

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial reports have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and Rule 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements for the ACE Market. The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended (“FYE”) 31 December 2015.

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 FYE 31 December 2015.

The accounting policies and methods of computation adopted in these interim financial statements of the Company and its subsidiaries (“The Group”) are consistent with those adopted for the audited financial statements for the FYE 31 December 2015.

A2 Changes in Accounting Policies

The accounting policies applied by the Group in this unaudited condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 31 December 2015.

A3 Audit report of preceding annual financial statements

The auditors’ report on the financial statements for the financial year ended 31 December 2015 contains a disclaimer of opinion by the external auditors.

A4 Seasonal or cyclical factors

The Group’s operations were not subject to any seasonal or cyclical changes.

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 of the Group since the last annual reporting year’s audited financial statements.

A6 Material changes in estimates

There were no changes in estimates of amounts reported in the prior financial year, which have a material effect in the current financial quarter and financial year-to-date.

A7 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial year-to-date.

A8 Dividend paid

No dividends have been declared or paid in this quarter and financial year-to-date.

A9 Segment information

As there were no sales in the fourth quarter ended 31 December 2016, no segmental information is provided.

A10 Valuation of property, plant and equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have an effect in the current financial quarter and financial year-to-date under review.

A11 Material events subsequent to the end of the quarter

Save as disclosed in B6, there were no other material events subsequent to the current financial quarter ended 31 December 2016 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A13 Contingent liabilities and capital commitments

There were no material contingent liabilities and capital commitments as at the date of this announcement.

A14 Significant Related Party Transaction

There were no significant related party transactions as at the date of this announcement.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of performance

For the current fourth quarter ended 31 December 2016, the Group recorded nil revenue and a pre-tax loss of RM0.439 million while reporting a nil revenue and a pre-tax loss of RM0.576 million for the preceding year corresponding quarter ended 31 December 2015. Losses incurred were mainly professional fees associated with the corporate exercise and administrative cost.

B2 There is also no improvement in the financial results compared to the immediate preceding quarter where the Group recorded a pre-tax loss of RM0.216 million for the third quarter ended 30 September 2016.

B3 Prospects

There is no improvement in operating results for the fourth quarter ended 31 December 2016. Immediate emphasis is on the need for the Group to complete its corporate restructuring exercise. As disclosed in Note B6, Bursa Securities has approved the Regularisation Plan on 25 October 2016.

The Board is mindful of the challenges faced by the Group and is working diligently to improve its performance.

B4 Variance from profit forecast and profit guarantee

The Group did not provide any profit forecast and profit guarantee and thus this is not applicable to the Group.

B5 Taxation

During this quarter, no provision for taxation was made as the Group had adequate unabsorbed tax losses brought forward from previous years to offset the profit incurred, if any, in the current quarter.

B6 Status of corporate proposals

Our Board announced on 15 December 2015 that after further deliberation, our Board decided to discontinue the previous Regularisation Plan. On the same day, our Company entered into a Memorandum of Agreement with the vendors to implement a new Regularisation Plan in relation to GN 3 of the Listing Requirements involving, among others, the proposed acquisition of Parlo Tours Sdn Bhd.

On 17 December 2015, TA Securities submitted on behalf of our Board an application to Bursa Securities seeking its approval for an extension of time of up to 29 April 2016 to submit the new Regularisation Plan which was subsequently approved by Bursa Securities as announced on 8 March 2016.

On 18 March 2016, TA Securities announced on behalf of the Board that the Company proposes to implement the Proposed Regularisation Plan comprising the following to regularize its financial condition:

- (I) Proposed Capital Reduction;
- (II) Proposed Share Consolidation;
- (III) Proposed Acquisition;
- (IV) Proposed Exemption;
- (v) Proposed Debt Settlement;
- (VI) Proposed Private Placement;
- (VII) Proposed Increase In Authorised Share Capital; and
- (VIII) Proposed Amendments

On 29 April 2016, TA Securities announced on behalf of the Board that the Company has submitted an application to Bursa Securities for the following:

- (a) Proposed Regularisation Plan;
- (b) Listing of and quotation for the Consideration Shares;
- (c) Listing of and quotation for the Settlement Shares; and
- (d) Listing of and quotation for the Placement Shares

On 4 October 2016, the Company's two wholly-owned subsidiaries, Nautical Angle Sdn Bhd ("NASB") (Company No. 959303-M) and Imagine Data Sdn Bhd ("IDSB") (Company No. 959296-A) entered into separate memorandum of understandings with Travel Ideas Outline Sdn Bhd ("TIO") (Company No. 119607-T) and Era Persada Travel Services Sdn Bhd ("EPTS") (Company No. 835127-M) respectively for:

1. NASB to subscribe for 225,000 ordinary shares of RM1.00 each in TIO upon the terms and conditions to be agreed between NASB and TIO; and
2. IDSB to subscribe for 300,000 ordinary shares of RM1.00 each in EPTS upon the terms and conditions to be agreed between IDSB and EPTS.

On 25 October 2016, TA Securities announced on behalf of the Board that Bursa Securities had, vide its letter dated 25 October 2016, resolved to approve the Proposed Regularisation Plan.

Bursa Securities has also resolved to approve the admission to the Official List and the listing of:

- (i) 250,000,000 new Cybertowers Shares to be issued pursuant to the Proposed Acquisition;
- (ii) 20,025,570 new Cybertowers Shares to be issued pursuant to the Proposed Debt Settlement; and
- (iii) Up to 84,007,600 new Cybertowers Shares to be issued pursuant to the Proposed Private Placement.

On 3 November 2016, TA Securities announced on behalf of the Board that the SC has vide its letter dated 1 November 2016 (which was received on 2 November 2016) approved the application for the resultant equity structure of Cybertowers under the equity requirement for public listed companies pursuant to its Proposed Regularisation Plan. The said approval is subject to Cybertowers ensuring that at least 12.5% of its enlarged issued and paid-up capital is allocated to or held by Bumiputra investors recognized by Ministry of International Trade and Industry within 1 year after registering a profit and or 3 years after the implementation of the Proposed Regularisation Plan, whichever is earlier. TA Securities/Cybertowers is also required to inform the SC upon completion of the Proposed Regularisation Plan.

On 11 November 2016, TA Securities announced on behalf of the Board that Bursa Securities had, vide its letter dated 10 November 2016 decided to grant the Company an extension of time to issue the Circular within two (2) weeks from the receipt of the SC's consent for the draft independent advice letter to the non-interested shareholders of Cybertowers in relation to the Proposed Exemption.

B7 Group's borrowings and debt securities

Amount owing to a former shareholder amounted to RM4,988,338. The amount owing is unsecured, interest-free and repayable on demand.

Other than the amount owing to a former shareholder, the Group did not have any borrowings and debt security.

B8 Off balance sheet financial instruments

There was no financial instrument with off-balance sheet risk as at the date of this announcement.

B9 Material litigation

There was no material litigation in this quarter and financial year-to-date.

B10 Dividends

No dividends have been declared or paid in this quarter and financial year-to-date.

B11 Earnings per share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|----------------------|------------------------|----------------------|------------------------|
| | Current Year Quarter | Preceding Year Quarter | Current Year to date | Preceding Year to date |
| | 31-12-16 | 31-12-15 | 31-12-16 | 31-12-15 |
| (a) Basic earnings per share | | | | |
| Loss for the period (RM'000) | (439) | (576) | (1,808) | (862) |
| Weighted average number of ordinary shares issued | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 |
| Basic loss per share (sen) | (0.44) | (0.58) | (1.81) | (0.86) |
| | | | | |
| (b) Diluted earnings per share | N/A | N/A | N/A | N/A |