

SONA PETROLEUM BERHAD

(Company no.: 945626-P)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL RESULTS FOR THE SECOND HALF YEAR PERIOD ENDED 31 DECEMBER 2013

(THE FIGURES HAVE NOT BEEN AUDITED)

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD/YEAR ENDED 31 DECEMBER 2013**

	Note	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
		UNAUDITED CURRENT 2ND HALF YEAR PERIOD TO 31-12-2013 RM	UNAUDITED PRECEDING CORRESPONDING 2ND HALF YEAR PERIOD TO 31-12-2012 RM	UNAUDITED 12 MONTHS TO 31-12-2013 RM	AUDITED 12 MONTHS TO 31-12-2012 RM
Other income	B6	7,781,044	75	7,884,321	75
Operating expenses		(4,425,356)	(74,256)	(5,271,360)	(75,437)
Operating profit/(loss)		3,355,688	(74,181)	2,612,961	(75,362)
Finance costs	B7	(7,711,274)	-	(7,711,274)	-
Loss before tax	B8	(4,355,586)	(74,181)	(5,098,313)	(75,362)
Income tax expense	B9	(1,221,201)	-	(1,241,578)	-
Net loss for the period/year, representing total comprehensive loss for the period/year		(5,576,787)	(74,181)	(6,339,891)	(75,362)
Loss after taxation attributable to:					
Owners of the Company		(5,576,787)	(74,181)	(6,339,891)	(75,362)
Total comprehensive loss attributable to:					
Owners of the Company		(5,576,787)	(74,181)	(6,339,891)	(75,362)
Loss for the period/year comprise the following:-					
- Realised		(5,576,787)	(74,181)	(6,339,891)	(75,362)
- Unrealised		-	-	-	-
		(5,576,787)	(74,181)	(6,339,891)	(75,362)
Loss per share					
- Basic (RM)	B19	(0.01)	(37,090.50)	(0.01)	(37,681.00)
- Dilutive (RM)	B19	(0.01)	Not applicable	(0.01)	Not applicable

The above should be read in conjunction with the financial information in the Prospectus of the Company dated 5 July 2013 and the accompanying notes attached to this Interim Financial Statements.

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

		UNAUDITED	AUDITED
		As at 31-12-2013	As at 31-12-2012
	Note	RM	RM
Non-current asset			
Plant and equipment	B10	494,838	-
Current assets			
Receivables	B11	2,621,682	1,421
Deferred expenditure		-	73,397
Fixed deposits with licensed banks	B12	541,933,704	-
Cash and bank balances		1,904,350	457,667
		<u>546,459,736</u>	<u>532,485</u>
Total assets		<u>546,954,574</u>	<u>532,485</u>
Equity and liabilities			
Share capital	B13	14,107,143	2
Share premium	B14	13,261,746	-
Other reserves	B15	38,500,017	-
Accumulated losses		(6,418,601)	(78,710)
Total equity		<u>59,450,305</u>	<u>(78,708)</u>
Non-current liability			
Financial liability component of the Public Issue Shares	B16	485,138,348	-
Current liabilities			
Sundry payables		1,106,874	21,249
Amount due to directors		17,469	589,944
Provision for taxation		1,241,578	-
		<u>2,365,921</u>	<u>611,193</u>
Total equity and liabilities		<u>546,954,574</u>	<u>532,485</u>
Net Assets/(Liabilities) Per Share (RM)		0.04	(39,354.00)

The above should be read in conjunction with the financial information in the Prospectus of the Company dated 5 July 2013 and the accompanying notes attached to this Interim Financial Statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	← Non-Distributable →			Accumulated losses RM	Total equity RM
	Share capital RM	Share premium RM	Other reserves RM		
AUDITED					
Balance as at 1 January 2012	2	-	-	(3,348)	(3,346)
Total comprehensive loss	-	-	-	(75,362)	(75,362)
Balance as at 31 December 2012	2	-	-	(78,710)	(78,708)
UNAUDITED					
Balance as at 1 January 2013	2	-	-	(78,710)	(78,708)
Total comprehensive loss	-	-	-	(6,339,891)	(6,339,891)
Transactions with owners:-					
Issuance of ordinary shares to initial investors	285,715	3,114,293	6,600,017	-	10,000,025
Issuance of ordinary shares to public investors through initial public offering	11,000,000	10,147,453	31,900,000	-	53,047,453
Conversion of RCPS	2,821,426	-	-	-	2,821,426
Balance as at 31 December 2013	14,107,143	13,261,746	38,500,017	(6,418,601)	59,450,305

The above should be read in conjunction with the financial information in the Prospectus of the Company dated 5 July 2013 and the accompanying notes attached to this Interim Financial Statements.

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	UNAUDITED CURRENT YEAR ENDED 31.12.2013 RM	AUDITED PRECEDING YEAR ENDED 31.12.2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(5,098,313)	(75,362)
<i>Adjustments for:-</i>		
Depreciation	64,549	-
Finance costs	7,711,274	-
Listing expenses charged out	729,389	-
Interest/profit from fixed deposits	(7,885,091)	-
Operating loss before working capital changes	(4,478,192)	(75,362)
Increase in receivables	(172,180)	(1,421)
(Decrease)/increase in deferred expenditures	73,397	(73,397)
Decrease in sundry payables	495,681	20,401
Decrease in amount due to related parties	17,469	587,444
Net cash (used in)/generated from operating activities	(4,063,825)	457,665
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(559,387)	-
Interest/profit received from fixed deposits	5,437,010	-
Placement of deposits which are restrictive in use	(499,479,794)	-
Net cash used in investing activities	(494,602,171)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares to initial investors	10,000,025	-
Proceed from issuance of shares, net of issuance cost	529,745,138	-
Proceed from issuance of RCPS	2,821,700	-
Redemption of RCPS	(274)	-
Net cash generated from financing activities	542,566,589	-
Net increase in cash and cash equivalents	43,900,593	457,665
Cash and cash equivalents at beginning of financial year	457,667	2
Cash and cash equivalents at end of financial year	44,358,260	457,667
<i>Comprising of:-</i>		
Cash and bank balances	1,904,350	457,667
Fixed deposits with licensed banks (Note B12)	541,933,704	-
	543,838,054	457,667
Less: Placement in deposits which are restrictive in use	(499,479,794)	-
Total cash and cash equivalents	44,358,260	457,667

The above should be read in conjunction with the financial information in the Prospectus of the Company dated 5 July 2013 and the accompanying notes attached to this Interim Financial Statements.

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A1 Basis of Preparation

The Interim Financial Statements are unaudited and have been prepared in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Interim Financial Statements should be read in conjunction with the financial information in the Prospectus of the Company dated 5 July 2013 and the accompanying explanatory notes attached to the unaudited condensed Interim Financial Statements.

The explanatory notes attached to the unaudited condensed 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 Sona Petroleum Berhad ("Company") since the financial year ended 31 December 2012.

A2 Changes in Accounting Policies

- (i) Save as disclosed in this Interim Financial Statements, the adoption of the revised MFRSs and Amendments to MFRSs that are applicable to the Company and effective from 1 January 2013 has no material effect to the Company's Interim Financial Statements of the current financial period.
- (ii) At the date of this report, the adoption of the new MFRS, Amendments to MFRS and IC Interpretations which are issued but not yet effective for the financial year ended 31 December 2013 will not have material impact on the financial statements of the Company in the period of initial application, except as disclosed below:-

MFRS 9 Financial Instruments

MFRS 9 addresses the classification and measurement of financial instruments. MFRS 9 defines criteria for financial assets that can be measured at amortised costs subsequent to its initial recognition and also requires changes of fair value attributable to credit risk change for financial liabilities to be presented in statement of other comprehensive income.

A3 Auditors' Opinion on Preceding Annual Financial Statements

The Company's financial statements for the financial year ended 31 December 2012 were not subject to any audit qualification.

A4 Seasonality or Cyclicity of Operations

The Company's operations are not affected by any seasonal or cyclical factors as the Company currently has no operations or income-generating business.

A5 Individually Significant Items

Other than those as disclosed below, there were no significant items that affect the assets, liabilities, equity, net income or cash flows of the Company for the current financial year/period under review:-

- (a) on 19 February 2013, the Company:-
 - (i) subdivided its authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each to RM100,000 comprising 10,000,000 ordinary shares of RM0.01 each;
 - (ii) increased its authorised share capital of RM100,000 to RM50,000,000 through the creation of 4,960,000,000 ordinary shares of RM0.01 each and 30,000,000 RCPS of RM0.01 each;
 - (iii) issued 28,217,000 RCPS of RM0.01 each at premium of RM0.09 per RCPS, for a cash consideration of RM2,821,700 to Platinum Autumn Sdn Bhd; and
 - (iv) increased its issued and paid-up ordinary share capital from RM2 to RM821,428 by way of issuance of 82,142,600 ordinary shares of RM0.01 each pursuant to the first conversion of 8,214,260 RCPS of RM0.01 each into 82,142,600 new ordinary shares together with 82,142,600 free detachable warrants ("Warrant(s)");

- (b) on 20 February 2013, pursuant to the respective share subscription agreements between the Company and certain initial investors, the Company increased its issued and paid-up ordinary share capital from RM821,428 to RM1,107,143 by way of issuance of 28,571,500 ordinary shares of RM0.01 each at an issue price of RM0.35 per ordinary share ("Subscription Shares") for cash;
- (c) on 24 July 2013, the Company increased its issued and paid-up ordinary share capital from RM1,107,143 to RM3,107,143 pursuant to the second conversion of 20,000,000 RCPS of RM0.01 each into 200,000,000 new ordinary shares of RM0.01 each together with 200,000,000 Warrants;
- (d) on 26 July 2013, the Company increased its issued and paid-up ordinary share capital from RM3,107,143 to RM14,107,143 by way of issuance of 1,100,000,000 ordinary shares of RM0.01 each together with 1,100,000,000 Warrants on the basis of 1 Warrant to every 1 Public Issue Share, at an issue price of RM0.50 per Public Issue Share, during the IPO, for a total cash consideration of RM550,000,000;

In compliance with the Securities Commission's Equity Guidelines for SPACs, 90% of the IPO funds raised amounting to RM495,000,000 are held in custodian by the Company's independent custodian, Deutsche Trustees Malaysia Berhad ("Custodian Account"). The remaining 10% amounting to RM55,000,000 was transferred to operating account to fund IPO costs, operational expenses and costs related identifying evaluating and acquiring target assets.

The total listing expenses incurred amounted to RM20,254,862 which primarily consist of direct costs incurred in relation to the listing exercise. Out of this total, RM1,952,547 was written-off against the share premium account pursuant to Section 60 of the Companies Act, 1965 and the remaining sum of RM17,572,926 was net off against the financial liability component of the Public Issue Shares being the unamortised issuance cost in relation to the financial liability component. The remaining RM729,389 was recognised in the statement of profit or loss and other comprehensive income;

- (e) on 30 July 2013, all the ordinary shares and Warrants consisting of 1,410,714,300 ordinary shares of RM0.01 each and 1,410,714,100 Warrants in the Company were successfully listed and quoted on the Main Market of Bursa Malaysia Securities Berhad; and
- (f) on 12 August 2013, the Company redeemed the balance of the 2,740 RCPS at RM0.10 each out of the proceeds from the new issuance of shares.

A6 Material Changes in Estimates

There were no significant changes in estimates that have a material effect on the current financial year/period under review.

A7 Borrowing, Debt and Equity Securities

Redeemable Convertible Preference Shares (“RCPS”)

	Number of RCPS of RM0.01 each	Amount RM
Authorised:		
At 1 January 2013	-	-
Created during the financial year	30,000,000	300,000
At 31 December 2013	<u>30,000,000</u>	<u>300,000</u>
Nominal value - Issued and fully paid:		
At 1 January 2013	-	-
Issued during the financial year	28,217,000	282,170
Converted during the financial year	(28,214,260)	(282,143)
Redeemed during the financial year	(2,740)	(27)
At 31 December 2013	<u>-</u>	<u>-</u>
Share premium of RCPS		
At 1 January 2013		-
Increased during the financial year		2,539,530
Converted during the financial year		(2,539,283)
Redeemed during the financial year		(247)
At 31 December 2013		<u>-</u>
Carrying value of RCPS		<u>-</u>

On 19 February 2013, the Company entered into the RCPS Subscription Agreement with Platinum Autumn Sdn Bhd, a company which is collectively owned by Dato’ Sri Hadian Bin Hashim, Dato’ Maznah Binti Abdul Jalil, Mohamed Sabri Bin Mohamed Zain, Anton Tjahjono and MyoThant, Directors of the Company together with four other key management personnel of the Company (collectively known as “Management Team”). Pursuant to the RCPS Subscription Agreement, the Company issued 28,217,000 RCPS of RM0.01 each at a premium of RM0.09 per RCPS, for a cash consideration of RM2,821,700.

The salient terms of the RCPS issued are summarised below:-

- (a) The RCPS shall not be entitled to any dividend.
- (b) Unless earlier redeemed:
 - (i) on a date to be determined by the Company, which shall be a date prior to the date of submission to the Securities Commission Malaysia (“SC”) for the Proposed Listing, the holders of the RCPS shall convert 8,214,260 RCPS into 82,142,600 new shares together with 82,142,600 Warrants; and
 - (ii) on a date to be determined by the Company, which shall be at least one business day before the date of allotment for the new shares to be issued pursuant to the Initial Public Offering (“IPO”), the holders of the RCPS shall convert all or any part of the remaining RCPS it then holds into such number of shares as may be required so that the holders of the RCPS will hold a total number of shares equivalent to 20% (but shall not be more than 20%) of the enlarged issued and paid-up ordinary shares capital of the Company as at the date of listing, on the basis of one RCPS to ten Conversion Shares (together with ten free detachable Warrants).

Other than as set out above, the holder shall not be entitled to convert any RCPS into Conversion Shares.
- (c) Subject only to compliance with the requirements of Section 61 of the Companies Act, 1965 (“Act”), all RCPS (unless earlier converted into shares) shall be fully redeemed by the Company, at the redemption price of RM0.10 per RCPS:-

- (i) on the date falling 12 months after the date of issue of the RCPS if the approval from the SC is not received by the Company by then and after the initial investors have been repaid the amount paid on their shares; or
- (ii) on the date falling 14 business days after the Company's receipt of any letter from the SC rejecting or stating its non-approval of the Company's application for the IPO and after the initial investors have been repaid the amount paid on their shares; or
- (iii) on the date falling 14 days after a resolution of the Board of directors has been passed to abort the IPO and after the initial investors have been paid the amount paid on their shares; or
- (iv) immediately after the date of Proposed Listing,

whichever occurs first.

- (d) The RCPS shall entitle the holder to the voting rights as referred to in Section 148(2) of the Act and, to the fullest extent permitted by the Act in relation to preference shares, all other statutory voting rights.

Accordingly, the RCPS is classified as a financial liability as the Company does not have the unconditional right to avoid delivering cash upon events described in Note (c) above.

On 19 February 2013, the holders of the RCPS converted 8,214,260 RCPS into 82,142,600 ordinary shares of RM0.01 each together with 82,142,600 Warrants; and on 24 July 2013, the holders of the RCPS further converted 20,000,000 RCPS into 200,000,000 ordinary shares of RM0.01 each together with 200,000,000 Warrants.

On 12 August 2013, the Company redeemed the balance of the 2,740 RCPS at RM0.10 each out of the proceeds from the subscription by the initial investor.

There were no other issuances, cancellations, repurchases, resale and repayments of borrowings, debt and equity securities during the financial year ended 31 December 2013.

A8 Dividend Paid

There was no dividend declared or paid during the current financial year ended 31 December 2013.

A9 Segmental Reporting

The segmental financial information by operating segments is not presented as the Company currently has no operation or income-generating business.

A10 Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment performed for the current financial year under review.

A11 Material Events Subsequent to the End of the Interim Period

There was no material event subsequent to the end of the interim period under review.

A12 Changes in the Composition of the Company

There were no changes in the composition of the Company in the current financial year under review.

A13 Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at the date of this Interim Financial Statements.

A14 Operating Lease Commitments

During the last financial year, the Company entered into an operating lease for the rental of an office premise. The rental tenure is for 3 years with the option for renewal of two terms of 3 years each.

Future minimum rentals payable under the non-cancellable operating lease at the reporting date are as follows:-

	UNAUDITED	AUDITED
	31-12-2013	31-12-2012
	RM	RM
Not later than 1 year	306,864	281,292
Later than 1 year but not later than 5 years	281,292	588,156
	<u>588,156</u>	<u>869,448</u>

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of Results

For 2nd half year period ended 31 December 2013

The Company earned interest/profit from fixed deposit placements and realised foreign exchange gain of RM7,753,209 (six-month period ended 31 December 2012 - RM75) and RM27,835 (six-month period ended 31 December 2012 - RM Nil) respectively during the 2nd half year period ended 31 December 2013. The details of the interest/profit from fixed deposit placements are disclosed in Noted B6 below.

For the financial year ended 31 December 2013, the operating expenses and finance costs incurred was RM5,271,360 (2012 - RM75,437) and RM7,711,274 (2012 - RM Nil) respectively, resulting a net loss before taxation of RM5,098,313 (2012 - RM75,362). The estimated tax expenses amounted to RM1,241,578 (2012 - RM Nil) and the detail are disclosed in Note B9 below.

The operating expenses and finance costs incurred by the Company consisted of the following:-

	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	CURRENT 2ND	PRECEDING	12 MONTHS TO	12 MONTHS TO
	HALF YEAR	CORRESPONDING	12 MONTHS TO	12 MONTHS TO
	PERIOD TO	PERIOD TO	31-12-2013	31-12-2012
	31-12-2013	31-12-2012	RM	RM
Depreciation	39,205	-	64,549	-
Directors' fees	217,500	-	217,500	-
Directors' remuneration and allowances	518,086	-	518,086	-
Expenses incurred in Evaluating Qualifying Acquisition	1,011,935	-	1,011,935	-
Finance costs	7,711,274	-	7,711,274	-
Legal and custodian fees	235,085	-	278,085	-
Listing expenses charged out	348,115	-	729,389	-
Office rental	144,906	-	289,812	-
Employees' remuneration	1,216,256	-	1,216,256	-
Promotional and entertainment costs	313,465	-	419,634	-
Others	380,803	74,256	526,114	75,437
	12,136,630	74,256	12,982,634	75,437

The remuneration for Directors and Employees comprise salaries, allowances and all other related payroll costs including related recruitment expenses. Included in the Employees remuneration is payroll and its related costs relating to the Management Team amounting to RM1,105,495 (2012 - RM Nil).

The expenses incurred in Evaluating Qualifying Acquisition ("QA"), primarily comprise fees for technical, legal, finance and corporate advisory services and their direct expenses incurred for the due diligence exercise for evaluating all the QA.

The details of the finance costs are described in Note B7 below.

The total listing expenses incurred amounted to RM20,254,862 which primarily consist of direct costs incurred in relation to the listing exercise. Out of this total, RM1,952,547 was written-off against the share premium account pursuant to Section 60 of the Companies Act, 1965 and the remaining sum of RM17,572,926 was net off against the financial liability component of the Public Issue Shares being the unamortised issuance cost in relation to the financial liability component. The remaining RM729,389 (six-month ended 31 December 2012 - RM Nil) was recognised in the statement of profit or loss and other comprehensive income.

B2 Material Change in Profit/Loss Before Taxation in Comparison to the Preceding Half-Year

In the 2nd half year period ended 31 December 2013, the Company recorded a loss before tax of RM5,576,787, compared with a loss of RM742,728 in the preceding half year (six month period ended 30 June 2013). The main difference are due to the interest/profit earned from the fixed deposits between the two half-year performances and the set-off against the finance cost, remuneration and payroll expenses, listing expenses, expenses incurred in Evaluating Qualifying Acquisition and other professional fees.

B3 Prospects of The Coming Year

The Company continues to actively seek for attractive Exploration and Production assets as Qualifying Acquisition.

As at the date of this report, the Company has identified and is pursuing several attractive opportunities within the region of interest. The Company is looking forward to mature these opportunities and remain positive for a successful completion within the permitted timeframe.

B4 Profit Forecast/Guarantee

The Company has not announced or disclosed any profit forecast or profit guarantee in any public documents.

B5 Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the financial year ended 31 December 2013.

B6 Other Income

	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
	UNAUDITED CURRENT 2ND HALF YEAR PERIOD TO 31-12-2013 RM	UNAUDITED PRECEDING CORRESPONDING 2ND HALF YEAR PERIOD TO 31-12-2012 RM	UNAUDITED 12 MONTHS TO 31-12-2013 RM	AUDITED 12 MONTHS TO 31-12-2012 RM
Realised foreign exchange gain	27,835	-	29,230	-
Interest/profit from banks	7,700	75	9,664	75
Interest/profit from fixed deposits under custodian account	6,554,088	-	6,554,088	-
Interest/profit from fixed deposits/bank repo	1,191,421	-	1,291,339	-
	7,781,044	75	7,884,321	75

B7 Finance Costs

	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
	UNAUDITED CURRENT 2ND HALF YEAR PERIOD TO 31-12-2013 RM	UNAUDITED PRECEDING CORRESPONDING 2ND HALF YEAR PERIOD TO 31-12-2012 RM	UNAUDITED 12 MONTHS TO 31-12-2013 RM	AUDITED 12 MONTHS TO 31-12-2012 RM
Interest expense for financial liability component from public issue shares, net off tax payable of RM1,035,941	5,518,147	-	5,518,147	-
Amortisation of listing expenses classified as financial liability component	2,193,127	-	2,193,127	-
	7,711,274	-	7,711,274	-

The finance costs represent the interest/profit earned from amount held in the custodian account placed in fixed deposits with licensed banks as described in Note B12 below and less the applicable tax(es); and the amortisation of the listing expenses as detailed in Note B16 below.

B8 Loss Before Tax

	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
	UNAUDITED CURRENT 2ND HALF YEAR PERIOD TO 31-12-2013 RM	UNAUDITED PRECEDING CORRESPONDING 2ND HALF YEAR PERIOD TO 31-12-2012 RM	UNAUDITED 12 MONTHS TO 31-12-2013 RM	AUDITED 12 MONTHS TO 31-12-2012 RM
Loss before taxation is arrived at after charging/(crediting):-				
Interest/profit from fixed deposits	(7,753,209)	-	(7,855,091)	-
Auditors' remuneration	12,500	7,500	20,000	15,000
Depreciation	39,205	-	64,549	-
Directors' fees	217,500	-	217,500	-
Directors' remuneration and allowances	518,086	-	518,086	-
Expenses incurred in Evaluating Qualifying Acquisition	1,011,935	-	1,011,935	-
Finance costs	7,711,274	-	7,711,274	-
Listing expenses charged out	348,115	-	729,389	-
Office rental	144,906	-	289,812	-
Employees' remuneration	1,216,256	-	1,216,256	-

B9 Income Tax Expenses

	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
	UNAUDITED CURRENT 2ND HALF YEAR PERIOD TO 31-12-2013 RM	UNAUDITED PRECEDING CORRESPONDING 2ND HALF YEAR PERIOD TO 31-12-2012 RM	UNAUDITED 12 MONTHS TO 31-12-2013 RM	AUDITED 12 MONTHS TO 31-12-2012 RM
Current income tax	1,221,201	-	1,241,578	-

The Company, being a Malaysian resident company with a paid-up capital of RM2.5 million or less as at the beginning of the Year of Assessments qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:-

On the first RM500,000 of chargeable income	: 20%
In excess of RM500,000 of chargeable income	: 25%

The reconciliation between tax expenses and the product of accounting loss multiplied by the applicable corporate tax rate for the financial year ended 31 December 2013 and 31 December 2012 are as follows:-

	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
	UNAUDITED CURRENT 2ND HALF YEAR PERIOD TO 31-12-2013 RM	UNAUDITED PRECEDING CORRESPONDING 2ND HALF YEAR PERIOD TO 31-12-2012 RM	UNAUDITED 12 MONTHS TO 31-12-2013 RM	AUDITED 12 MONTHS TO 31-12-2012 RM
Loss before tax	(4,355,586)	(74,181)	(5,098,313)	(75,362)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	(1,088,897)	(18,545)	(1,274,578)	(18,841)
Effect of tax saving on the first RM500,000 at 20% (2012: 20%)	(25,000)	-	(25,000)	-
Expenses not deductible for tax purposes	2,335,098	18,545	2,541,156	18,841
Income tax expense	1,221,201	-	1,241,578	-

B10 Plant and Equipment

	Renovation RM	Office equipment RM	Computer RM	Total RM
<i>Cost</i>				
At 1 January 2013	-	-	-	-
Additions	422,798	33,215	103,374	559,387
At 31 December 2013	422,798	33,215	103,374	559,387
<i>Accumulated depreciation</i>				
At 1 January 2013	-	-	-	-
Charge for the financial year	44,399	4,930	15,220	64,549
At 31 December 2013	44,399	4,930	15,220	64,549
<i>Net Book Value</i>				
At 31 December 2013	378,399	28,285	88,154	494,838
At 31 December 2012	-	-	-	-

B11 Receivables

	UNAUDITED 31-12-2013 RM	AUDITED 31-12-2012 RM
Deposits and prepayment	173,601	1,421
Interest/profit receivable from fixed deposits	10,333	-
Interest/profit receivable from fixed deposits under the custodian account	2,437,748	-
	2,621,682	1,421

B12 Fixed Deposits with Licensed Banks

	UNAUDITED 31-12-2013 RM	AUDITED 31-12-2012 RM
Fixed deposits with licensed banks	42,817,364	-
Fixed deposits with licensed banks under custodian account	499,116,340	-
	541,933,704	-

The remaining days to maturity and the effective interest rate for the fixed deposits with licensed banks as at 31 December 2013 for the Company ranges from 2 to 167 days and 3.05% to 3.30% per annum, respectively.

Fixed deposits with licensed banks under custodian account

The SC Guidelines require that the amount held in custodian account be placed in permitted investments namely Malaysian Government Securities, money market instruments and AAA-rated papers. The amount held in custodian account is invested in Islamic fixed deposits which are considered as relatively secure and liquid at profit sharing rate of approximately 3.30% per annum and have an average remaining day to maturity of 38 days as at the end of the financial year.

As at 31 December 2013, the amount held in custodian account placed in Islamic fixed deposits and its corresponding profit are as follows:-

	Placement amount RM	Profit earned RM	Total RM
Fixed deposit with Islamic banks held under custodian account	495,000,000	4,116,340	499,116,340

In the event the Company fails to complete a Qualifying Acquisition within the permitted timeframe, the amount then held in custodian account (net of any taxes payable and direct expenses related to the liquidation), will be distributed to the respective shareholders.

B13 Share Capital

	Number of ordinary Shares		Amount	
	31-12-2013	31-12-2012	31-12-2013 RM	31-12-2012 RM
Authorised:-				
At 1 January	100,000	100,000	100,000	100,000
Subdivided during the financial year	9,900,000	-	-	-
Created during the financial year	4,960,000,000	-	49,600,000	-
	4,970,000,000	100,000	49,700,000	100,000
Issued and fully paid:-				
At 1 January	2	2	2	2
Subdivided during the financial year	198	-	-	-
Issued during the financial year	1,128,571,500	-	11,285,715	-
Conversion of RCPS	282,142,600	-	2,821,426	-
	1,410,714,300	2	14,107,143	2

- (a) On 19 February 2013, the Company:-
- (i) subdivided its authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1 each to RM100,000 comprising 10,000,000 ordinary shares of RM0.01 each;
 - (ii) increased its authorised share capital of RM100,000 to RM50,000,000 through the creation of 4,960,000,000 ordinary shares of RM0.01 each and 30,000,000 RCPS of RM0.01 each; and
 - (iii) increased its issued and paid-up share capital from RM2 to RM821,428 by way of issuance of 82,142,600 ordinary shares of RM0.01 each pursuant to the first conversion of 8,214,260 RCPS of RM0.01 each into 82,142,600 new ordinary shares together with 82,142,600 free detachable warrants ("Warrant(s)");
- (b) on 20 February 2013, pursuant to the respective share subscription agreements between the Company and certain initial investors, the Company increased its issued and paid-up ordinary share capital from RM821,428 to RM1,107,143 by way of issuance of 28,571,500 ordinary shares of RM0.01 each at an issue price of RM0.35 per ordinary share ("Subscription Shares") for cash;
- (c) on 24 July 2013, the Company increased its issued and paid-up ordinary share capital from RM1,107,143 to RM3,107,143 pursuant to the second conversion of 20,000,000 RCPS of RM0.01 each into 200,000,000 new ordinary shares together with 200,000,000 Warrants;
- (d) on 26 July 2013, the Company increased its issued and paid-up share capital from RM3,107,143 to RM14,107,143 by way of issuance of 1,100,000,000 ordinary shares of RM0.01 each together with 1,100,000,000 Warrants attached on the basis of 1 Warrant to every 1 Public Issue Share, at an issue price of RM0.50 per Public Issue Share, during the IPO, for a total cash consideration of RM550,000,000; and
- (e) on 30 July 2013, all the ordinary shares and Warrants consisting of 1,410,714,300 ordinary shares of RM0.01 each and 1,410,714,100 Warrants in the Company were successfully listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

B14 Share Premium

	UNAUDITED	AUDITED
	31-12-2013	31-12-2012
	RM	RM
Share premium:-		
At 1 January	-	-
Pursuant to the subscription by initial investors	3,114,293	-
Pursuant to the initial public offering, net off related expenses	10,147,453	-
At 31 December	<u><u>13,261,746</u></u>	<u><u>-</u></u>

B15 Other Reserves

	UNAUDITED	AUDITED
	31-12-2013	31-12-2012
	RM	RM
Other reserves:-		
Warrants reserve		
At 1 January	-	-
Pursuant to the first conversion of RCPS	542,141	-
Pursuant to the subscription by initial investors	6,600,017	-
Pursuant to the second conversion of RCPS	1,160,000	-
Pursuant to the initial public offering	31,900,000	-
At 31 December	<u><u>40,202,158</u></u>	<u><u>-</u></u>
Reserve arising from conversion of RCPS		
At 1 January	-	-
Pursuant to the first conversion of RCPS	(542,141)	-
Pursuant to the second conversion of RCPS	(1,160,000)	-
At 31 December	<u><u>(1,702,141)</u></u>	<u><u>-</u></u>
Total other reserves	<u><u>38,500,017</u></u>	<u><u>-</u></u>

Fair value of Warrant pursuant to the first conversion of the RCPS and subscription by initial investors

The fair value of the Warrant is estimated using the Binomial option pricing model based on the following key assumptions:-

a) Initial Public offering ("IPO") share price	RM 0.50 per share
b) Exercise price	RM 0.35 per Warrant
c) Tenure of the Warrants	5 years
d) Risk free interest rate	3.22% per annum
e) Expected dividend yield	0%
f) Expected share price volatility	67%

The fair value of the Warrant was determined to be RM0.33 each.

Fair value of Warrant pursuant to the second conversion of the RCPS and subscription by initial public offering

The fair value of the Warrant is estimated using the Binomial option pricing model based on the following key assumptions:-

a) Initial Public offering ("IPO") share price	RM 0.50 per share
b) Exercise price	RM 0.35 per Warrant
c) Tenure of the Warrants	5 years
d) Risk free interest rate	3.67% per annum
e) Expected dividend yield	0%
f) Expected share price volatility	49%

The fair value of the Warrant was determined to be RM0.29 each.

B16 Financial Liability Component of Public Issue Shares

	UNAUDITED	AUDITED
	31-12-2013	31-12-2012
	RM	RM
90% of the IPO funds	495,000,000	-
Interest expense for financial liability component	6,554,088	-
Less: Tax payable	<u>(1,035,941)</u>	<u>-</u>
Financial liability component before set-off of listing expenses	500,518,147	-
Listing expenses recognised in financial liability component:-		
Capitalised during the financial year	(17,572,926)	-
Amortised during the financial year	2,193,127	-
	<u>(15,379,799)</u>	<u>-</u>
At 31 December	<u>485,138,348</u>	<u>-</u>

B17 Status of Corporate Proposals

On 27 February 2013, the Company submitted an application to the Securities Commission Malaysia ("SC") for amongst others, its Proposed Listing. The IPO scheme is as follows:-

IPO of up to 1,100,000,000 new ordinary shares of RM0.01 each in the Company ("Public Issue Shares"), together with up to 1,100,000,000 free detachable Warrants attached on the basis of 1 Warrant to every 1 Public Issue Share, at an issue price of RM0.50 per public issue share and attached warrant payable in full upon application, in conjunction with the listing of and quotation for the ordinary shares RM0.01 each in the Company and Warrants on the Main Market of Bursa Securities, comprising:-

- (i) the retail offering of RM141,000,000 Public Issue Shares together with 141,000,000 attached Warrants to the Malaysian Public; and
- (ii) the institutional offering of up to 959,000,000 Public Issue Shares together with up to 959,000,000 attached Warrants by way of placement to selected investors, comprising:-
 - up to 176,340,000 Public Issue Shares together with up to 176,340,000 attached Warrants to Bumiputera investors approved by the Ministry of International Trade and Industry; and
 - up to 782,660,000 Public Issue Shares together with up to 782,660,000 attached Warrants to Malaysian institutional and selected investors and foreign institutional and selected investors.

On 26 July 2013, the Company allotted the Public Issue Shares and attached Warrants to successful applicants; and thereafter, on 30 July 2013, the admission and the listing of and quotation for the entire issued and paid-up ordinary share capital together with Warrants on the Main Market of Bursa Securities.

B18 Changes in Material Litigation

The Board of Directors of the Company is not aware of any pending material litigation as at the date of this Interim Financial Statements.

B19 Loss Per Share

a) Basic loss per share

The basic loss per share is calculated by dividing the Company's loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
	ENDED		ENDED	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
	RM	RM	RM	RM
Loss after tax attributable to the Owners of the Company	(5,576,787)	(74,181)	(6,339,891)	(75,362)
Weighted average number of shares in issue	663,170,293	2	663,170,293	2
Basic loss per share (RM)	(0.01)	(37,090.50)	(0.01)	(37,681.00)

b) Dilutive loss per share

The dilutive loss per share is calculated by dividing the Company's loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year have been adjusted for the effects of dilutive potential ordinary shares from Warrants.

	INDIVIDUAL 6 MONTHS		CUMULATIVE 12 MONTHS	
	ENDED		ENDED	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
	RM	RM	RM	RM
Loss after tax attributable to the Owners of the Company	(5,576,787)	(74,181)	(6,339,891)	(75,362)
Weighted average number of shares in issue	663,170,293	2	663,170,293	2
Basic loss per share (RM)	(0.01)	(37,090.50)	(0.01)	(37,681.00)

The fully diluted loss per share of the Company in the current financial year/period is the basis loss per share as the assumed conversion from the exercise of Warrants would be anti-dilutive.

B20 Breakdown of Accumulated Losses Into Realised and Unrealised

The breakdown of the accumulated losses of the Company as at 31 December 2013 and 31 December 2012 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	UNAUDITED	AUDITED
	31-12-2013	31-12-2012
	RM	RM
Realised losses	(6,418,601)	(78,710)
Unrealised losses	-	-
Accumulated losses of the Company as per financial statements	(6,418,601)	(78,710)

BY THE ORDER OF THE BOARD

JASMINDAR KAUR A/P SARBAN SINGH
Company Secretary

Kuala Lumpur
28 February 2014