

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

- a. On 22 September 2016, the Company issued 36,666,600 new ordinary shares by way of private placement at an issue price of RM 1.35 per placement share which raised a total gross proceeds of RM49,500,000.

As at the date of this Annual Report, the details of the proceeds raised and the status of utilisation are as follows:-

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Amount (RM'000)
Expansion of the Company and its subsidiaries' property	30,000	30,000	-
Working Capital	19,240	19,240	-
Estimated expenses in relation to the private placement	260	260	-
Total	49,500	49,500	-

- b. On 4 October 2017, the Company completed the rights issue of 614,999,899 new irredeemable convertible preference shares ("ICPS") at an issue price of RM0.165 per ICPS which raised a total gross proceeds of RM101,474,983.

As at to date of this Annual Report, the gross proceeds raised from the rights issue of ICPS have not been utilised.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the external auditors and their affiliates by the Company and its subsidiaries for the financial year ended 30 June 2017 are as below:

	Group (RM)	Company (RM)
Audit services rendered	286,500	72,000
Non-audit services rendered		
Review of the Statement of Risk Management and Internal Control	6,000	6,000
Review of Statement of Realised and Unrealise Profits or Losses	5,000	5,000
Internal Audit Advisory	70,000	70,000
Advisory Fee on Goods and Services Tax	33,600	33,600

3. MATERIAL CONTRACTS

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, which involved the interest of the Directors and major shareholders other than contracts entered into in the ordinary course of business:-

- (i) City Meridian Development Sdn. Bhd. ("**CMD**"), a wholly owned subsidiary of the Company, had on 21 May 2014, entered into a sale and purchase agreement ("**SPA**") with Titijaya Group Sdn. Bhd. ("**TGSB**") to purchase a parcel of leasehold land held under PN4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang for cash consideration at RM126,000,000 ("**Acquisition of Land**").

On 19 January 2015, CMD had entered into the supplemental agreement with TGSB to vary, amend, modify or alter certain provisions, terms and conditions of the SPA and to extend the period for the fulfilment of the conditions precedent for 1 year from 21 September 2014 or any other period as mutually agreed between the parties.

The Company had on 27 May 2015 obtained the approval from its shareholders in relation to the Acquisition of Land.

Subsequently, pursuant to the letters between CMD and TGSB dated 21 September 2015, 10 November 2015, 15 February 2016 and 26 May 2016, the parties had mutually agreed to further extend the date for fulfilment of the conditions precedent of the SPAs to 31 December 2015, 10 February 2016, 10 May 2016 and 10 December 2016, respectively. On 22 September 2016, the conditions precedent had been fulfilled by the respective parties.

As at the date of this Annual Report, TGSB, on behalf of CMD as stipulated in the SPAs, is in the midst of preparing its submission application to the Town and Country Planning Department of Penang and State Planning Committee of Penang for approval in varying the zoning of the land use to mixed development and approval in undertaking the development ratio of the Land with plot ratio of 1:4.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Fourth Annual General Meeting of the Company held on 23 November 2016, the Company had obtained a general mandate from its shareholders ("**Shareholders' Mandate**") for a recurrent related party transaction of revenue and trading nature ("**RRPTs**").

There were no RRPTs conducted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2017.