



**PRICEWORTH INTERNATIONAL BERHAD (399292-V)**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR PERIOD ENDED 30 SEPTEMBER 2016**

**Statements of comprehensive income**

For the financial year period ended 30 September 2016

	INDIVIDUAL QUARTERS		CUMULATIVE QUARTERS	
	30.09.16 RM'000	30.09.15 RM'000	30.09.16 RM'000	30.09.15 RM'000
<b>Revenue</b>	29,386	46,214	29,386	46,214
Cost of sales	(21,114)	(35,023)	(21,114)	(35,023)
<b>Gross Profit</b>	<u>8,272</u>	<u>11,191</u>	<u>8,272</u>	<u>11,191</u>
<b>Other items of income</b>	1,282	1,194	1,282	1,194
<b>Other items of expenses</b>				
Administration expenses	(2,843)	(3,533)	(2,843)	(3,533)
Other operating expenses	(4)	(40)	(4)	(40)
Selling expenses	(2,636)	(4,113)	(2,636)	(4,113)
Finance costs	(3,642)	(3,812)	(3,642)	(3,812)
<b>Profit / (Loss) before tax</b>	<u>429</u>	<u>887</u>	<u>429</u>	<u>887</u>
Income tax expenses	(102)	(1)	(102)	(1)
<b>Profit / (Loss) after tax</b>	<u>327</u>	<u>886</u>	<u>327</u>	<u>886</u>
Other comprehensive income / (loss)	(932)	(3,037)	(932)	(3,037)
<b>Total comprehensive income / (loss)</b>	<u><u>(605)</u></u>	<u><u>(2,151)</u></u>	<u><u>(605)</u></u>	<u><u>(2,151)</u></u>
<b>Profit / (Loss) attributable to:</b>				
Owners of the parent	327	795	327	795
Non-controlling interests	-	91	-	91
	<u>327</u>	<u>886</u>	<u>327</u>	<u>886</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	(605)	(2,242)	(605)	(2,242)
Non-controlling interests	-	91	-	91
	<u><u>(605)</u></u>	<u><u>(2,151)</u></u>	<u><u>(605)</u></u>	<u><u>(2,151)</u></u>
<b>Earnings per share attributable to owners of the parent (sen per share):</b>				
Basic	<u>0.05</u>	<u>0.16</u>	<u>0.05</u>	<u>0.16</u>



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED BALANCE SHEETS

Statements of financial position

As at 30 September 2016

	AS AT END OF CURRENT QUARTER (UNAUDITED) 30.09.2016 RM'000	AS AT END OF PRECEDING FINANCIAL YEAR (AUDITED) 30.06.2016 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	238,558	246,943
Biological assets	83,712	80,902
Land use rights	14,046	13,762
Intangible assets	36,911	36,889
Deferred tax assets	14,159	14,159
	<b>387,386</b>	<b>392,655</b>
<b>Current assets</b>		
Inventories	42,631	40,541
Trade and other receivables	55,149	65,424
Prepayments	8,422	7,122
Cash and bank balances	4,892	12,720
	<b>111,094</b>	<b>125,807</b>
<b>Total assets</b>	<b>498,480</b>	<b>518,462</b>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Loans and borrowings	139,587	139,450
Trade and other payables	39,053	57,420
Income tax payable	133	53
	<b>178,773</b>	<b>196,923</b>
<b>Net current assets / (liabilities)</b>	<b>(67,679)</b>	<b>(71,116)</b>
<b>Non-current liabilities</b>		
Loans and borrowings	21,669	23,211
Deferred tax liabilities	23,723	23,777
	<b>45,392</b>	<b>46,988</b>
<b>Total liabilities</b>	<b>224,165</b>	<b>243,911</b>
<b>Net assets</b>	<b>274,315</b>	<b>274,551</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	65,459	65,459
Share premium	76,034	76,034
Other reserves	74,023	74,586
Treasury shares	(10,324)	(10,324)
Retained earnings	69,346	69,019
	<b>274,538</b>	<b>274,774</b>
<b>Non-controlling interests</b>	<b>(223)</b>	<b>(223)</b>
<b>Total equity</b>	<b>274,315</b>	<b>274,551</b>
<b>Total equity and liabilities</b>	<b>498,480</b>	<b>518,462</b>
<b>Net assets per share (RM)</b>	<b>0.42</b>	<b>0.42</b>



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	← Attributable to Equity Holders of the Parent →										
	Share Capital RM'000	Share Premium RM'000	< Non - Distributable >			Other Reserve, Total RM'000	Treasury Shares RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Warrant Reserve RM'000			Other Reserve RM'000	Foreign Currency Translation Reserve RM'000							
At 1 July 2016	65,459	76,034	-	74,511	75	74,586	(10,324)	69,019	274,774	(223)	274,551
Transfer of Warrant Reserve to Other Reserve on Expiry of Warrants	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	369	(932)	(563)	-	327	(236)	-	(236)
At 30 September 2016	65,459	76,034	-	74,880	(857)	74,023	(10,324)	69,346	274,538	(223)	274,315
At 1 July 2015	46,670	75,855	4,343	74,511	(524)	78,330	(10,324)	63,506	254,037	27	254,064
Total comprehensive income	-	-	-	-	(3,037)	(3,037)	-	979	(2,058)	(6)	(2,064)
Issuance of shares :											
- On Conversion of Redeemable Convertible Notes	3,753	247	-	-	-	-	-	-	4,000	-	4,000
- Share issue expenses	-	(231)	-	-	-	-	-	-	(231)	-	(231)
Dividend on Ordinary Shares	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2015	50,423	75,871	4,343	74,511	(3,561)	75,293	(10,324)	64,485	255,748	21	255,769

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.)



PRICEWORTH INTERNATIONAL BERHAD (399292-V)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	3 months ended 30.09.16 RM'000	3 months ended 30.09.15 RM'000
Net profit/(loss) before tax	429	887
Adjustments for:-		
Amortisation of land used right	54	18
Depreciation of property, plant and equipment	7,695	9,258
Impairment Loss on property, plant and equipment	-	-
Gain on disposal of property, plant and equipment	(387)	(531)
Amortisation of timber rights	687	932
Interest expense	3,642	3,812
Operating profit before changes in working capital	12,120	14,376
Changes in working capital:		
(Increased)/Decreased in inventories	(2,090)	(1,808)
(Increased)/Decreased in receivables	10,275	782
(Increased)/Decreased in prepayments	(1,300)	4,398
Increased/(Decreased) in payables	(18,367)	(10,200)
Net cash from operation	638	7,548
Interest paid	(3,642)	(3,812)
Tax paid	(5)	(88)
Net cash generated from operating activities	(3,009)	3,648
Investing activities		
Purchase of plant and equipment	(810)	(3,196)
Acquisition of intangible assets	-	-
Payment for forest planting expenditure	(2,810)	(5,915)
Proceeds from disposal of plant and equipment	769	685
Share issuance expenses	-	-
Interest received	-	-
Net cash used in investing activities	(2,851)	(8,426)
Financing activities		
Proceeds from issuance of Redeemable Convertible Notes	-	3,769
Proceeds from Soft Loan Drawdown / Hire Purchase	-	2,500
Repayment of Bank Borrowings	(1,405)	(1,670)
Net cash from financing activities	(1,405)	4,599
Net Increase/(decrease) in cash and cash equivalents	(7,265)	(179)
Effect of exchange rate changes on cash and cash equivalents	(563)	(2,058)
Cash and cash equivalents at beginning of the year / period	12,720	3,815
Cash and cash equivalents at end of year / period	4,892	1,578
Cash and cash equivalents at end of the year comprise the following:		
	RM'000	RM'000
Fixed deposits with licenced banks	-	408
Cash and bank balances	4,892	1,170
	4,892	1,578

# PRICEWORTH INTERNATIONAL BERHAD

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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### **PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**

#### **1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The preparation of an interim financial report in conformity with FRS 134, Interim Financial Reporting, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report should be read in conjunction with the audited financial statements for the year ended 30 June 2016. It contains unaudited condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 30 June 2016. The condensed consolidated interim financial report and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Financial Reporting Standards (FRSs).

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2016.

The statutory financial statements for the year ended 30 June 2016 are available from the Company's registered office.

#### **2. Auditors' Report on Preceding Annual Financial Statements**

The Group's audited financial statements for the financial year ended 30 June 2016 were reported on without any qualification.

#### **3. Segmental Information**

No segmental report was prepared as the Group is primarily engaged in manufacturing, extracting and trading of timber and timber related products with its principal place of business in Sabah, Malaysia.

#### **4. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items as a result of their nature, size or incidence that had affected assets, liabilities, equity, net income or cash flows during the financial period.

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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### 5. Changes in Estimates

There were no significant changes in estimates that have had a material effect on the current quarter results.

### 6. Seasonal or Cyclical Factors

The Group's performance was not subject to any material seasonal or cyclical factors except that the timber logs extraction operation could be affected to a certain extent by the prevailing weather conditions.

### 7. Dividends Paid

There were no dividends paid during the current quarter under review. No dividend has been proposed by the Directors for the quarter under review (corresponding period 30.09.2015: nil)

### 8. Carrying Amount of Revalued Assets

There were no valuations of property, plant and equipment during the current quarter.

### 9. Debts and Equity Securities

#### a) Treasury Shares

During the current quarter, there were no treasury shares bought back, cancelled or resold.

Listed below the number of treasury shares as at 30 September 2016:

	Number Of Shares	Cost (RM)
Balance as at 01 July 2016	12,562,832	10,324,612
Increase / (Decrease) in treasury shares	0	0
Total treasury shares as at 30 September 2016	12,562,832	10,324,612

### 10. Changes in the Composition of the Group

The company had on 28 September 2016 incorporated a new subsidiary company, namely GSR Pte. Ltd., a private limited company in Singapore with a issued share Capital of SGD100. Hence, GSR Pte. Ltd. is now the wholly subsidiary of the company. At present, GSR Pte. Ltd. is a dormant Company. The intended principal activity of the GSR Pte. Ltd. is investment holding.

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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### 11. Contingent Liabilities and Contingent Assets

#### Guarantees

The Company has provided corporate guarantees to subsidiaries as securities for hire purchase and lease financing facilities amounting to RM30,000,000.00. The balance of these facilities outstanding at 30.09.2016 amounted to RM14,290,983.00.

### 12. Subsequent Events

There were no material events subsequent to the end of the current quarter except as stated in the Note 21 on the corporate proposals.

## **PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

### 13. Review of Performance

For the current quarter under review, the Group recorded revenue of RM29 million, 37% decrease in revenue when compared with the RM46 million in the corresponding quarter

30.09.2015. The Group also recorded a profit before tax of RM0.4 million compared to a profit before tax of RM0.9 million in the corresponding quarter 30.09.2015.

The decreased in sales revenue is due to decrease in production volume. However managed to achieved a profit before tax of 0.4 million benefited by the high USD / MYR exchange rate.

### 14. Variation of Result to immediate preceding quarter

For the current quarter under review, the Group posted revenue of RM29 million compared to RM49 million in the immediate preceding quarter. The profit before tax is RM 0.4 million compared to a profit before tax of RM0.7 million in the immediate preceding quarter.

The decreased in sales revenue is due to decrease in production volume. However managed to achieved a profit before tax of 0.4 million benefited by the high USD / MYR exchange rate.

### 15. Company's Prospects

The outlook for Malaysian timber industry remains stable with stable selling price in Japan and China as well as other Asian countries. The outlook for timber demand from Japan and China, who are major purchasers of plywood and round logs respectively is promising with growth from various positive factors and a stabilizing economy.

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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However, during the financial year ended 2016, the Group is facing shortage of raw materials and in order to increase the production level, the Group is actively sourcing for a more stable supply of raw materials and have made some significant progress in this area. In addition, the Group is also actively developing the forest re-plantation area in order to secure long term stability of supplies to the downstream timber processing plants.

Despite the gloomy financial results of the Group and looming threats in the timber industry, there are still great opportunities for the Group given the knowledge, capacity and competency it has acquired and built up over the years.

The Group is leveraging on its recently-developed skill in operating two sustainable forest units of 8,000 hectares and 20,000 hectares, and it intends to further expand into sustainable forest units to ensure the adequacy of logs supply for downstream processing.

Realising these opportunities and having assessed the inherent strengths of the PIB Group, the Board of Directors of PIB has been considering expansion plans and financial restructuring schemes so as to achieve production cost efficiency.

For the financial year 2016/2017, barring any unforeseen circumstances, the Board of Directors expect to improve the Group's performance and the Group will continue to assess its internal and external risks and implement strategies to secure long term

stability in raw material supply, control operating costs and explore new markets for its products.

### **16. Profit Forecast or Profit Guarantee**

This is not applicable as no profit forecast and profit guarantee were given.

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

### 17. Additional disclosure Profit before tax

	<b>Current Quarter 30.09.2016 RM'000</b>	<b>Cumulative Quarters Current Year To Date 30.09.2016 RM'000</b>
Profit before tax is Arrived at after charging/(crediting)		
Other income	(1,282)	(1282)
Interest expense	3,642	3,642
Amortization and depreciation	8,436	8,436

### 18. Income Tax

Taxation comprises the following:-

	<b>Current Quarter 30.09.2016 RM'000</b>	<b>Cumulative Quarters Current Year To Date 30.09.2016 RM'000</b>
Current taxation	-	-
Deferred taxation	(102)	(102)
	<u>(102)</u>	<u>(102)</u>

The taxation is computed after taking into consideration the utilisation of unutilised tax losses and unabsorbed capital allowance from subsidiary companies.

### 19. Profit or Loss on Sales of Unquoted Investments or Properties

There were no sales of investments or properties during the current quarter and financial year to-date.

### 20. Quoted Securities

#### (a) Purchases and Disposals of Quoted Securities

There were no purchases and disposals of quoted securities for the current quarter and financial period to-date.

#### (b) Investments in quoted securities

There was no investment in quoted securities for the current quarter and financial year to-date.

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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### 21. Corporate Proposals

- (a) The company has on 8 October 2016 and 19 October 2016 approved and announced the corporate proposals as follows:-
- (i) GSR Pte. Ltd., the wholly own subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Transkripsi Pintar Sdn. Bhd. (Transkripsi), for the acquisition of the entire issued and paid up share capital of Rumpunan Capaian Sdn. Bhd. (Rumpun) for a purchase consideration of RM260,000,000 upon such terms and conditions as stipulated in the SPA;
  - (ii) Rumpun is the holding company of Anika Desiran Sdn Bhd which has been awarded a 100-year concession on 10 September 1997 to carry out harvesting, forest management and rehabilitation, and industrial tree planting under the principles of sustainable forest management and environmental conservation for economic, environmental and social purposed within the forest reserve area comprising 101,161 hectares in Trus Madi, Sabah known as Forest Management Unit 5 ("FMU");
  - (iii) Concurrently with the execution of SPA, Sinora Sdn. Bhd. (Sinora), the wholly owned subsidiary of the Company, would also enter into a Log Extraction and Timber Sale Agreement with Anika Desiran Sdn. Bhd. (Anika), 99.99% owned subsidiary of Rumpun, to allow Sinora (by way of an irrevocable power of attorney in favour of Sinora) to extract all commercial logs within the forest reserve area;
  - (iv) A proposed private placement of up to 64,203,342 new PIB shares representating 10% of the existing issued and paid up share capital of the Company to third party investors at an issue price to be determined;
  - (v) A proposed special issue of up to 141,247,353 new PIB shares to independent third party investor(s);
  - (vi) A proposed renounceable two-call right issue of up to 1,694,968,244 new PIB Shares (2 Rights Shares for every 1 existing PIB shares held) together with a bonus issue of up to 847,484,122 new PIB bonus shares (1 Bonus Share for every Rights Shares);
  - (vii) The proposed increase in authorized share capital of the Company from RM200,000,000 comprising of 2,000,000,000 shares to RM350,000,000 comprising of 3,500,000,000 shares;
  - (viii) The proposed amendment to the Memorandum of Association of the Company;
  - (ix) The proposed acquisition of Sinora by GSR at net book value ("Proposed Acquisition of Sinora"); and

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

(x) The proposed listing GSR on the Singapore Exchange Securities Trading Limited (SGX) upon completion of the Proposed Listing.

(b) On 25 October 2016 the company received the approval from Bursa Securities for the listing and quotation of up to 64,203,342 new ordinary shares of RM0.10 each to be issued pursuant to the Proposed Private Placement.

### 22. Retained Earnings

	As at 30.09.2016 RM'000	As at 30.06.2016 RM'000
Total retained earnings of the Group;		
-Realised	96,179	89,438
-Unrealised	4,255	9,617
	100,434	99,055
Less: Consolidation adjustments	(31,088)	(30,036)
Total Group retained earnings as per Consolidated accounts	69,346	69,019

The disclosure of realized and unrealized profits above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad.

### 23. Borrowings

Long Term borrowings as at 30 September 2016:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	12,448	-	12,448
2) Hire Purchase Creditors	9,221	-	9,221
	21,669	-	21,669

Short Term borrowings as at 30 September 2016:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	134,517	-	134,517
2) Hire Purchase Creditors	5,069	-	5,069
	139,586	-	139,586

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Total group borrowings as at 30 September 2016:

	Secured RM'000	Unsecured RM'000	Total RM'000
1) Term Finance	146,965	-	146,965
2) Hire Purchase Creditors	14,290	-	14,290
	<u>161,255</u>	<u>-</u>	<u>161,255</u>

All the borrowings of the Group are secured.

The Term Finance of the Company is secured by way of a debenture over all fixed and floating assets of the Group, and of a third party. Included in Term Finance is also a loan secure by a first party deed of assignment assigning to the lender all its harvesting rights of the planted timber in favour of the lender.

As at 30 September 2016, the Company has not complied with the repayment terms of its bank borrowings and has short paid its instalments totaling RM15,164,147. Pursuant to FRS 101 *Presentation of Financial Statements* a breach of a provision of long-term loan would result in the entire liability being classified as current unless the lender had agreed by the end of the reporting period to provide a grace period of at least Twelve (12) months after the reporting period. As no grace period has been obtained by the Company as at 30.09.2016, the entire liability has been reclassified as current.

On 22 August 2016, the Company received an offer by United Overseas Bank (Malaysia) Berhad (UOB) for revolving credit amounting to RM80,000,000 for the purpose of part finance the repayment of existing loan with Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat) to facilitate the merger of all its assets pursuant to the proposed listing of its wholly owned subsidiary on the Singapore Stock Exchange as mentioned in Note above. The securities of the said facility are as follows:

- (i) A third party first legal charge over the assets of the subsidiary of the Company for RM80,000,000 is to be created over leasehold lands held under Title Nos. CL075365794, CL075203726, CL075365785, CL075170277, CL075364948, CL075170286, CL075170268 and CL075170062 at Mile 3.4, Jalan Ulu Sibuga, Kuala Seguntor, Sandakan, Sabah (Property 1);
- (ii) A third party first legal charge over the assets of the subsidiary of the Company for RM80,000,000 is to be created over vacant lands held under Title Nos. CL075376153 and CL075472338, at Mile 6.5, Batu Sapi, Sandakan, Sabah (Property 2); and
- (iii) An assignment of the leasing proceeds from banking facilities granted by another financial institution(s) upon completion of the financing for which a Deed of Assignment of Leasing Proceeds and Power of Attorney are to be executed. All leasing proceeds are to be credited to such account prescribed by UOB from time to time.

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## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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Prior to the disbursement of the revolving credit, the Company has to fulfill the following conditional precedents:

- (i) Completion of all legal/ security documentation and UOB's receipt from the Company of an irrevocable undertaking to proceed with and complete the rights issue which will raise a sum of not less than RM80,000,000 (excluding working capital and listing expenses) for settlement of loans;
- (ii) An Irrevocable Letter of Instruction (ILI) from the Company to UOB immediately, upon the receipt of the Rights Proceeds in the Rights Proceeds Account, to utilise an amount of not less than RM80,000,000 to set off the outstanding payable to UOB under the revolving credit facility;
- (iii) An ILI from the Company to the appointed Share Registrars having charge of the Rights Issue Proceeds to open and maintain with UOB an account (Rights Proceeds Account) for which the entire Rights Proceeds are to be deposited;
- (iv) An ILI from the Company and the Director of the Company, namely, Lim Nyuk Foh, being the major shareholder of the Company (Relevant Shareholder) to UOB to utilise the funds channelled into the following escrow accounts maintained with UOB for which the following sums are to be deposited for the following purposes:
  - escrow account by the Relevant Shareholder – a sum equivalent to the aggregate subscription price for 34% of the Rights Issue to be deposited by the Relevant Shareholder for his subscription of up to 34% of Rights Issue to be raised. The subscription is to be remitted to the Rights Proceeds Account; and
  - escrow account by the Company – a sum of not less than RM20,000,000 to be deposited by the Company for payment to Bank Rakyat being partial payment of the redemption sum of approximately RM100,000,000 to redeem Property 1 and Property 2 which are currently charged to Bank Rakyat.
- (v) An Irrevocable Letter of Undertaking from the substantial shareholders of the Company to subscribe in full for their respective entitlements under the Rights Issue (not less than 34%) whilst the open portion of the rights shares (amounting to 66%) will be fully underwritten by RHB Investment Bank Berhad. Such substantial shareholders and RHB Investment Bank shall irrevocably undertake to remit the subscription monies under the Rights Issue to the Rights Proceeds Account;

Prior to the disbursement of the revolving credit, the Company has to fulfill the following conditional precedents:

- (vi) An underwriting arrangement (upon terms acceptable to UOB) with financial institution(s) acceptable to UOB pertaining to the open portion of the Rights Share shall have been put in place;

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- (vii) Approval from the shareholders of the Company, governmental, regulatory and other 3<sup>rd</sup> parties (if any) have been obtained in relation to the Rights Issue exercise and the Rights Proceeds Account have been opened with UOB.
- (viii) The confirmation satisfactory from the Company to UOB that the following have been fully placed out and/or subscribed:
- the Private Placement of 64,204,340 new shares of the Company (Placement Shares) to be issued is equivalent to 10% of the current share capital of the Company;
  - the Special Issue of 141,247,353 new shares of the Company (Special Issue Shares) to be issued equivalent to 20% of the enlarged share capital of the Company.
- (ix) A professional valuation of Property 1 and Property 2 is to be carried out by panel valuer of UOB and the terms and conditions stated in the valuation report are acceptable to UOB. If the total current market value of Property 1 and Property 2 be less than RM76,000,000, the banking facility may be revised and the limit thereof be reduced at the sole discretion of UOB;
- (x) Receipt of the redemption statement and undertaking from Bank Rakyat (upon terms acceptable to UOB) and if the redemption sum stated is more than the revolving credit facility, evidence acceptable to UOB that the shortfall have been paid to Bank Rakyat or be deposited by the Company with UOB in the escrow account in paragraph (iv) above for payment to Bank Rakyat; and
- (xi) Receipt of the letter of subordination executed by the Directors and shareholders of the Company which UOB may be specified (Person(s)) in respect of subordination of all the loans and advances granted by the Person(s) to the Company to the loans and advances granted by UOB, together with resolution passed.

Nevertheless, the Company should also comply with the terms and conditions governing drawdown of revolving credit facility, as follows:

- (i) Compliance with conditional precedents above;
- (ii) All security/legal documentation have been duly executed;
- (iii) Accuracy as to all representations and warranties in all material respects;
- (iv) Certified true copies of all relevant constitutive documents and corporate entities required to provide any security for the revolving credit facility (Security Parties), where applicable;
- (v) Certified true copies of the resolutions of the Board of Directors of the Company and the Security Parties, where applicable;
- (vi) The payment in full of all fees, expenses and other amounts payable including all fees and expenses incurred/ to be incurred by UOB;

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- (vii) No event of default and potential event of default; and
- (viii) Other conditions or documentation as may reasonably be required by UOB.

### 24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

### 25. Material Litigation

There was no material litigation for the financial period under review.

### 26. Dividend Declared

There was no dividend declared for the financial quarter under review.

### 27. Earnings Per Share

#### (a) Basic

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

Individual Quarter		Cumulative Quarters	
3 months ended		3 months ended	
30.09.2016	30.09.2015	30.09.2016	30.09.2015

#### Basic earnings per share

	30.09.2016	30.09.2015	30.09.2016	30.09.2015
Net profit / (loss) (RM'000)	327	795	327	795
Weighted average number of ordinary shares in issue ('000)	654,596	489,859	654,596	489,859
Basic earnings per share (sen)	0.05	0.16	0.05	0.16
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A