

THREE-A RESOURCES BERHAD (“3A” OR THE “COMPANY”)

- I. PROPOSED BONUS ISSUE;
- II. PROPOSED ESOS;
- III. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND
- IV. PROPOSED AMENDMENTS

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

1. INTRODUCTION

On behalf of the Board of Directors of 3A (“**Board**”), RHB Investment Bank Berhad (“**RHB Investment Bank**”) wishes to announce that the Company proposes to undertake the following proposals:

- (a) proposed bonus issue of 98,400,004 new ordinary shares of RM0.20 each in 3A (“**3A Share(s)**”) (“**Bonus Share(s)**”) on the basis of one (1) Bonus Share for every four (4) existing 3A Shares held on an entitlement date to be determined later (“**Proposed Bonus Issue**”);
- (b) proposed establishment of an employees’ share option scheme (“**Scheme**”) of up to 10% of the issued and paid-up share capital of 3A (excluding treasury shares, if any) to eligible Directors and employees of 3A, and its subsidiaries (“**3A Group**” or the “**Group**”) (“**Proposed ESOS**”);
- (c) proposed increase in the authorised share capital of 3A from RM100,000,000 comprising 500,000,000 3A Shares to RM250,000,000 comprising 1,250,000,000 3A Shares (“**Proposed Increase in Authorised Share Capital**”); and
- (d) proposed amendments to the memorandum and articles of association of 3A (“**Proposed Amendments**”).

Further details on the abovementioned Proposals are set out in the ensuing sections.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Bonus Issue

2.1.1 Details of the Proposed Bonus Issue

As at 9 September 2016 (being the latest practicable date prior to the date of this Announcement (“**LPD**”), the issued and paid-up share capital of 3A is RM78,720,003 comprising 393,600,019 3A Shares. The Proposed Bonus Issue will entail an issuance of 98,400,004 Bonus Shares on the basis of one (1) Bonus Share for every four (4) 3A Shares held by shareholders of 3A whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Board (“**Entitled Shareholders**”) (“**Entitlement Date**”).

Fractional entitlements arising from the Proposed Bonus Issue, if any, shall be dealt with in such manner as the Board shall, in its absolute discretion, deem fit and expedient and to be in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue. The Proposed Bonus Issue will not be implemented on a staggered basis.

2.1.2 Capitalisation of reserves

The Proposed Bonus Issue shall be fully capitalised from the share premium account of the Company.

An illustration of the proposed capitalisation for the Proposed Bonus Issue based on 3A's latest audited financial statements for the financial year ended ("FYE") 31 December 2015 and latest unaudited financial statements for the six (6)-month financial period ended ("FPE") 30 June 2016 at the Company level is set out below:

Company level	Audited FYE 31 December 2015 (RM'000)	Unaudited FPE 30 June 2016 (RM'000)
Share premium	70,367	70,367
Less: Capitalisation for the Proposed Bonus Issue	(19,680)	(19,680)
After the Proposed Bonus Issue	50,687	50,687

Pursuant to Paragraph 6.30(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), a listed issuer intending to make a bonus issue of securities must ensure that the necessary reserves required for capitalisation of the bonus issue is unimpaired by losses on a consolidated basis, where applicable, based on the listed issuer's latest audited financial statements as well as its latest quarterly report.

The Board confirms that based on 3A's latest audited financial statements for the FYE 31 December 2015 and latest unaudited quarterly report for the six (6)-month FPE 30 June 2016, 3A has adequate reserves to be capitalised for the Proposed Bonus Issue and the reserves required for the capitalisation of the Proposed Bonus Issue are unimpaired by losses on a consolidated basis.

2.1.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing 3A Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other distributions ("**Distribution**") that may be declared, made or paid for which the entitlement date for the Distribution precedes the date of allotment and issuance of the Bonus Shares.

2.1.4 Listing of and quotation for the Bonus Shares

An application will be made to Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities.

2.2 Proposed ESOS

2.2.1 Details of the Proposed ESOS

The Company proposes to establish and implement the Scheme, which will involve the granting of options to subscribe for new 3A Shares at a pre-determined price ("**ESOS Options**") in accordance with the bylaws governing the Scheme ("**Bylaws**").

The ESOS Options shall be offered to Directors (including non-Executive Directors) and employees of 3A Group (excluding subsidiaries which are dormant), who meet the eligibility criteria for participation in the Scheme ("**Eligible Persons**") as set out in Section 2.2.2(iii) of this Announcement.

The Scheme will be administered in accordance with the Bylaws by a committee to be duly appointed and authorised by the Board ("**ESOS Committee**").

For the avoidance of doubt, the Proposed ESOS is expected to be implemented after the completion of the Proposed Bonus Issue.

2.2.2 Salient terms of the Bylaws

(i) Maximum number of new 3A Shares available under the Scheme

The total number of new 3A Shares to be issued pursuant to the exercise of Options which may be granted under the Scheme shall not exceed in aggregate ten per centum (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) at any one time during the duration of the Scheme. The ESOS Committee has the discretion in determining whether the grant of the ESOS Options shall be staggered over the duration of the Scheme.

In the event the maximum number of new 3A Shares comprised in the ESOS Options aggregate number of new 3A Shares comprised in the ESOS Options granted under the Scheme exceeds the aggregate ten per centum (10%) of the issued and paid-up share capital of the Company (excluding treasury shares) as a result of the Company purchasing its own Shares pursuant to Section 67A of the Companies Act, 1965 ("**Act**") or undertaking any other corporate proposal and thereby diminishing its issued and paid-up capital, then such ESOS Options granted prior to the adjustment of the issued and paid-up capital of the Company shall remain valid and exercisable in accordance with the provisions of the Bylaws. However, no further offer made in writing by the ESOS Committee ("**Offer**") shall be made to any Eligible Persons until the total number of 3A Shares under the subsisting ESOS Options including 3A Shares that have been issued under the Scheme falls below ten per centum (10%).

The Company will during the duration of the Scheme keep available sufficient authorised and unissued 3A Shares in the capital of the Company to satisfy all outstanding ESOS Options.

(ii) Maximum allowable allocation and the basis of allocation

Subject to any adjustments which may be made under the Bylaws, the maximum number of new 3A Shares that may be offered under the Scheme (including 3A Shares already issued under the Scheme) pursuant to **Section 2.2.2 (i)** of this Announcement, the aggregate number of new 3A Shares that may be offered under the Scheme to any of the Eligible Persons of 3A Group who are entitled to participate in the Scheme as set out in the Bylaw, subject always to the following main parameters:

- (a) that the number of new 3A Shares comprised in the ESOS Options granted under the Scheme shall not exceed the amount stipulated in **Section 2.2.2(i)** above;
- (b) that the Directors and senior management of the Group do not participate in the deliberation or discussion of their own allocation; and
- (c) that not more than ten percent (10%) of the new 3A Shares available under the Scheme should be allocated to any Eligible Person who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued and paid-up capital of the Company.

For information purposes, unless the context otherwise requires, “persons connected with an Eligible Person” or “persons connected with a Director” shall have the meaning given in relation to persons connected with a Director or major shareholder as defined in Paragraph 1.01 of the Listing Requirements.

(iii) Eligibility

The Directors (including non-Executive Directors) or employees of the Group who are eligible to participate in the Scheme, on the date on which an offer is made by the ESOS Committee to them (“**Offer Date**”), are as follows:

- (a) they must be at least eighteen (18) years of age on the Offer Date and are not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (b) in the case of employees, he/she is in the full time employment of 3A Group, who has been confirmed in service, and has not served a notice to resign nor received a notice of termination;
- (c) unless otherwise determined by the ESOS Committee, if the person is serving under an employment contract for a fixed duration;
- (d) in the case of Director, his/her name appears in the Register of Directors and remains appointed as a Director of 3A Group on the Offer Date; and
- (d) is under such categories and/or criteria that the ESOS Committee may from time to time decide at its absolute discretion.

The selection of any Director or Employee for participation in the Scheme shall be at the discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the ESOS, the ESOS Committee may take into account amongst other factors, the performance, contribution, employment grade, seniority and/or length of service to the relevant corporation within 3A Group, and/or such other factors that the ESOS Committee may in its sole and absolute discretion deem fit.

Eligibility under the Scheme does not confer the Eligible Person a claim or right to participate in the Scheme unless an Offer has been extended to the Eligible Person and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme ("**Grantee**").

(iv) Duration of the Scheme

The Scheme shall be in force for a duration of ten (10) years from the effective date of the implementation of the Scheme, which shall be the date of full compliance with all relevant requirements of the Listing Requirements.

(v) Subscription Price

Subject to adjustment made in accordance with the provisions of the Bylaws, the subscription price ("**Subscription Price**") payable in respect of the Shares subscribed for upon the exercise of an ESOS Option shall be the five (5) days weighted average market price of 3A Shares at the time of the Offer Date with a discount of not more than ten percent (10%) or the par value of 3A Shares, whichever is the higher amount.

The Subscription Price as determined by the ESOS Committee shall be conclusive and binding on the Grantee.

(vi) Ranking attaching to new 3A Shares and rights of a Grantee

The new 3A Shares to be issued and allotted upon any exercise of any ESOS Option granted shall, upon allotment, issuance and full payment, rank *pari passu* in all respects with the existing 3A Shares provided always that the new 3A Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid to shareholders which record date thereof precedes the date of allotment of the new 3A Shares and shall be subject to all provisions of the articles of association of the Company.

(vii) Listing of and quotation for the new Shares

An application will be made to Bursa Securities for the listing of and quotation for such number of the new 3A Share representing up to ten percent (10%) of the issued and paid-up share capital of the Company to be issued under the Proposed ESOS on the Main Market of Bursa Securities.

(viii) Retention period

The new 3A Shares to be issued and allotted to a Grantee pursuant to the exercise of any ESOS Options will not be subject to any retention period or restriction on transfer. However, the Grantee should note that the new 3A Shares are intended for the Grantee to hold as investment rather than realization to yield quick profit.

Notwithstanding the above, a non-executive Director must not sell, transfer or assign 3A Shares obtained through the exercise of the ESOS Options offered to him within one (1) year from the Offer Date.

2.3 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital will entail the increase in the authorised share capital of the Company from RM100,000,000 comprising 500,000,000 3A Shares to RM250,000,000 comprising 1,250,000,000 3A Shares to facilitate the issuance of the Bonus Shares and any new 3A Shares to be issued pursuant to the exercise of the ESOS Options, as well as to cater for any increases in the issued and paid-up share capital of the Company in the future.

2.4 Proposed Amendments

The Proposed Amendments entails the consequential amendments to the memorandum and articles of association of 3A to facilitate the implementation of the Proposed Increase in Authorised Share Capital.

3. UTILISATION OF PROCEEDS

Save for the Proposed ESOS, no proceeds will be raised from the Proposals as the Bonus Shares to be issued to the Entitled Shareholders would not require any payment by them.

The actual proceeds to be raised from the Proposed ESOS will depend on the number of the ESOS Options granted and exercised at the relevant point in time and the Subscription Price payable upon the exercise of the ESOS Options. As such, the exact amount of proceeds to be received and timeframe for the utilisation of proceeds are not determinable at this juncture.

The proceeds to be received by the Company from the exercise of the ESOS Options is intended to be utilised for 3A Group's working capital requirements. The estimated expenses for the Proposals amounts to approximately RM230,000, which would be funded vide internally generated funds of 3A Group.

4. RATIONALE FOR THE PROPOSALS

4.1 Proposed Bonus Issue

After due consideration, the Board is of the view that the Proposed Bonus Issue is the most appropriate avenue of rewarding the existing shareholders of the Company while at the same time enhancing the Company's capital base as the Proposed Bonus Issue will:

- (a) enable the existing shareholders to have greater participation in the equity of the Company in terms of the number of 3A Shares held, whilst maintaining their percentage of equity interest;

- (b) increase the Company's issued and paid-up share capital to a level which better reflects the current size and scale of 3A Group's operations and assets employed; and
- (c) expected to enhance the marketability of 3A Shares and have the potential to encourage trading and broadening the shareholder base of 3A.

4.2 Proposed ESOS

The Proposed ESOS serves to align the interests of the Eligible Persons to the corporate goals of 3A Group. The Proposed ESOS will provide the Eligible Persons an opportunity to have equity participation in the Company and help achieve the positive objectives as follows:

- (a) to recognise the contributions and/or services of the Eligible Persons which are considered vital to the operations and continued growth of 3A Group;
- (b) to motivate the Eligible Persons towards better performance through greater productivity and loyalty;
- (c) stimulate a greater sense of belonging and dedication since Eligible Persons are given the opportunity to participate directly in the equity stake of the Company;
- (d) encourage employees to remain with 3A Group, thus ensuring that the loss of key personnel is kept to a minimum; and
- (e) reward Eligible Persons by allowing them to participate in the Company's profitability and eventually realise capital gains arising from any appreciation on the value of 3A Shares.

The Proposed ESOS will be extended to the Eligible Persons who are non-executive Directors of 3A Group in recognition of their contribution to the growth and performance of 3A Group. The Proposed ESOS is also expected to incentivise these non-executive Directors to continue providing strategic direction to 3A Group by allowing their equity participation in the growth and profits of 3A Group.

4.3 Proposed Increase in Authorised Share Capital

The Proposed Increase in Authorised Share Capital is to accommodate the increase in the issued and paid-up share capital of the Company pursuant to the issuance of the Bonus Shares and any new 3A Shares to be issued arising from the exercise of ESOS Options, as well as to cater for any increases in the issued and paid-up share capital of the Company in the future.

4.4 Proposed Amendments

The Proposed Amendments is intended to facilitate the implementation of the Proposed Increase in Authorised Share Capital.

5. EFFECTS OF THE PROPOSALS

The Proposed Increase in Authorised Share Capital and Proposed Amendments will not have any effects on the issued and paid-up share capital, net assets (“NA”) per share and gearing, earnings and earnings per share (“EPS”) and substantial shareholders’ shareholdings of the Company.

5.1 Issued and paid-up share capital

The proforma effects of the Proposed Bonus Issue and Proposed ESOS on the issued and paid-up share capital of 3A are as follows:

	No. of 3A Shares	RM
Issued and paid-up share capital as at the LPD	393,600,019	78,720,003
New 3A Shares to be issued pursuant to the Proposed Bonus Issue	98,400,004	19,680,001
	492,000,023	98,400,004
New 3A Shares to be issued pursuant to the exercise of ESOS Options in relation to the Proposed ESOS	49,200,002	9,840,000
Enlarged issued and paid-up share capital	541,200,025	108,240,004

For avoidance of doubt, the Proposed ESOS will not have an immediate effect on the issued and paid-up share capital of the Company until and unless new 3A Shares are issued pursuant to the exercise of the ESOS Options granted and vested under the Scheme. The issued and paid-up share capital of the Company will increase progressively depending on the number of new 3A Shares issued pursuant to the exercise of ESOS Options.

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5.2 NA per share and gearing

Based on the latest audited consolidated statement of financial position of 3A as at 31 December 2015, the proforma effects of the Proposed Bonus Issue on the consolidated NA per share and gearing of 3A Group are as follows:

	Audited as at 31 December 2015 RM'000	After the Proposed Bonus Issue RM'000
Share capital	78,720	98,400
Share premium	70,367	50,687 ⁽¹⁾
Exchange translation reserves	3,483	3,483
Retained earnings	95,601	95,371 ⁽²⁾
Shareholders' Funds / NA	248,171	247,941
No. of 3A Shares in issue ('000)	393,600	492,000
NA per 3A Share (RM)	0.63	0.50
Total borrowings (RM'000)	35,570	35,570
Gearing ratio (times)	0.14	0.14

Notes:

- (1) After the capitalisation of RM19,680,001 from the share premium account pursuant to the Proposed Bonus Issue.
- (2) After deducting the estimated expenses in relation to the Proposals of approximately RM230,000.

Save for the potential impact of the Malaysian Financial Reporting Standards 2 ("MFRS 2") as elaborated in **Section 5.3** of this Announcement, the Proposed ESOS is not expected to have an immediate effect on the NA, NA per share and the gearing of 3A Group until such time the ESOS Options granted pursuant to the Proposed ESOS are exercised. The proforma effects will depend on, amongst others, the number of new 3A Shares to be issued upon the exercise of the ESOS Options and the Subscription Price.

5.3 Earnings and EPS

The Proposed Bonus Issue, which is expected to be implemented by the fourth (4th) quarter of 2016, is not expected to have any material effect on the earnings of the Group for the financial year ending 31 December 2016. However, there will be a corresponding dilution in the EPS of the Group as a result of the increase in the number of 3A Shares in issue.

The Proposed ESOS is not expected to have any immediate effect on the consolidated EPS of 3A Group until such time when the ESOS Options are granted. Any potential effect on the consolidated EPS of 3A Group in the future will depend upon, *inter-alia*, the number of ESOS Options granted and exercised, the Subscription Price and the non-cash expense arising from the granting of the ESOS Options under MFRS 2 "Share-Based Payment" issued by the Malaysian Accounting Standards Board.

In accordance with the MFRS 2, the potential cost arising from the granting of the ESOS Options, which is measured by the fair value of the ESOS Options after taking into consideration, *inter-alia*, the actual number of the ESOS Options granted and vested and the Subscription Price, will need to be measured at the grant date and be recognised as an expense in the consolidated statements of comprehensive income of the Company over the vesting period of the ESOS Options, and may therefore reduce the future earnings of 3A Group, the quantum of which can only be determined at the grant date.

The potential effects of the Proposed ESOS on the consolidated earnings and EPS of 3A Group in the future, as a consequence of the recognition of the expense at each grant date, cannot be determined at this juncture as it would depend on various factors that affect the fair value of the ESOS Options granted under the Proposed ESOS at the grant date. It should be noted that such potential cost of granting the ESOS Options does not represent a cash outflow but only an accounting treatment.

The Company has taken note of the potential impact of MFRS 2 on 3A Group's earnings and will take into consideration such impact in the granting and vesting of the ESOS Options under the Proposed ESOS.

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5.4 Substantial shareholders' shareholdings

The Proposed Bonus Issue will not have any effect on the percentage shareholdings of the substantial shareholders of 3A. However, the number of 3A Shares held by each substantial shareholder will increase proportionately as a result of the Proposed Bonus Issue.

The Proposed ESOS is not expected to have any immediate effect on the substantial shareholders' shareholdings of the Company until and unless new 3A Shares are issued pursuant to the exercise of the ESOS Options under the Proposed ESOS. Any potential effect on 3A's substantial shareholders' shareholdings will depend on the number of new 3A Shares to be issued pursuant to the exercise of the ESOS Options.

The effects of the Proposals on the substantial shareholders' shareholdings of the Company are set out below:

Substantial shareholders	Shareholdings as at the LPD				Proforma I After the Proposed Bonus Issue				Proforma II After Proforma I and the full exercise of the ESOS Options			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of 3A Shares	%	No. of 3A Shares	%	No. of 3A Shares	%	No. of 3A Shares	%	No. of 3A Shares	%	No. of 3A Shares	%
Fang Chew Ham Holdings Sdn Bhd	80,600,000	20.48	1,102,080	0.28 ⁽¹⁾	100,750,000	20.48	1,377,600	0.28 ⁽¹⁾	100,750,000	18.62	1,377,600	0.25 ⁽¹⁾
Wilmar International Limited	61,600,000	15.65	-	-	77,000,000	15.65	-	-	77,000,000	14.23	-	-
Fang Chew Ham	-	-	81,702,080	20.76 ⁽²⁾	-	-	102,127,600	20.76 ⁽²⁾	4,920,000	0.91 ⁽⁵⁾	102,127,600	18.87 ⁽²⁾
Fang Siew Yee	-	-	81,702,080	20.76 ⁽²⁾	-	-	102,127,600	20.76 ⁽²⁾	4,920,000	0.91 ⁽⁵⁾	102,127,600	18.87 ⁽²⁾
Fong Chew Hean	16,580,960	4.21	29,779,460	7.57 ⁽³⁾	20,726,200	4.21	37,224,325	7.57 ⁽³⁾	20,726,200	3.83	37,224,325	6.88 ⁽³⁾
Foong Chiew Fatt	16,180,960	4.11	29,540,960	7.51 ⁽⁴⁾	20,226,200	4.11	36,926,200	7.51 ⁽⁴⁾	20,226,200	3.74	36,926,200	6.82 ⁽⁴⁾

Notes:

- (1) Deemed interested through Seong Chan Sauce & Foodstuff Sdn Bhd pursuant to Section 6A of the Act.
- (2) Deemed interested through Fang Chew Ham Holdings Sdn Bhd and Seong Chan Sauce & Foodstuff Sdn Bhd pursuant to Section 6A of the Act.
- (3) Deemed interested through shares held by his spouse, child, brothers and Fang Chiew Hean Holdings Sdn Bhd.
- (4) Deemed interested through shares held by his child and brothers.
- (5) Assuming that Fang Chew Ham and Fang Siew Yee, who are also Directors of the Company, are allocated 4,920,000 ESOS Options each, representing 10% of the 3A Shares to be issued under the Scheme, and the ESOS Options are fully exercised.

5.5 Convertible securities

As at the LPD, the Company does not have any convertible securities.

6. APPROVALS REQUIRED

The Proposals are conditional upon the following approvals being obtained:-

- (a) Bursa Securities for the listing of and quotation for the following:
 - (i) the 98,400,004 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities; and
 - (ii) the new 3A Shares to be issued arising from the exercise of the ESOS Options on the Main Market of Bursa Securities;
- (b) the shareholders of 3A for the Proposals at an extraordinary general meeting (“**EGM**”) of the Company to be convened; and
- (c) any other relevant authorities, if required.

7. INTER-CONDITIONALITY

The Proposed Bonus Issue and Proposed ESOS are not conditional upon each other.

The Proposed Increase in Authorised Share Capital and Proposed Amendments are conditional upon both the Proposed Bonus Issue and the Proposed ESOS, but not vice versa.

The Proposed Increase in Authorised Share Capital and Proposed Amendments are inter-conditional upon each other.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED WITH THEM

8.1 Proposed Bonus Issue

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, either direct or indirect, in the Proposed Bonus Issue, save for their respective entitlements as shareholders of the Company under the Proposed Bonus Issue which are also available to all other shareholders of the Company.

8.2 Proposed ESOS

All the Directors of the Company, by virtue of their eligibility to participate in the Proposed ESOS, are deemed interested only in respect of their respective proposed allocations (“**Interested Directors**”), as well as proposed allocations to persons connected with them, if any. Notwithstanding this, all Directors have deliberated on the Proposed ESOS and have agreed to present the Proposed ESOS to the shareholders of the Company for their consideration and approval.

The Interested Directors have abstained and shall continue to abstain from all Board deliberations and voting in respect of their respective proposed allocation as well as the proposed allocations to the persons connected them, if any, under the Proposed ESOS.

In addition, the Interested Directors and interested major shareholders shall also abstain and undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in 3A, if any, on the resolutions pertaining to their respective proposed allocations as well as the proposed allocations to persons connected to them, if any, under the Proposed ESOS to be tabled at the forthcoming EGM.

The direct and/or indirect shareholdings of the Directors and major shareholders of the Company and persons connected with them as at the LPD are as follows:

	< ----- Direct ----- >		< ----- Indirect ----- >	
	No of 3A Shares	%	No of 3A Shares	%
<u>Directors</u>				
Dato' Mohd Nor Bin Abdul Wahid	438,000	0.11	-	-
Fang Chew Ham	-	-	81,702,080	20.76 ⁽¹⁾
Fong Chu King @ Tong Chu King	10,950,000	2.78	1,211,980	0.31 ⁽²⁾
Chew Eng Chai	160,000	0.04	7,000	- ^{(3)*}
Tan Chon Sing @ Tan Kim Tieng	-	-	2,688,000	0.68 ⁽³⁾
Fang Siew Yee	-	-	81,702,080	20.76 ⁽¹⁾
Khoo Wee Boon	-	-	-	-
Mohd Zaki Bin Hamzah	500,000	0.13	-	-
Kwek Ju-Yang, Mark	-	-	-	-
Sun You Ning	-	-	-	-
Liew Kuo Shin	100,000	0.03	-	-
Fang Siew Ping	-	-	-	-
Sun Yi-Ling	-	-	-	-
<u>Major shareholders</u>				
Fang Chew Ham Holdings Sdn Bhd	80,600,000	20.48	1,102,080	0.28 ⁽⁴⁾
Wilmar International Limited	61,600,000	15.65	-	-
Fang Chew Ham	-	-	81,702,080	20.76 ⁽¹⁾
Fang Siew Yee	-	-	81,702,080	20.76 ⁽¹⁾
Fong Chew Hean	16,580,960	4.21	29,779,460	7.57 ⁽⁵⁾
Foong Chiew Fatt	16,180,960	4.11	29,540,960	7.51 ⁽⁶⁾

Notes:

* Shareholding of less than 0.01%.

(1) Deemed interested through Fang Chew Ham Holdings Sdn Bhd and Seong Chan Sauce & Foodstuff Sdn Bhd pursuant to Section 6A of the Act.

(2) Indirect interest are held as follow:

(i) Deemed interested through shares held by his child; and

(ii) Deemed interested through Seong Chan Sauce & Foodstuff Sdn Bhd pursuant to Section 6A of the Act.

(3) Deemed interested through shares held by his spouse.

(4) Deemed interested through Seong Chan Sauce & Foodstuff Sdn Bhd pursuant to Section 6A of the Act.

(5) Deemed interested through shares held by his spouse, child, brothers and Fang Chiew Hean Holdings Sdn Bhd.

(6) Deemed interested through shares held by his child and brothers.

Save as disclosed above, none of the Directors, major shareholders of the Company and/or persons connected with them has any interest, directly or indirectly, in the Proposed ESOS.

8.3 Proposed Increase in Authorised Share Capital and Proposed Amendments

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, either direct or indirect, in the Proposed Increase in Authorised Share Capital and Proposed Amendments.

9. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposals to be completed by the first (1st) quarter of 2017.

11. APPLICATION TO THE AUTHORITIES

The application to the relevant authorities for the Proposals shall be made within two (2) months from the date of this Announcement.

12. ADVISER

RHB Investment Bank has been appointed as the Adviser for the Proposals.

This Announcement is dated 13 September 2016.