

ANNOUNCEMENT TO BURSA MALAYSIA SECURITIES BERHAD

Company Name : Privasia Technology Berhad
Type : General Announcement
Subject : Privasia Sdn. Bhd- Islamic Banking Facilities obtained from Alliance Islamic Bank Berhad

1. INTRODUCTION

Pursuant to Paragraph 9.03 of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR"), the Board of Directors of Privasia Technology Berhad ("PRIVA" or "the Company") wishes to announce that Privasia Sdn. Bhd. (Company No. 262717-T) ("PSB"), a wholly owned subsidiary of PRIVA, had on 27 January 2016 accepted the Islamic Banking Facilities ("the Facilities") offered by Alliance Islamic Bank Berhad ("the Bank"), of up to RM35,000,000.00 (Ringgit Malaysia Thirty Five Million).

2. INFORMATION OF THE FACILITIES

2.1 The Facilities will be used for the following purposes:

- To redeem PSB's existing facilities from Maybank Islamic Bank Berhad.
- To finance working capital requirements for both capital and operational expenditures.

2.2 The securities to be provided by PRIVA and PSB to the Bank are as follows:

- a) All Monies Legal Charge or All Monies Deed of Assignment and Power of Attorney (in the interim pending issuance of individual/strata title) over a 7-storey corner terrace shop office located within Lot 103 Seksyen 36, Bandar Petaling Jaya, bearing postal address Unit C-21, 3 Two Square, No. 2 Jalan 19/1, 46300 Petaling Jaya, Selangor ("the said Property").
- b) Pledge of first party Term Deposit-i of RM1,400,000.00 together with profit.
- c) Specific Debenture by way of fixed and floating charge over the specific assets financed by the Bank.
- d) Deed of Assignment over all contract proceeds awarded by Westports Malaysia Sdn Bhd and its related companies.
- e) Letter of Negative Pledge by PSB.
- f) Corporate Guarantee of Privasia Technology Berhad (825092-U) for RM35,000,000.00.
- g) Joint and several guarantee by the directors of PSB for RM35,000,000.00.

3. FINANCIAL EFFECTS

3.1 Issued and Paid-Up Share Capital and Shareholdings of Substantial Shareholders

The Facilities are not expected to have any effect on the issued and paid-up share capital of PRIVA nor the shareholdings of PRIVA's substantial shareholders.

3.2 Earnings

The Facilities is expected to contribute positively to the earnings of PRIVA in future financial years once the Facilities are fully utilized.

3.3 Debt to Equity Ratio

The Facilities are not expected to have any material effect on the net assets of PRIVA Group for the financial year ending 31 December 2016. The debt to equity ratio of PRIVA Group based on the Audited Financial Statements for the year ended 31 December 2014 was nil as the Company was in a positive cash flow position. After the acceptance and full utilization of the Facilities, the debt to equity ratio of PRIVA Group is expected to increase.

4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Mr. Puvanesan a/l Subenthiran and Mr. Andre Anthony a/l Hubert Rene are common directors in PRIVA and PSB.

Save for the above, none of the Directors and/or substantial shareholders of the Company and persons connected to directors or substantial shareholders have any interest, direct or indirect, in the Facilities.

5. DIRECTORS' STATEMENT

The Board of Directors of PRIVA, having considered all aspects of the acceptance of the Facilities, is of the opinion that the acceptance of the Facilities is in the best interest of the Company and the Group.

This announcement is dated 28 January 2016.