

PASUKHAS GROUP BERHAD (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST (1ST) QUARTER ENDED 31ST MARCH 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Revenue	7,056	18,195	7,056	18,195
Contract Expenses	(6,177)	(16,271)	(6,177)	(16,271)
Gross Profit	879	1,924	879	1,924
Other Operating Income	2,120	170	2,120	170
	2,999	2,094	2,999	2,094
Administrative Expenses	(2,468)	(1,746)	(2,468)	(1,746)
Other Expenses	(227)	(38)	(227)	(38)
Finance Costs	(148)	(85)	(148)	(85)
Share of Result from Associates (Net)	(24)	98	(24)	98
Profit Before Taxation	132	323	132	323
Income Tax Expenses	-	-	-	-
Profit After Taxation	132	323	132	323
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income For The Financial Period	132	323	132	323
Profit After Taxation Attributable To :-				
Owners of the Company	146	323	146	323
Non-controlling interests	(14)	-	(14)	-
	132	323	132	323
Total Comprehensive Income Attributable To :-				
Owner of the Company	146	323	146	323
Non-Controlling Interests	(14)	-	(14)	-
	132	323	132	323
Weighted average number of shares in issue ('000)	405,787	370,112	405,787	370,112
Earnings per share attributable to the equity holders of the Company (sen)	0.03	0.09	0.03	0.09

Notes:-

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Pasukhas Group Berhad and its subsidiaries ("Group") for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial statements.

PASUKHAS GROUP BERHAD (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST (1ST) QUARTER ENDED 31ST MARCH 2017

	UNAUDITED AS AT END OF CURRENT QUARTER 31 Mar 2017 RM'000	AUDITED AS AT 31 Dec 2016 RM'000
ASSETS		
NON-CURRENT ASSETS		
Investments in associates	712	735
Plant and equipment	5,796	6,841
Deferred tax assets	2,967	2,967
Other investments	104	104
Goodwill	3,100	3,100
	12,679	13,747
CURRENT ASSETS		
Inventories	1,610	1,328
Amount owing by contract customers	25,993	25,296
Trade receivables	47,904	55,175
Other receivables, deposits and prepayments	10,748	6,239
Amount owing by associates	2,255	2,255
Tax refundable	1,361	1,165
Fixed deposits with licensed banks	13,909	15,298
Cash and bank balances	4,626	2,943
	108,406	109,699
	121,085	123,446
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	40,579	37,011
Merger deficit	(10,500)	(10,500)
Fair value reserve	17	17
Share premium	9,327	7,543
Retained profits	2,212	2,066
	41,635	36,137
NON-CONTROLLING INTERESTS	4,896	4,910
TOTAL EQUITY	46,531	41,047
NON-CURRENT LIABILITIES		
Hire purchase payables	1,015	385
	1,015	385
CURRENT LIABILITIES		
Trade payables	43,411	47,048
Other payables and accruals	11,803	13,571
Amount owing to associates	4,022	4,382
Amount owing to directors	512	492
Amount owing to shareholders	2,968	2,938
Hire purchase payables	300	140
Bankers' acceptance	5,717	7,201
Revolving credits	3,000	3,000
Bank Overdrafts	1,806	3,242
	73,539	82,014
TOTAL LIABILITIES	74,554	82,399
TOTAL EQUITY AND LIABILITIES	121,085	123,446
Net assets per share (RM)	0.11	0.11

Notes:-

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST (1ST) QUARTER ENDED 31ST MARCH 2017

	<----- Non-Distributable ----->			Distributable				
	Share Capital	Fair Value Reserve	Merger Deficit	Share Premium	Retained Profits	Attributable To Owners Of The Company	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current period to date ended 31 March 2017</u>								
Balance at 1 January 2017 (Audited)	37,011	17	(10,500)	7,543	2,066	36,137	4,910	41,047
Profit / (Loss) after taxation / Total comprehensive income / (expense) for the financial period	-	-	-	-	146	146	(14)	132
Issuance of share - Private Placement	3,568	-	-	1,784	-	5,352	-	5,352
Balance at 31 March 2017 (Unaudited)	<u>40,579</u>	<u>17</u>	<u>(10,500)</u>	<u>9,327</u>	<u>2,212</u>	<u>41,635</u>	<u>4,896</u>	<u>46,531</u>
<u>Preceding period to date ended 31 March 2016</u>								
Balance at 1 January 2016 (Audited)	29,500	17	(10,500)	933	9,844	29,794	-	29,794
Profit after taxation / Total comprehensive income for the financial period	-	-	-	-	323	323	-	323
Balance at 31 March 2016 (Audited)	<u>29,500</u>	<u>17</u>	<u>(10,500)</u>	<u>933</u>	<u>10,167</u>	<u>30,117</u>	<u>-</u>	<u>30,117</u>

Notes:-

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial statements.

PASUKHAS GROUP BERHAD (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31ST MARCH 2017

	UNAUDITED CURRENT PERIOD TO DATE 31 March 2017 RM'000	UNAUDITED PRECEDING PERIOD TO DATE 31 March 2016 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	132	323
Adjustments for:-		
Depreciation of plant and equipment	86	38
Gain on foreign exchange - unrealised	(1)	(84)
Interest expense	148	85
Interest income	(201)	(77)
Share of result in associates	24	(98)
Writeback of allowance for impairment losses on trade receivables	(1,849)	-
Writeback of allowance for impairment losses on plant and equipment	(66)	-
Operating (loss) / profit before working capital changes	(1,727)	187
(Increase) / Decrease in inventories	(282)	384
Increase in amount owing by contract customers	(697)	(2,935)
Decrease in trade and other receivables	4,611	7,869
Decrease in trade and other payables	(5,405)	(7,043)
Net decrease in amount owing to associates	(360)	-
CASH FLOWS FOR OPERATING ACTIVITIES	(3,860)	(1,538)
Interest paid	(148)	(85)
Income tax Paid	(196)	-
NET CASH FOR OPERATING ACTIVITIES	(4,204)	(1,623)
CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES		
Interest received	201	77
Purchase of plant and equipment	(29)	(8)
Withdrawal / (Placement) of fixed deposit pledged	1,389	(467)
Proceeds from disposal of plant and equipment	1,054	-
NET CASH FROM / (FOR) INVESTING ACTIVITIES	2,615	(398)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from directors	20	-
Advance from shareholders	30	-
Proceeds from issuance of share capital from Private Placement	5,351	-
Net (Repayment) / Drawdown in bankers' acceptances	(1,484)	632
Net Drawdown / (Repayment) of hire purchase obligations	790	(3)
NET CASH FROM FINANCING ACTIVITIES	4,707	629
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,118	(1,392)
FOREIGN EXCHANGE RATE ADJUSTMENT	1	84
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(299)	5,831
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	2,820	4,523

Notes:-

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 : INTERIM FINANCIAL REPORTING**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting in Malaysia and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2016.

The Group adopted the following Standards, Amendments and IC Interpretations:-

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 10, MFRS 12 and MFRS 128 : Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 127 : Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period.

MFRS and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A2. Changes in Accounting Policies (Continue)

Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until Further notice
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycles: • Amendments to MFRS 12: Clarification of the Scope of Standard	1 January 2017
Annual Improvements to MFRS Standards 2014 – 2016 Cycles: • Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters • Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018

A3. Auditor's Report on Preceding Annual Financial Statements

There were no audit qualification to the annual audited financial statements of the Group for the financial year ended 31 December 2016.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

A5. Unusual Items

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

A6. Material Changes in Estimates

There were no 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. Changes in Debts and Equity Securities

There were no issuances, cancellations or repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares for the current financial quarter under review and financial year-to-date.

A8. Dividend

There were no dividends declared or paid during the financial year to date under review.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A9. Segmental Information

The segmental revenue and results for the financial year-to-date under review are as follows:-

Revenue by Operating Segments

	M&E Engineering Services	Manufacturing of LV switchboards	Civil Engineering and Construction Services	Trading of Equipment	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	1,184	809	5,063	-	7,056
Inter-segment revenue	-	-	-	-	-
Total segment revenue	<u>1,184</u>	<u>809</u>	<u>5,063</u>	<u>-</u>	<u>7,056</u>
Segment result	191	162	526	-	879
Other operating income					2,120
Administrative expenses					(2,468)
Other expenses					(227)
Finance costs					(148)
Share of Result from Associates (Net)					(24)
Tax expense					-
Profit after taxation					<u>132</u>

All 4 main business segments are held by Pasukhas Sdn Bhd and Pasukan Khas Construction Sdn Bhd, thus the Group's contract expenses, operating expenses, income taxes, assets and liabilities are managed on a group basis and are not allocated to operating segments.

Revenue by Geographical Markets

	Current Year To Date 31 Mar 2017	
	RM'000	%
Malaysia	7,056	100
	<u>7,056</u>	<u>100</u>

A10. Valuation of Plant and Equipment

There was no valuation of plant and equipment in the current financial quarter under review.

A11. Subsequent Material Events

There are no material events subsequent to the financial quarter ended 31 December 2016 that have not been reflected in this interim financial statements.

A12. Changes in the Composition of the Group

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A13. Contingent Assets or Liabilities

Save as disclosed below, there were no contingent assets or contingent liabilities since the last audited financial statements of the Group for the financial year ended 31 December 2016:-

	Current Quarter Ended 31 Mar 2017 RM'000	Preceding Financial Year Ended 31 Dec 2016 RM'000
Contingent Liability		
- Bank guarantee issued	466	650

A14. Capital Commitments

The Group does not have any material capital commitments in respect of plant and equipment as at the end of the current financial quarter under review.

A15. Capital Expenditure

There were no major additions and disposals of the plant and equipment during the current financial quarter under review.

A16. Related Party Transactions

Save as disclosed below, there were no related party transactions for the current financial quarter under review and financial year-to-date:-

	Current Quarter Ended 31 Mar 2017 RM'000	Cumulative Year-To-Date 31 Mar 2017 RM'000
Nature of transaction		
Rental of premises	196	196

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**B1. Review of Performance**

The Group recorded a revenue of RM7.056 million for the current financial quarter under review as compared to RM18.195 million in the preceding corresponding quarter representing a significant decrease of RM11.139 million or 61.22%. The decrease was mainly attributable to slowdown in activities on ongoing projects for local Civil Engineering and Construction services projects which translates into lower revenue. The Group's revenue was derived solely from Malaysia.

The Group recorded a gross profit before tax of RM0.879 million as compared to a gross profit before tax of RM1.924 million in the corresponding quarter of the preceding year due to lower gross profit derived from Civil Engineering and Construction services.

The Civil Engineering and Construction Services provided the largest contribution to the Group's gross profit of RM0.526 million or 59.84% with a revenue of RM5.063 million or 71.75%. The remaining revenue and gross profit are contributed from the M&E Engineering services and Manufacturing of LV Switchboards..

The Group recorded a negative cash flow from operating activities amounting to RM3.860 million and a negative net cash flow from operating activities of RM4.204 million after adjusting for interest and income tax paid. The negative cash flow are mainly due to increase in amount owing by contract customers, decrease in trade and other payables, and decrease in amount owing to associates.

B2. Comparison with Preceding Quarter's Results

	Current Quarter 31 Mar 2017 RM'000	Preceding Quarter 31 Dec 2016 RM'000	Variance RM'000
Revenue	7,056	16,690	(9,634)
Loss before tax	132	(4,764)	4,896

Revenue of the Group decreased by 57.72% amounting to RM9.634 million for the current financial quarter as compared to immediate preceding financial quarter mainly due to intense competitive market and continued pressure on pricing which lead to the slowdown in activities on ongoing projects for local Civil Engineering and Construction services and M&E Engineering services projects. The Group reported a net profit before tax of RM0.132 million for the current financial quarter as compared to a net loss before tax of RM4.764 million in the immediate preceding quarter mainly due to writeback of allowance for impairment losses on trade receivables of RM1.600 million.

B3. Prospects

The revenue driver of the Group for the current year to date remain primarily from Civil Engineering and Construction services and M&E Engineering work. Moving forward, the Group is expected to continue seeking to expand and diversify its current foundation into the provision of energy utilities services and power generation division, beside Civil Engineering and Construction services which serving alongside M&E Engineering services for the financial year ending 31 December 2017.

The year 2017 will no doubt bring a fair share of challenges and opportunities to the Group. Despite the headwinds from the slowdown, the Group remains optimistic as it will continue to leverage on its clients base, internal strength and marketing efforts to secure new contracts from both local and overseas clients. With its solid foundation, and keen eye for integrating suitable acquisition and mergers into its expansion, the Group is expect to maintaining sustainable growth and improved profitability for the foreseeable financial years.

Furthermore, the Board is confident of the future prospects of the Group in anticipation of the improved economy and in line with the additional roll out of more infrastructure projects initiated by the Government. The Board believe that with the continuous growth in the construction sector, and expect the International Agent Agreement ("IAA") with TBEA Hengyang Transformer Co. Ltd. ("TBEA"), Acquisitions of Pasukan Khas Construction Sdn Bhd ("PKC") and I. S. Energy Sdn Bhd ("ISE") will contribute positively to the financial performance of the Group.

Nonetheless, the Group will continue to focus and review its strategies to improve the cost, quality and delivery of its products and services as well as overall operational efficiencies in order to remain competitive in the industries the Group operate in.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B4. Taxation

	Current Quarter Ended 31 Mar 2017 RM'000	Cumulative Period-To-Date 31 Mar 2017 RM'000
Current tax expenses:		
- for the financial period	-	-
- over/(under)provision in the previous financial period	-	-
Deferred tax expense:		
- for the financial period	-	-
- over provision in the previous financial period	-	-
Current Tax for the current financial period	-	-

The statutory tax rate for the current financial year is 24%.

B5. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee during the current financial quarter under review.

B6. Status of Corporate Proposal

There were no corporate proposals pending completion as at the date of issuance of this interim report, except for the following:

On 2 August 2016, Hong Leong Investment Bank Berhad ("HLIB"), on behalf of the Company, announced that the Company had on 2 August 2016 entered into the following agreements:-

- (i) a conditional share sale agreement between the Company and Dato' Sri Teng Ah Kiong ("DSTAK"), Wee Hiang Chyn and Ong Mei Lee for the proposed acquisition of 70% equity interest of Pasukan Khas Construction Sdn Bhd (formerly known as Pasukhas Construction Sdn Bhd) ("PKC") for a purchase consideration of approximately RM17.2 million ("Proposed Acquisition of PKC"); and
- (ii) a conditional share sale agreement between Pasukhas Energy Sdn Bhd (formerly known as Bidara Majujaya Sdn Bhd) ("PESB"), a wholly owned subsidiary of the Company, and Maser (M) Sdn Bhd ("Maser") for the proposed acquisition of 100% equity interest in I.S. Energy Sdn Bhd ("ISE") for a purchase price of RM1.0 million as well as a debt settlement agreement between PESB, Maser and ISE for the settlement of inter-company advances owed by ISE to Maser for a sum of RM13.3 million, subject to adjustment ("Proposed Acquisition of ISE"). The total purchase consideration for the Proposed Acquisition of ISE is RM14.3 million.

The Proposed Acquisition of PKC and the Proposed Acquisition of ISE are collectively referred to as the "**Proposed Acquisitions**".

In conjunction with the Proposed Acquisitions, on behalf of the Company, HLIB also announce that the Company proposes to undertake the following:-

- (i) proposed diversification of the existing core businesses of the Company to include energy utilities services and power generation business ("Proposed Diversification") pursuant to the Proposed Acquisition of ISE;
- (ii) proposed private placement of up to 37.0 million new Company Shares, representing 10% of the issued and paid-up share capital of the Company upon completion of the Proposed Acquisition of PKC ("Proposed Private Placement");
- (iii) proposed rights issue of up to 407.1 million Company shares ("Rights Shares") on the basis of 1 Rights Share for every 1 existing Company Share held by the shareholders whose names appear in the Record of Depositors of the Company on an entitlement date to be determined later by the Board after the Proposed Acquisitions and Proposed Private Placement ("Proposed Rights Issue");
- (iv) proposed exemption to Tara Temasek Sdn Bhd ("Tara Temasek") and persons acting-in-concert with Tara Temasek ("PACs") under Section 219 of the Capital Markets and Services Act, 2007 and Paragraph 16.1 (b), Practice Note 9 of the Malaysian Code on Take-Over and Mergers 2010 from the obligation to undertake a mandatory take-over offer for the remaining Company Shares not already held by Tara Temasek and the PACs upon the issuance of the Rights Shares to them under minimum subscription level ("Proposed Exemption");
- (v) proposed increase in authorised share capital of the Company ("Proposed Increase in Authorised Share Capital"); and
- (vi) proposed amendments to the Memorandum and Articles of Association of the Company ("Proposed Amendments").

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B6. Status of Corporate Proposal (Continue)

On 18 August 2016, HLIB further announced that the Company had procured an irrevocable written undertaking from DSTAK, Dato' Teng Yoon Kooi, and Tara Temasek that they will subscribe in aggregate not less than RM30.0 million value of Rights Shares to meet the Minimum Subscription Level of the Proposed Rights Issue.

In view of the revised undertaking by Tara Temasek, Tara Temasek and its PACs are no longer required to seek an exemption from a mandatory general offer obligation pursuant to Paragraph 9(1), Part III of the Code. Accordingly the appointment of the Independent Adviser and approval from Security Commissioner ("SC") for the Proposed Exemption are no longer required.

On 19 September 2016, HLIB announced that the additional listing application together with the circular to the shareholders of the Company in relation to the Proposals was submitted to Bursa Securities.

On 3 November 2016, HLIB announced that Bursa Securities had, vide its letter dated 3 November 2016, approved the corporate proposals.

On 10 November 2016, HLIB announced that PESB, a wholly owned subsidiary of the Company had on 10 November 2016 entered into the following:

- (i) a supplemental agreement of the ISE SSA between PESB and Maser; and
- (ii) a supplemental agreement of the ISE DA between PESB, Maser and ISE in which the parties mutually agreed:
 - (a) to an extension until 31 December 2016 for the fulfillment of the ISE Conditions Precedents in the ISE SSA;
 - (b) that ISE SSA Deposit to be released to the Maser upon the signing of the supplemental agreements mentioned above;
 - (c) that a sum of RM1,210,000, being part of the ISE DA Deposit to be released to Maser upon the signing of the supplemental agreements mentioned above; and
 - (d) that a sum of RM1,400,000, being the balance of the ISE DA Deposit, to be released to the solicitors of Maser as stakeholder within 3 working days from the date the Company has held its EGM to approve the Proposed Acquisition of ISE.

On 22 November 2016, HLIB announced that the Company and the PKC Vendors had mutually agreed to an extension of one month until 31 December 2016 for the fulfillment of the PKC Conditions Precedent in the PKC SSA.

On 22 December 2016, the Company announced that the acquisition of 70% equity interests in Pasukan Khas Construction Sdn Bhd for a purchase consideration of RM17,233,990 to be satisfied via issuance of 45,610,566 new ordinary shares of RM0.10 each in PGB ("PGB Shares") at an issuance price of RM0.205 per PGB Share and RM7,873,824 in cash.

On 23 December 2016, HLIB on behalf of the Company, announced that 45,610,566 new PGB Shares issued pursuant to the Proposed Acquisition of PKC have been listed and quoted on the ACE Market of Bursa Securities on 23 December 2016, marking the completion of the Proposed Acquisition of PKC.

Concurrently, the Company and PKC Vendors had on 23 December 2016 entered into a supplemental letter of PKC SSA to mutually waive the requirement to comply with Clause 7.2.2(a), Clause 7.2.6(c) and Schedule 4 of the PKC SSA in order to retain Dato' Teng Yoon Kooi as a director of PKC.

On the same date, the Company had also entered into the shareholders' agreement with PKC Vendors ("PKC SHA") to govern the material aspects of the joint management and conduct of business of PKC. The salient terms of the PKC SHA are set out in the Company's circular to shareholders dated 16 November 2016.

The PKC SHA will be available for inspection at the registered office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P.Ramlee, 50250 Kuala Lumpur during normal office hours (except for public holidays) for a period of 3 months from the date of this announcement.

On 16 January 2017, on behalf of the Company, HLIB announced that the Board has fixed the issue price for 35,675,000 Placement Shares at RM0.15 each.

The issue price of RM0.15 per Placement Share represents a discount of approximately 8.03% to the 5-Day VWAMP of PGB Shares up to and including 13 January 2017, being the last traded day for PGB Shares prior to this announcement, of RM0.1631 per PGB Share.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B6. Status of Corporate Proposal (Continue)

On 24 January 2017, HLIB on behalf of the Company, announced that the PESB, a wholly owned subsidiary of the Company, had on 24 January 2017 entered into the following:

- (a) a supplemental agreement to the ISE SSA between PESB and Maser ("ISE Supplemental SSA 2"); and
- (b) a supplemental agreement of the ISE DA between PESB, Maser and ISE ("ISE Supplemental DA 2").

The salient terms of the ISE Supplemental SSA 2 are as follow:

- (a) the ISE Completion Date shall be extended to 17 March 2017 ("New ISE Completion Date"), provided that:
 - (i) PESB to pay Maser the remaining ISE SSA Consideration of RM710,000 on the New Completion Date, together with late payment interest of 8% per annum on day to day basis, calculated from 18 January 2017 until the date of full payment; and
 - (ii) PESB to make payment of premium payable for subscription of insurances by ISE effective from May 2017, subject that ISE SSA has been completed.

The salient terms of the ISE Supplemental DA 2 are as follow:

- (a) the completion date of the ISE DA shall be extended to 17 March 2017, being the New ISE Completion Date, provided that the Balance Settlement Sum is paid in the following manner:
 - (i) The 85% of the Balance Settlement Sum is to paid in two tranches:

	Balance Settlement Sum	Interest Rate
(aa)	PESB to pay a sum of RM3,500,000 on or before 7 February 2017; and	Nil.
(ba)	PESB to pay the remaining sum on or before the New ISE Completion Date.	8% per annum on day to day basis, calculated from 18 January 2017 until the date of full payment.

- (ii) The 15% of the Balance Settlement Sum shall be paid within 3 months from the New ISE Completion Date, together with late payment interest of 8% per annum on day to day basis, calculated from 18 April 2017 until the date of full payment.
This announcement is dated 24 January 2017.

On 25 January 2017, HLIB on behalf of the Company, announced that the Private Placement has been completed following the listing of and quotation for 35,675,000 new PGB Shares on the ACE Market of Bursa Malaysia Securities Berhad on 25 January 2017. The Company has raised a total gross proceed of RM5,351,250 from the Private Placement.

On 22 March 2017, HLIB on behalf of the Company, announced that the PESB, a wholly owned subsidiary of the Company, had on 22 March 2017 entered into the following:

- (a) a supplemental agreement to the ISE SSA between PESB and Maser ("Supplemental ISE SSA No. 3"); and
- (b) a supplemental agreement to the ISE DA between PESB, Maser and ISE ("Supplemental ISE DA No. 3").

The salient terms of the ISE Supplemental SSA 3 are as follow:

- (a) PESB to pay the remaining ISE SSA Consideration of RM710,000 ("Balance ISE SSA Consideration") within 10 days from the date of the Supplemental ISE SSA No. 3, being the new completion date of the ISE SSA; and
- (b) PESB to pay the late payment interest on the Balance ISE SSA Consideration at the rate of 8% per annum, calculated on day to day basis from 18 January 2017 until the date of full payment by the ISE DA Completion Date (as defined below).

The salient terms of the ISE Supplemental DA 3 are as follow:

- (a) The completion date of the ISE DA shall be 2 months from the date of the Supplemental ISE DA No. 3 ("ISE DA Completion Date");

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B6. Status of Corporate Proposal (Continue)

- (b) PESB to pay a sum of RM290,000 as part payment of the Balance Settlement Sum within 10 days from the date of the Supplemental ISE DA No. 3; and
- (c) PESB to pay all remaining Balance Settlement Sum together with the late payment interest of 8% per annum, calculated on day to day basis from 18 January 2017 until the date of full payment by the ISE DA Completion Date.

The signing of the above Supplemental ISE SSA No. 3 and Supplemental ISE DA No. 3 are to allow the extension of 2 months to 22 May 2017 for both Maser and PESB to complete the Acquisition of ISE pursuant to the Supplemental ISE DA No. 3.

Further, in consideration of PESB agreement with Maser for early payment of the 15% of the Balance Settlement Sum pursuant to the Supplemental ISE DA No. 3, Maser has on today given a letter of undertaking to PESB to undertake that, for a period of 3 months from the ISE DA Completion Date:

- (a) Maser will continuously ensure that all documents in relation to the operation and management of ISE, including the operation of the hydro plant and the financial status of ISE are in order; and
- (b) Maser will use its best endeavour to assist and advise PESB for the operation and management of ISE, including the hydro plant of ISE.

On 27 March 2017, the Company announced on important relevant dates for Renounceable rights issue of up to 405,786,566 new ordinary shares in PGB ("PGB Share(s)") ("Rights Share(s)") at an issue price of RM0.10 per Rights Share on the basis of 1 Rights Share for every 1 existing PGB Share held at 5.00 p.m. on 10 April 2017 ("Entitlement Date").

On the same date, HLIB on behalf of the Company, announced that the Board had, on 27 March 2017, resolved to fix the Issue Price of the Rights Shares at RM0.10 per Rights Share ("Price-Fixing Date").

The Issue Price of RM0.10 per Rights Share represents a discount of approximately RM0.0320 or 24.24% to the theoretical ex-rights price ("TERP") of PGB Shares as set out in item (iii) below. The Board had fixed the Issue Price after taking into consideration, amongst others, the following:

- (a) the current market conditions at the point of price-fixing;
- (b) the historical share price movement of PGB Shares, which were traded at the lowest of RM0.145 per PGB Share and the highest of RM0.225 for the past 12 months up to and including 24 March 2017, being the last trading day immediately before the Price-Fixing Date;
- (c) the TERP of PGB Shares of RM0.1320, based on the 5-day VWAMP of PGB Shares up to and including 24 March 2017, being the last market day immediately before the Price-Fixing Date, of RM0.1639 per PGB Share;
- (d) a discount to the Issue Price of not more than 30% to the TERP of PGB Shares; and
- (e) the funding requirements of PGB Group.

On 5 April 2017, the Company had made an amended announcement on important relevant dates for Renounceable Rights.

On 4 May 2017, HLIB on behalf of the Company, announced that at the close of acceptance, excess application and payment for the Rights Issue as at 5.00 p.m. on 26 April 2017 ("Closing Date"), the total valid acceptances and excess applications received for the Rights Issue was 539,679,891 Rights Shares. This represents a subscription rate of 133% of the total number of 405,786,566 Rights Shares available for subscription under the Rights Issue.

The details of the valid acceptances and excess applications received as at the Closing Date are as follows:

	No. of right shares	% of total issue
Total valid acceptances	271,911,617	67.01
Total valid excess applications	267,768,274	65.99
Total valid acceptances and excess applications	539,679,891	133.00
Total Rights Shares available for subscription	405,786,566	100.00
Oversubscription	133,893,325	33.00

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B6. Status of Corporate Proposal (Continue)

Accordingly, the Excess Rights Shares will be allocated in accordance with the basis as stated in Section 11.6 of the Abridged Prospectus dated 10 April 2017 in relation to the Rights Issue, on a fair and equitable basis in the following priority:

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (c) thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for; and
- (d) fourthly, for allocation to renouncee(s) and/or transferee(s) who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for.
- (e) thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based

In the event of any balance of Excess Rights Shares after steps (i) to (iv) above are carried out, step (ii) to (iv) will be repeated to allocate the balance of Excess Rights Shares until such balance is exhausted.

On 9 May 2017, HLIB on behalf of the Company, announced that Bursa Securities has vide its letter dated 9 May 2017 approved PGB's application for an extension of time of up to 15 May 2017 for PGB to complete the implementation of the Rights Issue.

On 11 May 2017, HLIB on behalf of the Company, announced that the 405,786,566 Rights Shares in relation to the Rights Issue were listed and quoted on the ACE Market of Bursa Securities with effect from 9.00 a.m. on Thursday, 11 May 2017, marking the completion of the Rights Issue.

B7. Status of Utilisation of Proceeds

- (i) The Company had on 26 November 2015 proposed to undertake a private placement of up to 29,500,000 new ordinary shares of RM0.10 each in the Company representing approximately ten percent (10%) of the total issued and paid-up share capital of the Company ("Private Placement") to independent third party investor(s) to be identified.

Bursa Malaysia Securities Berhad had on 15 December 2015 granted its approval for the Private Placement. With the completion of the Private Placement on 18 April 2016, the Company has raised a total proceeds of RM4.868 million, which is expected to be utilised in the following manner:-

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation upon Listing Date
Working Capital	772 **	772	-	Within 6 months
Deposit for Banking Facilities	4,000	4,000	-	Within 12 months
Estimated Private Placement Expenses	96 *	96	-	Within 1 month
	4,868	4,868	-	

* Actual private placement expenses amounting to RM0.096 million.

** Reclassification from estimated private placement expenses to working capital amounting RM0.004 million.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B7. Status of Utilisation of Proceeds (Continue)

- (ii) The Company had on 2 August 2016 proposed to undertake a private placement of up to 35,675,000 new ordinary shares of RM0.10 each in the Company representing approximately ten percent (10%) of the total issued and paid-up share capital of the Company ("Private Placement") to independent third party investor(s) to be identified.

Bursa Malaysia Securities Berhad had on 16 January 2017 granted its approval for the Private Placement. With the completion of the Private Placement on 25 January 2017, the Company has raised a total proceeds of RM5.351 million, which is expected to be utilised in the following manner:-

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation upon Listing Date
Working Capital	5,351	4,351	1,000	Within 18 months
	5,351	4,351	1,000	

- (iii) Bursa Malaysia Securities Berhad had on 3 November 2016 granted its approval for the listing and quotation of up to 405,786,566 Rights Shares to be issued pursuant to the Rights Issue, which is expected to be utilised in the following manner:-

Purpose	Proposed Amount RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation upon Listing Date
Payment of Remaining PKC Cash Consideration	7,874	-	7,874	Within 30 months
Payment of Remaining ISE Purchase Consideration	11,400	11,400	-	Within 6 months
Working Capital	19,705	2,000	17,705	Within 18 months
Estimated Corporate Exercise Expenses	1,600	1,251	349	Within 1 month
	40,579	14,651	25,928	

B8. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 March 2017 are as follows:-

Secured	Short Term RM'000	Long Term RM'000
Hire purchase payables	300	1,015
Bankers' acceptances (90 days to 150 days)	5,717	-
Revolving credits	3,000	-
	9,017	1,015

All borrowings of the Group are denominated in Ringgit Malaysia.

B9. Material Litigation

There were no material litigation, involving the Group since the date of the last annual statement of financial position of the Group as at 31 December 2016 up to the date of this interim report, except for the following:-

(i) Kuala Lumpur High Court Suit No. WA-22NCVC-232-04-2016

On 20 April 2016, Pasukhas Sdn Bhd, a subsidiary of the Company (plaintiff) filed a Writ and Statement of Claim against Shimizu Corporation, Nishimatsu Construction Co. Ltd, UEM Builders Berhad and IJM Construction Sdn Bhd (defendants) for the following reliefs:-

- (a) Special damages of RM4,693,157.00 as acquisition costs;
- (b) As an alternative to paragraph (a), special damages of RM4,758,040.50 as replacement costs;
- (c) Loss of profit to be assessed;
- (d) General damages;
- (e) Interest; and
- (f) Cost on a full indemnity basis;

The matter is fixed for trial on 27 to 31 March 2017.

On 15 March 2017, the Company announced that the parties have settled the matter out of Court. Therefore, this suit has been withdrawn with no order as to costs and with no liberty to file afresh.

(ii) Kuala Lumpur Magistrate Court Suit No.: WA-A72NCC-46520-07/2016

On 27 July 2016, Buildcon-Cimaco Concrete Sdn Bhd (plaintiff) filed a Writ and Statement of Claim against PSB and the Company (defendants) for the principal sum of RM62,595.12 with interest of RM7,081.72 as at 15 May 2016. The defendants have filed and served the Defence and Counterclaim against the plaintiff for, inter alia, special damages amounting to RM4,518,169.09 on 5 September 2016. At the same time, the defendants have received the plaintiff's summary judgment application. The matter is fixed for further case management on 9 September 2016.

During the case management on 9 September 2016, the Court directed as follows:-

- (a) Summary Judgment Application
 - (1) Defendants to file their Affidavit in Reply by 21 September 2016; and
 - (2) Plaintiff to file the Affidavit in Reply by 5 October 2016;
- (b) Main Suit
 - (1) Plaintiff to file Reply and Defence to Counterclaim by 21 September 2016.

Since the counterclaim filed by the Defendants exceeds the monetary limit of the Magistrates Court's jurisdiction, the Defendants have filed an Originating Summons to transfer the matter to the High Court ("Originating Summons"). The Court has on 20 October 2016 granted order in terms of the Originating Summons to transfer the matter to the High Court under Suit No. WA-22C-4-01/2017.

The Plaintiff's summary judgement application is dismissed by the Court. Next case management to comply with pre-trial directions is fixed on 4 July 2017. The trial dates have been fixed on 29 September 2017, 2 October 2017 and 6 October 2017.

The Company will make further announcements on any material development on this matter.

B9. Material Litigation (Continue)

(iii) An Adjudication Matter Between Pasukhas Sdn Bhd and Townscapes Builder Sdn Bhd Pursuant to Notice of Adjudication dated 28 September 2016

Pasukhas Sdn Bhd ("Claimant") had on 28 September 2016 served a Notice of Adjudication to its sub-contractor, Townscapes Builder Sdn Bhd ("Respondent") for a construction contract claim under the Construction Industry Payment and Adjudication Act 2012. The Claimant is claiming against the Respondent for payment on behalf and liquidated damages for the sum of RM6,059,691.94 and the Respondent is counterclaiming for payment under progress claim for the sum of RM3,294,856.04.

On 30 September 2016, PSB has proceeded with the adjudication claim and is seeking against Townscapes the following reliefs and remedies:

- (a) A sum of RM6,059,691.94 being the various expenses incurred on behalf of Townscapes and liquidated damages for delay;
- (b) Interest;
- (c) Cost; and
- (d) Any other and further reliefs deemed appropriate by the Adjudicator.

The adjudication submission was made and pending decision. PSB anticipates a counterclaim to the sum of RM3,294,856.04 to be mounted by the Townscapes.

Pasukhas Sdn Bhd ("PSB") had on 29 November 2016 entered into a Dispute Resolution Agreement with the Defendant whereby it was agreed that all disputes arising out of the sub-contract for the following projects will be referred to mediation and failing which to fast track arbitration in accordance with the Dispute Resolution Agreement, and all pending legal proceedings in relation to the above projects will be discontinued.

Following the Dispute Resolution Agreement, the Adjudication proceeding has been discontinued and parties proceeded with mediation.

PSB filed a notice of arbitration on 19 May 2017 claiming for the sum of RM6,670,367.54 against Townscapes. The matter is pending the appointment of an arbitrator.

The Company will make further announcements on any material development on this matter.

(iv) Litigation proceedings against Townscapes Builders Sdn Bhd ("the Defendant"), at the Shah Alam High Court. Suit No: WA-22NCVC-232-04/2016 ("The Suit")

On 17 November 2016, the above proceeding is related to the project known as:

Construction & Completion of:-

Apartment Housing Scheme which includes:

- (1) Apartment Block A (14 Storey) (i) 13 Storey (130 Units) Apartment (ii) 1 Storey Carpark (iii) 1 unit electrical Sub-station;
- (2) Apartment Block B (14 Storey) (i) 13 Storey (130 units) Apartment (ii) 1 Storey Carpark;
- (3) 1 Storey Club House and Swimming Pool; and
- (4) Guard House.

On Lot 208397, 69040, 69041, 69042 and 69043, Taman Bintang, Bandaraya Ipoh, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan for Messrs Empire Multiple Sdn Bhd ("the Project") and relates to the works identified as "Supply of Materials, Labour, Machineries, Equipment & Tools for Structural Works" (the "Works").

The details of events leading to the commencement of the Litigation:

- (1) The Litigation arises from sub-contractor works carried out by the Defendant in respect of the Sub-Contract for the Supply of Materials, Labour, Equipment & Tools For Structural Works Only for the Project.
- (2) There were attempts to negotiate for a written contract for the said sub-contract works but parties never reached an agreement on the same and consequently no written contract was entered into between the parties.

B9. Material Litigation (Continue)

(iv) Litigation proceedings against Townscapes Builders Sdn Bhd ("the Defendant") , at the Shah Alam High Court. Suit No: WA-22NCVC-232-04/2016 ("The Suit") (Continue)

(3) Notwithstanding the aforesaid, the Defendant attempted to commence adjudication proceedings against PSB for purposes of recovery of sums allegedly outstanding from the sub-contract works.

(4) After verification and acting upon legal advice, PSB has determined that the adjudication proceedings were misconducted due to:

(a) the lack of a written contract which is a pre-requisite for adjudication proceedings; and

(b) the failure of the Defendant to properly serve a Payment Claim on PSB which is also a pre-requisite for adjudication proceedings.

The Plaintiff is seeking for declaratory orders from the Shah Alam High Court to the effect that, inter alia, there was no written contract between the Plaintiff and the Defendant for the Works in respect of the Project, and for consequential declaratory order that the Construction Industry Payment and Adjudication Act 2012 would therefore not apply as between the Plaintiff and the Defendant.

Without the requisite declaratory orders, the Company anticipates an adjudication claim to the sum of RM1,655,730.73 to be made by the Defendant against the Plaintiff.

This matter has been withdrawn pursuant to the Dispute Resolution Agreement dated 29 November 2016 and the dispute has been referred to Arbitration pursuant to the Notice of Arbitration dated 26 January 2017.

On 27 January 2017, the Company announced that Pasukhas Sdn Bhd ("the Respondent") had on 27 January 2017 received a Notice of Arbitration dated 26 January 2017 from Townscapes Builders Sdn Bhd ("the Claimant") vide its solicitors, Messrs Tan Swee Im, Siva & Partners.

The Claimant is claiming in the Arbitration for the following in regards to the project for Empire Multiple Sdn Bhd:

(1) That the Respondent pays the Claimant the total sum of RM3,281,961.64;

(2) Further interest where appropriate;

(3) Costs; and

(4) Any further or other relief that the arbitrator deems fit and proper to grant

On 24 February 2017, the Company announced that Pasukhas Sdn Bhd had on 23 February 2017 filed its Statement of Defence and Counterclaim.

In the Statement of Defence and Counterclaim, the Respondent disputed the entire claim of the Claimant save for a sum of RM472,042.12 and has counterclaimed a sum of RM 281,003.34 against the Claimant.

A case management has been fixed on 28 February 2017 before the appointed Arbitrator for further directions of the proceedings.

On 1 March 2017, the Company announced that a case management was held on 28 February 2017 before the appointed Arbitrator whereby the arbitrator has fixed the trial dates of the arbitration on 3 May 2017 to 5 May 2017 and 12 May 2017.

On 12 May 2017, the Arbitrator informed that the Arbitration Award will be published on 19 July 2017.

The Company will keep the shareholders informed of the arbitration proceedings and make further announcements as and when appropriate.

(v) Issuance of Payment Claim under Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against Emerald Capital (Ipoh) Sdn Bhd ("Emerald")

Pasukhas Sdn Bhd ("PSB"), a wholly-owned subsidiary had served 1 Payment Claim under Section 5 of the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") against Emerald Capital (Ipoh) Sdn Bhd ("Emerald") on 10 January 2017 for a total amount of RM8,293,657.79 ("CIPAA Payment Claim") being outstanding sum due and owing by Emerald.

The CIPAA Payment Claim is related to the project known as "Phase 2-1 Block Condominium 18 Storeys (240 Units) Together with the Common Facilities Erected On Podium 5 Storeys Together with the Accessory Parcels And 2 Storeys of Shop Lot (9 Units) Erected Upon Lot 25117 and 25118 (Previous Lot: 206349), Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan For Messrs Emerald.

B9. Material Litigation (Continue)

(v) Issuance of Payment Claim under Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against Emerald Capital (Ipoh) Sdn Bhd ("Emerald") (Continue)

There is no operational impact arising from CIPAA Payment Claim and the Company will keep the shareholders informed of the status of the proceedings and make further announcements as and when appropriate.

On 14 February 2017, PSB had instituted adjudication proceedings under the CIPAA against Emerald. Emerald has counterclaimed against PSB for the sum of RM5,042,694.32. The matter is pending decision to be given by the Adjudicator on/ before 17 July 2017.

The Company will keep the shareholders informed of the status of the proceedings and make further announcements as and when appropriate.

(vi) Kuala Lumpur High Court Originating Summons No.: 24NCC(ARB)-30-08/2012

Pasukan Khas Construction Sdn Bhd ("PKC") and I-Innovations Construction Sdn Bhd ("ICSB") filed an action against MTM Millenium Holdings Sdn Bhd ("MTM") in the High Court for the following:-

- (a) that the final award dated 28 May 2012 awarded by the Arbitrator, Mr David Cheah Ming Yew ("Final Award") be recognized as binding and be enforced by entry of judgment against MTM in the sum of RM4,811,808.34, inclusive of interest amounting to RM1,093,720.16 as at 28 May 2012 and RM24,928.64 being half of the Arbitrator's costs as awarded in the said Final Award; and
- (b) Interest at the rate of 8% per annum on the sum of RM3,693,159.54 from 29 May 2012 until the date of full settlement as awarded in the said Final Award;

On 10 September 2012, the Court granted an ex parte order recognising the Final Award as judgment ("Order").

Subsequent to the above, MTM filed an application to set aside the Order and the same has been dismissed by the High Court. MTM has then lodged an appeal against the dismissal of their setting aside application in the Court of Appeal and this appeal has also been dismissed with costs of RM20,000 to be paid to the respondents. Subsequently, MTM filed an application for leave to appeal to the Federal Court against the decision (Federal Court Civil Application No: 08(i)-456-10/2015) ("FC Application"). The hearing date initially fixed on 27 June 2016 has been adjourned to 24 August 2016. The hearing on 24 August 2016 was adjourned again to 27 September 2016. Thereafter, the hearing has been further adjourned to 26 January 2017.

MTM has also filed an application to the High Court to stay the execution of the Order which has been allowed ("Stay Order"). PKC subsequently lodged an appeal to the Court of Appeal against the decision of the Stay Order which has been struck out with no order as to costs.

The FC Application was dismissed on 26 January 2017. Pursuant to the dismissal of the FC Application, application of the Stay Order has lapsed.

The Company will keep the shareholders informed of the status of the proceedings and make further announcements as and when appropriate.

(vii) Kuala Lumpur High Court Companies (Winding Up) No: 28NCC-254-05/2015

Pasukan Khas Construction Sdn Bhd ("PKC") and ICSB presented a winding-up petition against MTM forof MTM's failure to adhere to final award dated 28 May 2012 awarded by the Arbitrator, Mr David Cheah Ming Yew for payment of the sum of RM4,811,808.34, inclusive of interest amounting to RM1,093,720.16 as at 28 May 2012 and RM24,928.64 being half of the Arbitrator's costs as awarded in the said Final Award.

This matter has been fixed for case management on 28 June 2016. The date of case management of this matter has been fixed again on 13 February 2017.

However, pursuant to the abovementioned Stay Order granted by the High Court, the proceedings of this petition cannot proceed further pending the disposal of the FC Application.

PKC has presented a winding up petition against MTM for MTM's failure to pay the Final Award Sum and the same is now fixed for hearing on 15 May 2017.

On 15 May 2017, the High Court allowed the said petition and Mr. Lean Chee Seng was appointed as the provisional liquidator.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B9. Material Litigation (Continue)**(viii) Notice of Adjudication under Construction Industry Payment and Adjudication Act 2012 by Pasukan Khas Construction Sdn Bhd against Samsung C&T Corporation UEM Construction JV Sdn Bhd ("Samsung-UEM")**

On 3 April 2017, the Company announced that Pasukan Khas Construction Sdn Bhd ("PKC"), its 70% owned subsidiary had served the Notice of Adjudication under the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against Samsung-UEM for a total amount RM3,081,913.42 ("CIPAA Payment Claim") being outstanding sum due and owing by Samsung-UEM.

The CIPAA Payment Claim is related to the sub contract works: RC Works for the tower contract no. SSUEM/201512/DSC/4 in regards to the project known as "Cadangan Membina 1 Blok Bangunan Perdagangan Bercampur 118 Tingkat di atas Lot 795, 796, 799, 800 & Sebahagian Lot 743, 746, 802, 803, Rezab Jalan & Laman, Mukim Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan for PNB Merdeka Ventures Sdn Berhad.

There is no operational impact arising from CIPAA Payment Claim and the Company will keep the shareholders informed of the status of the proceedings and make further announcements as and when appropriate.

B10. Dividends

There were no dividends declared or paid during the financial year-to-date under review.

B11. Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue for the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 Mar 2017	Preceding Year Corresponding Quarter Ended 31 Mar 2016	Current Year To Date 31 Mar 2017	Preceding Year Corresponding Period To Date 31 Mar 2016
Profit attributable to the equity holders of the Company (RM'000)	132	323	132	323
Weighted average number of ordinary shares in issue ('000)	405,787	370,112	405,787	370,112
Basic profit per share (sen)	0.03	0.09	0.03	0.09

Note :

Diluted earnings per share is not disclosed herein as it is not applicable to the Group.

B12. Realised and Unrealised Profits

The breakdown of the retained profits of the Group into realised and unrealised profits for the current quarter and the preceding financial year are as follows:-

	Current Quarter Ended 31 Mar 2017 RM'000	Preceding Financial Year Ended 31 Dec 2016 RM'000
Total retained profits of the Group:-		
- Realised	(756)	(985)
- Unrealised	2,968	3,051
	<u>2,212</u>	<u>2,066</u>
Less : Consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	<u>2,212</u>	<u>2,066</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B13. Profit for the Period

Profit before taxation is arrived at after charging / (crediting):-

	Current Quarter Ended 31 Mar 2017 RM'000	Current Year Ended 31 Mar 2017 RM'000
(a) Interest income	(201)	(201)
(b) Other income	(2,412)	(2,412)
(c) Interest expense	148	148
(d) Depreciation and amortisation	86	86
(e) Foreign exchange (gain) / loss (net):		
(i) Unrealised Gain on Foreign Exchange	(1)	(1)
(ii) Unrealised Loss on Foreign Exchange	-	-

Other disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 May 2017.

By Order of the Board of Directors

WAN THEAN HOE
CHIEF EXECUTIVE OFFICER
 25 May 2017