

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2017**  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/6/2017 RM'000	Preceding Year Corresponding Quarter 30/6/2016 RM'000	Current Year To Date 30/6/2017 RM'000	Preceding Year Corresponding Period 30/6/2016 RM'000
<b>Continuing Operations:</b>				
Revenue	13,169	23,830	28,664	47,781
Cost of sales	(10,040)	(16,174)	(20,946)	(33,218)
Gross profit	<u>3,129</u>	<u>7,656</u>	<u>7,718</u>	<u>14,563</u>
Other income	47	93	643	730
Operating expenses	(4,819)	(5,445)	(10,343)	(11,602)
Finance costs	(399)	(505)	(830)	(955)
<b>(Loss)/Profit before taxation</b>	<u>(2,042)</u>	<u>1,799</u>	<u>(2,812)</u>	<u>2,736</u>
Taxation	(235)	(272)	(634)	(755)
<b>(Loss)/Profit for the period</b>	<u>(2,277)</u>	<u>1,527</u>	<u>(3,446)</u>	<u>1,981</u>
Other comprehensive income ("OCI")	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<u><u>(2,277)</u></u>	<u><u>1,527</u></u>	<u><u>(3,446)</u></u>	<u><u>1,981</u></u>
<b>Attributable to:</b>				
Owners of the Company	(2,313)	1,407	(3,518)	1,740
Non-controlling interest	36	120	72	241
	<u>(2,277)</u>	<u>1,527</u>	<u>(3,446)</u>	<u>1,981</u>
<b>Earnings per share</b>				
- Earnings per share (sen)*	<u><u>(0.95)</u></u>	<u><u>0.58</u></u>	<u><u>(1.45)</u></u>	<u><u>0.72</u></u>

Notes:

The Condensed Consolidated Statement 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.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

(The figures have not been audited)

	(Unaudited) As At End of Current Period 30/6/2017 RM'000	(Audited) As At End of Preceding Financial Year 31/12/2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	50,266	52,327
Deferred taxation	1,702	1,702
	<u>51,968</u>	<u>54,029</u>
<b>Current assets</b>		
Property development cost	63,776	58,069
Inventories	15,050	14,911
Trade receivables	14,975	21,221
Other receivables, deposits and prepayments	2,150	1,666
Tax recoverable	-	445
Fixed deposit	279	1,641
Forward exchange contracts	54	-
Short term funds	89	132
Cash and bank balances	9,458	5,215
	<u>105,831</u>	<u>103,300</u>
<b>TOTAL ASSETS</b>	<u><u>157,799</u></u>	<u><u>157,329</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	24,300	24,300
Share Premium	19,728	19,728
Retained Earnings	26,466	29,984
	<u>70,494</u>	<u>74,012</u>
Non-controlling interest	961	889
<b>Total equity</b>	<u>71,455</u>	<u>74,901</u>
<b>Non-current liabilities</b>		
Term loans and bridging loans	30,509	30,479
Hire purchase payables	233	554
	<u>30,742</u>	<u>31,033</u>
<b>Current liabilities</b>		
Trade payables	21,248	25,516
Other payables and accruals	14,799	9,816
Amount due to director	23	4
Bank overdrafts	5,144	5,556
Bills payable	4,318	5,189
Hire purchase payables	705	953
Term loans and bridging loans	9,250	4,097
Forward exchange contracts	-	264
Provision for taxation	115	-
	<u>55,602</u>	<u>51,395</u>
<b>Total liabilities</b>	<u>86,344</u>	<u>82,428</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>157,799</u></u>	<u><u>157,329</u></u>
Net Assets Per Share (RM)	0.29	0.30

Notes:

The Unaudited Condensed Consolidated Statement 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.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

(The figures have not been audited)

	<b>/--Attributable to Equity Holders of the Company--/</b>			<b>Total</b>	<b>Non- Controlling Interest</b>	<b>Total Equity</b>
	<b>/---Non-distributable---/</b>	<b>Distributable</b>				
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</b>			
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2017</b>	<b>24,300</b>	<b>19,728</b>	<b>29,984</b>	<b>74,012</b>	<b>889</b>	<b>74,901</b>
Total comprehensive income/(loss) for the period	-	-	(3,518)	(3,518)	72	(3,446)
<b>At 30 JUNE 2017</b>	<b>24,300</b>	<b>19,728</b>	<b>26,466</b>	<b>70,494</b>	<b>961</b>	<b>71,455</b>
<b>At 1 January 2016</b>	24,300	19,728	26,572	70,600	489	71,089
Total comprehensive income for the period	-	-	1,740	1,740	241	1,981
<b>At 30 JUNE 2016</b>	<b>24,300</b>	<b>19,728</b>	<b>28,312</b>	<b>72,340</b>	<b>730</b>	<b>73,070</b>

Notes:

The Condensed Consolidated Statement 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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017  
(The figures have not been audited)**

	<b>Current Year Period ended 30/6/2017 RM'000</b>	<b>Preceding Year Period ended 30/6/2016 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	<b>(2,812)</b>	2,736
Non-cash items	<b>2,228</b>	2,514
Non-operating items	<b>129</b>	816
Operating profit before working capital changes	<b>(455)</b>	6,066
Inventories	<b>(139)</b>	(119)
Property development costs	<b>(5,708)</b>	(14,459)
Trade and other receivables	<b>6,314</b>	2,508
Trade and other payables	<b>(428)</b>	4,419
Cash generated from operations	<b>(416)</b>	(1,585)
Tax paid	<b>(538)</b>	(362)
Tax refund	<b>464</b>	320
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(490)</b>	(1,627)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(167)</b>	(125)
Interest received	<b>46</b>	24
Proceeds from disposal of property, plant and equipment	<b>-</b>	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(121)</b>	(101)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged	<b>(4)</b>	(177)
Interest paid	<b>(754)</b>	(838)
Repayment of hire purchase payables	<b>(569)</b>	(790)
Withdrawn of fixed deposit	<b>1,366</b>	-
Net drawdown/(repayment) of term loans and bridging loans	<b>5,183</b>	11,661
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>5,222</b>	9,856
Net (decrease)/increase in cash and cash equivalents	<b>4,611</b>	8,128
Cash and cash equivalents at beginning of the financial period	<b>(208)</b>	(4,651)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*</b>	<b>4,403</b>	3,477

**\*Cash and cash equivalents at the end of the financial period comprised the following:**

Bank overdrafts	<b>(5,144)</b>	(3,730)
Cash and bank balances	<b>9,458</b>	7,077
Fixed deposits	<b>279</b>	1,443
Short term funds	<b>89</b>	130
	<b>4,682</b>	4,920
Less: Fixed deposits pledged to a bank for credit facilities	<b>(279)</b>	(1,443)
	<b>4,403</b>	3,477

Notes:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



## **EURO HOLDINGS BERHAD**

(Company No. 646559-T)

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2017**

#### **A1. Basis of preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Paragraph 9.22 of the Main Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting. The condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016. The condensed consolidated interim financial statements and notes thereon however do not include all of the information required for a full set of financial statements prepared in accordance with MFRSs and should be read in conjunction with the annual consolidated financial statements of the Company for the financial year ended 31 December 2016.

#### **A2. Significant Accounting Policies**

The significant accounting policies, methods of computation and basis of consolidation applied in the unaudited condensed consolidated interim financial statements are consistent with those adopted in the annual audited financial statements of the Group for the financial year ended 31 December 2016, except for the adoption of the MFRSs, amendments and interpretations which are effective from the annual period beginning 1 January 2017.

The adoption of the MFRSs, amendments and interpretations did not have any significant impact to the financial statements of the Group.

#### **A3. Auditors' Report**

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

#### **A4. Seasonal and Cyclical Factors**

The Group's operations were not materially affected by seasonal or cyclical factors during the financial period under review.

#### **A5. 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 during the current quarter and period ended 30 June 2017.

#### **A6. Material Changes in Estimates of Amounts Reported**

There were no material changes in accounting estimates that have a material effect in the current quarter under review and financial period to date.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2017****A7. Changes in Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities for the current quarter and period ended 30 June 2017.

**A8. Dividends Paid**

No dividends were paid by the Company in the current quarter and period ended 30 June 2017.

**A9. Segmental Reporting**

For the financial period ended 30 June 2017, the Group's financial information is analysed by operating segments as follows:

**Financial period ended 30 June 2017:**

	<b>Manufacturing RM'000</b>	<b>Property RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
Local	6,563	-	-	-	6,563
Exports	22,101	-	-	-	22,101
	<u>28,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,664</u>
<b>Results</b>					
Segment Results	(557)	(603)	606	(1,428)	(1,982)
Finance costs	(1,246)	(2)	(31)	449	(830)
Profit/(Loss) before taxation	<u>(1,803)</u>	<u>(605)</u>	<u>575</u>	<u>(979)</u>	<u>(2,812)</u>
Taxation	(445)	(12)	(177)	-	(634)
Profit/(Loss) after taxation	<u>(2,248)</u>	<u>(617)</u>	<u>398</u>	<u>(979)</u>	<u>(3,446)</u>
<b>Net Assets as at 30 June 2017</b>	<u>53,321</u>	<u>(4,058)</u>	<u>48,646</u>	<u>(26,454)</u>	<u>71,455</u>

**Financial period ended 30 June 2016:**

	<b>Manufacturing RM'000</b>	<b>Property RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
Local	9,442	-	-	-	9,442
Exports	38,339	-	-	-	38,339
	<u>47,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,781</u>
<b>Results</b>					
Segment Results	4,701	(608)	(305)	(97)	3,691
Finance costs	(953)	(2)	-	-	(955)
Profit/(Loss) before taxation	<u>3,748</u>	<u>(610)</u>	<u>(305)</u>	<u>(97)</u>	<u>2,736</u>
Taxation	(755)	-	-	-	(755)
Profit/(Loss) after taxation	<u>2,993</u>	<u>(610)</u>	<u>(305)</u>	<u>(97)</u>	<u>1,981</u>
<b>Net Assets as at 30 June 2016</b>	<u>53,343</u>	<u>(3,401)</u>	<u>47,704</u>	<u>(24,576)</u>	<u>73,070</u>

## EURO HOLDINGS BERHAD

(Company No. 646559-T)

### NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2017

#### A10. Material Events Subsequent to the End of the Financial Period

There were no material events between the end of the financial period and the date of this report that have not been reflected in the financial statements for the financial period.

#### A11. Changes in the Composition of the Group

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

#### A12. Capital Commitments

	<b>As at 30/6/2017 RM'000</b>
Property, plant and machinery	
Contracted but not provided for	<u>72</u>

#### A13. Contingent Liabilities and Contingent Assets

Contingent Liabilities of the Group of a material nature are as follows:

	<b>As at 30/6/2017 RM'000</b>
<u>Contingent Liabilities (Unsecured)</u>	
<u>Company</u>	
Corporate guarantees given to:	
- financial institutions for credit facilities granted to subsidiary companies	118,153
- contract customer of a subsidiary company	<u>5,626</u>

#### Group

On 27 April 2017, a sealed copy of the Amended Writ and Statement of Claim both dated 25 April 2017, were served through Tack Yap Construction (M) Sdn Bhd's solicitors to Euroland & Development Sdn Bhd, a wholly owned subsidiary of the Company. The details of the claim are as per the Company's announcement dated 5 May 2017. As the outcome of this legal suit is not presently known, the financial impact cannot be estimated or ascertained with reasonable certainty. Therefore, the Group is unable to quantify the financial impact or expected losses, should there be any.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2017****PART B : ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

	Current Quarter ended 30/6/2017 RM'Million	Preceding Year Corresponding Quarter ended 30/6/2016 RM'Million	Current Year Period Ended 30/6/2017 RM'Million	Preceding Year Period Ended 30/6/2016 RM'Million
<b>Revenue</b>	<b>13.2</b>	23.8	<b>28.7</b>	47.8
<b>(Loss)/Profit before taxation</b>	<b>(2.0)</b>	1.8	<b>(2.8)</b>	2.7

Manufacturing Division

The revenue of 2017 second quarter was recorded at RM13.2 million as compared to RM23.8 million of the corresponding quarter in preceding year, a decrease of RM10.6 million. This was attributed to lower local and export sales due to lower demand resulting from higher material cost.

Property Division

No revenue was recognised from Damai Vista project for the period under review.

The Group's loss before tax of current quarter was recorded at RM2.0 million as compared to RM1.8 million profit before tax of the corresponding quarter in preceding year, a decrease of RM3.8 million mainly due to lower gross profit in tandem with the lower revenue coupled with higher material cost.

**B2. Variation of Results Against Preceding Quarter**

	Current Quarter ended 30/6/2017 RM'Million	Preceding Quarter ended 31/3/2017 RM'Million
<b>Revenue</b>	13.2	15.5
<b>(Loss)/Profit before taxation</b>	(2.0)	(0.8)

Revenue for current quarter was recorded at RM13.2 million as compared to RM15.5 million of the previous quarter, lower by RM2.3 million due to lower sales.

The Group's loss before tax for the current quarter was at RM2.0 million as compared to RM0.8 million in the previous quarter, an increase of RM1.2 million mainly due to decrease in gross profit in view of the lower revenue coupled with higher material cost, partially mitigated by lower operating expenses.

**B3. Variance of Actual and Forecast Profit**

Not applicable as there is no profit forecast or profit guarantee issued.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2017****B4. (Loss)/Profit for the Quarter/Period**

(Loss)/Profit for the quarter/period is arrived at after charging/(crediting) :-

	Preceding Year		Preceding Year	
	Current Year	Corresponding	Current Year	Preceding Year
	Quarter ended	Quarter ended	Period Ended	Period Ended
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Interest Income	(3)	(12)	(46)	(24)
Other income including investment income	-	(12)	-	(13)
Interest expense	364	446	754	838
Depreciation & amortisation	1,101	1,251	2,228	2,514
Foreign exchange (gain)/loss	(104)	(153)	150	(400)
Loss/(Gain) on derivatives	(54)	286	(318)	(91)

**B5. Current Year Prospects**

The global and domestic economy outlook is projected to be on a modest recovery in 2017 with some uncertainties in certain markets of interest to us. The manufacturing division shall continue to compete strategically in terms of pricing and product offerings to strengthen its market share.

The property sector outlook is challenging in the current economic environment. Despite the challenges, construction works of **Damai Vista** Condominium will continue to progress as scheduled.

**B6. Taxation**

	Preceding Year		Preceding Year	
	Current Year	Corresponding	Current Year	Preceding Year
	Quarter ended	Quarter ended	Period Ended	Period Ended
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
<u>Current taxation</u>				
-current year	235	272	634	755
-prior year		-		-
	<b>235</b>	<b>272</b>	<b>634</b>	<b>755</b>
Deferred taxation		-		-
	<b>235</b>	<b>272</b>	<b>634</b>	<b>755</b>

The effective tax rate for the financial period ended 30 June 2017 was higher than the statutory tax rate mainly due to deferred tax assets arising from current year's losses were not recognised.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2017****B7. Group Borrowings and Debt Securities**

The Group's borrowings as at 30 June 2017 are as follows:

	<b>Short Term</b>	<b>Long Term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 30 June 2017</b>			
<b><u>Secured</u></b>			
Overdrafts	5,144	-	5,144
Bills payables	4,318	-	4,318
Term loans and bridging loans	9,250	30,509	39,759
Hire purchase payables	705	233	938
	<u>19,417</u>	<u>30,742</u>	<u>50,159</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

**B8. Realised/Unrealised profits**

	<b>As at</b>	<b>As at</b>
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- realised	47,398	48,448
- unrealised	2,016	769
	<u>49,414</u>	<u>49,217</u>
Less: Consolidation adjustments	<u>(22,948)</u>	<u>(20,905)</u>
	<u>26,466</u>	<u>28,312</u>

**B9. Dividend**

No dividend has been proposed or declared for the financial period ended 30 June 2017 (30 June 2016: Nil).

**B10. Derivative Financial Instruments**

The Group uses forward exchange contracts to hedge the Group's sales denominated in USD, EURO, GBP and SGD. Financial derivatives are recognised on their respective contract dates.

Details of the outstanding derivative financial instruments of the Group as at 30 June 2017 are as follows:

<u>Type of instruments</u>	<b>Contract/Notional</b>	<b>Value as at</b>	<b>Fair Value</b>
	<b>Amount</b>	<b>30/6/2017</b>	<b>gain/(loss)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Foreign currency forward contracts			
- Less than 1 year	3,421	3,367	54

The currency forward contracts are transacted with the Group's bankers. Credit risk for non-performance by the counterparties in these instruments is low.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2017****B11. Material Litigation**

The pending material litigation of the Group as at 22 August 2017, consist of the following:

a) Teh Hock Toh ("the Plaintiff") v Euro Space System Sdn Bhd

On 28 March 2017, a sealed copy of the Writ of Summons and Statement of Claim both dated 21 March 2017, were served through the Plaintiff's solicitors to Euro Space System Sdn Bhd, a wholly owned subsidiary of the Company. The details of the claim are as per the Company's announcement dated 29 March 2017. The suit remains on-going.

b) Tack Yap Construction (M) Sdn Bhd ("the Plaintiff") v Euroland & Development Sdn Bhd

On 27 April 2017, a sealed copy of the Amended Writ and Statement of Claim both dated 25 April 2017, were served by the Plaintiff's solicitors on Euroland & Development Sdn Bhd ("Euroland"), a wholly owned subsidiary of the Company. The details of the claim are as per the Company's announcement dated 5 May 2017. Euroland has filed its Defence and Counterclaim on 6 June 2017. The suit remains on-going.

**B12. Earnings Per Share**

The earnings per share for the quarter ended 30 June 2017 is computed as follows:-

	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter ended</b>	<b>Corresponding</b>	<b>Period Ended</b>	<b>Period Ended</b>
	<b>30/6/2017</b>	<b>Quarter ended</b>	<b>30/6/2017</b>	<b>Period Ended</b>
		<b>30/6/2016</b>		<b>30/6/2016</b>
(Loss)/Profit for the quarter/period, attributable to ordinary shareholders of the Company (RM'000)	<b>(2,313)</b>	1,407	<b>(3,518)</b>	1,740
Weighted average number of shares ('000)	<b>243,000</b>	243,000	<b>243,000</b>	243,000
Basic Earnings Per Share (sen)	<b>(0.95)</b>	0.58	<b>(1.45)</b>	0.72

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 30 June 2017.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2017****B13. Corporate Proposal**

On 19 July 2017, the Company had announced to undertake a Private Placement exercise of up to 24,300,000 new ordinary shares in the Company ("Placement Shares"), representing up to 10% of the issued shares ("Private Placement").

On 22 August 2017, the Company had completed its Private Placement exercise. A total of 24,300,000 Placement Shares were issued at RM0.18 per Placement Share.

The gross proceeds received from the Private Placement was RM4.374 million. The proposed utilisation are as follows:

<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Timeframe for utilisation</b>	<b>Explanation</b>
Working Capital	4,315	4,276	Within 6 months	(i)
Defray expenses relating to the exercise	180	98	Within 1 month	(ii)
	<u>4,495</u>	<u>4,374</u>		

(i) In view that the actual issue price for the Placement Shares was priced lower than the indicative issue price, the proceeds received was lesser and correspondingly, the amount allocated for working capital was lesser.

(ii) In view that the actual expenses for the Private Placement was lower than estimated, the excess will be utilised for working capital.

**B14. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors on 29 August 2017.