

HYTEX INTEGRATED BERHAD

Quarterly report on results for the 2nd quarter ended 30 September 2014. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------|---|--|---|---|
| | | CURRENT YEAR QUARTER 30/09/14 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30/09/13 RM'000 | CURRENT YEAR TO DATE 30/09/14 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/09/13 RM'000 |
| REVENUE | | 3,594 | 15,040 | 6,601 | 22,813 |
| COST OF SALES | | (5,660) | (8,242) | (10,196) | (13,951) |
| GROSS (LOSS)/PROFIT | | (2,066) | 6,798 | (3,595) | 8,862 |
| OPERATING EXPENSES | | (2,230) | (5,125) | (5,062) | (9,450) |
| OPERATING LOSS | | (4,296) | 1,673 | (8,657) | (588) |
| FINANCE COSTS | | (3,226) | (2,636) | (6,470) | (4,778) |
| LOSS BEFORE TAXATION | | (7,522) | (963) | (15,127) | (5,366) |
| TAXATION | B5 | 133 | - | 190 | - |
| NET LOSS FOR THE PERIOD | | (7,389) | (963) | (14,937) | (5,366) |
| OTHER COMPREHENSIVE LOSS/(PROFIT) FOREIGN CURRENCY EXCHANGE DIFFERENCES ARISING FROM CONSOLIDATION | | 1,731 | (769) | 2,428 | (201) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | | (5,658) | (1,732) | (12,509) | (5,567) |
| LOSS ATTRIBUTABLE TO : | | | | | |
| OWNERS OF THE PARENT | | (7,389) | (963) | (14,937) | (5,366) |
| NON-CONTROLLING INTERESTS | | - | - | - | - |
| | | (7,389) | (963) | (14,937) | (5,366) |
| TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO : | | | | | |
| OWNERS OF THE PARENT | | (5,658) | (1,732) | (12,509) | (5,567) |
| NON-CONTROLLING INTERESTS | | - | - | - | - |
| | | (5,658) | (1,732) | (12,509) | (5,567) |
| EARNING PER SHARE - basic (sen) | | (4.93) | (0.64) | (9.96) | (3.58) |

(The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2014)

HYTEX INTEGRATED BERHAD

Quarterly report on results for the 2nd quarter ended 30 September 2014. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | AS OF END OF CURRENT QUARTER 30/09/14 RM'000 | AS OF PRECEDING FINANCIAL YEAR END 31/03/14 RM'000 |
|---|------|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| PROPERTY, PLANT AND EQUIPMENT | | 94,503 | 97,987 |
| CAPITAL WORK-IN-PROGRESS | | - | - |
| OTHER INVESTMENTS | | - | - |
| | | 94,503 | 97,987 |
| Current assets | | | |
| INVENTORIES | A15 | 7,778 | 9,991 |
| TRADE AND OTHER RECEIVABLES | | 15,017 | 14,359 |
| CASH AND BANK BALANCES | | 1,263 | 45 |
| | | 24,058 | 24,395 |
| TOTAL ASSETS | | 118,561 | 122,382 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of the Company : | | | |
| SHARE CAPITAL | | 75,000 | 75,000 |
| RESERVES | | (197,755) | (180,390) |
| TOTAL EQUITY | | (122,755) | (105,390) |
| Non-current liabilities | | | |
| LONG TERM BORROWINGS | B7 | 29,382 | 29,382 |
| DEFERRED TAXATION | | 2,110 | 2,120 |
| | | 31,492 | 31,502 |
| Current liabilities | | | |
| TRADE AND OTHER PAYABLES | | 71,517 | 58,425 |
| BANK OVERDRAFT | | - | - |
| SHORT TERM BORROWINGS | B7 | 137,428 | 137,061 |
| TAX PAYABLE | | 879 | 784 |
| | | 209,824 | 196,270 |
| TOTAL LIABILITIES | | 241,316 | 227,772 |
| TOTAL EQUITY AND LIABILITIES | | 118,561 | 122,382 |
| NET (LIABILITIES)/ASSETS PER SHARE (RM) | | (0.82) | (0.70) |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2014)

HYTEX INTEGRATED BERHAD

Quarterly report on results for the 2nd quarter ended 30 September 2014. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Note | SHARE CAPITAL RM'000 | SHARE PREMIUM RM'000 | EQUITY COMPONENT OF LOAN STOCK RM'000 | NON-DISTRIBUTABLE | | | ACCUMULATED LOSSES RM'000 | TOTAL EQUITY RM'000 |
|---|-------------------------|-------------------------|--|-------------------------------------|--|------------------|------------------------------|------------------------|
| | | | | ASSET REVALUATION RESERVE RM'000 | FOREIGN CURRENCY TRANSLATION RESERVE RM'000 | | | |
| As of 1 April 2014 | 75,000 | 10,365 | 7,133 | 60,211 | (32,891) | (225,208) | (105,390) | |
| Total comprehensive loss for the financial year | - | - | - | - | (2,428) | (14,937) | (17,365) | |
| As of 30 September 2014 | <u>75,000</u> | <u>10,365</u> | <u>7,133</u> | <u>60,211</u> | <u>(35,319)</u> | <u>(240,146)</u> | <u>(122,755)</u> | |
| As of 1 April 2013 | 75,000 | 10,365 | 7,133 | 71,170 | 1,954 | (127,544) | 38,078 | |
| Total comprehensive loss for the financial year | - | - | - | - | (201) | (5,366) | (5,567) | |
| As of 30 September 2013 | <u>75,000</u> | <u>10,365</u> | <u>7,133</u> | <u>71,170</u> | <u>1,753</u> | <u>(132,910)</u> | <u>32,511</u> | |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2014)

HYTEX INTEGRATED BERHAD

Quarterly report on results for the 2nd quarter ended 30 September 2014. The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 months ended 30/09/14 RM'000 | 6 months ended 30/09/13 RM'000 |
|--|---|---|
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 4,182 | 7,795 |
| NET CASH GENERATED FROM INVESTING ACTIVITIES | 8 | - |
| NET CASH USED IN FINANCING ACTIVITIES | (11) | (10) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | <u>4,179</u> | <u>7,785</u> |
| EFFECT OF EXCHANGE DIFFERENCES | (2,961) | (6,575) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR | 45 | (508) |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | <u><u>1,263</u></u> | <u><u>702</u></u> |

CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE THE FOLLOWING:

| | As of 30/09/14 RM'000 | As of 30/09/13 RM'000 |
|------------------------|-----------------------------|--------------------------|
| Cash and bank balances | 1,263 | 884 |
| Bank overdrafts | - | (182) |
| | <u><u>1,263</u></u> | <u><u>702</u></u> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2014)

HYTEX INTEGRATED BERHAD

Quarterly report on results for the 2nd quarter ended 30 September 2014. The figures have not been audited.

A NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134 : Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and comply with applicable approved accounting standards issued by Malaysian Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2014.

The interim financial information for the three months ended 30 September 2014 has been reviewed by the Company's auditors in accordance with International Standards on Review Engagements 2410 – Review of Interim Financial Information performed by the Independent Auditor of the Company

A2. Auditors' report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 31 March 2014 contained a disclaimer of opinion on the audited financial statements due to the following:

(i) the Group incurred a net loss of RM97,664,542 during the financial year and, as of 31 March 2014, the net current liabilities exceeded its current assets by RM73,887,928 and the Group had recorded accumulated losses of RM228,503,653. On 3 June 2013, the Company had triggered the prescribed criteria pursuant to Practice Note 17 of the Listing Requirements of Bursa Malaysia ("PN17") and is required to submit a regularisation plan to the relevant authorities by 2 June 2014, or the Company may face de-listing. On 25 August 2014, Bursa Securities has granted the Company an extension of time of six (6) months up to 1 December 2014. As of the date of the audit report, the Company has not submitted a regularisation plan to address its PN17 status. The Group has also defaulted in payment pursuant to Practice Note 1 of the Listing Requirements of Bursa Malaysia. In view of the above, there are material uncertainties which may cast significant doubt on the ability of the Group to continue as a going concern;

(ii) despite existence of indication that the property, plant and equipment of the subsidiary company, Hytex Apparels Sdn. Bhd., may be impaired due to the significant decline in the revenue and increase in operating loss, the subsidiary company had not make an estimation of the recoverable amount of the property, plant and equipment pursuant to paragraph 9 of the MFRS 136, Impairment of Assets. There was no profit or cash flow projection for an appropriate period subsequent to the financial year ended 31 March 2014 to determine its value in use, so as to determine the financial impact of impairment of property, plant and equipment of the subsidiary company, if any. Hence, the auditors were unable to carry out appropriate audit procedures to obtain sufficient and appropriate audit evidence over the estimation of possible impairment;

(iii) the auditors were unable to determine the financial impact of the subsidiaries held under the wholly owned subsidiary, Nicetex Ltd namely, Hytex Integrated (Suzhou) Co. Ltd., WOB (Suzhou) Co. Ltd. and Suzhou Hytex Apparels Co. Ltd. due to some information not received from the said subsidiaries. As at the date of the auditors' report, the auditors did not receive the Group Audit Questionnaire and the reconciliation between Principles for Business Accounting and System for Business Accounting in Republic of China and MFRS from the subsidiaries. Hence, the auditors were unable to determine the financial impact to the Group. As such, they could not determine the effect of adjustments, if any, on the financial position of the Group as at 31 March 2014, or on its financial performance for the financial year then ended;

(iv) as at 31 March 2014, the carrying value of inventory of the subsidiary companies namely, Hytex Apparels Sdn. Bhd., Hytex Garments Sdn. Bhd. and Leading Textiles Sdn. Bhd. amounted to RM2,609,977, RM4,543,733 and RMNil respectively. However, the auditors were able to carry out appropriate audit procedures to obtain sufficient and appropriate audit evidence over the estimation of possible impairment and written down value;

(v) the auditors were also able to determine the effect of the adjustments, if any, on the financial impact of impairment of the investment in subsidiaries of the Company namely, Hytex Apparels Sdn. Bhd., Hytex Garments Sdn. Bhd. and Leading Textiles Sdn. Bhd. with a carrying amount of RMNil as at 31 March 2014; and

(vi) the auditors were able to ascertain the status of the claims and material litigations taken against the Group including the extent of the completeness of the recorded liabilities, contingent liabilities and the necessary disclosures of the Group as the legal files is not available to them.

A3. Segmental information

By business segments - 6 months ended 30 September 2014

| | Investment holding RM'000 | Manufacturing RM'000 | Trading RM'000 | Elimination RM'000 | Consolidated RM'000 |
|-----------------------|------------------------------|-------------------------|-------------------|-----------------------|------------------------|
| Segment Revenue | - | 4,212 | 3,128 | (739) | 6,601 |
| Segment Result - Loss | (1,204) | (6,057) | (1,396) | - | (8,657) |
| Interest income | - | - | - | - | - |
| Finance costs | (2,837) | (3,230) | (403) | - | (6,470) |
| Loss before taxation | (4,041) | (9,287) | (1,799) | - | (15,127) |
| Taxation | - | - | 190 | - | 190 |
| Loss after taxation | (4,041) | (9,287) | (1,609) | - | (14,937) |
| Assets | | | | | |
| Segment assets | 13 | 111,493 | 7,055 | - | 118,561 |

By business segments - 6 months ended 30 September 2013

| | | | | | |
|-------------------------|---------|---------|--------|---------|---------|
| Segment Revenue | - | 8,313 | 15,552 | (1,052) | 22,813 |
| Segment Result - (Loss) | (416) | (4,905) | 4,733 | - | (588) |
| Interest income | - | - | - | - | - |
| Finance costs | (2,124) | (2,250) | (404) | - | (4,778) |
| (Loss) before taxation | (2,540) | (7,155) | 4,329 | - | (5,366) |
| Taxation | - | - | - | - | - |
| (Loss) after taxation | (2,540) | (7,155) | 4,329 | - | (5,366) |
| Assets | | | | | |
| Segment assets | 63 | 233,343 | 21,421 | - | 254,827 |

By business segments - 3 months ended 30 September 2014

| | Investment RM'000 | Manufacturing RM'000 | Trading RM'000 | Elimination RM'000 | Consolidated RM'000 |
|-----------------------|----------------------|-------------------------|-------------------|-----------------------|------------------------|
| Segment Revenue | - | 2,756 | 1,577 | (739) | 3,594 |
| Segment Result - Loss | (421) | (2,960) | (915) | - | (4,296) |
| Interest income | - | - | - | - | - |
| Finance costs | (1,418) | (1,606) | (202) | - | (3,226) |
| Loss before taxation | (1,839) | (4,566) | (1,117) | - | (7,522) |
| Taxation | - | - | 133 | - | 133 |
| Loss after taxation | (1,839) | (4,566) | (984) | - | (7,389) |
| Assets | | | | | |
| Segment assets | 1 | (3,375) | 2,677 | - | (697) |

By business segments - 3 months ended 30 September 2013

| | | | | | |
|--------------------------------|---------|---------|-------|------|---------|
| Segment Revenue | - | 5,992 | 9,108 | (60) | 15,040 |
| Segment Result - (Loss)/Profit | (378) | 515 | 1,536 | - | 1,673 |
| Interest income | - | - | - | - | - |
| Finance costs | (1,068) | (1,309) | (259) | - | (2,636) |
| (Loss)/Profit before taxation | (1,446) | (794) | 1,277 | - | (963) |
| Taxation | - | - | - | - | - |
| (Loss)/Profit after taxation | (1,446) | (794) | 1,277 | - | (963) |
| Assets | | | | | |
| Segment assets | 55 | 5,958 | (439) | - | 5,574 |

A4. Unusual items due to their nature, size or incidence

Save as disclose in (A8) and (A14) below, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2014.

A5. Changes in estimates

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

A6. Seasonal or cyclical factors

Other than the factors stated above in A3 and A4, the Group's operations for the current quarter were not affected by any other seasonal or cyclical factors.

A7. Dividend paid

No dividend has been paid during the current quarter under review.

A8. Valuation of property, plant and equipment

The property, plant and equipment was no revalued during the current quarter under review.

A9. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

A10. Changes in the composition of the Group

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

A11. Discontinued operation

Not applicable.

A12. Capital commitments

As of 30 September 2014, the Group has commitments as follows:

| | |
|---|--------------|
| | RM'000 |
| Royalty commitments in respect of licensed products | 2,511 |
| Non-cancellable rental commitments | - |
| | <u>2,511</u> |

A13. Changes in contingent liabilities or contingent assets

The contingent liabilities of the Company as at 30 September 2014 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are in respect of :

| | |
|--|---------------|
| | RM'000 |
| Bank guarantees extended to non-related third parties | 738 |
| Corporate guarantees extended to non-related third parties | 24,776 |
| | <u>25,514</u> |

A14. Subsequent events

Save as disclosed in B8 below in respect of the winding up order (as defined herein), as at the date of this report, there was no material events subsequent to the balance sheet date that affects the results of the Group for the financial year to date.

A15. Inventories

As at 30 September 2014, the Group has made an impairment of inventories during the current quarter under review.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance of the Company and its principal subsidiaries - Current Quarter/Preceding Year Corresponding Quarter

Year to date to preceding year to date

For the current year to date ended 30 September 2014, the Group recorded a revenue of RM6.60million as compared to RM22.81million in the preceding financial year corresponding ended 30 September 2013 mainly due to decrease in sale order, boutique sales and discontinued of manufacturing operation..

The Group after-tax losses had increased to RM14.94million in the current year to date from RM5.37million in the preceding year corresponding which represent an increase in after tax losses of 176.21% due mainly to lower sale order and discountinue of manufacturing operations during the financial year. The Group generated a gross loss of RM3.60million from gross profit of RM8.86million in the preceding year due to lower sale order and discountinue of manufacturing operations during the current quarter.

Investment Holdings: No income was generated from investment holdings. The after tax losses for the financial year ended 30 September 2014 of RM4.04million represents an increase as compared to the after tax losses of RM2.54million in the preceding year ended 30 September 2013. The main reason for the increase in after tax losses is due mainly to higher operation expenses. The net loss after taxation is arising from operating expenses coupled with interest expenses incurred for the borrowings. Interest expenses amounted to RM2.84million for the financial year ended 30 September 2014 as compared to RM2.12 million in the preceding year ended 30 September 2013.

Manufacturing: Revenue for the financial year ended 30 September 2014 amounted to RM4.21million as compared to RM8.31million in the preceding year ended 30 September 2013. The decrease in revenue was due to continued lower orders from overseas and discountinue of manufacturing operation in Malaysia. The Group recorded a loss after taxation of RM9.29million in the financial year ended 30 Septemberr 2014 as compared to a loss after taxation of RM7.16million in the preceding year ended 30 September 2013 due to continued lower orders from overseas and discountinue of manufacturing operation during the period.

Trading: Revenue for the current financial year ended 30 September 2014 amounted to RM3.13 million as compared to RM15.55 million in the preceding year ended 30 September 2013 due to decrease in outright sales and lower sales in outlet counter during the period. The division recorded a loss after taxation of RM1.80million in the current financial year ended 30 Septemberr 2014 as compared to a profit after taxation of RM4.33million in the preceding year ended 30 Septemberr 2013. The decreased in net loss is due to impairment of inventories and lower of consignment sale for the current period.

Quarter to preceding year corresponding quarter

For the current quarter ended 30 September 2014, the Group recorded a revenue of RM3.59million as compared to RM15.04million in the preceding quarter ended 30 September 2013 mainly due to decrease in sale order, boutique sales and discontinued of manufacturing operations during the quarter review.

The Group after-tax losses had increased to RM7.52million in the current quarter from RM0.96million in the preceding quarter which represent an increase in after tax losses of 683.33% due mainly to lower sale order and discountinue of manufacturing operations during the current quarter. The Group generated a gross loss of RM2.06million from gross profit of RM6.80million in the preceding quarter due to lower sale order and discountinue of manufacturing operations during the current quarter.

Investment Holdings: No income were generated from investment holdings. The loss after taxation for the current quarter ended 30 Septemberr 2014 is RM1.84million as compared to RM1.45million in the preceding quarter ended 30 September 2013. The net loss after taxation was mainly due to higher opeptions expenses. Interest expenses amounted to RM1.42million for the current quarter ended 30 September 2014 as compared to RM1.07 million in the preceding quarter ended 30 September 2013.

Manufacturing: Revenue for the current quarter ended 30 September 2014 amounted to RM2.76million as compared to RM5.99 million in the preceding quarter ended 30 September 2013. The decrease in revenue was due to discountinue of manufacturing operation during the quarter. The Group recorded a loss after taxation of RM4.57million in the current quarter ended 30 September 2014 as compared to a loss after taxation of RM0.79million in the preceding quarter 30 September 2013 due to discountinue of manufacturing operation during the quarter.

Trading: Turnover for the current quarter ended 30 September 2014 amounted to RM1.58million as compared to RM9.11million in the preceding quarter ended 30 September 2013. The decreased in turnover was due to lower consignment sales during the current quarter, The division recorded a loss after taxation of RM0.98million in the current quarter ended 30 September 2014 as compared to a net profit of RM1.28million in the preceding quarter ended 30 September 2013.

B2. Material changes in the quarter compared to the preceding quarter

The Group recorded a revenue of RM3.59million in the current quarter ended 30 September 2014 as compared to RM3.01million in the immediate preceding quarter ended 30 June 2014 due mainly to decrease in consignment and boutiques sales during the current quarter.

The Group's after-tax losses had decreased from RM7.39million in the preceding quarter ended 30 June 2014 to a loss after taxation of RM7.55million in the current quarter ended 30 September 2014 which represents an decrease of 2.12% due mainly to increase in consignment and boutique sales achieved from the Hari Raya festival season during the current quarter.

Investment Holdings: No income were generated from investment holdings. The loss after taxation for the current quarter is RM1.84 million as compared to RM2.20 million for the preceding quarter ended 30 June 2014. Interest expenses amounted to RM1.42 million for the current quarter ended 30 September 2014 as compared to RM1.41 million for the preceding quarter ended 30 June 2014.

Manufacturing: Turnover for the current quarter ended 30 September 2014 amounted to RM2.76 million as compared to RM1.46million in the preceding quarter ended 30 June 2014. The increase in turnover was due to increase sales orders from China and sale of old stock in Malaysia. The division recorded a loss after taxation of RM4.56million in the current quarter ended 30 September 2014 as compared to a loss after taxation of RM4.72million in the immediate preceding quarter ended 30 June 2014 due to lower operation cost for the current quarter.

Trading: Turnover for the current quarter ended 30 September 2014 amounted to RM1.58 million as compared to RM1.55 million in the immediate preceding quarter ended 30 June 2014. The increased in turnover was due to increase in consignment and boutique sales achieved from the Hari Raya festival season during the current quarter. The division recorded a loss after taxation of RM1.12 million in the current quarter ended 30 September 2014 in this segment as compared to a loss after taxation of RM0.68million in the immediate preceding quarter ended 30 June 2014. The loss after taxation was due to impairment on inventories for the current quarter.

B3. Prospects for the new financial year

The directors are fully aware of the serious constraint in working capital which is affecting the performance of the Group. The Company will endeavour to concentrate on products with higher margins and to also undertake manufacturing that allows the Company to recognise reasonable profits from better margins. A successful restructuring with the lenders together with appropriate changes in the Company's management team will allow the Group to move in the right direction.

B4. Variance of actual profit from forecast profit and profit guarantee

Not applicable.

B5. Taxation

| | Individual period | | Cumulative period | |
|--|----------------------|--------------------------------------|----------------------|-------------------------------------|
| | Current year quarter | Preceding year corresponding quarter | Current year to-date | Preceding year corresponding period |
| | 30/09/14 RM'000 | 30/09/13 RM'000 | 30/09/14 RM'000 | 30/09/13 RM'000 |
| Current taxation | 133 | - | 190 | - |
| Transfer (from) / to deferred taxation | - | - | - | - |
| | <u>133</u> | <u>-</u> | <u>190</u> | <u>-</u> |

B6. Status of corporate proposals

An announcement was made on 10 May 2013 that its wholly-owned subsidiary, Hytex Integrated (Suzhou) Co. Ltd. had entered into a Memorandum of Understanding with Gezhouba Group Electric Power Co. Ltd. to be the turnkey contractor for the 50 megawatt maglev wind farm in Guizhou Province, People's Republic of China.

On 15 May 2013, an announcement was made that Hytex Integrated (Suzhou) Co. Ltd. had entered into a Memorandum of Agreement between Shenzhen Timar Scenery Energy Technology Co. Ltd. and Taijiang County People's Government to formalise the terms and conditions as well as the responsibilities of each respective parties in relation to the wind farm.

B7. Borrowings and debt securities

The Group's borrowings as at 30 September 2014 are as follows:

| | Notes | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|-----------------------|-------|-------------------|---------------------|-----------------|
| Long-term borrowings | | 29,382 | - | 29,382 |
| Short-term borrowings | A9 | 97,538 | 39,890 | 137,428 |
| | | <u>126,920</u> | <u>39,890</u> | <u>166,810</u> |

B8. Material litigation

The Board of Directors of Hytex Integrated Berhad had, on the date stated, made the following announcements on material litigations: -

On 20/01/2012: The Company and its wholly-owned subsidiary, Hytex Garments (M) Sdn Bhd have been served Winding-Up Petitions, both dated 29 December 2011 and filed by CIMB Bank Berhad for outstanding amount of RM1,401,468.99.

On 31/01/2012: Its wholly-owned subsidiary, WOC Boutique Sdn Bhd has been served a Writ of Summons and Statement of Claims filed by The Government of Malaysia - Inland Revenue Board Malaysia for outstanding amount of RM43,754.52.

On 09/02/2012: The case management for the case, CIMB Bank Berhad v. Hytex Garments (M) Sdn Bhd - Company Winding-up Petition No. 28NCC-1110-12/2011 has been fixed on 23 February 2012.

On 13/02/2012: Kuala Lumpur High Court Suit No. S-22-631-2010 (Starhome Realty Sdn Bhd vs Hytex Integrated Berhad) and Kuala Lumpur High Court Suit No. S-22-241-2010 (Bintang Garment Supplier Sdn Bhd vs Hytex Integrated Berhad).

The abovementioned legal matters have been fixed for further Pre-Trial Case Management on 18 June 2012 for the Plaintiffs to file their Application to amend the Statement of Claim.

On 14/02/2012 : Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad v. MSIG Insurance (M) Berhad). The abovementioned legal matter has been fixed for further Case Management on 20 March 2012 for parties to up-date the Court as to the status of the case.

On 14/02/2012: The case management for the case, CIMB Bank Berhad v. Hytex Garments (M) Sdn Bhd - Company Winding-up Petition No. 28NCC-1110-12/2011 has been fixed on 23 February 2012.

On 17/02/2012: The case management for the case, CIMB Bank Berhad v. Hytex Garments (M) Sdn Bhd - Company Winding-up Petition No. 28NCC-1110-12/2011 has been adjourned to 27 March 2012.

On 17/02/2012: On the matter of the Government Of Malaysia v. WOC Boutique Sdn Bhd - Kuala Lumpur High Court Suit No. 21NCVC-243-11/2011. That the Inland Revenue Board has rejected the proposal of WOC Boutique Sdn Bhd for 36 installment payments and the Court has issued a Consent Judgement granting the Company a 24 months installment payment.

On 02/03/2012: That hearing for the Summary Judgement on Kuala Lumpur High Court Suit No. 22NCC-2039-12/2011 filed by Hong Leong Bank Berhad vs WOC Boutique Sdn Bhd and Hytex Integrated Berhad has been adjourned to 27 March 2012.

On 14/03/2012: That the Company Winding-Up Petition No. 28NCC-1110-12/2011 filed by CIMB Bank Berhad against Hytex Garments (M) Sdn Bhd, reference made to the announcement on the subject matter on 9 February 2012, has been fixed for case management on 16 March 2012.

On 15/03/2012: That the Kuala Lumpur High Court Civil Suit No. D2-22-1997-2008 filed by Hytex Integrated Berhad against Hong Leong Assurance Berhad has been fixed for pre trial case management on 26 March 2012.

On 20/03/2012: That the Company Winding-Up Petition No. 28NCC-1110-12/2011 filed by CIMB Bank Berhad against Hytex Garments (M) Sdn Bhd has been fixed for case management on 20 April 2012.

On 28/03/2012: That hearing on the Company Winding-Up Petition No. 28NCC-1111-12/2011 filed by CIMB Bank Berhad against Hytex Integrated Berhad, reference made to the announcement on the subject matter on 17 February 2012, has been postponed to 26 April 2012.

On 28/03/2012: On the hearing for the Summary Judgement on Kuala Lumpur High Court Suit No. 22NCC-2039-12/2011 filed by Hong Leong Bank Berhad vs WOC Boutique Sdn Bhd and Hytex Integrated Berhad, reference made to the announcement on 2 March 2012, Hong Leong Bank Berhad has obtained summary judgement at the hearing held on 27 March 2012.

On 28/03/2012: Kuala Lumpur High Court Civil Suit No. D2-22-1997-2008 (Hytex Integrated Berhad vs Hong Leong Assurance Berhad). Further to the announcement made on 15 March 2012, the subject matter has been fixed for another Pre-Trial Case Management on 17 April 2012 for Hytex Integrated Berhad to update the Court on the progress of the Arbitration on the subject matter.

On 30/03/2012: Kuala Lumpur High Court Suit No. 22NCC-1893-11-2011. Hong Leong Bank Berhad obtained an order and judgement dated 20 January 2012 against Hytex Integrated Berhad and Hytex Apparels Sdn Bhd. On 17/10/2012: The Company's wholly owned subsidiary, Hytex Apparels Sdn Bhd ("HASB") has been served on 16 October 2012 a Notice pursuant to 218(2)(a) of the Act dated 15 October 2012 by Hong Leong Bank Berhad ("HLBB"). Subsequently, HLBB requested HASB to pay a sum of RM3,661,001.83 being the amount due and owing by HASB to HLBB as at 5 October 2012 pursuant to the aforesaid Judgement. Currently, the Board is finalizing a proposal to discuss with the lender, with repayment on a monthly basis.

On 30/03/2012: That its wholly owned subsidiary, WOC Boutique Sdn Bhd, has been served two Originating Summons by Hong Leong Bank Berhad on 30 March 2012: -

a) Originating Summons No. 24F-144-02/2012, and

b) Originating Summons No. 24F-145-02/2012.

Both originating summon order that the said properties (both low cost apartments) charged to the plaintiff be sold by public auction.

On 13/04/2012: That its wholly owned subsidiary, Hytex Apparels Sdn Bhd, has been served with a Notice pursuant to Section 218(2)(a) of the Companies Act, 1965 dated 10 April 2012 demanding for a sum of RM3,950,850.20 together with interest being the amount due and owing to HSBC Bank Malaysia Berhad.

On 23/04/2012: In Session Court of Georgetown, Pulau Pinang 52-661-04/2012-That the Company's wholly owned subsidiary, WOC Boutique Sdn Bhd has been served a Writ of Summons dated 12 April 2012 and the Statement of Claim from Amtrustee Berhad in respect of the outstanding rental for the months of May 2011 to 11 September 2011, LPI charges and legal cost totalling RM38,410.54 in accordance to the letter of demand dated 2 November 2011 from the Plaintiff. A mention date for this case has been fixed on 15 May 2012.

On 02/07/2012: Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad v. MSIG Insurance (M) Berhad). The abovementioned legal matter has been fixed for further Case Management on 3 August 2012.

On 10/07/2012: That hearing on the Company Winding-Up Petition No. 28NCC-1111-12/2011 filed by CIMB Bank Berhad against Hytex Integrated Berhad, has been fixed on 10 August 2012.

On 13/08/2012: That hearing on the Company Winding-Up Petition No. 28NCC-1111-12/2011 filed by CIMB Bank Berhad against Hytex Integrated Berhad, has been adjourned to 27 August 2012.

On 23/08/2012: Hytex Integrated Berhad has been served a Writ of Summons and Statement of Claims filed by The Government of Malaysia - Inland Revenue Board Malaysia for outstanding amount of RM763,821.48.

On 24/08/2012: Further to the Originating Summons, 24F-144-02/2012 and 24F-145-02/2012 by Hong Leong Bank Berhad against WOC Boutique Sdn Bhd, hearings on the subject legal suits have been fixed on 30 August 2012.

On 13/08/2012: That hearing on the Company Winding-Up Petition No. 28NCC-1111-12/2011 filed by CIMB Bank Berhad against Hytex Integrated Berhad, has been further adjourned to 30 August 2012.

On 4/09/2012: In the hearing on the Company Winding-Up Petition No. 28NCC-1111-12/2011 filed by CIMB Bank Berhad against Hytex Integrated Berhad, the Plaintiff has withdrawn the Petition given that the Plaintiff has accepted the Company's proposed

On 4/09/2012: In respect of Kuala Lumpur High Court Suit No. 21NCVC-190-07/2012 by the Government of Malaysia v. Hytex Integrated Berhad, Hytex Integrated Berhad has been direct to file a Statement of Defence before 18 September 2012.

On 12/09/2012: Kuala Lumpur High Court Civil Suit No. D2-22-1997-2008 (Hytex Integrated Berhad vs Hong Leong Assurance Berhad). Further to the announcement made on 28 March 2012, the Pre Trial Case Management has been held on 6 September 2012 and another Pre Trial Case Management has been fixed on 24 September 2012.

On 20/09/2012: Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad v. MSIG Insurance (M) Berhad). The abovementioned legal matter has been fixed for further Case Management on 24 September 2012.

On 25/09/2012: Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad v. MSIG Insurance (M) Berhad). The abovementioned legal matter has been fixed for further Case Management on 8 October 2012.

On 25/09/2012: Kuala Lumpur High Court Civil Suit No. D2-22-1997-2008 (Hytex Integrated Berhad vs Hong Leong Assurance Berhad). Further to the announcement made on 12 September 2012, the parties have agreed to refer the matter to the panel of arbitrators. Another Pre Trial Case Management has been fixed on 8 October 2012.

On 11/10/2012: Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad v. MSIG Insurance (M) Berhad). The abovementioned legal matter has been fixed for further Case Management on 22 October 2012.

On 12/10/2012: Kuala Lumpur High Court Civil Suit No. D2-22-1997-2008 (Hytex Integrated Berhad vs Hong Leong Assurance Berhad). Further to the announcement made on 25 September 2012, the subject matter has been fixed for another Pre Trial Case Management on 22 October 2012.

On 17/10/2012: That its wholly owned subsidiary, Hytex Apparels Sdn Bhd, has been served a Notice pursuant to 218(2)(a) of the Companies Act, 1965 dated 15 October 2012 by Hong Leong Bank Berhad demanding RM3,661,001.83 together with interest being the amount due and owing to Hong Leong Bank Berhad.

On 25/10/2012: Kuala Lumpur High Court Civil Suit No. D2-22-1997-2008 (Hytex Integrated Berhad vs Hong Leong Assurance Berhad). Further to the announcement made on 12 October 2012, the subject matter has been fixed for another Pre Trial Case Management on 6 November 2012.

On 25/10/2012: Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad v. MSIG Insurance (M) Berhad). The abovementioned legal matter has been fixed for further Case Management on 6 November 2012.

On 7/11/2012: In Originating Summons No. 24F-145-02/2012, WOC Boutique Sdn Bhd, a wholly owned subsidiary of the Company had on 6 November 2012 received a Notice of Application and Affidavit both dated 3 October 2012 for a hearing on the subject legal suit which is fixed on 26 December 2012.

On 14/11/2012: That Hytex Integrated Berhad and its wholly owned subsidiary, Hytex Apparels Sdn Bhd, has been served a Write of Summon dated 15 October 2012 from United Overseas Bank (Malaysia) Berhad demanding RM6,617,560.83 together with interest and cost being the amount due and owing to Hong Leong Bank Berhad.

On 21/11/2012: Kuala Lumpur High Court Civil Suit No. D2-22-1997-2008 (Hytex Integrated Berhad vs Hong Leong Assurance Berhad). The case came up for Pre Trial Case Management on 6 November 2012 and both parties have agreed to refer the subject matter to Arbitration. The Court recorded the same and directed both the parties to refer this matter to Abitration. In this regard, the Court proceed to close the Court file at their end.

On 21/11/2012: Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad v. MSIG Insurance (M) Berhad). The abovementioned legal matter has been fixed for Case Management on 26 November 2012.

On 23/11/2012: Kuala Lumpur High Court Suit No. 22NCC-1631-11/2012 (United Overseas Bank (Malaysia) Berhad v. (i) Hytex Apparels Sdn Bhd; and (ii) Hytex Integrated Berhad).

On 28/11/2012: That Hytex Integrated Berhad and its wholly-owned subsidiary, Hytex Apparels Sdn Bhd, has received Letters of Demand both dated 20 November 2012 from RHB Bank Berhad demanding RM12,973,724.75 being overdue Bankers Acceptance together with interest and RM380,098.06 under Bank Guarantee together with interest being the amount due and owing to RHB Bank Berhad.

On 29/11/2012: Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad v. MSIG Insurance (M) Berhad). The abovementioned legal matter has been fixed for Case Management on 20 December 2012.

On 30/11/2012: In Kuala Lumpur High Court Suit No. 22NCC-1647-11-2012-That the Company and its wholly owned subsidiary, Hytex Garments (M) Sdn Bhd have received the Writ of Summons and Statements of Claim both dated 21 November 2012 from RHB Bank Berhad in respect of overdue Bankers Acceptance under the Multi Trade Line Facility, the claim which comprises of the sum of RM5,055,839.84 and other costs and such other reliefs as the Court deems fit and just. The Company have appointed AmlInvestment Bank Berhad on 31 October 2012 to undertake a restructuring of the Group's debts. AmlInvestment Bank Berhad is now working on a proposal for submission and discussion with the various lenders.

On 14/12/2012: In Kuala Lumpur High Court Suit No. 22NCC-1799-12/2012-That the Company and its wholly owned subsidiary, Hytex Apparels Sdn Bhd have received the Writ of Summons and Statements of Claim both dated 5 December 2012 from RHB Bank Berhad in respect of overdue Bankers Acceptance under the Multi Trade Line Facility in the sum of RM12,973,724.75, overdue of Bank Guarantee 1 Facility in the sum of RM380,098.06, costs and such other reliefs as the Court deems fit and just. AmlInvestment Bank Berhad, the appointed Main Adviser is now finalising the proposal for submission and discussion with the various lenders. On 3/1/2013: The Court has fixed 8 January 2013 for further case management for appearance to be files before the said date.

On 19/12/2012: In Originating Summons No. 24F-144-02/2012, WOC Boutique Sdn Bhd, a wholly owned subsidiary of the Company had on 18 December 2012 received a Notice of Application and Affidavit both dated 20 November 2012 for a hearing on the subject legal suit which is fixed on 11 January 2013.

On 28/12/2012: Kuala Lumpur High Court Suit No. D-22NCC-279-2011 (Hytex Integrated Berhad vs MSIG Insurance (M) Berhad). The abovementioned matter has been fixed for further Case Management on 9 January 2013 pending extraction of the Company's Application for stay pending disposal of the Arbitration of the legal case in Kuala Lumpur High Court Civil Suit No. D2-22-1997-2008.

On 03/01/2013: Kuala Lumpur High Court Suit No. 22NCC-1799-12/2012 (RHB Bank Berhad v. (i) Hytex Apparels Sdn Bhd; and (ii) Hytex Integrated Berhad).

On 21/1/2013: That the Company had on 21 January 2013 been served with a Notice pursuant to Section 218(2)(a) of the Companies Act 1965 dated 16 January 2013 demanding for a sum of RM4,002,105.07 being the amount due and owing to HSBC Bank Malaysia Berhad as at 9 January 2013 pursuant to a Judgement dated 29 November 2011 obtained against the Company in respect of Kuala Lumpur High Court Suit No. 22NCC-1894-11/2011.

On 26/04/2013: On 23 April 2013, the Company has been served with a Writ and Statement of Claim both dated 23 April 2013 by Prima Uno Berhad & Malaysian Trustees Berhad ("the Plaintiffs") demanding for a sum of RM23,402,114.08 together with interest and cost being the amount due and owing to the Plaintiffs.

On 23/05/2013: That the Company had on 23 May 2013 been served with a Amended Writ and Statement of Claim dated 22 May 2013 and 23 April 2013 respectively by Prima Uno Berhad & Malaysian Trustees Berhad demanding for a sum of RM23,402,114.08 together with interest and cost to be paid to Malaysian Trustees Berhad. The case management has been fixed on 18 June 2013.

On 11/10/2013 : The winding-up petitions against HIB and HASB were presented via The High Court of Malaya at Kuala Lumpur, Winding-up No. 28NCC-884-10/2013 and 28NCC-886-10/2013 by United Overseas Bank (Malaysia) Berhad ("Petitioner") demanding of RM 6,617,560.83 together with interest at at the Petitioner's Base Lending Rate ("BLR") which as at 1 October 2012 is 6.60% per annum (and such BLR which may be determined by the Petitioner from time to time) + 3.50% per annum on monthly rest from 1 October 2012 until the date of full final settlement

On 19 May 2014, the solicitors of the Company had applied for an adjournment of both Winding-up Petition against HIB and HASB ("Winding-Up Petitions") on the grounds that an application for and extension of the Restraining Order had been filed with the Court on 16 May 2014 pending the implementation of a restructuring scheme. However, the Court disallowed the application to adjourn and gave an order in terms of prayers (a), (b) and (c) of the Winding-Up Petitions as follows:-

- (a) Both HIB and HASB be wound up by the Court;
- (b) Heng Ji Keng and Andrew Heng be appointed Joint and Several Liquidators of both HIB and HASB; and
- (c) Costs of and incidental to the winding-up be taxed by the proper officer of the Court and paid by the Liquidators out of the assets of both HIB and HASB.

In view that an application for the extension of the Restraining Order had been filed on 16 May 2014 and was scheduled for hearing on 23 May 2014, the Company intends to file an application for a stay of the winding-up order pursuant to Section 243 of the Companies Act, 1965 as soon as possible.

On 23 May 2014, HASB proceeded to file the Notice of Appeal in respect of the winding-up order granted by the Court as announced on 19 May 2014 at the Kuala Lumpur High Court ("Notice of Appeal") and Certificate of Urgency for the Notice of Appeal.

On 22/10/2013 : The winding up case is fixed for further Case Management ("CM") on 13 November 2013. The Court has directed the Company to file its Affidavit in Reply before the date of the case management.

On 15/11/2013 : The High Court had on 13 November 2013, set the next hearing on 9 December 2013 and directed the Company to file its Affidavit in Reply before 20 November 2013.

The Court had on 24 September 2014 granted the stay of winding up order until the hearing for the appeal proper against the winding-up order which the Court had fixed on 3 December 2014.

On 25/11/2013 : Kuala Lumpur High Court Suit No. S-22-631-2010 (Starhome Realty Sdn Bhd vs Hytex Integrated Berhad) and Kuala Lumpur High Court Suit No. S-22-241-2010 (Bintang Garment Supplier Sdn Bhd vs Hytex Integrated Berhad). the decision for Plaintiff's Application in Enclosure 38 for Summary disposal under Order 33 ROC 2012 on 22.11.2013 has been rescheduled to 17.12.2013 (Decision). Pursuant to the application, the Court of Appeal has fixed the subject matter for case management on 11.02.2014. The Court has fixed the hearing on 01.04.2014 and the Registrar had directed parties to prepare its written submission before 18.03.2014. The Kuala Lumpur High Court has fixed for further case management on 9 June 2014 for the company to file its witness statement the Court has vacated the originally fixed hearing date on 18 August 2014 and fixed the new hearing dates on 19 August 2014 and 20 August 2014. The Court has fixed the hearing date on 1 October 2014.

Pursuant to the hearing of assessment for costs and damages held on 21 October 2014, the solicitors of the Company was informed by the Plaintiff's solicitors that the Company is required to pay RM2,150,757.48 to Bintang Garment Supplier Sdn Bhd and RM803,000.00 to Starhome Realty Sdn Bhd. The Company is currently in discussion with its solicitors on the next course of action in respect of the above matter.

Further to the Company's announcement dated 18 December 2013, the Company announce that HGSB has filed a Notice of Application to the Selayang Magistrates Court ("the Court") on 30 December 2013 to stay the execution of the Writ of Distress. HGSB's appointed solicitors has met the Magistrate of the Court for a hearing on 30 December 2013 and the Magistrate has granted an Order to stay the execution of the Writ of Distress for the duration of the Restraining Order which was obtained in the Kuala Lumpur High Court on 20 December 2013. the Court has granted an extension of the Restraining Order for forty two (42) days from 20 March 2014.

The Board of HIB wishes to inform that pursuant to the case management on 11 April 2014, the Court of Appeal had informed that Tenaga Nasional Berhad ("the Appellant") was requested to forward certain documents to the Court of Appeal. The case has postpone to 29.05.2014, granted a postponement to another case management on 18 July 2014. the Appellant has decided to proceed with the appeal. The Court has fixed 26 November 2014 for the hearing.

The Company's announcements made on 24 March 2014 and 4 April 2014, the Board of HIB wishes to inform that the Writ and statement of claim by MGI Enterprise Sdn Bhd vs Hytex Garments (M) Snd Bhd has been fixed for further case management on 12 May 2014. the Court has fixed the next case management on 3 June 2014 for the Company to update the Court of the status of the RO Extension. Both HGSB and MGI have to file defend and reply to defend respectively to file interlocutory applications, if any, by 16 July 2014. the Court has fixed the next case management on 9 July 2014. The said application has been fixed for hearing on 23 July 2014. On 23 July 2014, fixed for mention on 18 August 2014 for HGSB to file its affidavit in opposition of Ivory's striking out application.

The Trial of the above matter has been fixed on 9 February 2015 and 10 February 2015. the case management on 29 October 2014, the Court had fixed for final case management for the above matter on 10 December 2014. In relation thereto, the Court had directed the parties to file the Bundle of Pleadings, Common Agreed Bundle of Documents, Statement of Issues to be Tried, Statement of Agreed Facts, List of Witnesses and Witness Statements in getting the matter ready for trial which had been fixed on 9 February 2015 and 10 February 2015

On 2 June 2014, been served a Notice pursuant to Section 218 (2) (a) of the Companies Act, 1965 ("Notice") dated 30 May 2014 from Messrs. Skrine, being the solicitors for Hong Leong Bank Berhad ("HLBB"). The Claim pursuant to the Notice is as below:

- (i) the sum of RM2,160,338.80, being the amount due and owing by WOC to HLBB as at 20 May 2014 pursuant to a Judgement obtained by HLBB against WOC dated 27 March 2012 in respect of Kuala Lumpur High Court Suit No. 22NNCC-2039-12/2011; and
- (ii) interest on the sum of RM1,785,003.80 at the rate of 3.50% per annum + HLBB's Base Lending Rate ("BLR") which is 6.60% per annum as at 26 July 2011 (and such BLR which may be determined by HLBB from time to time) on monthly rest from 21 May 2014 to the date of full and final settlements.

The Company wishes to inform that on 8 October 2014, WOC vide its solicitors had attended the hearing for the winding-up proceeding. At the hearing, the Court had ordered WOC to be wound up with the costs of RM3,000 and the Official Receiver to be appointed as the Liquidators

On 4 June 2014, been served a Notice of Demand dated 29 May 2014 from Koyata Sdn Bhd. The filing of the Notice of Demand is a result of HGSB failing to settle the outstanding amount of RM206,433.30, being the outstanding amount for goods sold and delivered by KSB to HGSB. Pursuant thereto, HGSB is required to pay to KSB the sum of RM206,433.30, interest accruing on the sum of RM206,433.30 at the rate of 5% per annum calculated from the date of judgment until the date of full and final settlement and the cost of action of RM1,044.00.

On 21 July 2014 received a Notice of Demand dated 17 July 2014 from Lembaga Hasil Dalam Negeri for the sum of RM817,095.45 (being the tax outstanding on management fees charged on the subsidiaries of HIB inclusive of the interest due until 6 February 2014) together with cost, arising from the judgement obtained at the case management by the Government of Malaysia against the Company.

The Board of Directors of Hytex Integrated Bberhad ("HIB") wishes to inform that Hytex Garments (M) Sdn Bhd, a wholly-owned subsidiary of HIB, had on 29 September 2014 been served a Writ and Statement of Claim from Today Progress Sdn Bhd. The filing of the Writ and Statement of Claim is a result of HGSB failing to settle the outstanding amount of RM411,576.00, being the outstanding rental for a period of ten (10) months from September 2013 to June 2014 at a rate of RM41,157.60 per month which in aggregate amounted to RM411,576.00 in respect of the lease of the property known as Lot 25, Jalan E1/5, Kawasan Perindustrian Taman Ehsan, 52100 Kepong, Selangor Darul Ehsan ("Premise"). On 11 November 2014, Pursuant to the counter claim, TPSB is required to file in the Memorandum of Appearance within fourteen (14) days from the date of the counter claim.

The case management for the above matter has been fixed on 28 October 2014 and the Statement of Defence will be filed by the Company vide its solicitors on or before the aforesaid case management date.

The case management on 28 October 2014, the Court had directed the parties to file their respective Statement of Defence and reply as well as any other applications before 9 December 2014. The Court has fixed the case management before the Sessions Court Judge on 9 December 2014.

The Board of Directors of HIB wishes to inform that HASB, a wholly-owned subsidiary of HIB, had on 4 November 2014 been served a Notice of Demand dated 28 October 2014 from Ekar Raya Sdn Bhd. The claim pursuant to the Notice of Demand is the sum of RM21,528.10 thereon of which the detail of the invoices has been rendered to HASB.

The Board of Directors of HIB wishes to inform that Hytex Garment (Cambodia) Ltd (HGCL), a wholly-owned subsidiary of HIB, had on 4 November 2014 been served a Notice of Demand dated 28 October 2014 from Ekar Raya Sdn Bhd. The claim pursuant to the Notice of Demand is the sum of RM24,962.00 thereon of which the detail of the invoices has been rendered to HGCL.

The Board of Directors of Hytex Integrated Bhd ("HIB") wishes to inform that Hytex Apperals Sdn Bhd ("HASB"), a wholly-owned subsidiary of HIB, had on 5 November 2014 been served a Notice of Demand dated 5 November 2014 from TMF.

TMF was the Agent/Security Trustee appointed by MIDF Amanah Investment Bank Berhad ("MIDF") and CIMB Bank Berhad ("CIMB") (MIDF and CIMB collectively referred to as the "Lenders").

The Lenders were providing banking facilities to the Company, details of which as stipulated under the Syndicated Term Loan 1 Agreement ("STL 1 Agreement") and Syndicated Term Loan 2 Agreement ("STL 2 Agreement") both dated 30 August 2010 between HIB and the Lenders and a Trust Deed dated 30 August 2010 ("Trust Deed") of eight (8) years redeemable convertible secured loan stocks of aggregate nominal value of RM36,000,000.00 ("RCCLS") between HIB and TMF.

Pursuant to the facilities, the Company was the Chargor in respect of the facilities, by way of the following:-

(a) third party first legal charge registered under Presentation No. 7712/2010 over the following lands held under:-

- i. Title No. HSM 6641, PT 8416, Mukim Batu, Daerah Gopeng, State of Selangor;
 - ii. Title No. HSM 18855, PT 31892, Mukim Batu, Daerah Gopeng, State of Selangor;
 - iii. Title No. 18856, PT 16422, Mukim Batu, Daerah Gopeng, State of Selangor
- (collectively "the Lands").

(b) Memorandum of the Charge over the Designated Accounts dated 30 August 2010.

Date of the presentation of the Notice of Demand was served on the listed issuer, its subsidiary or major associated company.

The Notice of Demand dated 5 November 2014, was served on HASB, a wholly-owned subsidiary of HIB vide Messrs Raja, Darryl & Loh being the solicitors for TMF on 5 November 2014.

Particulars of the claim under the Notice of Demand, including the amount claimed for under the Notice of Demand and the interest rate.

The claim pursuant to the Notice of Demand are as follows:-

2.1. In respect of STL 1

- (a) the sum of RM71,551,702.51 being the sum due as at 4 November 2014;
- (b) interest thereon the principal sum of RM43,200,000.00 at the rate of 1% over 1.5% per annum above MIDF's (being one of the lender in the STL 1 Agreement) cost of funds from 5 November 2014 to the date of full settlement, and
- (c) interest thereon the principal sum of RM10,800,000.00 at the rate of 1% over 1.5% per annum above CIMB's (being the other lender in the STL 1 Agreement) cost of funds from 5 November 2014 to the date of full settlement.

2.2. In respect of STL 2

- (a) the sum of RM11,927,424.10 being the sum due as at 4 November 2014;
- (b) interest thereon the principal sum of RM7,199,998.40 at the rate of 1% over 1.5% per annum above MIDF's (being one of the lender in the STL 2 Agreement) cost of funds from 5 November 2014 to the date of full settlement, and
- (c) interest thereon the principal sum of RM1,799,999.60 at the rate of 1% over 1.5% per annum above CIMB's (being the other lender in the STL 2 Agreement) cost of funds from 5 November 2014 to the date of full settlement.
- MIDF's cost of funds is currently 5.8% per annum and CIMB's cost of funds is currently 4.7% per annum.

2.3. In respect of the RCSLS

- (a) the sum of RM37,980,739.72 being the sum due and payable as at 4 November 2014;
- (b) coupon thereon chargeable on RM36,000,000.00 being the nominal value of the RCSLS calculated on the basis of a year of 365 days and the actual number of days lapsed at the following rates:
- (i) 1% per annum for the first year of the RCSLS;
- (ii) 1.25% per annum for the second year of the RCSLS;
- (iii) 1.5% per annum for the third year of the RCSLS;
- (iv) 1.75% per annum for the fourth year of the RCSLS;
- (v) 2% per annum for the fifth year of the RCSLS;
- (vi) 2.5% per annum for the sixth year of the RCSLS;
- (vii) 2.5% per annum for the seventh year of the RCSLS;
- (viii) 3% per annum for the eighth year of the RCSLS until the Maturity Date (as defined in the Trust Deed),
- The issuance date of the RCSLS being 29 October 2010.

Details of the default or circumstances leading to the receipt of the Notice of Demand on the listed issuer, its subsidiary or major associated company.

An Event of Default has occurred under the provisions of the STL 1 Agreement, STL 2 Agreement and that an Event of Default has been declared under the Trust Deed.

A Notice of Event of Default dated 18 May 2012 has been duly sent to the Company notifying the same and that all sums payable under the Facilities shall become immediately due and payable. HIB has failed to repay the sums due and payable.

Dividends (proposed or declared)

No dividend was proposed or declared during the current quarter.

Earnings per share

The earnings per share (basic) is calculated by dividing the Group's profit after taxation and minority interest by the weighted average number of shares in issue of 150,000,000.

| | Note | Individual period | | Cumulative period | |
|--|------|----------------------------------|--|----------------------------------|---|
| | | Current year quarter 30/09/14 | Preceding year corresponding quarter 30/09/13 | Current year to-date 30/09/14 | Preceding year corresponding period 30/09/13 |
| Net loss for the period (RM'000) | | (7,389) | (963) | (14,937) | (5,366) |
| Weighted average number of ordinary shares in issue ('000) | | 150,000 | 150,000 | 150,000 | 150,000 |
| Basic earnings per share (sen) | A1 | <u>(4.93)</u> | <u>(0.64)</u> | <u>(9.96)</u> | <u>(3.58)</u> |

Loss before taxation

B9.

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

B10.

| | Current Quarter | Current year to-date |
|----------------------------------|-----------------|----------------------|
| | 30/09/14 | 30/09/14 |
| | RM'000 | RM'000 |
| Interest expenses | 3,226 | 6,470 |
| Depreciation and amortisation | 1,983 | 4,019 |
| Interest income | (1) | (1) |
| Loss/ (Gain) on foreign exchange | 1 | 1 |

Disclosure of realised and unrealised profit or losses

B11

| | As at Quarter Ended | As at Quarter Ended |
|-------------------------------------|---------------------|---------------------|
| | 30/09/14 | 30/09/13 |
| | RM'000 | RM'000 |
| Total accumulated loss of the Group | | |
| - Realised | (563,697) | (315,961) |
| - Unrealised | - | (12,684) |
| | <u>(563,697)</u> | <u>(328,645)</u> |
| Less Consolidation adjustment | 323,551 | 195,735 |
| Total Group accumulated loss | <u>(240,146)</u> | <u>(132,910)</u> |

B12

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the