

R&A TELECOMMUNICATION GROUP BERHAD (645677-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017

	Note	----- Individual Quarter -----		----- Cumulative Quarter -----	
		Current year quarter 30 September 2017	Preceding year corresponding quarter 30 September 2016	Current year to date 30 September 2017	Preceding year corresponding period 30 September 2016
		RM'000	RM'000	RM'000	RM'000
Revenue		-	-	-	-
Cost of sales		-	-	-	-
Operating expenses	(iii)	(233)	484	(233)	484
(Loss)/profit before depreciation and finance cost		(233)	484	(233)	484
Depreciation		(17)	(42)	(17)	(42)
Finance cost		(3)	(2)	(3)	(2)
Other income	(iv)	29	1,963	29	1,963
(Loss)/profit before tax		(224)	2,403	(224)	2,403
Tax expense		-	-	-	-
(Loss)/profit after tax		(224)	2,403	(224)	2,403
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/income		<u>(224)</u>	<u>2,403</u>	<u>(224)</u>	<u>2,403</u>
(Loss)/profit after taxation attributable to :					
Equity holders of the Company		<u>(224)</u>	<u>2,403</u>	<u>(224)</u>	<u>2,403</u>
Total comprehensive (loss)/income attributable to :					
Equity holders of the Company		<u>(224)</u>	<u>2,403</u>	<u>(224)</u>	<u>2,403</u>
(Loss)/earnings per share (sen):-					
a) Basic	(i)	(0.02)	0.25	(0.02)	0.25

Notes :

- (i) Basic loss per share for the quarter and financial period is calculated by dividing loss attributable to ordinary equity holders by the weighted average number of ordinary shares in issue for the quarter and financial period respectively.
- (ii) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial period ended ("FPE") 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.
- (iii) The credit balance on operating expenses in the preceding year corresponding quarter was due to the over provision of impairment loss on receivables.
- (iv) In the preceding year corresponding quarter, the other income was mainly derived from reversal of impairment loss on receivables.

R&A TELECOMMUNICATION GROUP BERHAD (645677-D)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

	As at 30 September 2017 (Unaudited) RM'000	As at 30 June 2017 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	120	137
	<u>120</u>	<u>137</u>
Current assets		
Other receivables	2,958	2,869
Cash and bank balances	6	69
	<u>2,964</u>	<u>2,938</u>
Non-current assets held for sales	9,048	9,048
	<u>9,048</u>	<u>9,048</u>
Total assets	<u><u>12,132</u></u>	<u><u>12,123</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	48,343	48,343
Reserves	42,665	42,665
Accumulated losses	(115,503)	(115,278)
Total equity	<u>(24,495)</u>	<u>(24,270)</u>
Non-current liabilities		
Deferred tax liabilities	228	228
Finance lease liabilities	154	163
	<u>382</u>	<u>391</u>
Current liabilities		
Trade payables	982	982
Other payables	3,353	3,213
Amount due to Directors	415	379
Bank borrowings	31,261	31,195
Finance lease liabilities	234	233
	<u>36,245</u>	<u>36,002</u>
Total liabilities	36,627	36,393
	<u>36,627</u>	<u>36,393</u>
Total equity and liabilities	<u><u>12,132</u></u>	<u><u>12,123</u></u>
Net liability per share attributable to ordinary equity holders of the Company (sen)	<u>(2.53)</u>	<u>(2.51)</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FPE 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.

R&A TELECOMMUNICATION GROUP BERHAD (645677-D)**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

	Current year to date 30 September 2017 RM'000	Preceding year corresponding period 30 September 2016 RM'000
OPERATING ACTIVITIES		
(Loss)/profit before tax	(224)	2,403
Adjustments for non-cash items	20	(2,140)
Operating (loss)/profit before working capital changes	(204)	263
Changes in working capital:-		
Receivables	(88)	1,057
Payables	176	(677)
Cash (used in)/ generated from operations	(116)	643
Interest paid	(3)	(24)
Net cash (used in)/ generated from operating activities	(119)	619
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	265
Net cash from investing activities	-	265
FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(9)	(67)
Net cash used in financing activities	(9)	(67)
Net Change in Cash and Cash Equivalents	(128)	817
Cash and Cash Equivalents at beginning of the period	(31,127)	(32,088)
Cash and Cash Equivalents at end of the period	(31,255)	(31,271)
Represented by :-		
Bank overdrafts	(31,261)	(31,294)
Cash and bank balances	6	23
	(31,255)	(31,271)

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FPE 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.

R&A TELECOMMUNICATION GROUP BERHAD (645677-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

	<----- Attributable to owners of the Company ----->					
	<----- Non-distributable ----->			<----- Distributable ----->		
	Share capital RM '000	Share premium RM '000	Other reserves RM '000	Revaluation reserves RM '000	Accumulated losses RM '000	Total RM '000
Balance as at 1 Julai 2017	48,343	3,638	34,705	4,322	(115,278)	(24,270)
Loss for the financial period	-	-	-	-	(224)	(224)
Balance as at 30 September 2017	48,343	3,638	34,705	4,322	(115,503)	(24,495)
						(1,758)
As at preceding year corresponding quarter 30 September 2016						
Balance as at 1 July 2016	48,343	3,638	34,705	4,322	(116,043)	(25,035)
Loss for the financial period	-	-	-	-	2,403	2,403
Balance as at 30 September 2016	48,343	3,638	34,705	4,322	(113,640)	(22,632)

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FPE 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.

R&A TELECOMMUNICATION GROUP BERHAD (645677-D)

NOTES TO THE QUARTERLY REPORT

PART A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad ("Bursa Securities").

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of R&A Telecommunication Group Berhad (“R&A” or the “Company”) and its subsidiaries (“Group”) for the Financial Period Ended (“FPE”) 30 June 2017 and the accompanying explanatory notes attached to the interim financial report.

A2. Significant accounting policies

The significant accounting policies and methods of computation adopted by the Group in this quarterly financial statement are consistent with those of the annual financial statements for the FPE 30 June 2017.

The Group has adopted all the new and revised MFRSs and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not impact in significant changes in the accounting policies of the Group.

A3. Qualification on the Auditors’ Report of preceding annual financial statements

The Company has triggered the prescribed criteria pursuant to Rule 8.04(2) and Rule 2.1(f) of Guidance Note 3 (“GN3”) under the ACE LR. As such, the Company is considered as a GN3 company.

The GN3 criteria was triggered pursuant to Rule 2.1(f) of GN3 where the auditors had expressed a disclaimer opinion in its report for the Company’s Audited Financial Statements for the Financial Year Ended (“FYE”) 31 December 2014 that was announced on 30 April 2015.

A4. Seasonal or cyclical factors

The business operations of R&A are not affected by any seasonal and cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter under review and financial year-to-date.

A6. Changes in estimates of amounts reported

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the current financial quarter under review and financial year-to-date.

A7. Issuance or repayment of debt and equity securities

There was no issuance or repayment of debt or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares during the current financial quarter under review.

A8. Dividend paid

There was no dividend paid or declared during the current financial quarter under review.

A9. Segmental information

The Group is organised into the following operating segments:-

- a. Civil, mechanical and electrical works (“CME”)
- b. Telecommunication equipment installation (“TI”)
- c. In-building system (“IBS”)

A9. Segmental information (cont'd)

Current Year Quarter Ended 30 September 2017	<u>CME</u> RM'000	<u>TI</u> RM'000	<u>IBS</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
Revenue					
External customers	-	-	-	-	-
Inter-segment	-	-	-	-	-
Total revenue	-	-	-	-	-
Result:					
Interest income					-
Interest expense					(3)
Depreciation					(17)
Other non cash expenses					-
Segment loss					(224)
Assets:					
Segment assets					12,132
Liabilities:					
Segment liabilities					36,627

Preceding Year Corresponding Quarter Ended 30 September 2016	<u>CME</u> RM'000	<u>TI</u> RM'000	<u>IBS</u> RM'000	<u>Eliminations</u> RM'000	<u>Total</u> RM'000
Revenue					
External customers	-	-	-	-	-
Inter-segment	-	-	-	-	-
Total revenue	-	-	-	-	-
Result:					
Interest income					-
Interest expense					(2)
Depreciation					(42)
Other non cash expenses					2,205
Segment loss					2,403
Assets:					
Segment assets					9,833
Liabilities:					
Segment liabilities					35,123

A9. Segmental information (cont'd)

The Group's segmental information by geographical location is not shown as the activities of the Group are conducted in Malaysia.

A10. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment during the current financial quarter under review and financial year-to-date.

A11. Capital commitments

There are no material capital commitments in respect of property, plant and equipment as at 30 September 2017.

A12. Capital expenditure

There were no major additions and disposals of property, plant and equipment during the current financial quarter under review and financial year-to-date.

A13. Changes in the composition of the Group

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

A14. Contingent liabilities and contingent assets

Save as disclosed below, the Group does not have any others contingent assets or liabilities as at 30 September 2017.

	RM'000
<u>Contingent Liabilities :</u>	
Corporate guarantees given by our Company to financial institutions for credit facilities granted to our subsidiary companies	31,560
Potential litigation and claim from utility service providers	1,127

A15. Subsequent material events

Save as disclosed below, there were no material events subsequent to the end of the current financial quarter under review:-

- a) The Company had on 13 October 2016 entered into a memorandum of understanding ("MOU") with Datuk Lau Beng Wei, Lau Beng Sin, Lee Wah Lian and Lee Teck Wee (collectively, the "Vendors") to record and confirm the understanding between the Vendors and R&A in respect of the proposed acquisition of the entire issued and paid-up share capital of Synergy Goldtree Sdn Bhd ("SGSB")("Sale Shares") from the Vendors, free from any encumbrances and together with all rights and benefits ("Proposed Acquisition"). The Proposed Acquisition shall be upon such terms and conditions to be set out in a share sale agreement ("SSA") and a profit guarantee agreement ("PGA") to be entered between the Vendors and R&A in due course. The Proposed Acquisition is intended to form part of R&A's proposed regularisation plan.

The objective of the MOU is to record the parties' intention in relation to the Proposed Acquisition which shall be incorporated into the SSA and terms and conditions to be mutually agreed between SGSB and R&A.

As part of the Proposed Acquisition, the Vendors shall guarantee a profit after tax of at least RM17,500,000 per financial year to be achieved by SGSB for the successive two (2) full financial years ("Profit Guarantee") upon the completion of proposed regularisation scheme in favour of R&A by the Vendors, or such other amount to be agreed by the parties under the PGA.

The Company had on 24 October 2016 announced that after due consideration of all facts and circumstances of the case including the written and oral representations of the Company with the Listing Committee of Bursa Securities on 13 October 2016 and the following:-

- (i) the Company had identified a new white knight, SGSB which had indicated its commitment towards the Company's proposed regularisation plan whereby a Memorandum of Understanding would be signed on 13 October 2016; and
- (ii) the representations by M&A Securities on the suitability of SGSB and its nature of business which is complimentary to the Company as both involved in the construction industry.

The Company had on 15 December 2016 announced that the Board of R&A on 13 December 2016 written to the Vendors to inform them that the Company is ceasing all negotiations with the Vendors with immediate effect and both parties have not entered into share sale agreement and profit guarantee agreement with the Vendors in relation to the Proposed Acquisition at this juncture.

A15. Subsequent material events (cont'd)

Further to the announcement dated 15 December 2016, the Company wishes to clarify that R&A is ceasing all negotiations with the Vendors in relation to the MOU with immediate effect mainly due to lack of progress from the Vendors.

- b) On 16 December 2016, the Company had submitted an application to Bursa Securities to seek a further extension of time of four (4) months of up to 30 April 2017 to submit the regularisation plan to the relevant regulatory authorities.
- c) The Company had on 19 December 2016 entered into a heads of agreement (“HOA”) with Lean Kock Kiang and Lee Sek Ang (collectively, the “Vendors”) to record and confirm the understanding between the Vendors and R&A in respect of the proposed acquisition of the entire issued and paid-up share capital of Forward Resources and Construction Sdn Bhd from the Vendors, free from any encumbrances and together will all rights and benefits (“Proposed Acquisition”). The Proposed Acquisition shall be upon such terms and conditions to be set out in a share sale agreement or such other equivalent agreement and a profit guarantee agreement to be entered between the Vendors and R&A in due course.

The Proposed Acquisition is intended to form part of R&A’s proposed regularisation plan. Pursuant to the HOA, R&A and the Vendors have jointly agreed to commence discussion and negotiations exclusively in good faith amongst themselves in relation to the Proposed Acquisition and to set out the minimum and binding commitment of the Vendors towards the submission of the regularisation plan by R&A.

On 18 January 2017, the Company had entered into a framework restructuring agreement (“Framework Restructuring Agreement”) with Lean Kock Kiang and Lee Sek Ang (collectively, the “Promoters”) and FRC Resources Sdn Bhd, a special purpose vehicle incorporated to serve as the new listed vehicle in place of the Company (collectively, the “Parties”) for the following purposes:

- (i) to set out the obligations of the Parties in relation to the preparation and submission of the Company’s regularisation plan to Bursa Securities and to implement such regularisation plan if it is approved by Bursa Securities; and
- (ii) the Promoters shall deposit a sum of RM2.5 million with their solicitors, which is to be utilised for the settlement of the scheme creditors of the Company and its wholly-owned subsidiary, R&A Telecommunication Sdn Bhd (“RASB”) under the debt restructuring scheme.

A15. Subsequent material events (cont'd)

On 15 March 2017, the Company had on 15 March 2017 entered into the following agreements:-

- (a) Conditional restructuring agreement ("Restructuring Agreement") with Lean Kock Kiang and Lee Sek Ang (collectively, the "Vendors") and FRC Resources Sdn Bhd ("FRCR") to implement the regularisation plan comprising the following proposals:-
 - (i) Proposed Capital Reduction;
 - (ii) Proposed Share Consolidation;
 - (iii) Proposed Debt Restructuring Scheme;
 - (iv) Proposed Acquisition;
 - (v) Proposed Share Exchange;
 - (vi) Proposed Special Issue of Shares;
 - (vii) Proposed Offer for Sale; and
 - (viii) Proposed Transfer of Listing Status.(collectively, the above shall be referred to as the "Proposed Regularisation Plan");
- (b) Share sale agreement with the Vendors for the Proposed Acquisition ("SSA");
- (c) Profit guarantee agreement with the Vendors ("PGA") in relation to the profit after taxation to be achieved by FRCSB for the financial year ending 31 March 2017 to 31 March 2019; and
- (d) Deed of novation with the Vendors and FRCR ("Deed of Novation") to assume all rights, title, benefits, interests, covenants, undertakings, duties, liabilities and obligations of R&A under the SSA and PGA.

The following agreements/documents have been executed on 8 May 2017 to vary certain components of the Original Regularisation Plan, as follows:-

- (i) supplemental restructuring agreement between R&A, the Vendors and FRCR to vary certain terms of the Original Regularisation Plan set out in the Restructuring Agreement ("Supplemental Restructuring Agreement");
- (ii) supplemental share sale agreement between R&A and the Vendors to vary certain terms of the Proposed Acquisition set out in the SSA ("Supplemental SSA");
- (iii) supplemental profit guarantee agreement between R&A and the Vendors to vary the terms of the PGA ("Supplemental PGA");
- (iv) supplemental deed of novation between R&A, the Vendors and FRCR for the consequential amendments to the Deed of Novation resulting from the above variations ("Supplemental Deed of Novation");

A15. Subsequent material events (cont'd)

- (v) Stakeholder agreement entered into between R&A, the Vendors and Ben & Partners ("Security Stakeholder") in respect of the 300,000,000 Consideration Shares to be held as security for the Vendor's profit guarantee obligations under the PGA (as varied by the Supplemental PGA) ("Pledged Shares") ("Stakeholder Agreement"); and
- (vi) Letters for the nomination of the Vendors' family holding vehicle, namely Prima Palma Sdn Bhd ("Prima Palma") to receive 400,000,000 Consideration Shares as part of the Vendors' shareholdings reorganisation of their FRCR Shares ("Nomination Letters").

(collectively, the Supplemental Restructuring Agreement, Supplemental SSA, Supplemental PGA and Supplemental Deed of Novation are known as the "Supplemental Agreements").

- d) On 17 February 2017, the Company had circulated a Notice to Warrant Holders (2012/2017) in relation to the expiry of and last date for exercise of Warrants 2012/2017. Pursuant to the terms and conditions stipulated in the Deed Poll and any deed supplemental thereto governing the Warrants, the Exercise Rights of the Warrants will expire at 5:00 p.m. on Wednesday, 22 March 2017 ("the Expiry Date"). All Warrant Holders intending to exercise their Warrants are advised to submit the documents referred to in Section 4 of this Notice to the Company's Share Registrar no later than 5:00 p.m. on the Expiry Date. Warrants not exercised by 5:00 p.m. on the Expiry Date will lapse and become null and void and shall cease to be exercisable thereafter. Warrants will be removed from the official list of Bursa Securities with effect from 9.00 a.m. on Thursday, 23 March 2017.
- e) Bursa Securities had vide its letter dated 22 February 2017 decided to grant the Company a further extension of time up to 30 April 2017 to submit its regularisation plan to the relevant authorities ("Further Extended Timeframe") subject to the Company making the Requisite Announcement on or before 15 March 2017.

Bursa Securities shall de-list the securities of the Company from the Official List of Bursa Securities pursuant to Rule 8.04 of the ACE Market Listing Requirements of Bursa Securities ("ACE LR") in the event that:-

- (i) the Company fails to make the requisite announcement on or before 15 March 2017;
- (ii) the Company fails to submit the regularisation plan to the relevant authorities for approval within the Further Extended Timeframe i.e. on or before 30 April 2017;
- (iii) the Company fails to obtain the approval for the implementation of its regularisation plan and does not appeal within the timeframe (or Extended timeframe, as the case may be) prescribed to lodge an appeal;
- (iv) the Company does not succeed in its appeal; or

A15. Subsequent material events (cont'd)

- (v) the Company fails to implement its regularisation plan within the timeframe or extended timeframes stipulated by the relevant authorities.

Upon occurrence of any of the events set out in paragraphs (i) to (v) above, Bursa Securities shall remove the securities of the Company from the Official List of Bursa Securities upon the expiry of two (2) market days from the date of the Company is notified by Bursa Securities or on such other date as may be specified by Bursa Securities.

- f) The Company had on 27 March 2017 submitted an application to the Securities Commission Malaysia (“SC”) to seek its ruling on whether the Rules under Paragraph 1.06 on Take-overs, Mergers and Compulsory Acquisitions apply to the Proposed Regularisation Plan of the Company. Pursuant to the notes of Paragraph 1.06 of the Rules, a person who is undertaking a scheme must seek a ruling or direction on the application of the Rules.
- g) The High Court of Malaya at Kuala Lumpur (Commercial Division) (“High Court”) has allowed the Restraining Order Application (“the Application”) pursuant to Sections 366 and 368 of the Companies Act 2016 (“the Act”) submitted by the Company and RASB on 3 April 2017 in respect of the following orders:-
 - (i) An order that a meeting of the creditors of RASB be convened to consider and if thought fit, approve a scheme of arrangement to be proposed between RASB and its creditors, which the meeting is to be summoned by giving notice of not less than twenty-one (21) days to the creditors concerned within a period of three (3) months from the date of the Order;
 - (ii) An order that a meeting of the creditors of R&A be convened to consider and if thought fit, approve a scheme of arrangement to be proposed between R&A and its creditors, which the meeting is to be summoned by giving notice of not less than twenty-one (21) days to the creditors concerned within a period of three (3) months from the date of the Order;
 - (iii) An order that a meeting of the shareholders of R&A be convened to consider and if thought fit, approve a scheme of arrangement to be proposed between the Company and its shareholders, which the meeting is to be summoned by giving notice of not less than twenty-one (21) days to the creditors concerned within a period of three (3) months from the date of the Order;

A15. Subsequent material events (cont'd)

- (iv) An order that any and all proceedings, claims, demands, execution and/or action against RASB, save and except for proceedings in Shah Alam High Court Originating Summons No. 24MFC-318-11/2015 (sealed Order for Execution No. BA-38-290-03/2016), whether pending or is proposed to be commenced, be restrained for a period of three (3) months from the date of the Order and no proceedings, claims, demands, execution and/or action can be commenced or proceeded with during such period without first obtaining the leave of this Honourable Court and subject to such terms as this Honourable Court may impose;
- (v) An order that any and all proceedings, claims, demands, execution and/or action against the Company, whether pending or is proposed to be commenced, be restrained for a period of three (3) months from the date of this order and no proceedings, claims, demands, execution and/or action can be commenced or proceeded with during such period without first obtaining the leave of this Honourable Court and subject to such terms as this Honourable Court may impose;
- (vi) An order that the nomination of Mr. Lim Tiong Jin as a Director of the Company pursuant to Section 368(2)(d) of the Act; and
- (vii) An order that the appointment of Mr. Lim Tiong Jin as a Director of RASB pursuant to Section 368(2)(d) of the Act.

The Sealed Restraining Order pursuant to Sections 366 and 368 of the Companies Act 2016 dated 11 April 2017 from the High Court of Malaya at Kuala Lumpur (Commercial Division) has been obtained, with the following orders:-

- (i) An order that a meeting of the creditors of RASB be convened to consider and if thought fit, approve a scheme of arrangement to be proposed between RASB and its creditors, which the meeting is to be summoned by giving notice of not less than twenty-one (21) days to the creditors concerned within a period of three (3) months from the date of the Order;
- (ii) An order that a meeting of the creditors of R&A be convened to consider and if thought fit, approve a scheme of arrangement to be proposed between R&A and its creditors, which the meeting is to be summoned by giving notice of not less than twenty-one (21) days to the creditors concerned within a period of three (3) months from the date of the Order;
- (iii) An order that a meeting of the shareholders of R&A be convened to consider and if thought fit, approve a scheme of arrangement to be proposed between the Company and its shareholders, which the meeting is to be summoned by giving notice of not less than twenty-one (21) days to the creditors concerned within a period of three (3) months from the date of the Order;

A15. Subsequent material events (cont'd)

- (iv) An order that any and all proceedings, claims, demands, execution and/or action against RASB, save and except for proceedings in Shah Alam High Court Originating Summons No. 24MFC-318-11/2015 (sealed Order for Execution No. BA-38-290-03/2016), whether pending or is proposed to be commenced, be restrained for a period of three (3) months from the date of the Order and no proceedings, claims, demands, execution and/or action can be commenced or proceeded with during such period without first obtaining the leave of this Honourable Court and subject to such terms as this Honourable Court may impose;
- (v) An order that any and all proceedings, claims, demands, execution and/or action against the Company, whether pending or is proposed to be commenced, be restrained for a period of three (3) months from the date of this order and no proceedings, claims, demands, execution and/or action can be commenced or proceeded with during such period without first obtaining the leave of this Honourable Court and subject to such terms as this Honourable Court may impose;
- (vi) An order that the nomination of Mr. Lim Tiong Jin as a Director of the Company pursuant to Section 368(2)(d) of the Act; and
An order that the appointment of Mr. Lim Tiong Jin as a Director of RASB pursuant to Section 368(2)(d) of the Act.

On 14 July 2017, the Board announced that the Sealed Restraining Order pursuant to Sections 366 and 368 of the Companies Act 2016 dated 10 July 2017 from the High Court of Malaya at Kuala Lumpur (Commercial Division) has been obtained (received on 14 July 2017), with an order that the period of the Restraining Orders dated 11 April 2017 be extended for a period of three (3) months, beginning from the date of the Order.

The Company had on 17 October 2017 received the Sealed Restraining Order pursuant to Sections 366 and 368 of the Companies Act, 2016 dated 9 October 2017 from the High Court of Malaya at Kuala Lumpur (Commercial Division), with an order that the period of the Restraining Orders dated 11 April 2017 be extended for a further period of three (3) months, beginning from the date of the Order.

- h) The Company and RASB had on 5 April 2017, lodged a police report against its bank authorised signatories for criminal breach of trust:-
 - (i) Two (2) of the bank authorised signatories of R&A had on 1 April 2014 paid an amount of RM4.2 million from the Company to RASB without authorisation of the Board.
 - (ii) One (1) of the bank authorised signatories of RASB had subsequently paid an amount of RM4.2 million from RASB to Info Genetic Sdn. Bhd. when there was no business relation between Info Genetic, RASB and the Company.

A15. Subsequent material events (cont'd)

- i) The Company had on 27 April 2017 submitted an application for a further extension of time of two (2) months up to 30 June 2017 to submit its regularisation plan to the relevant regulatory authorities.
- j) Bursa Securities had vide its letter dated 26 May 2017 decided to grant the Company a further extension of time up to 30 June 2017 to submit its regularisation plan to the relevant authorities for approval ("the Further Extended Timeframe").

Bursa Securities further decided to de-list the securities of the Company from the Official List of Bursa Securities pursuant to Rule 8.04 of the ACE LR in the event that:-

- (i) the Company fails to submit the regularisation plan to the relevant authorities for approval within the Further Extended Timeframe i.e. on or before 30 June 2017;
- (ii) the Company fails to obtain the approval for the implementation of its regularisation plan and does not appeal within the timeframe (or extended timeframe, as the case may be) prescribed to lodge an appeal;
- (iii) the Company does not succeed in its appeal; or
- (iv) the Company fails to implement its regularisation plan within the timeframe or extended timeframes stipulated by the relevant authorities.

Upon occurrence of any of the events set out in paragraphs (i) to (iv) above, the securities of the Company shall be removed from the Official List of Bursa Securities upon the expiry of two (2) market days from the date of the Company is notified by Bursa Securities or on such other date as may be specified by Bursa Securities.

- k) The Company had on 30 June 2017 submitted an application for a further extension of time of one (1) month up to 31 July 2017 to submit its regularisation plan to the relevant regulatory authorities.
- l) On 13 July 2017, the Board announced that the application for the Proposed Regularisation Plan ("PRP") has been submitted to Bursa Malaysia Securities Berhad on 13 July 2017.
- m) The Company and RASB has been advised by its solicitors on 14 July 2017 that the Sealed Restraining Order pursuant to Sections 366 and 368 of the Companies Act 2016 dated 10 July 2017 from the High Court of Malaya at Kuala Lumpur (Commercial Division) has been obtained (received on 14 July 2017), with an order that the period of the Restraining Orders dated 11 April 2017 be extended for a period of three (3) months, beginning from the date of the Order.

A15. Subsequent material events (cont'd)

- n) Bursa Securities had vide its letter dated 21 July 2017 decided to grant the Company a further extension of time from 1 July 2017 to 13 July 2017 to submit the regularisation plan to the relevant regulatory authorities for approval.

Bursa Securities further decided to de-list the securities of R&A from the Official List of Bursa Securities pursuant to Rule 8.04 of the ACE Market Listing Requirements of Bursa Securities in the event that:-

- (i) the Company fails to obtain the approval for the implementation of its regularisation plan and does not appeal within the timeframe prescribed to lodge an appeal;
- (ii) the Company does not succeed in its appeal; or
- (iii) the Company fails to implement its regularisation plan within the timeframe or extended timeframe(s) stipulated by the relevant regulatory authorities.

Upon occurrence of any of the events set out in paragraphs (a) to (c) above, the securities of the Company shall be removed from the Official List of Bursa Securities upon the expiry of two (2) market days from the date the Company is notified by Bursa Securities or on such other dates as may be specified by Bursa Securities.

- o) SC had vide its letter dated 28 July 2017 that the Rules and the Malaysian Code on Take-overs and Mergers 2016 shall apply to take-overs and mergers, howsoever effected, including by means of a scheme arrangement. In this regard, the proposed reverse take-over of R&A by the Vendors via FRCR ("Proposed RTO") to be effected by way of a scheme of arrangement is subject to the requirements under Schedule 3 of the Rules whereby:
- (a) R&A is required to appoint an independent adviser to advise its shareholders on the scheme of arrangement and such independent adviser is to comply with Schedule 2: Part II of the Rules where a holistic approach should be taken in assessing whether the scheme of arrangement is fair and reasonable;
 - (b) the independent advice letter shall be submitted to the SC within one (1) month from the date of the issuance of this ruling by the SC and must not be dispatched until the SC has notified that it has no further comments to the independent advice letter, a statement shall be included in the independent advice letter that such notification shall not be taken to suggest that the SC recommends the scheme of arrangement or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the independent advice letter;

A15. Subsequent material events (cont'd)

- (c) the independent advice letter shall be dispatched together with the scheme documents after:
 - (i) obtaining Bursa Malaysia Securities Berhad's ("Bursa Securities") approval and clearance for the respective Proposed Regularisation Plan and the explanatory statement cum circular;
 - (ii) the SC has notified that it has no further comments to the independent advice letter; and
 - (iii) the granting of a court order by the High Court of Malaya to convene a court convened meeting for the Proposed Debt Restructuring and the Proposed Share Exchange;
- (d) the scheme of arrangement to be approved by at least-
 - (i) a majority in number of shareholders and 75% in value to the votes attached to the disinterested shares that are cast either in person or by proxy at a duly convened shareholders' meeting; and
 - (ii) the value of votes cast against the resolution for the scheme at such duly convened shareholders' meeting is not more than 10% of the votes attaching to all disinterested shares of the total voting shares of the offeree; and
- (e) the relevant requirements under Schedule 3 in relation to the scheme documents (other than the independent advice letter) shall be deemed to be complied with by the submission of the scheme documents to Bursa Securities together with the Proposed Regularisation Plan and the clearance of the same by Bursa Securities.

A16. Significant related party transactions

There were no related party transactions entered into during the current financial quarter under review.

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

B1. Review of the performance of the Group

For the current financial quarter ended 30 September 2017, the Group did not record any turnover and recorded loss after tax of RM0.224 million. The Group did not generate any revenue as it has ceased its business operations since June 2015.

The Group has recorded loss after tax of RM0.224 million as compared to the profit after tax of RM2.403 million recorded in the preceding year corresponding financial quarter. The profit in the preceding year corresponding financial quarter was mainly due to reversal of impairment losses on receivables.

B2. Comparison to the results of the preceding quarter

	Current Quarter 30 September 2017 RM'000	Preceding Quarter 30 June 2017 RM'000
Revenue	-	(78)
(Loss)/profit before tax	(224)	1,074

For the current financial quarter ended 30 September 2017, the Company did not generate any revenue as it has ceased its business operations since June 2015. As a result, the Company has recorded loss before tax position of RM0.224 million.

B3. Prospects for 2017

Due to its GN3 classification, prospects for R&A in the Telecommunication industry are limited for the foreseeable future as access to funds are limited. However, the Company is currently undergoing a process to regularise its condition. The Board will continue its current effort to implement various measures to turnaround the Group's profitability.

The Company has submitted the Proposed Regularisation Plan to Bursa Securities on 13 July 2017 to regularise its financial condition and is still pending decision by the authorities.

B4. Profit forecast and profit estimate

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

B5. Loss before tax

	Current Quarter 30 September 2017 RM'000	Cumulative Year-to-date 30 September 2017 RM'000
Profit before tax is arrived at after charging / (crediting):		
- Depreciation	17	17
- Interest expenses	3	3

Other disclosure items pursuant to Rule 16 of Appendix 9B of the ACE LR of Bursa Securities are not applicable.

B6. Taxation

There are no tax charges for the current quarter.

B7. Status of corporate proposals

Save for the Proposed Regularisation Plan, there were no other corporate proposals announced as at the date of issuance of this announcement.

B8. Status of utilisation of proceeds

There were no proceeds raised from any proposals during the current financial quarter under review and financial year-to-date.

B9. Realised and unrealised profits

The breakdown of accumulated losses of the Group and the Company for the financial quarter ended 30 September 2017 and preceding year corresponding quarter ended 30 September 2016, is as follows:-

	Group Quarter Ended 30 September 2017 RM'000	Group Quarter Ended 30 September 2016 RM'000
Total accumulated losses of the Group:		
- Realised	(122,650)	(121,836)
- Unrealised	-	-
(in respect of deferred tax recognised in the income statement)		
	<hr/>	<hr/>
	(122,650)	(121,836)
Less : Consolidation adjustments	7,147	5,538
Total Group accumulated losses as per consolidated accounts	<hr/> <hr/>	<hr/> <hr/>
	(115,503)	(116,298)

B9. Realised and unrealised profits (cont'd)

	Company Quarter Ended 30 September 2017 RM'000	Company Quarter Ended 30 September 2016 RM'000
Total accumulated losses of the Company :		
- Realised	(78,518)	(77,883)
- Unrealised (in respect of deferred tax recognised in the income statement)	-	-
Total Company's accumulated losses as per accounts	(78,518)	(77,883)

B10. Group borrowings and debt securities

The borrowings of the Group as at the end of the current financial quarter were as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Secured</u>			
Bank overdrafts	30,423	-	30,423
<u>Unsecured</u>			
Finance lease liabilities	234	154	388
Bank overdrafts	838	-	816
	31,495	154	31,649

None of the above borrowings are dominated in foreign currencies.

B11. Material litigations

Save as disclosed below, to the best knowledge of the Board, our Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against our Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of our Group:-

(a) *Demands from Employees Provident Fund ("EPF") Board ("EPF Board")*

By various letters of demand received by RASB from February 2015 up to November 2017, the EPF Board via its solicitors, demanded from RASB and its Directors, an accrued EPF contributions for the RASB's employees ("Contributions") and dividend thereof as follows:

B11. Material litigations (cont'd)

- (i) the sums of RM42,490 and RM24,672 being the accrued dividend and late payment charges, respectively in respect of the Contributions for the months of January 2014 to March 2014. Upon proposal for settlement made by RASB, the EPF Board has agreed for such sum to be settled by way of six (6) monthly instalments of RM11,197 for the first month and the remaining months of RM11,193 each which commences from 7 March 2017 to 7 August 2017. At the date of this report, RASB has forwarded post-dated cheques for the aforesaid sum and only two (2) cheques have cleared. The remaining cheques have bounced due to the RASB's financial constraints. Therefore, RASB was required to make a payment for the entire outstanding dividend and late pay charges amounting to RM44,772 at the same time;
- (ii) the sums of RM23,812 and RM17,595 being the accrued dividend and late payment charges, respectively in respect of the Contributions for the months of April 2014 to June 2014. Upon proposal for settlement made by RASB, the EPF Board has agreed for such sum to be settled by way of six (6) monthly instalments of RM6,902 for the first month and the remaining RM6,901 each, commencing from 29 May 2017 to 29 October 2017 excluding costs of legal action of RM2,000. At the date of this report, RASB is negotiating with EPF Board for the first instalment payment to commence from June 2017 and has forwarded cheques for the costs of legal action of RM2,000 and the first, second and third instalments to the EPF Board; and
- (iii) the sum of RM420,509 being the outstanding Contributions from January 2015 to May 2015. At the date of this report, RASB has paid RM217,762 for the outstanding and the remaining Contributions is expected to be progressively settled by RASB by second half of 2017, save for the accrued dividend and interest which is still pending confirmation by the EPF Board in respect of the final amount payable by RASB. At the date of this report, RASB is negotiating with EPF Board on the outstanding payment.

Under the proposed regularisation plan ("PRP"), the above outstanding payment shall be made via the proceeds raised from the Proposed Special Issue of Shares. The solicitor is of the opinion that the above demands will not affect the PRP as RASB has obtained the Restraining Order to restrain the commencement of any new proceedings, which will allow for an orderly settlement of the demands.

B11. Material litigations (cont'd)

(b) Civil Suit No.: PA-B52NCVC-35-08/2016 (Penang Sessions Court)

On 19 August 2016, RASB received a Writ of Summons and Statement of Claim dated 11 August 2016 from Tenaga Nasional Berhad (“TNB”) claiming for amongst others, the sum of RM568,077 for damages caused to the cables belonging to TNB during construction works at Jalan Tanjung Tokong, Penang on 12 October 2013, together with interest rate of 5% per annum until full settlement and costs. The matter has been fixed for case management on 15 January 2018, pending the expiry of the Restraining Order. The solicitor acting for RASB is of the view that RASB stands a fair chance in defending against the suit, in view of the lack of documentation filed by TNB to establish or support its claim to-date.

In addition, the solicitor is of the opinion that in the event RASB fails in this litigation, this case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

(c) Originating Summons No.: 24MFC-318-11/2015 (Shah Alam High Court)

On 4 February 2016, the Shah Alam High Court has allowed the application by Maybank Islamic Berhad for an order for sale in respect of Charged Asset. The aforesaid application was made pursuant to the non-settlement of amongst other the judgment sum of RM30,543,050 obtained by Maybank Islamic Berhad against the Company, RASB and Francis Tan Hock Leong via Shah Alam High Court Suit No. 22M-19-09/2015 on 28 October 2015. Maybank Islamic Berhad has obtained the sealed Notice of Application dated 23 October 2017 for amongst other that the auction of land held under HS(D) No. 102253, No. PT 16067, Mukim Damansara, Daerah Petaling, Selangor (“the Property”) will be conducted on 8 December 2017 at 10:30 a.m. or at any other time as may be deemed suitable, Mr. Muthukumar a/l Marimuthu from Purnama Auctioneers of No. 4A, Tingkat 1, Jalan Tengku Diauddin, 41000 Klang, Selangor Darul Ehsan, is appointed as the auctioneer and the reserved price for the Charged Asset is set at RM RM8,345,592 (inclusive Goods and Services Tax).

The solicitor is of the opinion that the auction of the Charged Asset will not affect the PRP as the Proposed Debt Settlement only affects settlement of the unsecured debt of RASB and this order for sale is to dispose of the Charged Asset to settle the secured debt owing by the Company and RASB to the Secured Creditor.

B11. Material litigations (cont'd)

(d) *Suit No.: A72NCC-688-05/2015 (Kuala Lumpur Magistrate Court)*

On 19 November 2015, RASB was served a Writ and Statement of Claim dated 13 November 2015 from KVC Industrial Supplies Sdn Bhd claiming for amongst others, the sum of RM35,505.49 as at 9 November 2015, late payment interest on the amount of RM31,163.00 at a rate of 1.5% per month from 10 November 2015 until the date of full payment, cost and any other orders as they may deem fit for failing to settle the outstanding amount for goods sold.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

(e) *Winding-Up Petition No.: WA-28NCC-103-02/2017 (Kuala Lumpur High Court)*

On 28 February 2017, the Company was served with a winding-up petition by UOB Bank Berhad (“UOB”). The winding-up petition was filed pursuant to the judgment in default dated 25 April 2016 obtained by UOB against RASB, as a borrower and the Company as corporate guarantor under Kuala Lumpur Sessions Court Civil Suit No. WA-B52NCC- 322-03/2016 for amongst other the sum of RM776,529 (“UOB Suit”). The hearing for the winding-up petition was initially fixed on 13 April 2017.

In view of the Restraining Order, the hearing for the winding-up petition has been adjourned to 11 January 2018. The solicitor is of the opinion that in the event the PRP is not completed by the expiry of the present Restraining Order and the Restraining Order is not further extended by the Court, the PRP will not materialise and the Company will be wound up.

(f) *Winding-Up Petition No.: WA-28NCC-98-02/2017 (Kuala Lumpur High Court)*

On 28 February 2017, RASB was served with a winding-up petition by UOB. The winding-up petition was filed pursuant to the UOB Suit. The hearing for the winding-up petition was initially fixed on 21 April 2017 has been adjourned to 12 January 2018 in view of the Restraining Order.

The solicitor is of the opinion that in the event the PRP is not completed by the expiry of the present Restraining Order and the Restraining Order is not further extended by the Court, the PRP will not materialise and the Company will be wound up.

B11. Material litigations (cont'd)

- (g) *Summons No.: WA-52NCC-22-01/2016 (Kuala Lumpur Sessions Court)*
On 3 May 2016, the Company received a notice pursuant to Section 218 of the Companies Act, 1965 dated 3 May 2016 from Orix Credit Malaysia Sdn Bhd demanding for amongst others, the balance sum of RM208,020.27 as at 18 September 2015 together with interest at the rate of 0.065% per day on the sum of RM195,385.18 from 19 September 2015 till full settlement and costs of RM1,377.80, being the sum due and payable in respect of a Judgment in Default dated 3 February 2016 obtained at the Kuala Lumpur Sessions Court.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

- (h) *Suit No.: WA-A72NCVC-3083-07/2016 (Kuala Lumpur Magistrate Court)*
On 26 October 2016, RASB had received a notice pursuant to Section 218 of the Companies Act, 1965 dated 20 October 2016 Telekom Malaysia Berhad demanding for amongst others, RM47,987.90 being the sum due and payable in respect of a Judgement Order dated 16 August 2016 together with the interest of 5% per annum on RM47,987.90 calculated from 20 July 2016 accrued till full settlement and costs of RM788.00.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

- (i) *Civil Suit No: PA-A72NCvC-299-10/2016 (Georgetown Sessions Court)*
On 8 December 2016, RASB had received a letter dated 6 December 2016 from Tenaga Nasional Berhad demanding for a payment of RM8,307.06 being the sum due and payable in respect of a Judgement Order dated 1 December 2016 together with the interest of 5% per annum on RM8,307.06 calculated from 9 December 2013 accrued till full settlement and lawyer costs of RM409.00.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

- (j) *Suit No.: 22C-41-12/2016 (Shah Alam High Court)*
On 9 December 2016, RASB filed an action against JMT Kelantan Baru Sdn Bhd (“JMT Kelantan”) and JMT RE Maintenance Sdn Bhd (“JMT Re”) for failing to repay the advance payments made by RASB pursuant to a letter of award dated 15 March 2013 in respect of a joint engineering, procurement, construction and commissioning contract for a mini hydro project (“Letter of Award”). During the contractual period, RASB has made advance payment of RM1,477,715 to JMT Kelantan.

B11. Material litigations (cont'd)

Subsequently, JMT Kelantan terminated the Letter of Award and stated that the repayment of advance payment will be done by JMT Re. Following payments amounting to RM450,000 made to RASB, the balance amount of RM1,027,715 remains outstanding and owing to RASB. Trial of the matter took place on 25 and 26 October 2017, with the court fixing the matter for oral submissions on 4 January 2018.

The Board of Directors of RASB has been advised by its solicitor that RASB stands a good chance of success in its claims against JMT Kelantan and JMT Re.

- (k) *Civil Suit No.: WA-22NCC-136-04/2017 (Kuala Lumpur High Court)*
On 14 April 2017, RASB filed an action against Dato' Tey Por Yee, Lim Chye Guan, Lim Wei Mun, Nexgram Holdings Berhad, Info Genetic Sdn Bhd ("Info Genetic"), Mohd Ablynisyam Bin Abdullah and Dayangku Shafawati Binti Pengiran Bahrin (collectively, the "Defendants") claiming for amongst others, the sum of RM4,200,000 which was caused to be paid out by Lim Chye Guan and Lim Wei Mun, who were the Company's bank authorised signatories, on the instructions of Dato' Tey Por Yee, to RASB on 1 April 2014. The total sum of RM4,200,000 was subsequently caused to be paid out by Lim Chye Guan, the sole bank authorised signatory of RASB, to Info Genetic where it was known to both Lim Chye Guan and Lim Wei Mun that there was no reason for RASB to pay any monies to Info Genetic and Info Genetic has no reason to receive any monies from RASB. The matter is currently fixed for case management on 11 December to 15 December 2017. The Defendants however have filed their respective applications for security for costs against the Group.

The Court had on 23 October 2017 allowed the Defendants' application for security of cost against Company and RASB. Company and RASB were ordered, inter alia, to pay RM40,000.00 as security to each defendant totaling to RM160,000.00 within 21 days from 23 October 2017. Due to the financial constraints, Company and RASB have been unable to put up the total security for cost as required by the Court. Therefore, on 15 November 2017, the Court had ordered that Company's and RASB's action to be struck out and dismissed due to Company's and RASB's non compliance with the Court order granted on 23 October 2017. The Court further ordered that Company and RASB to pay RM5,000.00 in cost to each team of solicitors representing the Defendants, totaling to RM20,000.00.

The solicitor is of the opinion that this case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of the Company under the Proposed Debt Restructuring Scheme.

B11. Material litigations (cont'd)

(l) *Civil Suit No.: BA-A72NCvC-698-04/2017 (Shah Alam Magistrate Court)*

On 12 May 2017, RASB was received a Writ of Summons and Statement of Claim dated 21 April 2017 from AWT Fusion Sdn Bhd demanding for amongst others, the sum of RM5,000.00, interest at the rate of 5% per annum on the amount stated above and calculated from the date of filing of the Writ of Summons until the date of full settlement, cost and any other relief deemed suitable and beneficial as the Court may deem fit. The filing of the Writ of Summons and Statement of Claim was a result of RASB failing to settle the said outstanding balances.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

(m) *Suit No.: WA-A72NCvC-3216-07/2017 (Kuala Lumpur Magistrate Court)*

On 17 July 2017, RASB was received a Writ of Summons and Statement of Claim were dated 5 July 2017 and 4 July 2017 respectively from Telekom Malaysia Berhad demanding for amongst others, the outstanding sum of RM43,217.55 as at 5 June 2017, interest at the rate of 5% per annum on the amount stated above and calculated from the date of judgement until the date of full settlement, cost; and any other relief deemed suitable and beneficial as the Court may deem fit.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

(n) *Originating Summons No.: WA-24NCC-111-03/2017 (Kuala Lumpur High Court)*

On 10 July 2017, upon application of the Company and RASB, the Court has granted an extension of 90 days in respect of the restraining order obtained by the Company and RASB pursuant to Sections 366 and 368 of the Companies Act 2016 on 11 April 2017 (“Restraining Order”) in the following terms:

- (i) that any and all proceedings, claims, demands, execution and/or action against RASB, save and except for proceedings in Shah Alam High Court Originating Summons No. 24MFC-318-11/2015 (sealed Order for Execution No. BA-38-290- 03/2016) as detailed below, whether pending or is proposed to be commenced, be restrained for a period of three (3) months from the date of the said order and no proceedings, claims, demands, execution and/or action can be commenced or proceeded with during such period without first obtaining the leave of the Court; and

B11. Material litigations (cont'd)

- (ii) that any and all proceedings, claims, demands, execution and/or action against RASB, whether pending or is proposed to be commenced, be restrained for a period of three (3) months from the date of the said order and no proceedings, claims, demands, execution and/or action can be commenced or proceeded with during such period without first obtaining the leave of the Court.

Upon the extension, the Restraining Order obtained by the Company and RASB will expire on or around 9 October 2017. The Company and RASB had on 17 October 2017 received the Sealed Restraining Order dated 9 October 2017 from the Court, with an order that the period of the Restraining Order be extended for a further period of three months, beginning from the date of the Order.

The solicitor is of the opinion that in the event the PRP is not completed by the expiry of the present Restraining Order and if the Restraining Order is not extended by the Court, the PRP will not materialise and under those circumstances the Company may be wound up pursuant to any one of the winding up petitions.

- (o) *Suit No.: WA-A72NCC-36972-07/2017 (Kuala Lumpur Magistrate Court)*

On 15 August 2016, the Company announced that RASB has been served a sealed order dated 3 August 2017 from Telekom Malaysia Berhad demanding for amongst others, the outstanding sum of RM59,920.85 as at 4 January 2012, interest at the rate of 5% per annum on the amount stated above and calculated from the date of order the date of full settlement and cost of RM786.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

- (p) *Summons No.: WA-A52NCvC-517-08/2017 (Kuala Lumpur Sessions Court)*

On 30 August 2017, RASB was received a Writ of Summons and Statement of Claim were dated 17 August 2017 from Telekom Malaysia Berhad demanding for amongst others, the outstanding sum of RM112,790.30, interest at the rate of 5% per annum on the amount stated above and calculated from 9 January 2014 until the date of full settlement, cost and any other relief deemed suitable and beneficial as the Court may deem fit. The filing of the Writ of Summons and Statement of Claim was a result of RASB failing to settle the said amount.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

B11. Material litigations (cont'd)

- (q) *Civil Suit No.: BA-22NCVC-534-09/2017 (Shah Alam High Court)*
On 5 October 2017, RASB filed a Consent Order entered into by RASB and Mohd Tarmizi bin Leman (“the Defendant”). The Consent Judgement comprising the following:-
- (i) judgement against the Defendant in the sum of RM1,922,914 (“Judgement Sum”);
 - (ii) the defendant shall pay RASB the full Judgement Sum by no later than 31 January 2018;
 - (iii) as a security for the payment of the Judgement Sum, the Defendant shall within 7 days from the Consent Judgement, transfer 3,250,000 shares held by the Defendant in ThreeSixty Technologies Sdn. Bhd. (“ThreeSixty”) to RASB’s nominees in the manner set out in the Consent Judgement;
 - (iv) the Trustees shall hold the shares in ThreeSixty solely as trustees for and on behalf of RASB;
 - (iv) the Defendant, and the directors and company secretary(s) of ThreeSixty, as the case may be, shall take all necessary steps to approve the transfer of the shares and to enter the names of the Trustees in the Register of Members of ThreeSixty within 7 days from the date of the Consent Judgement (“Transfer”). Failing which, the Senior Assistant Registrar or the Deputy Registrar of the High Court shall effect the said Transfer;
 - (vi) upon receipt of full Judgement Sum on or before 31 January 2018, RASB shall within 7 days transfer the shares back to the Defendant. In the event payment is not received by 31 January 2018, RASB shall be at liberty to take out any execution proceedings or do such act or things to recover the Judgement Sum including taking beneficial ownership in the shares of ThreeSixty;
 - (vii) parties be at liberty to apply; and
 - (viii) there shall be no order as to costs.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

- (r) *Civil Suit No.: WA-22NCC-408-10/2017 (Kuala Lumpur High Court)*
On 11 October 2017, RASB filed a Writ of Summons and Statement of Claim against Francis Tan Hock Leong (“the Defendant”). The claims include the following:
- (i) the sum of RM1,377,514 against the Defendant;
 - (ii) interest on the sum of RM1,377,514 at the rate of 5% per annum from the date of the judgement till the date of full payment;
 - (iii) exemplary damages against the Defendant;
 - (v) interest on any exemplary damages ordered to be paid, at the rate of 5% per annum from the date of the order until full payment;
 - (vi) costs on a solicitor-client basis; and
 - (vii) any other further relief that the Court shall deem fit.

B11. Material litigations (cont'd)

The above action was taken as the Defendant, who was a director of RASB during the material time, have breached various duties owed to RASB by failing to effect statutory payments to the Employees' Provident Fund, Social Security Organisation, Inland Revenue Board of Malaysia and Human Resource Development Fund (collectively referred to as "Statutory Creditors") in a timely manner as required under the laws of Malaysia, and also diverted funds which ought to have been used for such purposes towards other usage. The Defendant had also failed to act for a proper purpose and honestly.

In causing RASB to default payments to its Statutory Creditors and causing the imposition of penalties by the same, the Defendant did not bona fide and in the best interest of RASB. As a result, RASB's new management had to divert valuable funds to pay the statutory dues and penalties imposed by the Statutory Creditors. The imposition of penalties is still continuing.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

(s) *Originating Summons No.: WA-24NCC-495-11/2017 (Kuala Lumpur High Court)*

On 10 November 2017, the Company filed an originating summons against Francis Tan Hock Leong ("Mr. Francis"), seeking inter alia, to restrain him from convening any extraordinary general meeting ("EGM") of the Company pursuant to a Notice of EGM issued by him on 1 November 2017. On 13 November 2017, the Company filed an application for interim injunction against Mr. Francis.

On 17 November 2017, R&A had vide its solicitors, Messrs. Syed Ibrahim & Co, the solicitors of the Company attended the hearing in respect of the originating summons filled by the Company ("the Plaintiff") against Mr. Francis, duly held at Kuala Lumpur High Court.

Thereafter, the Plaintiff and Mr. Francis entered into a consent judgment on 17 November 2017 (with no admission by Mr. Francis as to the contents of the Plaintiff's affidavit filed in support of the originating summons and injunction application), whereby:-

- (i) the Notice of Extraordinary General Meeting of R&A issued by Mr. Francis on 1 November 2017 ("Notice of EGM") is invalid and of no effect;
- (ii) any general meeting of R&A, including any adjourned meeting thereof, sought to be convened by Mr. Francis pursuant to the Notice of EGM is invalid, of no effect and is not a meeting of R&A binding on R&A's shareholders and R&A's directors;

B11. Material litigations (cont'd)

- (iii) any meeting held at 1st Floor, Cheng Yi Auditorium, The Kuala Lumpur And Selangor Chinese Assembly Hall, No. 1, Jalan Maharajalela, 50150 Kuala Lumpur on 22 November 2017 at 10:00 a.m. or an adjournment thereof, whether to the same venue or elsewhere, sought to be convened pursuant to the Notice of EGM is not a meeting of the shareholders of R&A and is not binding on R&A's shareholders and R&A's directors; and
- (iv) no cost as to order.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

- (t) *Civil Suit No.: WA-22NCC-474-11/2017 (Kuala Lumpur High Court)*
On 24 November 2017, RASB filed a Writ of Summons and Statement of Claim in the High Court of Malaya ("the Court") at Kuala Lumpur against Mr. Francis Tan Hock Leong ("Mr. Francis") and ThreeSixty Technologies Sdn. Bhd. ("ThreeSixty") (collectively, "the Defendants").

The claims include the following prayers:-

- (i) the sum of RM1,921,362.83 against the Defendants;
- (ii) interest of 5% per annum on the above amount of RM1,921,362.83 from the date of the filing of this action;
- (iii) damages to be assessed;
- (v) costs; and
- (vi) such further or other further relief which this Honourable Court deems suitable in the circumstances.

In above action was taken against Mr. Francis, who was a director of RASB during the material time, and has caused RASB and R&A Metals Sdn. Bhd. (wound up) to pay to ThreeSixty and to make payments for and on behalf of ThreeSixty, have acted in breach of his fiduciary duty to RASB and has caused loss to RASB. In this regard, RASB contends that Mr. Francis did not act honestly, did not act for proper purposes and did not act in the best interest of RASB. Premised on the above, Mr. Francis has caused RASB losses and damages.

The above action was taken against ThreeSixty as it has received moneys from RASB and having benefitted from moneys paid on its behalf by RASB had assisted Mr. Francis in breach of his fiduciary duties to RASB and also knowingly receives trust moneys. The above matter was fixed for case management on Thursday, 7 December 2017 at 9.00 a.m. at the Kuala Lumpur High Court.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

B11. Material litigations (cont'd)

- (u) *Civil Suit No.: WA-22NCC-473-11/2017 (Kuala Lumpur High Court)*
On 24 November 2017, RASB filed a Writ of Summons and Statement of Claim in the High Court of Malaya (“the Court”) at Kuala Lumpur against Mr. Francis Tan Hock Leong (“Mr. Francis”), Richard Tan Han Sheng (“Mr. Richard”), En. Mohd Tarmizi Bin Lemam (“Tarmizi”), En. Johari Bin Zainal (“Johari”) and ThreeSixty Technologies Sdn. Bhd. (“ThreeSixty”) (collectively, “the Defendants”).

The claims include the following prayers:-

- (i) Judgment against the Defendants in the sum of RM6,534,594.68;
- (ii) Interest on the sum of RM6,534,594.68 at the rate of 5% p.a. from 20.5.2015 to the date of full payment against the Defendants;
- (iii) A declaration that Tarmizi is holding 3,250,000 ordinary shares of RM1.00 each in ThreeSixty as a constructive trustee for the Plaintiff;
- (iv) A declaration that Johari is holding 1,750,000 ordinary shares of RM1.00 each in ThreeSixty as a constructive trustee for the Plaintiff;
- (v) A declaration that the Trust Deed dated 18.5.2017 executed between the Mr. Richard and Tarmizi is null and void and of no effect whatsoever;
- (vi) Further, a declaration that any transferee of shares in ThreeSixty from Tarmizi and/or Johari is a constructive trustee of such shares in ThreeSixty as may be held by them.
- (vii) General damages to be assessed against each of the Defendants;
- (viii) Costs; and
- (vii) Such further or other further relief which this Honourable Court deems suitable in the circumstances.

In above action was taken against Mr. Francis, who was a director of RASB during the material time, and has caused RASB to pay to ThreeSixty and to make payments for and on behalf of ThreeSixty, have acted in breach of his fiduciary duty to RASB and has caused loss to RASB. In this regard, RASB contends that Mr. Francis did not act honestly, did not act for proper purposes and did not act in the best interest of RASB. Premised on the above, Mr. Francis has caused RASB losses and damages.

The above action was taken against Tarmizi and Johari as the present shareholders of ThreeSixty, and Mr Richard Tan who claims to be the beneficial shareholder of the shares held by Tarmizi. The Plaintiff contends that these defendants have dishonestly assisted Mr. Francis in receiving moneys from RASB and having benefitted from moneys paid on its behalf by RASB, had assisted Mr. Francis in breach of his fiduciary duties to RASB and also knowingly receive trust moneys.

B11. Material litigations (cont'd)

The above matter is fixed for case management on Thursday, 7 December 2017 at 9.00 a.m. at the Kuala Lumpur High Court.

This case will not have any effect to the PRP as it will not affect the amount that is proposed to be settled to the creditors of RASB under the Proposed Debt Restructuring Scheme.

B12. Dividends

No interim dividends have been declared during the current financial quarter under review.

B13. Loss per share

(a) Basic loss per ordinary share

Basic loss per share is calculated by dividing loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue for the quarter and financial period respectively.

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
(Loss)/profit attributable to the equity holders of the Company (RM'000)	(224)	2,403	(224)	2,403
Weighted average number of shares in issue ('000)	966,862	966,862	966,862	966,862
(Loss)/earnings per share (sen)	(0.02)	0.25	(0.02)	0.25

(b) Diluted loss per ordinary share

Not applicable