

PASUKHAS GROUP BERHAD (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2017

	INDIVIDUAL QUARTER		CHANGES (AMOUNT / %)	CUMULATIVE QUARTER		CHANGES (AMOUNT / %)
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	
	30 Sept 2017 RM'000	30 Sept 2016 RM'000		30 Sept 2017 RM'000	30 Sept 2016 RM'000	
Revenue	10,031	9,404	627 / 7%	24,260	43,695	(19,435) / -44%
Contract Expenses	(7,955)	(9,309)		(20,966)	(39,531)	
Gross Profit	2,076	95	1,981 / 2085%	3,294	4,164	(870) / -21%
Other Operating Income	1,201	11		6,238	243	
	3,277	106		9,532	4,407	
Administrative Expenses	(2,325)	(2,359)		(7,140)	(6,294)	
Other Expenses	(175)	(48)		(613)	(123)	
Finance Costs	(330)	(28)		(663)	(162)	
Share of Result from Associates (Net)	(341)	(21)		(393)	223	
Profit / (Loss) Before Taxation	106	(2,350)	2,456 / -105%	723	(1,949)	2,672 / -137%
Income Tax Expenses	(3)	(25)		(3)	(25)	
Profit / (Loss) After Taxation	103	(2,375)	2,478 / -104%	720	(1,974)	2,694 / -136%
Other Comprehensive Income	219	-		219	-	
Total Comprehensive Income / (Expenses) For The Financial Period	322	(2,375)		939	(1,974)	
Profit / (Loss) After Taxation Attributable To :-						
Owners of the Company	(158)	(2,375)	2,217 / -93%	28	(1,974)	2,002 / -101%
Non-controlling interests	261	-		692	-	
	103	(2,375)		720	(1,974)	
Total Comprehensive Income / (Expenses) Attributable To :-						
Owner of the Company	61	(2,375)	2,436 / -103%	247	(1,974)	2,221 / -113%
Non-Controlling Interests	261	-		692	-	
	322	(2,375)		939	(1,974)	
Weighted average number of shares in issue ('000)	615,205	324,501		615,205	324,501	
(Loss) / Earnings per share attributable to the equity holders of the Company (sen)	(0.03)	(0.73)		0.00	(0.61)	

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 THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2017

	UNAUDITED AS AT END OF CURRENT QUARTER 30 Sept 2017 RM'000	AUDITED AS AT 31 Dec 2016 RM'000
ASSETS		
NON-CURRENT ASSETS		
Investments in associates	-	735
Investment Properties	6,397	-
Plant and equipment	34,970	6,841
Deferred tax assets	2,967	2,967
Other investments	104	104
Goodwill	3,134	3,100
	<u>47,572</u>	<u>13,747</u>
CURRENT ASSETS		
Inventories	1,561	1,328
Amount owing by contract customers	25,338	25,296
Development Cost	6	-
Trade receivables	46,442	55,175
Other receivables, deposits and prepayments	26,510	6,239
Amount owing by associates	-	2,255
Tax refundable	1,792	1,165
Fixed deposits with licensed banks	27,767	15,298
Cash and bank balances	2,573	2,943
	<u>131,989</u>	<u>109,699</u>
TOTAL ASSETS	<u>179,561</u>	<u>123,446</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	81,157	37,011
Merger deficit	(10,500)	(10,500)
Fair value reserve	17	17
Share premium	8,625	7,543
Foreign exchange translation reserve	2	-
Retained profits	2,313	2,066
	<u>81,614</u>	<u>36,137</u>
NON-CONTROLLING INTERESTS	5,907	4,910
TOTAL EQUITY	<u>87,521</u>	<u>41,047</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	966	385
Deferred tax liabilities	683	-
Term Loan	12,063	-
	<u>13,712</u>	<u>385</u>
CURRENT LIABILITIES		
Trade payables	41,214	47,048
Other payables and accruals	13,066	13,571
Amount owing to associates	-	4,382
Amount owing to directors	665	492
Amount owing to shareholders	3,654	2,938
Hire purchase payables	313	140
Term Loan	1,237	-
Bankers' acceptance	6,429	7,201
Revolving credits	3,000	3,000
Bank Overdrafts	8,750	3,242
	<u>78,328</u>	<u>82,014</u>
TOTAL LIABILITIES	<u>92,040</u>	<u>82,399</u>
TOTAL EQUITY AND LIABILITIES	<u>179,561</u>	<u>123,446</u>
Net assets per share (RM)	<u>0.14</u>	<u>0.11</u>

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 THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2017

	Non-Distributable					Distributable			
	Share Capital	Fair Value Reserve	Merger Deficit	Share Premium	Foreign Exchange Translation Reserve	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	RM'000
<u>Current period to date ended 30 September 2017</u>									
Balance at 1 January 2017 (Audited)	37,011	17	(10,500)	7,543	-	2,066	36,137	4,910	41,047
Profit after taxation / Total comprehensive income for the financial period	-	-	-	-	-	247	247	692	939
Issuance of share									
- Private Placement	3,568	-	-	1,784	-	-	5,352	-	5,352
- Issuance of right shares pursuant to public issue	40,578	-	-	-	-	-	40,578	-	40,578
- Expenses on issuance of Private Placement	-	-	-	(702)	-	-	(702)	-	(702)
Acquisition of a subsidiary	-	-	-	-	-	-	-	305	305
Foreign Exchange Translation Exchange	-	-	-	-	2	-	2	-	2
Balance at 30 September 2017 (Unaudited)	<u>81,157</u>	<u>17</u>	<u>(10,500)</u>	<u>8,625</u>	<u>2</u>	<u>2,313</u>	<u>81,614</u>	<u>5,907</u>	<u>87,521</u>
<u>Preceding period to date ended 30 September 2016</u>									
Balance at 1 January 2016 (Audited)	29,500	17	(10,500)	933	-	10,450	30,400	-	30,400
Loss after taxation / Total comprehensive expenses for the financial period	-	-	-	-	-	(1,974)	(1,974)	-	(1,974)
Issuance of share									
- Private Placement	2,950	-	-	1,917	-	-	4,867	-	4,867
- Expenses on issuance of Private Placement	-	-	-	(96)	-	-	(96)	-	(96)
Balance at 30 September 2016 (Unaudited)	<u>32,450</u>	<u>17</u>	<u>(10,500)</u>	<u>2,754</u>	<u>-</u>	<u>8,476</u>	<u>33,197</u>	<u>-</u>	<u>33,197</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 THIRD (3RD) QUARTER ENDED 30TH SEPTEMBER 2017

	UNAUDITED CURRENT PERIOD TO DATE 30 Sept 2017 RM'000	UNAUDITED PRECEDING PERIOD TO DATE 30 Sept 2016 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit / (Loss) before taxation	723	(1,949)
Adjustments for:-		
Bad debts	141	-
Depreciation of plant and equipment	1,019	121
Gain on bargain purchase of a subsidiary	(219)	-
Gain on foreign exchange - unrealised	-	(80)
Interest expense	653	162
Interest income	(508)	(252)
Loss on disposal of plant and equipment	111	2
Loss on disposal of an associate	12	-
Loss on foreign exchange - unrealised	2	-
Share of result in associates	393	(223)
Writeback of allowance for impairment losses on trade receivables	(3,432)	-
Writeback of allowance for impairment losses on other receivables	(63)	-
Writeback of allowance for impairment losses on plant and equipment	(177)	-
Operating loss before working capital changes	(1,345)	(2,219)
Increase in inventories	(234)	(400)
Increase in development costs	(6)	-
Increase in amount owing by contract customers	(721)	(2,072)
(Increase) / Decrease in trade and other receivables	(8,100)	6,217
Decrease in trade and other payables	(9,124)	(5,741)
Net decrease in amount owing to associates	(557)	-
CASH FLOWS FOR OPERATING ACTIVITIES	(20,087)	(4,215)
Interest paid	(653)	(162)
Income tax Paid	(557)	(26)
NET CASH FOR OPERATING ACTIVITIES	(21,297)	(4,403)
CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	(21,276)	-
Interest received	508	252
Purchase of plant and equipment	(216)	(163)
(Placement) / Withdrawal of fixed deposit pledged	(12,469)	1,704
Proceeds from disposal of an associate	331	-
Proceeds from disposal of plant and equipment	1,054	4
NET CASH (FOR) / FROM INVESTING ACTIVITIES	(32,068)	1,797
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from directors	20	-
Repayment to shareholders	30	-
Proceeds from issuance of share capital from Private Placement	4,650	4,867
Proceeds from issuance of share capital from Right Issue	40,579	-
Share issuance expenses paid	-	(96)
Net (Repayment) / Drawdown in bankers' acceptances	(772)	278
Net Drawdown of hire purchase obligations	1,013	-
Net Repayment of hire purchase obligations	(259)	(17)
Net Drawdown of term loan	2,226	-
NET CASH FROM FINANCING ACTIVITIES	47,487	5,032
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(5,878)	2,426
FOREIGN EXCHANGE RATE ADJUSTMENT	-	80
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(299)	5,831
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	(6,177)	8,337

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
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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A2. Changes in Accounting Policies (Continue)

MFRS and IC Interpretations (Including The Consequential Amendments) (Continue)	Effective Date
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.

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 RM'000	Manufacturing of LV switchboards RM'000	Civil Engineering and Construction Services RM'000	Rental Income RM'000	Energy Utilities Services and Power Generation RM'000	Group RM'000
Revenue						
External revenue	3,872	4,376	14,571	16	1,425	24,260
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	<u>3,872</u>	<u>4,376</u>	<u>14,571</u>	<u>16</u>	<u>1,425</u>	<u>24,260</u>
Segment result	650	970	918	16	740	3,294
Other operating income						6,238
Administrative expenses						(7,140)
Other expenses						(613)
Finance costs						(663)
Share of Result from Associates (Net)						(393)
Tax expense						(3)
Profit after taxation						<u>720</u>

All 5 main business segments are held by Pasukhas Sdn Bhd, Pasukhas Construction Sdn Bhd (formerly known as Pasukan Khas Construction Sdn Bhd) and Pasukhas Energy Sdn Bhd (formerly known as Bidara Majujaya 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A9. Segmental Information (Continue)

Revenue by Geographical Markets

	Current Year To Date 30 September 2017	
	RM'000	%
Malaysia	24,260	100
	<u>24,260</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, except for the following:-

- (i) On 13 September 2017, the Company announced that its wholly-owned subsidiary, Pasukhas Sdn Bhd ("PSB") had on 12 September 2017 further acquire 10 ordinary shares representing 10% equity interest held in Essential Value Sdn Bhd ("EVSB") from Sim Guo Jong @ Tan Guo Jong ("the Seller") for a total cash consideration of RM152,500.00 ("Purchase Consideration") ("the Acquisition").

The purchase consideration was arrived at on a willing-buyer and willing seller basis after taking into account the net assets of EVSB based on audited financial statements as at 31 December 2016. The purchase consideration was funded by internally generated fund.

Following the Acquisition, EVSB shall become a 55%-owned sub-subsiidiary company of PGB.

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 30 Sept 2017 RM'000	Preceding Financial Year Ended 31 Dec 2016 RM'000
Contingent Liability		
- Bank guarantee issued	491	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 30 Sept 2017 RM'000	Cumulative Year-To-Date 30 Sept 2017 RM'000
Nature of transaction		
Rental of premises	195	586

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 RM10.031 million for the current financial quarter under review as compared to RM9.404 million in the preceding corresponding quarter representing a significant increase of RM0.627 million or 6.67%. The increase was mainly attributable from Energy Utilities and Power Generation segment. The Group's revenue was derived solely from Malaysia.

The Group recorded a gross profit before tax of RM2.076 million as compared to a gross profit before tax of RM0.095 million in the corresponding quarter of the preceding year.

The Manufacturing of LV Switchboards provided the largest contribution to the Group's gross profit of RM0.970 million or 29.45% with a revenue of RM4.376 million or 18.04%. The remaining revenue and gross profit are contributed from the Civil Engineering and Construction Services, M&E Engineering services, Energy Utilities Services and Power Generation, and Rental Income.

The Group recorded a negative cash flow from operating activities amounting to RM20.087 million and a negative net cash flow from operating activities of RM21.297 million after adjusting for interest and income tax paid. The negative cash flow are mainly due to increase in trade and other receivables, and decrease in trade and other payables.

B2. Comparison with Preceding Quarter's Results

	Current Quarter 30 Sept 2017 RM'000	Preceding Quarter 30 June 2017 RM'000	Variance RM'000
Revenue	10,031	7,667	2,364
Profit before tax	106	485	(379)

Revenue of the Group increased by 30.83% amounting to RM2.364 million for the current financial quarter as compared to immediate preceding financial quarter mainly due to the revenue contributed from a newly acquired subsidiary, Pasukhas Energy Sdn Bhd (formerly known as Bidara Majujaya Sdn Bhd) amounting to RM1.108 million in Energy Utilities Services and Power Generation segment. The Group reported a lower net profit before tax of RM0.106 million for the current financial quarter as compared to a net profit before tax of RM0.485 million in the immediate preceding quarter mainly due to writeback of allowance for impairment losses on trade receivables of RM1.010 million in the immediate preceding quarter.

B3. Prospects

The revenue driver of the Group for the current year to date remain primarily from Civil Engineering and Construction services, M&E Engineering work and Energy Utilities Services and Power Generation segments. Moving forward, the Group anticipates that the Energy Utilities Services and Power Generation segment will be one of the major contributors to the Group's earnings, 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. 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 expected to maintain 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, the Acquisitions of Pasukhas Construction Sdn Bhd (formerly known as Pasukan Khas Construction Sdn Bhd) ("PCSB") 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.

B4. Taxation

	Current Quarter Ended 30 Sept 2017 RM'000	Cumulative Period-To-Date 30 Sept 2017 RM'000
Current tax expenses:		
- for the financial period	-	-
- over/(under)provision in the previous financial period	(3)	(3)
Deferred tax expense:		
- for the financial period	-	-
- over provision in the previous financial period	-	-
Current Tax for the current financial period	<u>(3)</u>	<u>(3)</u>

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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:

- (i) On 21 June 2017, HLIB on behalf of the Company, announced that PESB, a wholly owned subsidiary of PGB, had on 21 June 2017 entered into the following:
 - (a) an agreement in respect of the ISE SSA between PESB and Maser to govern the obligations of the parties in respect of the redemption of the banking facilities granted by Kuwait Finance House (Malaysia) Berhad ("KFH") to ISE and also to govern the management of ISE ("ISE SSA Agreement"); and
 - (b) an agreement in respect of the ISE DA between PESB, Maser and ISE to govern the payment of the remaining Balance Settlement Sum, of which the final amount payable to Maser shall be adjusted to take into account of the following:-
 - (i) the redemption sum for the repayment of the loan granted by KFH, including any penalty and/or late payment imposed by KFH; and
 - (ii) any costs, damages and losses suffered by PESB due to the management of ISE by Maser before the handover of the management of ISE, referred to as "ISE DA Agreement".

Following to the signing of the ISE SSA Agreement and ISE DA Agreement, PESB is deemed to have taken over the management of ISE, including the Sungai Rek Hydro Power Plant commencing from 31 May 2017. Therefore, PESB will be entitled to all revenue and profit generated by ISE after 31 May 2017. All relevant documents for the transfer of the ISE Shares had been delivered to PESB's solicitor as stakeholder.

PESB had also on the same date, paid the estimated remaining Balance Settlement Sum together with the late payment interest (in respect of the Balance SSA Consideration and Balance Settlement Sum) to Maser's solicitors as stakeholder. In addition, Maser has handed over an undated deed of assignment of Debt to PESB's solicitors as stakeholder. Both Maser and PESB have mutually agreed that the Acquisition of ISE shall be deemed to be completed when the redemption sum for the repayment of the loan granted by KFH is fully paid.

The ISE SSA Agreement and ISE DA Agreement will be available for inspection at the registered office of PGB at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P.Ramlee, 50250 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

On 18 September 2017, HLIB on behalf of the Company announced that the redemption sum in respect of KFH Loan is fully paid pursuant to the ISE SSA Agreement and ISE DA Agreement both dated 21 June 2017. The Proposed Acquisition of ISE has now been completed effective on 15 September 2017, hence marking the completion of the Proposals.

- (ii) On 30 May 2017, the Company announced that its wholly-owned subsidiary, Pasukhas Energy Sdn Bhd ("PESB") (formerly known as Bidara Majujaya Sdn Bhd) had entered into a Memorandum of Understanding ("MOU") with PT. CHD Power Plant Operation Indonesia (hereinafter referred to as "PT. CHD") (PESB and PT.CHD hereinafter collectively referred to as the "Parties") to establish the basis for further discussions between the Parties in exploring the feasibility of entering into a joint venture to undertake the development/explore potential business opportunities in power generation project(s) in Indonesian market ("Potential Projects").
- (iii) On 3 July 2017, the Company announced that the details of the development potential in relation to the Execution of Joint Venture Agreement between Yayasan Veteran ATM and Bungar Majujaya Sdn Bhd.
- (iv) On 11 July 2017, the Company announced that its wholly-owned subsidiary, Pasukhas Energy Sdn Bhd ("PESB" or "the Purchaser") had entered into a Memorandum of Understanding ("MOU") with IR Hariyanto (IC No: 3174043011620003) ("the Vendor") (hereinafter collectively referred to as the "Parties") for the proposed acquisition of 61% equity interest in the share capital of PT Indomuda Satria Internusa ("PT Indomuda") from the Vendor ("the Proposed Acquisition").
- (v) On 4 October 2017, M&A Securities Sdn Bhd on behalf of the Company, announced that the Securities Commission Malaysia ("SC") had, vide its letter dated 3 October 2017 (which was received on 4 October 2017) approved the application for the extension of time of up to 28 February 2019 to comply with the Bumiputera equity condition imposed pursuant to the listing of PGB on the ACE Market of Bursa Malaysia Securities Berhad, subject to PGB submitting a proposal to the SC for compliance with the Bumiputera equity condition within six (6) months from 3 October 2017.
- (vi) On 22 November 2017, the Company announced that its wholly-owned subsidiary, Pasukhas Products Sdn. Bhd. ("PPSB") had entered into a Preliminary Share Sales Agreement ("PSSA") with Masrani (KTP. 6305-0101-0868-0005), Agus Triono (KTP. 6371-0319-0969-0007), Akhmad Syaifullah (KTP. 6371-0127-0479-0011) and Khutut Jalu Prasojo (KTP. 3174-0903-0365-0014) ("the Vendors") in relation to the acquisition of 150 ordinary shares, representing 60% of the issued and paid-up share capital of PT Berkah Bumi Luhur ("PT BBL") for a total cash consideration of IDR3,300,000,000 ("Purchase Price") or equivalent to approximately RM1,000,000, upon the terms and conditions stipulated in the PSSA ("Proposed Acquisition").

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B7. Status of Utilisation of Proceeds

- (i) 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.

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	4,879	472	Within 18 months
	<u>5,351</u>	<u>4,879</u>	<u>472</u>	

- (ii) The Company had on 2 August 2016 proposed to undertake a 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").

With the completion of the Right Issue on 11 May 2017, the Company's 405,786,566 Rights Shares in relation to the Rights Issue were listed and quoted on the ACE Market of Bursa Securities. The Company has raised a total proceed of RM 40.579 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
Payment of Remaining PCSB 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	14,176	5,529	Within 18 months
Estimated Corporate Exercise Expenses	1,600	1,600	-	Within 1 month
	<u>40,579</u>	<u>27,176</u>	<u>13,403</u>	

B8. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 September 2017 are as follows:-

<u>As at 3rd Quarter ended 30 September 2017</u>	Short Term RM'000	Long Term RM'000	Total borrowings RM'000
Secured			
Hire purchase payables	313	966	1,279
Term loan	1,237	12,063	13,300
Bankers' acceptances (90 days to 150 days)	6,429	-	6,429
Revolving credits	3,000	-	3,000
	<u>10,979</u>	<u>13,029</u>	<u>24,008</u>

<u>As at 3rd Quarter ended 30 September 2016</u>	Short Term RM'000	Long Term RM'000	Total borrowings RM'000
Secured			
Hire purchase payables	41	163	204
Term loan	-	-	-
Bankers' acceptances (90 days to 150 days)	9,936	-	9,936
Revolving credits	3,000	-	3,000
	<u>12,977</u>	<u>163</u>	<u>13,140</u>

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) 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 arbitrator has been appointed by KLRC and the matter is pending hearing to be fixed by the Arbitrator.

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

(ii) 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, Pasukhas Sdn Bhd ("PSB") had instituted litigation proceedings against the defendant at the Shah Alam High Court, 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.
- (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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B9. Material Litigation (Continue)**(ii) 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)**

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.

On 2 August 2017, the Respondent received the Arbitration Award whereby the Arbitrator has awarded and directed that, in full and final settlement of all claims and counterclaims in the arbitration :-

- (a) The Respondent shall pay within 14 days from the date of the final award pay to the Claimant the sum of RM2,249,540.98 together with interest on the sum of RM2,238,156.57 at the rate of 5% per annum from the date of the final award to the date of full realisation;
- (b) The Respondent shall pay within 14 days from the date of the final award pay to the Claimant, the Claimant costs in the sum of RM117,065.00; and
- (c) The Respondent shall pay and bear the fees of the Arbitrators amounting to RM69,223.22 and KLRC's administrative fees in the sum of RM16,073.34 and to the extent that the Claimants have paid any part thereof, the Respondents shall within 14 days from the date of this award reimburse the Claimants with that amount paid.

On 23 August 2017, the Respondent received the seal order and will seek consultation from its solicitor to discuss on the next course of action.

(iii) 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.

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.

B9. Material Litigation (Continue)**(iii) Issuance of Payment Claim under Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against Emerald Capital (Ipoh) Sdn Bhd ("Emerald") (Continue)**

On 28 June 2017, the Company announced that PSB had received the written Adjudication Decision dated 24 June 2017 from the Adjudicator.

Based on the evidence/arguments submitted by both parties, the Adjudicator has made the following decision:

- (a) The adjudicated amount is RM6,452,896.50 and shall be paid to PSB on or before 22 July 2017 by cheque;
- (b) In pursuant to Section 25(o) of CIPAA, Emerald shall pay PSB simple interest on:
 - (i) The amount of RM4,448,798.88 calculated at the rate of 5% per annum on yearly rest from 31 August 2016 until the amount is paid; and
 - (ii) The amount of RM2,004,097.62 calculated at the rate of 5% per annum on yearly rest from 17 November 2016 until the amount is paid.
- (c) In pursuant to Section 18(1) of CIPAA and in accordance with the principle that costs shall follow the event, Emerald shall pay the costs of the adjudication proceedings amounting to RM81,489. The costs of the adjudication proceedings shall be paid on or before 22 July 2017 by cheque.

On 2 August 2017, PSB has been served with an Originating Summons from Emerald seeking to set aside the Adjudication Decision. PSB is at the same time applying to register the Adjudication Decision in the High Court. The matter is now fixed for hearing on 4 October 2017.

On 5 October 2017, the Company announced that the Kuala Lumpur High Court had on 4 October 2017, heard and dismissed the Plaintiff's application to set aside the adjudication decision dated 24 June 2017 and allowed the Defendant's application to enforce the adjudication decision with a revised amount of RM5,769,304.97 awarded to the Defendant.

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

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

Pasukhas Construction Sdn Bhd (formerly known as Pasukan Khas Construction Sdn Bhd) ("PCSB") 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"). PCSB 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.

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

Pasukhas Construction Sdn Bhd (formerly known as Pasukan Khas Construction Sdn Bhd) ("PCSB") and ICSB presented a winding-up petition against MTM for 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.

PCSB 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 liquidator.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B9. Material Litigation (Continue)

(vi) Notice of Adjudication under Construction Industry Payment and Adjudication Act 2012 by Pasukhas Construction Sdn Bhd (formerly known as 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 Pasukhas Construction Sdn Bhd (formerly known as Pasukan Khas Construction Sdn Bhd) ("PCSB"), 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.

On 17 August 2017, the Company announced that PCSB had received the Decision dated 16 August 2017 issued by the Adjudicator.

Based on the evidence presented in the adjudication proceeding and after taking into account the relevant contractual provision and the law, the Adjudicator has declared, determined, decided, ordered and awarded that:

- (a) The Respondent shall pay the Claimant the sum of RM1,635,997.42 plus GST within 14 days from the date of the Adjudication Decision.
- (b) The Respondent shall pay the Claimant simple interest on the sum of RM1,635,997.42 at a rate of 5% per annum from 24 February 2017 until the date full payment is made by the Respondent.
- (c) The Respondent shall, within 14 days from the date of this Adjudication Decision, pay costs to the Claimant as follows:-
 - (i) Legal Costs of RM35,000.00;
 - (ii) Adjudicator's fee of RM21,214.77 (including GST);
 - (iii) KLRCA Administrative Fee of RM4,242.95 (including GST); and
 - (iv) KLRCA Registration fee of RM265.00 (including GST).
- (d) All other reliefs and remedies claimed by the Parties are dismissed.

On 28 August 2017, the Company announced that PCSB had received a Notice of Arbitration dated 24 August 2017 from Samsung C&T Corporation UEM Corporation Construction JV Sdn. Bhd. ("the Claimant") vide its solicitors, Messrs Wong & Partners to resolve the disputes between Claimant and Respondent in relation 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 ("the Subcontract").

Previously the Subcontract was subject to adjudication proceedings whereby the Adjudicator in his Decision dated 16 August 2017 had decided in favour of the Respondent.

The Claimant is claiming in the Arbitration for the following in regards to the Subcontract:-

- (1) Wrongful repudiation of the Subcontract by the Respondent and the damages suffered by the Claimant;
- (2) Amounts due and owing to the Claimant arising from the applicable back charges under the Subcontract as a result of the Respondent's failures, omissions and/or negligence in the performance of the Subcontract works;
- (3) Other damages suffered by the Claimant arising from the Respondent's breaches under the Subcontract;
- (4) The estimated quantum of claim against the Respondent is approximately RM14,000,000.00

In summary, the Claimant is seeking the following relief:-

- (1) A declaration that the Respondent wrongly repudiated the Subcontract;
- (2) Damages arising from the wrongful repudiation of the Subcontract;
- (3) Damages arising from back charges to the Claimant pursuant to the Subcontract;
- (4) General damages;
- (5) An order that the Respondent pays costs to the Claimant;
- (6) Interest on all sums ordered to be paid to the Claimant at the annual rate of 5% from the date of the Award until the full and final realisation of the Award.

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

On 5 October 2017, the Company informed that Samsung via its solicitors had on 29 August 2017 filed an originating summons at the Kuala Lumpur High Court (Originating Summons No. WA-24C-155-08/2017) against PCSB that an interim stay of enforcement of the Adjudication Decision be granted.

Subsequently, PCSB via its solicitors Messrs Kheng Hoe had on 7 September 2017 filed an originating summons at the Kuala Lumpur High Court (Originating Summons No. WA-24C-159-09/2017) against Samsung that the Adjudication Decision dated 16 August 2017 be enforced against Samsung.

Upon hearing the parties on 2 October 2017, the Court dismissed Samsung's application for Stay and allowed PCSB's application for enforcement of the Adjudication Decision dated 16 August 2017.

On 31 October 2017, the Company informed that Samsung via its solicitors had on 30 October 2017 made the full settlement to PCSB as per the Adjudication Decision dated 16 August 2017. The said settlement will close the CIPAA Payment Claim accordingly.

(vii) Payment claim pursuant to Section 5(1) of the Construction Industry Payment and Adjudication Act 2012 from Bauer (Malaysia) Sdn Bhd ("Bauer")

On 29 June 2017, the Company announced that its wholly-owned subsidiary, Pasukhas Sdn Bhd ("PSB") had on 28 June 2017 received one (1) Payment Claim under Section 5 of the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") dated 28 June 2017 from its sub-contractor, Bauer (Malaysia) Sdn Bhd ("Bauer") via its solicitor, Messrs Mohanadass Partnership for a total amount of RM8,956,616.57 ("CIPAA Payment Claim").

The CIPAA Payment Claim is in relation to the disputes over non-payment works done by Bauer for sub-structure and part of external works for "Cadangan Mendirikan Skim Pembangunan Bersepadu Pelancongan dan Wellness Centre (Medical Tourism) yang mengandungi:

(a) Di atas Lot 841:-

- (i) 1 Blok Hotel 9 Tingkat (102 bilik) dengan 1 Tingkat Tempat Letak Kereta Aras Separa Bawah Tanah;
- (ii) 1 Blok 'Servis Apartment 1' 16 Tingkat (83 unit) dengan 1 Tempat Letak Kereta Aras Bawah Tanah.

(b) Di atas Lot 842:-

- (i) 1 Blok 'Wellness Center' 5 Tingkat dan Ruang Perniagaan 4 Tingkat dengan 1 Tingkat Tempat Letak Kereta Aras Separa Bawah Tanah ;
- (ii) 1 Blok 'Servis Apartmen 2' 26 Tingkat (87 Unit) dengan Tingkat Podium dan dengan 1 Tingkat Letak Kereta Separa Bawah tanah;
- (iii) Sewer Treatment Plant (STP) Di Aras Besmen.

(c) Cadangan Jembatan yang menghubungkan Lot 841 dan Lot 842" at Lot 841 and 842, Jalan Teluk Bahang, Mukim 2, Teluk Bahang, DBD Pulau Pinang.

PSB had certified the amount of RM7,278,829.62 and paid RM6,496,817.35 to Bauer after less retention of RM727,882.93 and payment made on behalf. Further claim by Bauer are variations and loss and expense not certified.

PSB will seek consultation from its solicitor to contest the matter and the Company will make the necessary announcements on further development of this matter in due course.

(viii) Writ of Summons and Statement of Claim by Telekom Malaysia Berhad in the Ipoh Sessions Court (Civil Suit No. AA-B52NCC-41-08/2017)

On 11 September 2017, the Company announced that Pasukhas Sdn Bhd ("the Defendant"), a wholly-owned subsidiary of the Company, had on 8 September 2017 received a sealed Writ of Summons and Statement of Claim dated 23 August 2017 from the solicitors acting for Telekom Malaysia Berhad ("the Plaintiff").

Pursuant to the Statement of Claim, the Plaintiff is claiming, among others, the following:-

- (1) A total sum of RM698,342.98;
- (2) Interest at the rate of 5% per annum on the sum of RM698,942.98 from 25 August 2016 until the judgement date;
- (3) Interest at the rate of 5% per annum on the sum of RM698,942.98 from the judgement date until the date for case settlement;
- (4) Cost; and
- (5) Any other or further relief(s) that the Court shall deem fit.

The Company will be consulting its solicitors with regard to the Writ and Claim and will make further announcement from time to time in respect of any material developments on this matter.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B10. Dividends

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

B11. (Loss) / Earnings Per Share

Basic (loss) / earnings per share is calculated by dividing the (loss) / 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 30 Sept 2017	Preceding Year Corresponding Quarter Ended 30 Sept 2016	Current Year To Date 30 Sept 2017	Preceding Year Corresponding Period To Date 30 Sept 2016
(Loss) / Profit attributable to the equity holders of the Company (RM'000)	(158)	(2,375)	28	(1,974)
Weighted average number of ordinary shares in issue ('000)	615,205	324,501	615,205	324,501
Basic (loss) / profit per share (sen)	(0.03)	(0.73)	0.00	(0.61)

Note :

Diluted (loss) / 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 30 Sept 2017 RM'000	Preceding Financial Year Ended 31 Dec 2016 RM'000
Total retained profits of the Group:-		
- Realised	(654)	(981)
- Unrealised	2,967	3,047
	2,313	2,066
Less : Consolidation adjustments	-	-
Total Group retained profits as per consolidated accounts	2,313	2,066

B13. Profit for the Period

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

	Current Quarter Ended 30 Sept 2017 RM'000	Cumulative Year-To-Date 30 Sept 2017 RM'000
(a) Interest income	(145)	(508)
(b) Other income	(1,057)	(5,730)
(c) Interest expense	320	653
(d) Depreciation and amortisation	583	1,019
(e) Foreign exchange (gain) / loss (net):		
(i) Unrealised Gain on Foreign Exchange	-	-
(ii) Unrealised Loss on Foreign Exchange	2	2

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 23 November 2017.

By Order of the Board of Directors

WAN THEAN HOE
CHIEF EXECUTIVE OFFICER
23 November 2017