

## PRACTICE NOTE 17 / GUIDANCE NOTE 3 : REGULARISATION PLAN

### CN ASIA CORPORATION BHD

<b>Type</b>	Announcement
<b>Subject</b>	PRACTICE NOTE 17 / GUIDANCE NOTE 3 REGULARISATION PLAN
<b>Description</b>	CN ASIA CORPORATION BHD ("CN ASIA" OR "COMPANY") PROPOSED REGULARISATION PLAN

Unless otherwise defined, the definitions set out in the announcement dated 27 February 2017 shall apply herein.

We refer to the announcement dated 27 February 2017 in relation to the above.

On behalf of the Board of Directors of CN Asia, M&A Securities is pleased to announce that Bursa Securities had, vide its letter dated 19 July 2017, resolved to approve the Proposed Regularisation Plan of the Company which consists of the following:

- (a) Business rationalisation plan which sets out the management's plans for the following:
  - (i) Disposal by Chip Ngai Engineering Works Sdn Bhd and Douwin Sdn Bhd, both wholly-owned subsidiaries of CN Asia of 2 parcels of leasehold land held in Tempat Jalan Balakong, Serdang, Mukim and District of Petaling, State of Selangor together with buildings and amenities erected thereon to LTK Properties Sdn Bhd, a wholly-owned subsidiary of LTKM Berhad for a total cash consideration of RM36,682,500. The disposals have been completed on 7 December 2016;
  - (ii) Cost reduction initiatives; and
  - (iii) Business expansion plans;
- (b) Proposed capital reduction exercise to be carried out by the Company pursuant to Section 116 of the Companies Act 2016 to reduce the share capital of the Company from RM48,874,465 to RM38,385,554 by the cancellation of the share capital of the Company that has been lost or is unrepresented by available assets to the extent of RM10,488,911.

The approval granted by Bursa Securities for the Proposed Regularisation Plan is subject to the following conditions:

- (a) CN Asia and M&A Securities must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Regularisation Plan;
- (b) CN Asia and M&A Securities to inform Bursa Securities upon the completion of the Proposed Regularisation Plan; and
- (c) CN Asia and M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Regularisation Plan is completed.

CN Asia is required to ensure full compliance of all requirements as provided under the Main Market Listing Requirements at all times.

This announcement is dated 19 July 2017.