

Quarterly report

Quarterly report on results for the fourth quarter ended 31 August 2016

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER <u>31/08/2016</u> RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/08/2015 (Audited)</u> RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	478	552
Prepaid land lease payment	459	465
	937	1,017
Current Assets		
Trade Receivables	8	8
Other Receivables, Deposits and Prepayments	3	3
Cash and Bank Balances	7	21
	18	32
TOTAL ASSETS	955	1,049
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital		
Ordinary shares of RM0.10 each	80,969	80,969
Reserves		
Translation Reserve	(741)	(741)
Capital Redemption Reserve	342	342
Accumulated Losses	(91,317)	(89,563)
	(10,747)	(8,993)
Minority Interest	-	-
Total Equity	(10,747)	(8,993)
Current Liabilities		
Trade Payables	-	82
Other Payables and Accruals	11,697	9,955
Tax Payable	5	5
	11,702	10,042
Total Liabilities	11,702	10,042
TOTAL EQUITY AND LIABILITIES	955	1,049
Net assets per share (RM)	(0.0133)	(0.0111)

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 August 2015 and the accompanying explanatory notes attached to this report.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31/08/2016</u> RM '000	Preceding Yr Corresponding Quarter <u>31/08/2015</u> RM '000	Current Year To Date <u>31/08/2016</u> RM '000	Preceding Yr Corresponding Yr To Date <u>31/08/2015</u> RM '000
Revenue	11	41	74	130
Cost of services	(0)	(34)	(25)	(72)
Gross profit	11	7	49	58
Other income	5	3	19	14
Administration expenses	(376)	(316)	(1,742)	(1,319)
Depreciation and amortisation	(13)	(80)	(80)	(432)
Finance costs	-	-	-	-
Loss before tax	(373)	(386)	(1,754)	(1,679)
<u>Income Tax expense</u>				
Current Tax	-	-	-	-
Deferred tax	-	-	-	-
LOSS FOR THE PERIOD	(373)	(386)	(1,754)	(1,679)
<u>Other Comprehensive Income/(Loss) :</u>				
Exchange differences on translating foreign operations	-	-	-	(1)
Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income/(loss) for the period, net of tax	-	-	-	(1)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(373)	(386)	(1,754)	(1,680)
<u>(Loss)/Profit attributable to :</u>				
Owners of the parent	(373)	(386)	(1,754)	(1,679)
Minority Interest	-	-	-	-
	(373)	(386)	(1,754)	(1,679)
Total comprehensive income/(loss) attributable to :				
Owners of the parent	(373)	(386)	(1,754)	(1,680)
Minority Interest	-	-	-	-
	(373)	(386)	(1,754)	(1,680)
Loss per share attributable to Owners of the Parent (sen)				
- basic	(0.05)	(0.05)	(0.22)	(0.21)
- diluted	(0.05)	(0.05)	(0.22)	(0.21)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 August 2015 and the accompanying explanatory notes attached to this report.



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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2016**

Group	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Accumulated Losses RM'000	Translation reserve RM'000	ESOS reserve RM'000	Capital redemption reserve RM'000	Treasury shares RM'000	Total equity RM'000
12 months ended 31 August 2016									
As at 1 September 2015	80,969	-	-	(89,563)	(741)	-	342	-	(8,993)
Issue of ordinary shares	-	-	-	-	-	-	-	-	-
Cancellation of Treasury Shares	-	-	-	-	-	-	-	-	-
Expiry of Warrants 2009/2014	-	-	-	-	-	-	-	-	-
Expiry of ESOS	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,754)	-	-	-	-	(1,754)
Foreign currency translation	-	-	-	-	-	-	-	-	-
As at 31 August 2016	80,969	-	-	(91,317)	(741)	-	342	-	(10,747)
12 months ended 31 August 2015									
As at 1 September 2014	80,969	-	13,276	(101,160)	(740)	-	342	-	(7,313)
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Cancellation of Treasury Shares	-	-	-	-	-	-	-	-	-
Expiry of Warrants 2009/2014	-	-	(13,276)	13,276	-	-	-	-	-
ESOS Expenses	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,679)	-	-	-	-	(1,679)
Foreign currency translation	-	-	-	-	(1)	-	-	-	(1)
As at 31 August 2015	80,969	-	-	(89,563)	(741)	-	342	-	(8,993)

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 August 2015 and the accompanying explanatory notes attached to this report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE PERIOD FROM 01 SEPTEMBER 2015 TO 31 AUGUST 2016**

	01/09/2015 to 31/08/2016	01/09/2014 to 31/08/2015
	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,754)	(1,679)
<u>Adjustments for non cash item</u>		
Amortisation of prepaid land lease payments	6	5
Depreciation	74	427
Reversal of impairment losses on trade receivables	-	-
Property, plant and equipment written off	-	-
	<u>80</u>	<u>432</u>
Operating profit before working capital changes	(1,674)	(1,247)
Changes in working capital:		
Trade and other receivables	(0)	7
Trade and other payables	1,660	1,244
Cash used in operations	(14)	4
Development cost paid	-	-
Tax refund	-	-
Net cash used in operating activities	<u>(14)</u>	<u>4</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash generated from investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from/(used in) financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(14)	4
Effect on Exchange Rate Changes	-	(1)
Cash and cash equivalents at beginning of financial period	21	18
Cash and cash equivalents at end of financial period	<u><u>7</u></u>	<u><u>21</u></u>
Cash and cash equivalents comprise		
Cash and bank balances	<u>7</u>	<u>21</u>
	<u><u>7</u></u>	<u><u>21</u></u>

The Condensed Consolidated Statement of Cashflows should be read in conjunction with the audited financial statements for the financial year ended 31 August 2015 and the accompanying explanatory notes attached to this report.

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A1. BASIS OF PREPARATION

The quarterly report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") No 134 – "Interim Financial Reporting" and paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s 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 August 2015.

The explanatory note 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 August 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 annual audited financial statements for the FYE 31 August 2015.

A2. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the FYE 31 August 2015 were not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

AsiaEP Resources's future business operations would be affected by cyclical factors.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

During the quarter under review, 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. CHANGES IN ESTIMATES

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

A6. MOVEMENTS IN DEBT/ EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 August 2016.

A7. DIVIDENDS

No dividends were paid and/or declared during the quarter under review.

A8. SEGMENTAL REPORTING

Segmental reporting is presented in respect of the Group's business and geographical segments. The primary format, geographical segments by location of customer, is based on the Group's management and internal reporting structure.

Segmental results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segmental capital expenditure during the year consists of acquisition of property, plant and equipment, and capitalisation of research and development expenditures.

Business Segments

During the current quarter ended 31 August 2016, e-commerce remains as the main business activity of the AsiaEP Group subject to the submission of any Regularisation Plan to be approved by Bursa Securities, pursuant to the current Guidance Note 3 position of the Company.

Geographical Segments

For the year ended 31/08/2016	Malaysia	Hong Kong	Total
	RM'000	RM'000	RM'000
Revenue from external customers	74	-	74
Segment assets	955	-	955
Segment liabilities	11,689	13	11,702
Capital Expenditure	-	-	-
Depreciation	74	-	74
Amortisation and Impairment	6	-	6
Interest Income	-	-	-
Interest Expenses	-	-	-
Loss before taxation	(1,746)	(8)	(1,754)
Taxation	-	-	-
Loss after taxation	(1,746)	(8)	(1,754)

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A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

AsiaEP Resources did not carry out any valuation on its property, plant and equipment.

A10. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT QUARTER

There were no material events subsequent to the end of the current quarter other than those disclosed in Note B8. (i) and (ii) below.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group in the quarter under review.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets other than those disclosed here and in Note B8 (i) and (ii) below.

Save as disclosed below, as at the 31 August 2016, the Board of asiaEP is not aware of any contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact on the ability of the Group to meet its obligations as and when they fall due:-

(i) Contractual benefits for Dr. Tan Boon Nunt and Lee Suet Hong:-

Contingent liabilities	As at 31 Aug (RM'000)
Contractual benefits for Dr. Tan Boon Nunt:-	
(i) Retrenchment benefit; and	3,780
(ii) Long Service.	3,780
Subtotal	7,560
Contractual benefits for Lee Suet Hong:-	
(i) Retrenchment benefit; and	3,780
(ii) Long Service.	3,780
Subtotal	7,560
Total⁽¹⁾	15,120

Notes:-

(1) Pursuant to the Conditional Agreement dated 30 April 2013, Dr. Tan Boon Nunt and Lee Suet Hong have agreed to waive all of their contractual benefits upon completion of the Proposed Regularisation Plan, save for RM500,000, which is due and payable to Dr. Tan Boon Nunt as part of his retirement benefit.

(ii) Damages claimable by GFM Services in the event of default on the Conditional Agreement:-

Contingent liabilities	As at 31 Aug (RM'000)
Damages claimable:-	
(i) To defray the actual costs and expenses incurred; and	500
(ii) Liquidated damages (only if Dr. Tan Boon Nunt, Lee Suet Hong and Topclass Access Sdn Bhd are unable to procure the approvals of the Board of asiaEP and the shareholders of asiaEP for the implementation of the Proposed Regularisation Plan).	1,000
Total	1,500

A13. CAPITAL COMMITMENTS

During the current quarter ended 31 August 2016, there is no capital commitments.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. REVIEW OF RESULTS FOR THE QUARTER ENDED 31 AUGUST 2016

The Group recorded a consolidated loss after taxation of approximately RM0.373 million with revenue of approximately RM0.011 million for the current quarter ended 31 August 2016, as compared with the corresponding period of the preceding year ended 31 August 2015 when the Group had a consolidated loss after taxation of approximately RM0.386 million and revenue of approximately RM0.041 million. The consolidated revenue for the current quarter ended 31 August 2016 decreased by approximately 72.20% as compared to the preceding year corresponding quarter.

B2. MATERIAL CHANGE IN PROFIT BEFORE TAX IN COMPARISON TO THE PREVIOUS QUARTER

The Group recorded a consolidated revenue of approximately RM0.011 million for the current quarter ended 31 August 2016, representing decrease of approximately 31.25% from the consolidated revenue as recorded in the immediate preceding quarter ended 31 May 2016 of approximately RM0.016 million.

The Group registered loss before tax of approximately RM0.373 million as compared to the loss before tax recorded in the previous quarter ended 31 May 2016 of approximately RM0.693 million.

B3. COMING YEAR PROSPECTS

The financial performance of the Group towards the financial year ending 31 August 2016 remains to be challenging.

B4. PROFIT FORECAST

Not applicable as no profit forecast or profit guarantee was published.

B5. TAXATION

On 17 January 2007, Defined Search Sdn Bhd ("DSSB"), a wholly owned subsidiary of AsiaEP Resources was granted MSC Status. As such, DSSB was then granted Pioneer Status with effect from 16 January 2008. Therefore, DSSB would be able to enjoy tax free status that is renewable up to 15 January 2018.

B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

Save as disclosed below, there are no corporate proposals announced but not completed as at the date of this report.

Proposed Shares Subscription of ordinary shares in Lestari Pasifik Bhd ("LPB")

On 10 October 2011, AsiaEP Resources announced its proposed subscription of 20,000,000 ordinary share of RM1 each in LPB at an issue price of RM1.00 per Subscription Share representing 3.23% of the enlarged issued and paid-up share capital of LPB for a total cash consideration of RM20.0 million ("Proposed Subscription").

On 28 February 2012, AsiaEP Resources issued a letter to LPB for LPB to remedy a breach pursuant to Clause 7.6 of the Subscription Agreement dated 10 October 2011, failing which the proposed subscription shall be deemed terminated, fourteen (14) days herefrom.

However, as at 19 March 2012 upon fourteen (14) business days from 28 February 2012 with reference to the above, LPB still failed to remedy the breach. As such, AsiaEP Resources having no alternative but as on this date, issued another letter to LPB for demanding the refund of RM2,000,000/- (Ringgit Malaysia Two Million) deposit placed with LPB pursuant to the Clause 9.2(b) of the Subscription Agreement.

In view of the above, the Corporate Proposal for the Proposed Subscription is deemed terminated. Please refer to Note B8 (i) as the chronological events relating to this case is now considered as a Material Litigation instead of a Corporate Proposal.

Proposed Regularisation Plan

On 30 April 2013, KAF Investment Bank Berhad ("KAF Investment") had on behalf of asiaEP Resources Berhad ("the Company") announced that the Company proposed to undertake the Proposed Regularisation Plan to regularise its financial position. Please refer to the announcement dated 30 April 2013 for details of Proposed Regularisation Plan and the Conditional Agreement entered into by the Company.

On 13 May 2013, the Company was granted an extension of time of two (2) months up to 16 July 2013 by Bursa Malaysia Securities Berhad ("Bursa Securities") to submit a regularisation plan to Bursa Securities.

On 2 July 2013, KAF Investment had announced on behalf of the Company, the variations to the Proposed Regularisation Plan pursuant to a Supplemental Agreement. Please refer to the announcement dated 2 July 2013 for details of the Supplemental Agreement and variations to the Proposed Regularisation Plan.

On 11 July 2013, KAF Investment had announced on behalf of the Company, that the applications in relation to the Proposed Regularisation Plan had been submitted to the relevant regulatory authorities.

On 5 Nov 2014, KAF Investment had announced on behalf of the Company, that Bursa Securities has resolved to approve the Proposed Regularisation Plan.

On 8 Dec 2014, KAF Investment had announced on behalf of the Company, the amendments to clauses of the Conditional Agreement and Supplemental Conditional Agreements entered into by the Company. Please refer to the announcement dated 8 Dec 2014 for details of the amendments to the clauses of the Conditional Agreement and Supplemental Conditional Agreements.

On 20 Jan 2015, KAF Investment had announced on behalf of the Company, that Bursa Securities had via its letter dated 19 Jan 2015, granted the Company an extension of time of two weeks from the receipt of the SC's consent for the issuance of the Independent Advice Letter in relation to the Proposed Exemption or by 30 June 2015, whichever is the earlier to issue the Explanatory Statement-Cum-Circular.

On 3 June 2015, KAF Investment had announced on behalf of the Company, the amendments to clauses of the Conditional Agreement and Supplemental Conditional Agreements entered into by the Company. Please refer to the announcement dated 3 June 2015 for details of the amendments to the clauses of the Conditional Agreement and Supplemental Conditional Agreements.

On 15 June 2015, KAF Investment had announced on behalf of the Company, on the 15 June 2015, submitted an application to Bursa Securities seeking its approval for the following:-

- (i) An extension of time until 15 December 2015 or within two weeks from the receipt of the consent of the Securities Commission Malaysia for the issuance of the Independent Advice Letter in relation to the Proposed Exemption, whichever is the earlier, for the issuance of the Explanatory Statement-Cum-Circular to the shareholders of asiaEP; and
- (ii) An extension of time until 31 March 2016 for the completion of the Proposed Regularisation Plan.

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B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED (cont'd)

Proposed Regularisation Plan (cont'd)

On 30 June 2015, KAF Investment had announced on behalf of the Company, that Bursa Securities had via its letter dated 30 June 2015, granted the Company:-

- (i) An extension of time until 15 December 2015 or within two weeks from the receipt of the consent of the Securities Commission Malaysia for the issuance of the Independent Advice Letter in relation to the Proposed Exemption, whichever is the earlier, for the issuance of the Explanatory Statement-Cum-Circular to the shareholders of asiaEP; and
- (ii) An extension of time until 31 March 2016 for the completion of the Proposed Regularisation Plan.

In addition, in the event the Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by Bursa Securities, the listed securities of asiaEP shall be removed from the Official List of Bursa Securities upon expiry of two market days from the date of notification or such other date specified by Bursa Securities to the Company.

On 1 December 2015, KAF Investment had announced on behalf of the Company, that the Company had submitted an application to Bursa Securities seeking its approval for the following:-

- (i) An extension of time until 15 March 2016 or within two weeks from the receipt of the consent of the Securities Commission Malaysia for the issuance of the Independent Advice Letter in relation to the Proposed Exemption, whichever is the earlier, for the issuance of the Explanatory Statement-Cum-Circular to the shareholders of asiaEP; and
- (ii) An extension of time until 30 June 2016 for the completion of the Proposed Regularisation Plan.

On 8 December 2015, KAF Investment had announced on behalf of the Company, Bursa Securities had via its letter dated 8 December 2015, granted the Company:-

- (i) An extension of time until 15 March 2016 or within two weeks from the receipt of the consent of the Securities Commission Malaysia for the issuance of the Independent Advice Letter in relation to the Proposed Exemption, whichever is the earlier, for the issuance of the Explanatory Statement-Cum-Circular to the shareholders of asiaEP; and
- (ii) An extension of time until 30 June 2016 for the implementation of the Proposed Regularisation Plan.

In addition, in the event the Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by Bursa Securities, the listed securities of asiaEP shall be removed from the Official List of Bursa Securities upon expiry of two market days from the date of notification or such other date specified by Bursa Securities to the Company.

On 18 December 2015, KAF Investment Bank Berhad had announced on behalf of the board of the Company, the Equity Compliance Unit of the SC ("SC ECU") had, via its letter dated 17 December 2015, given its approval for the application by GFM Services to SC ECU for the Proposed Regularisation Plan under the equity requirement for public companies.

On 2 March 2016, KAF Investment had announced on behalf of the Company, the Company had submitted an application to Bursa Securities on 1 March 2016 seeking its approval for the following:-

- (i) An extension of time until 15 August 2016 or within two weeks from the receipt of the consent of the Securities Commission Malaysia for the issuance of the Independent Advice Letter in relation to the Proposed Exemption, whichever is the earlier, for the issuance of the Explanatory Statement-Cum-Circular to the shareholders of asiaEP; and
- (ii) An extension of time until 15 November 2016 for the completion of the Proposed Regularisation Plan.

On 24 May 2016, KAF Investment Bank Berhad had announced on behalf of the Company, the amendments to clauses of the Conditional Agreement and Supplemental Conditional Agreements entered into by the Company. Please refer to the announcement dated 24 May 2016 for details of the amendments to the clauses of the Conditional Agreement and Supplemental Conditional Agreements.

On 27 May 2016, KAF Investment Bank Berhad ("KAF IB") had announced on behalf of the Company, Bursa Securities had via its letter dated 27 May 2016, granted the Company:-

- (i) An extension of time until 9 August 2016 or within two weeks from the receipt of the consent of the Securities Commission Malaysia for the issuance of the Independent Advice Letter in relation to the Proposed Exemption, whichever is the earlier, for the issuance of the Explanatory Statement-Cum-Circular to the shareholders of asiaEP; and
- (ii) An extension of time until 4 November 2016 for the implementation of the Proposed Regularisation Plan.

In addition, in the event the Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by Bursa Securities, the listed securities of asiaEP shall be removed from the Official List of Bursa Securities upon expiry of two market days from the date of notification or such other date specified by Bursa Securities to the Company.

On 26 July 2016, KAF Investment Bank Berhad ("KAF IB") had announced on behalf of the Company, that the Company had submitted an application to Bursa Securities seeking its approval for an extension of time until 30 August 2016 or within two weeks from the receipt of the consent of the Securities Commission Malaysia for the issuance of the Independent Advice Letter in relation to the Proposed Exemption, whichever is the earlier, for the issuance of the Explanatory Statement-Cum-Circular to the shareholders of asiaEP.

On 8 August 2016, KAF Investment Bank Berhad ("KAF IB") had announced on behalf of the Company, Bursa Securities had via its letter dated 8 August 2016 to KAF IB, granted the Company an extension of time up to 30 August 2016 or within two weeks from the receipt of the consent of the Securities Commission Malaysia for the draft Independent Advice Letter to the shareholders of asiaEP, whichever is the earlier, to issue the Explanatory Statement-Cum-Circular.

In addition, in the event the Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by Bursa Securities, the listed securities of asiaEP shall be removed from the Official List of Bursa Securities upon expiry of two market days from the date of notification or such other date specified by Bursa Securities to the Company.

On 11 August 2016, KAF Investment Bank Berhad had announced on behalf of the Company, that the Company had received the sealed order of the Court dated 8 August 2016, granting leave for the Company to convene the meeting with its members in relation to the Proposed Share Exchange and the Proposed Transfer of Listing Status within the six months from 8 August 2016.

On 24 August 2016, the Company published Notices of Court Convened Meeting (CCM) and Extraordinary General Meeting (EGM). On the same day, the Explanatory Statement cum Circular (ESCC) was despatched to shareholders.

Both the CCM and EGM were convened on 15 September 2016. All resolutions were carried. The results of the poll votes were announced on the same day.

On 07 October 2016, KAF Investment Bank Berhad ("KAF IB") had announced on behalf of the Company, that the application in respect of the Proposed Exemption has been submitted to the Securities Commission on the same day.

On 17 October 2016, KAF Investment Bank Berhad ("KAF IB") had announced on behalf of the Company, that the Securities Commission had via its letter dated 17 October 2016 to KAF IB, approved the application by the Vendors, GFM Global and the PACs in respect of the Proposed Exemption.

KAF Investment Bank Berhad ("KAF IB") had announced on behalf of the Company on 21 October 2016, that the Company had submitted an application to Bursa Securities seeking its approval for an extension of time until 9 January 2017 for the completion of the Proposed Regularisation Plan.

On 25 October 2016, KAF Investment Bank Berhad ("KAF IB") had announced on behalf of the Company, pursuant to Clause 4.3.4 (c) of the Conditional Agreement dated 30 April 2013, the board of directors of GFM Services had, on 17 October 2016, resolved to extend the approval period in the Conditional Agreement dated 30 April 2013 for a further period of three months from 15 December 2016, as stated in the Fifth Supplemental Conditional Agreement dated 23 May 2016, up to 15 March 2017.

B7. BORROWING AND DEBT SECURITIES

AsiaEP Resources does not have any borrowings and debt securities as at 31 August 2016.

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B8. MATERIAL LITIGATION

Save for the following, AsiaEP Resources is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant, which may have a material effect on the financial position of AsiaEP Resources and the Directors do not have any knowledge of any proceedings, pending or threatened, against AsiaEP Resources or of any facts which is likely to give rise to any proceedings which may materially and adversely affect the financial position or business of AsiaEP Resources :

(i) Kuala Lumpur High Court Suit No.: 22NCC-366-03-2012 between AsiaEP Resources and LPB and 7 Others

On 16 March 2012, AsiaEP Resources filed Suit No. 22NCC-366-03/2012 (the "Suit") in the Kuala Lumpur High Court in respect of a legal suit instituted by AsiaEP Resources jointly with Dr Tan Boon Nunt, the Executive Chairman cum Managing Director of AsiaEP Resources, against Lestari Pasifik Berhad (LPB) (Company No. 889489-A)(1st Defendant) and 7 other Defendants, all 8 collectively referred to as ("the Defendants"), as stated below :-

Name	NRIC/Passport/ Company No.
Dato' Dr Clement Tan Wei Loon (2 nd Defendant)	701105-01-6327
Tian Ee Intertrade Sdn Bhd (3 rd Defendant)	948498-W
Tan Keat Chye (4 th Defendant)	650408-08-5525
Li JunMin (5 th Defendant)	G21666385
Du Fashui (6 th Defendant)	G42079465
Mohamed Jawad Khan (7 th Defendant)	481118-71-5221
Prof Dr Chin Yew Sin (8 th Defendant)	600402-08-5211

The Suit seeks for the High Court to make Orders for the following claims:

- (a) damages to be assessed by the Honourable Court for the losses occasioned to AsiaEP Resources and its shareholders by the Defendants;
- (b) an injunction restraining the Defendants and/or their agents and/or nominees from carrying out and/or proceeding with the Requisition issued by the 2nd, 3rd and 6th Defendants on 9 February 2012 to remove the entire current Board of Directors of AsiaEP Resources, including Dr Tan Boon Nunt, and to replace them with a new Board of Directors consisting of namely the 2nd, 4th, 5th, 7th and the 8th Defendants;
- (c) a mandatory injunction compelling the 3rd Defendant to dispose off the total 51,000,000 ordinary shares of AsiaEP Resources, which were allotted to them via the 132D exercise on 12 September 2011 and 3 October 2011, in the open market and the proceeds of the sale of the said 51,000,000 ordinary shares to be paid to account for the damages awarded herein by the Honourable Court;
- (d) any directions to be given by the Honourable Court pertaining to this suit;
- (e) costs;
- (f) further and/or other reliefs that the Honourable Court deem fit and appropriate

At the present moment, AsiaEP Resources is unable to determine the financial and operational impact and the expected losses arising from the Suit.

On 28 March 2012, the Board of Directors announced that at the Case Management dated 28 March 2012, the Kuala Lumpur High Court had fixed the matter for further Case Management on 18 April 2012.

On 19 April 2012, the Board of Directors announced that at the Case Management dated 18 April 2012, the Kuala Lumpur High Court had fixed the matter for further Case Management on 17 May 2012 to enable the Plaintiffs to file their affidavits in reply and reply to defence on 17 May 2012.

On 17 May 2012, the Board of Directors of AsiaEP announced that at the Case Management dated 17 May 2012, the Kuala Lumpur High Court had fixed the matter for further Case Management on 15 June 2012 as the relevant parties would need to reply to the Affidavit in Reply.

On 20 July 2012, the Board of Directors of AsiaEP announced that the Kuala Lumpur High Court eventually had fixed the matter for further Case Management on 24 July 2012.

On 24 July 2012, the Board of Directors of AsiaEP announced that the Kuala Lumpur High Court had fixed as follows :

- (a) The 2nd, 7th and 8th Defendants (namely, Dato' Dr. Clement Tan Wei Loon, Mohamed Jawad Khan and Prof. Dr. Chin Yew Sin respectively) had filed a striking out application and was fixed for hearing on 10 August 2012.
- (b) The 1st Defendant (LPB) also filed a striking out application which was fixed for hearing on 7 September 2012.
- (c) The entire case was fixed for further Case Management on 21 September 2012.

On 30 August 2012, the 2nd Defendant's application was dismissed with cost while the 7th and 8th Defendants' application were allowed. The Solicitors have files Notice of Appeal on 28 September 2012 and the Court has fixed the next case management date on 8 November 2012.

On 12 September 2012, the 1st Defendant's application was dismissed with cost.

A new case management date has been fixed by the Court for the entire suit on 23 November 2012.

The Appeal on the 7th and 8th Defendant's application for striking out is fixed for case management on January 2013. Subsequently on 1 April, 2013, the Appeals were dismissed with cost.

The entire suit was fixed for trial on 24 July to 26 July 2013.

Pursuant to the 3 days' trial for the suit, the court has on 26th July 2013 given further Directions as follows:

- (a) Written Submissions to be filed in court by parties simultaneously on 26 August 2013. Oral Submissions will be done before the Court on the same day as well.
- (b) Skeletal Submissions to be filed in court by parties simultaneously by 23 August 2013.

Subsequent to the 3 days' trial for the suit, decision/clarification was fixed on 27 September 2013.

On 27 September 2013, it was further fixed on 23 October 2013

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 The figures have not been audited.

B8. MATERIAL LITIGATION (cont'd)

(i) Kuala Lumpur High Court Suit No.: 22NCC-366-03-2012 between AsiaEP Resources and LPB and 7 Others

On 23 October 2013, the decision of the learned Trial judge as follows:-

The Company's claim against the 2nd defendant was allowed with cost. The learned Judge made a finding that the 2nd defendant was liable to the Company for losses occasioned due to his fraudulent representations. The damages suffered will be assessed before the Senior Assistant Registrar on a date to be announced.

The learned Judge however did not allow the Company's claim against the 2nd Defendant for conspiracy to defraud with the other Defendants.

On 10 January 2014, the Company was informed by its solicitors that a case management has been fixed on 13 February 2014. However, the Company's solicitors are in the midst of preparing an application to strike out the Appellants' Notice of Appeal as the notice of appeal was never served within the prescribed time.

The Company's Solicitors filed a notice to strike out the Appeal on 28 January 2014 and due to pending grounds of Judgement, the Registrar gave time for the Appellant to file a supplementary appeal record and gave the next case management on 27 March 2014.

Our application was finally heard and the Company has on 4 July 2014 received a copy of the sealed Court Order dated 22 April 2014 that our application was successful. The Appeal Court has allowed our application to strike out the Appellant's appeal.

Upon an enquiry by the Proxy of the Defendant, Tian Ee Intertrade Sdn Bhd at the Annual General Meeting of the Company held on 8 December 2015 on the counterclaim by the Defendants, the Company had made due investigation and discovered that the counterclaim as mentioned in the Court Order was inadvertently omitted in the previous disclosures.

On 15 December 2015, the Company had announced that under the Court Order dated 23 October 2013, the 3rd to 6th Defendants' counterclaim was allowed against the Company, wherein the 3rd to 6th Defendants' counterclaim are as follows:-

- (i) The refund of RM5,100,000.00 by the 1st Plaintiff (i.e. the Company) to the 3rd Defendant in return for the 51,000,000 AsiaEP Berhad shares;
- (ii) General damages to be assessed by the Court;
- (iii) Interest at the rate of 4% on the amounts in paragraph (i) and/or (ii) above from the date of the counterclaim (i.e. 25.4.2012) to full satisfaction; and
- (iv) Costs

The Company has received a legal opinion in that the Court Order dated 23 October 2013 is ambiguous as far as it relates to the 3rd to 6th Defendants' counterclaim. Firstly, it never spell which part of the 3rd to 6th Defendants' counterclaim that was allowed and the terms were never set out in the said Court Order dated 23 October 2013. And secondly, the 3rd to 6th Defendants' counterclaim, in itself, and in particular prayer (1), i.e. the refund of RM5,100,000.00 by AsiaEP Resources Berhad to the 3rd Defendant (Tian Ee Intertrade Sdn. Bhd.) in return for the 51,000,000 AsiaEP shares purchased by the 3rd Defendant, is equally ambiguous as it is rather impossible in law and illegal for the Company, i.e. AsiaEP Berhad to take back its own shares and refund the deposit. This is clearly prohibited under Section 67 of the Companies Act 1965 and was further fortified by the case of FAIRVIEW SCHOOLS BHD v. INDRANI RAJARATNAM & ORS (1997) 2 MLRA 100. As such, the said prayer (1) of the 3rd to 6th Defendant's counterclaim (which in any event was never set out in the Court Order dated 23 October 2013) ought to be unenforceable in law.

The Company has instructed its solicitors to file an application to vary and/or set aside part of the terms of the Court Order dated 23 October 2013, in particular the counterclaim that was awarded to the 3rd to 6th Defendants. Pursuant to the said instructions, the said application had on 28 January 2016 been filed into the Kuala Lumpur High Court. No hearing date has been fixed for the said application thus far.

On 19 February 2016, the Company announced that its solicitors have informed the Company that an application has been filed by Tian Ee Intertrade Sdn. Bhd., Tan Keat Chye, Li Junmin and Du Fashui in the Kuala Lumpur High Court (Suit No.22NCC-366-03/2012) on 1 February 2016 to amend the Court Order dated 23 October 2013 pursuant to Order 42 rule 13 and/or Order 20 rule 11 and/or Order 45 rule 6 and/or Order 92 rule 4 of the Rules of Court 2012. The application is now fixed for case management on 15 March 2016.

The interlocutory applications of the Company as well as that of the 3rd-6th Defendants came up for mention on 28 March 2016 before the Honourable Justice Datin Hajah Azizah binti Haji Nawawi for the purposes of recording a Consent Order. Due to the on-going negotiations for settlement, the Judge fixed a final hearing date of 28 April 2016 for both the interlocutory applications. In the event a settlement is not reached by the said date of 28 April 2016, the hearing of the interlocutory applications will go on. However, if a settlement is reached before the said date of 28 April 2016, then either party can write in to Court to fix a mention date in order to either update the Judge on the settlement or to record a consent order.

On 29 April 2016, the Company announced the matter came up for hearing on 28 April 2016 of the Company's application to set aside the Court Order dated 23 October 2013 and also to the 3rd to 6th Defendants' application to amend the said Court Order dated 23 October 2013.

The Company's application for the setting aside of the Court Order of 23 October 2013 was dismissed with no order as to costs by the learned Judge.

As for the 3rd to 6th Defendants' application to amend the said Court Order of 23 October 2013 the learned Judge only allowed the amendment to the extend of the reliefs prayed for in the 3rd to 6th Defendants' counterclaim. All other proposed amendments were disallowed.

No costs were awarded in respect of both the applications.

The Company has on 10 May 2016 filed an Originating Summons in the Kuala Lumpur High Court seeking the following orders against the 3rd to 6th Defendants:

(i)	A Declaration that part of the terms of the Amended Judgement of the Kuala Lumpur High Court in the Suit No. 22NCC-366-03/2012 dated 23 October 2013 (and amended on 28 April 2016), in particular sub-paragraph 2(i) pertaining to the Defendants' Counterclaim, is null and void for breaching and/or contravening the statutory provision under Section 67 of the Companies Act 1965;
(ii)	That part of the terms of the Amended Judgement of the Kuala Lumpur High Court in the Suit No. 22NCC-366-03/2012 dated 23 October 2013 (and amended on 28 April 2016), in particular sub-paragraph 2(i) pertaining to the Defendants' Counterclaim, be set aside under Order 42 rule 13 of the Rules of Court 2012;
(iii)	All execution and/or enforcement of the said Amended Judgement dated 23 October 2013 (and amended on 28 April 2016) be stayed until the full determination and/or disposal of the Originating Summons.

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Quarterly report on results for the fourth quarter ended 31 August 2016
The figures have not been audited.

B8. MATERIAL LITIGATION (cont'd)

(i) Kuala Lumpur High Court Suit No.: 22NCC-366-03-2012 between AsiaEP Resources and LPB and 7 Others

The Company announced on 26 May 2016 that the matter came up for case management on 25 May 2016 and the matter has now been fixed for Hearing on 28 July 2016.

On 09 June 2016, the Company were informed that the 3rd and 6th Defendants have filed an application into Court seeking the following orders:-

- (i) the 3rd Defendant to commence the exercise of returning the 51,000,000 shares of asiaEP Resources Berhad via a Share Cancellation Agreement;
- (ii) the 3rd Defendant is to prepare the Share Cancellation Agreement to cancel the 51,000,000 shares of asiaEP Resources Berhad that is owned by the 3rd Defendant;
- (iii) asiaEP Resources Berhad and the 3rd Defendant are to execute the Share Cancellation Agreement within 14 days from the date the Share Cancellation Agreement is prepared;
- (iv) asiaEP Resources Berhad and the 3rd Defendant are to comply with all the terms in the Share Cancellation Agreement;
- (v) asiaEP Resources Berhad is to refund the 3rd Defendant the sum of RM5,100,000 within seven (7) days after the Share Cancellation Agreement is executed.

The said Notice of Application is fixed for case management on 14 June 2016.

The Company will be opposing the Application and will be filing an Affidavit in Reply in due course.

The 3rd and 6th Defendants' application was called for case management on 19 July 2016 and is fixed for further case management on 18 August 2016.

The Company announced on 17 August 2016 that the matter came up for hearing of their Originating Summons on 17 August morning.

The learned Judge has scheduled the above matter for clarification to 24 August 2016.

The 3rd and 6th Defendants' application was called for case management on 18 August 2016 and is fixed for further case management on 9 September 2016.

The Company announced on 24 August 2016 that the matter came up for clarification of their Originating Summons on 24 August 2016 morning.

The Honourable Judicial Commissioner has dismissed their Originating Summons. No grounds, brief or otherwise, was given by the Honourable Judicial Commissioner.

The Company announced on 14 September 2016 that the matter came up for case management on 9 September 2016.

The Counsel for the Defendants informed the Court that they are withdrawing the said application and will be filing a Notice of Discontinuance.

The Court has given another date for case management on 26 September 2016.

The Company had on 21 September filed a Notice of Appeal to the Court of Appeal against the decision of the Honourable Judicial Commissioner dated 24 August 2016 dismissing the Originating Summons.

On 27 September 2016, the Company announced that the 3rd to 6th Defendants has already filed a Notice of Discontinuance pertaining to the said application for the consequential orders.

On 4 October 2016, the Company was informed by its solicitors that a letter from the solicitors of the Defendants was received, stating that the 3rd Defendant is ready, able and willing to return the 51,000,000 shares to the Company. The defendants' solicitors further requested that the necessary instrument to be prepared to effect the return of the 51 million shares for execution by the 3rd Defendant and requested that the sum of RM5.1 million including interest to be prepared.

The Company had given instruction to its solicitors to file an application for a stay of execution of the Order pending hearing of our appeal of the Originating Summons.

On 11 October 2016, the Company was confirmed that it has on 6 October 2016 filed a Notice of Application for a stay of execution of the Judgement dated 23 October 2013 (as amended on 28 April 2016). The said application is fixed for case management on 13 October 2016.

The Company announced on 13 October 2016 that its Notice of Application for a stay of execution of the Judgement dated 23 October 2013 (and amended on 28 April 2016) in the Kuala Lumpur High Court Civil Suit No. 22NC-366-03/2012 came up for case management on the same day.

The Court has fixed another case management on 24 November 2016 for both Company as well as the 3rd to 6th Defendants to exhaust the filing and service of their respective affidavits and written submissions.

The Court has further fixed a hearing date of the said Notice of Application for stay of execution for 29 November 2016 before the Honourable Justice.

**(ii) Kuala Lumpur High Court Suit No. D5-22-1910-00
Parties: AsiaEP Sdn. Bhd. v A-Zone (M) Sdn. Bhd and Lee Keong Sek**

AsiaEP Resources has filed a suit against A-Zone Sdn Bhd and Lee Keong Sek (collectively referred to as the "Defendants") for infringement of copyright and passing off in relation to AsiaEP Resources's business. An interim injunction has been obtained by AsiaEP Resources restraining the Defendants from further infringement. The Defendants have filed their defense and countered claim.

The case is presently at the stage of proceeding to Pre-Trial Case Management. The solicitors representing AsiaEP Resources are of the view that the suit may take 2 to 5 years to reach trial.

Quarterly report

Quarterly report on results for the fourth quarter ended 31 August 2016
 The figures have not been audited.

B9. EARNINGS / (LOSS) PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31/08/2016	Preceding Yr Corresponding Quarter 31/08/2015	Current Year To Date 31/08/2016	Preceding Yr Corresponding Yr To Date 31/08/2015
(a) Basic earnings/(loss) per share					
Profit / (Loss) attributable to the owners of the parent	(RM'000)	(373)	(386)	(1,754)	(1,679)
Weighted average number of ordinary shares for the purpose of basic loss per share computation ('000)		797,689	797,689	797,689	797,689
New shares issue pursuant to warrants		12,000	12,000	12,000	12,000
New shares issue pursuant to share options					
Share buy back		-	-	-	-
		809,689	809,689	809,689	809,689
Basic earnings/(loss) per share	(sen)	(0.05)	(0.05)	(0.22)	(0.21)

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted loss per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary share i.e. warrants and share options granted to employees.

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31/08/2016	Preceding Yr Corresponding Quarter 31/08/2015	Current Year To Date 31/08/2016	Preceding Yr Corresponding Yr To Date 31/08/2015
Profit / (Loss) attributable to the owners of the parent	(RM'000)	(373)	(386)	(1,754)	(1,679)
Weighted average number of ordinary shares for the purpose of basic earnings per share computation ('000)		809,689	809,689	809,689	809,689
Add: Adjustment for share options	('000)	-	-	-	-
Adjustment for warrants		-	-	-	-
Weighted average number of ordinary shares for the purpose of diluted loss per share ('000)		809,689	809,689	809,689	809,689
Diluted earnings/(loss) per share	(sen)	(0.05)	(0.05)	(0.22)	(0.21)

B10. DISCLOSURE OF REALISED AND UNREALISED PROFITS AND LOSSES

The breakdown of the retained earnings / (accumulated losses) of the Group as at 31 August 2016 into realised and unrealised profits/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants.

	As at end of current quarter 31/08/2016 (RM'000)	As at end of preceding quarter 31/05/2016 (RM'000)
Total Retained Earnings / (Accumulated Losses) of the Group		
- Realised	(161,144)	(156,879)
- Unrealised	-	-
	(161,144)	(156,879)
Consolidated Adjustments :	69,827	65,935
Total Group Retained Earnings / (Accumulated Losses) as per consolidated accounts	(91,317)	(90,944)

BY ORDER OF THE BOARD OF DIRECTORS OF ASIAEP RESOURCES BHD

Lee Suet Hong (Ms)
 Director
 Selangor