this world class facility we will be able to achieve greater operational efficiency and simultaneously improve production capacity.

The overall market is expected to remain challenging as the market will be impacted by market uncertainties both domestically and globally. The Group will continue to focus in improving the Group's performance by innovating new products portfolio, improving operational efficiency, adopting cost saving measures and broadening the distributor network to grow the Group's revenue and profitability.

18 Variance of actual and profit forecast

The Group did not issue any profit forecast or profit guarantee for the financial year ended 31 December 2018.

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

19 Profit before tax

The following have been included in arriving at profit before tax:

	3 months ended 31 Dec 2018 RM'000	3 months ended 31 Dec 2017 RM'000	Year-to-date ended 31 Dec 2018 RM'000	Year-to-date ended 31 Dec 2017 RM'000
Profit before tax is arrived at after charging:				
Interest expense	196	41	413	160
Depreciation and amortisation	2,428	1,560	7,001	6,181
Foreign exchange (gain)/loss				
-Realised	(635)	3,294	(782)	1,219
-Unrealised	105	(2,523)	(243)	1,371
Loss/(gain) on disposal of property, plant and equipment	2	61	(48)	87
and after crediting:				
Interest income	168	160	655	710
Other income	130	142	841	952

20 Finance cost

	3 months ended 31 Dec 2018 RM'000	3 months ended 31 Dec 2017 RM'000	Year-to-date ended 31 Dec 2018 RM'000	Year-to-date ended 31 Dec 2017 RM'000
Interest expense of financial liabilities that are -not at fair value through profit or loss:				
Term loans, secured	196	254	833	1,085
Other bank charges	56	48	214	228
	<u>252</u>	<u>302</u>	<u>1,047</u>	<u>1,313</u>
Recognised in profit or loss	252	89	627	388
Capitalised on qualifying assets:				
-property, plant and equipment	-	213	420	925
	<u>252</u>	<u>302</u>	<u>1,047</u>	<u>1,313</u>

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

21 Income tax expense

	3 months ended 31 Dec 2018 RM'000	Year-to-date ended 31 Dec 2018 RM'000
Tax expense - Current year	118	2,780
- Over-provision in prior years	(817)	(817)
Deferred tax expense		
-origination and reversal of temporary differences	4,661	4,671
Total	<u>3,962</u>	<u>6,634</u>

The Group's tax rate for the income tax expense during the quarter was higher than the statutory tax rate of 24% mainly due to underestimation of tax expense in the past 3 quarters and recognition of deferred tax expense during the quarter.

The effective tax rate for the year ended 31 December 2018 is lower than the statutory tax rate, this is mainly due to recognition of over provision of tax in the previous years.

22 Corporate Proposals

There were no corporate proposal announced but not completed as at date of this report.

23 Borrowings (secured)

	As at 31 Dec 2018 RM'000	As at 31 Dec 2017 RM'000
Short term borrowings:		
in Malaysia Ringgit	3,623	3,623
in US Dollar	-	4,138
	<u>3,623</u>	<u>7,761</u>
Long term borrowings:		
in Malaysia Ringgit	<u>12,981</u>	<u>16,603</u>

24 Material litigation

The Group does not have any material litigation as at the date of this announcement.

25 Dividends

No dividend has been declared or recommended for payment by the Company for the current financial quarter.

KAWAN FOOD BERHAD (640445-V)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

26 Earnings per share ("EPS")

a) Basic earnings per share

	3 months ended 31 Dec 2018	3 months ended 31 Dec 2017	Year-to-date ended 31 Dec 2018	Year-to-date ended 31 Dec 2017
Profit attributable to equity holders of the parent	6,237	5,852	23,432	29,106
Weighted average number of ordinary shares in issue (units)	359,519,760	359,519,760	359,519,760	359,519,760
Basic earning per share (sen)	1.73	1.63	6.52	8.10

b) Diluted earnings per share

There are no diluted EPS as the Company does not have any convertible financial instrument as at the end of the current quarter under review.

By Order of the Board

Gan Thiam Chai
 Executive Chairman
 Date: 28 February 2019