

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		(Unaudited) Current Year Quarter 30.06.2014	(Audited) Preceding Year Corresponding Quarter 30.06.2013	(Unaudited) Current Year To Date 30.06.2014	(Audited) Preceding Year To Date 30.06.2013
		RM'000	RM'000	RM'000	RM'000
Revenue	9	93,168	113,476	185,441	203,084
Cost of sales		(88,445)	(108,219)	(175,740)	(193,981)
Gross profit		4,723	5,257	9,701	9,103
Other operating income		2,753	2,834	4,068	4,477
Operating expenses		(2,712)	(3,895)	(5,928)	(6,820)
Finance costs		(2,149)	(2,145)	(2,577)	(2,807)
Profit before taxation	9, 20	2,615	2,051	5,264	3,953
Taxation	21	(707)	(841)	(1,382)	(1,252)
Net profit for the period		1,908	1,210	3,882	2,701
Other comprehensive income:-					
Items that will be reclassified subsequently to profit or loss:					
Foreign currency translation		(435)	(18)	(578)	517
Total comprehensive income		1,473	1,192	3,304	3,218
Net profit attributable to:-					
Equity holders of the parent		2,190	1,592	4,183	2,221
Non-controlling interests		(282)	(382)	(301)	480
		1,908	1,210	3,882	2,701
Total comprehensive income attributable to:-					
Equity holders of the parent		1,719	777	3,585	3,048
Non-controlling interests		(246)	415	(281)	170
		1,473	1,192	3,304	3,218
Earnings per share attributable to equity holders of the parent:-					
Basic and diluted earnings per share (sen)	26	1.73	1.25	3.30	1.75

The Unaudited Condensed Consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

The notes set out on pages 5 to 15 form an integral part of the interim financial report.

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	(Unaudited) At End Of Current Year To Date 30.06.2014	(Audited) At End Of Preceding Financial Year 31.12.2013
Note	RM'000	RM'000
NON CURRENT ASSETS		
Property, plant and equipment	15,746	16,775
Land and development expenditure	81,674	83,356
Intangible assets	8,261	8,261
Trade receivables - retention sum	8,813	14,203
Other receivables	19,995	-
	<hr/>	<hr/>
Total Non Current Assets	134,489	122,595
CURRENT ASSETS		
Inventories	673	3,513
Property development costs	40,681	38,481
Amount owing by customers on contracts	116,769	104,673
Trade receivables	140,202	142,664
Other receivables	19,959	29,607
Tax recoverable	166	282
Fixed deposits with license bank	13,837	17,276
Cash held under Housing Development Account	165	1,237
Cash and bank balances	2,701	4,514
	<hr/>	<hr/>
Total Current Assets	335,153	342,247
CURRENT LIABILITIES		
Amount owing to customers on contracts	26,881	22,187
Trade payables	130,285	124,721
Other payables	30,536	24,007
Hire purchase payables	3,833	4,761
Short term borrowings	23 71,009	71,469
Short term loans	23 14,546	19,228
Tax payables	750	99
	<hr/>	<hr/>
Total Current Liabilities	277,840	266,472
NET CURRENT ASSETS		
	<hr/>	<hr/>
	57,313	75,775
	<hr/>	<hr/>
	191,802	198,370
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share Capital	63,391	63,391
Share Premium	18,235	18,235
Reserves	55,433	51,848
	<hr/>	<hr/>
	137,059	133,474
NON-CONTROLLING INTERESTS		
	<hr/>	<hr/>
	(507)	(226)
TOTAL EQUITY		
	<hr/>	<hr/>
	136,552	133,248
LONG TERM AND DEFERRED LIABILITIES		
Trade payables - retention sum	16,200	20,578
Hire purchase payables	1,471	3,021
Long term loans	23 37,029	40,973
Deferred taxation	550	550
	<hr/>	<hr/>
Total Long Term And Deferred Liabilities	55,250	65,122
	<hr/>	<hr/>
	191,802	198,370
NET ASSETS PER SHARE (RM)		
	<hr/>	<hr/>
	1.08	1.05

The Unaudited Condensed Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

The notes set out on pages 5 to 15 form an integral part of the interim financial report.



QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company						Non-Controlling Interests	Total Equity
	Share Capital	Non - Distributable			Distributable	Total		
		Share Premium	Exchange Reserve	Capital Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At End Of Current Year To Date								
30.06.2014 (Unaudited)								
At 1 January 2014	63,391	18,235	1,277	12,150	38,421	133,474	(226)	133,248
Net profit for the period	-	-	-	-	4,183	4,183	(301)	3,882
Other comprehensive income for the period	-	-	(598)	-	-	(598)	20	(578)
Total comprehensive income for the period	-	-	(598)	-	4,183	3,585	(281)	3,304
At 30 June 2014	63,391	18,235	679	12,150	42,604	137,059	(507)	136,552
At End Of Preceding Year								
Corresponding Period 30.06.2013 (Audited)								
At 1 January 2013	63,391	18,235	374	12,150	33,876	128,026	303	128,329
Net profit for the period	-	-	-	-	2,221	2,221	480	2,701
Other comprehensive income for the period	-	-	827	-	-	827	(310)	517
Total comprehensive income for the period	-	-	827	-	2,221	3,048	170	3,218
At 30 June 2013	63,391	18,235	1,201	12,150	36,097	131,074	473	131,547

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

The notes set out on pages 5 to 15 form an integral part of the interim financial report.



QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Current Year To Date 30.06.2014	(Audited) Preceding Year To Date 30.06.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,264	3,953
Adjustments for:-		
Non-cash items	979	2,037
Non-operating items	1,571	2,476
Operating profit before working capital changes	7,814	8,466
Net change in current assets	(13,134)	(975)
Net change in current liabilities	16,056	15,518
Cash generated from operations	10,736	23,009
Interest received	255	330
Interest paid	(4,398)	(7,782)
Tax refund	-	8
Tax paid	(614)	(784)
Net cash from operating activities	5,979	14,781
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	145	821
Purchase of property, plant and equipment	(186)	(51)
Increase/(release) in retention sums	1,011	(2,970)
Additions to land held for property development	(1,725)	(1,094)
Net cash used in investing activities	(755)	(3,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(2,479)	(1,116)
Drawdown of bank borrowings	-	834
Repayment of bank borrowings	(8,627)	(16,587)
Release/(placement) of fixed deposits pledged	3,440	(5,112)
Net cash used in financing activities	(7,666)	(21,981)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,442)	(10,494)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	17	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(65,718)	(74,241)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(68,143)	(84,735)
Cash and cash equivalents at the end of period comprise:-		
Cash and bank balances	2,866	3,497
Fixed deposits with licensed banks	13,837	26,797
Less: short term borrowings	(71,009)	(88,232)
	(54,306)	(57,938)
Less: fixed deposits pledged with licensed banks	(13,837)	(26,797)
	(68,143)	(84,735)

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

The notes set out on pages 5 to 15 form an integral part of the interim financial report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014**

**PART A: EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING
STANDARDS ("FRS") 134**

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with FRS 134 "Interim Financial Reporting" and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the annual audited financial statements of the Prinsiptek Corporation Berhad ("the Company") Group ("the Group") for the financial year ended 31 December 2013.

These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

2. CHANGES IN ACCOUNTING STANDARDS

The Group falls within the scope definition of Transitioning Entities. Transitioning Entities were initially allowed to defer adoption of the new Malaysian Financial Reporting Standards ("MFRS") Framework for an additional one year. Adoption of the MFRS Framework by Transitioning Entities were then mandatory for annual periods beginning on or after 1 January 2013, thereby requiring the Group to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013.

Having taken into consideration the fact that International Accounting Standards Board ("IASB") is planning to issue a new standard on revenue recognition this year that will subsume IC Interpretation 15: Agreements for the Construction of Real Estate for property developers, on 30 June 2012, MASB has decided to allow Transitioning Entities to defer adoption of the MFRS Framework for another year. Consequently, adoption of MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. On 7 August 2013, MASB has decided to extend the transitional period for another one year as a result of the revisions by IASB on the timeline for the issue of new Revenue Standard i.e. the adoption of MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015. For the financial year ending 31 December 2014, the Group therefore continued to prepare financial statements using Financial Reporting Standards ("FRS").

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2013 except for the adoption of the following amendments to Financial Reporting standards ("FRSs") and Issues Committee ("IC") Interpretations effective for financial periods as stated below:-

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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2. CHANGES IN ACCOUNTING STANDARDS (CONTD)

		<u>Effective date for financial periods beginning on or after</u>
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities		1 January 2014

The adoption of the above standards, amendments and interpretations does not have any significant impact to the financial results of the Group.

At the date of authorisation of these interim financial statements, the Group has not applied the FRS, IC Interpretations and Amendments to IC Interpretations which were issued but not yet effective. The potential material impact arising from the future application of these standards and the MFRS framework are described as follows:

MFRS 9: Financial Instruments

This Standard addresses the classification and measurement of financial assets and financial liabilities. All financial assets shall be classified on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are initially measured at fair value plus, in the case of a financial asset classified as fair value through profit or loss, particular transaction costs. Financial assets are subsequently measured at amortised cost or fair value. Financial liabilities are subsequently measured at amortised cost or fair value. However, changes due to own credit risk in relation to the fair value option for financial liabilities shall be recognised in other comprehensive income.

The Group would apply this MFRS retrospectively when it becomes effective.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014**

2. CHANGES IN ACCOUNTING STANDARDS (CONTD)

IC Interpretation 15: Agreements for Construction of Real Estate

This interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the Group may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components. An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of the real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.). This new interpretation further provides guidance on accounting for revenue from the construction of real estate.

Where the Group undertakes a property development project involving sale of goods, the implementation of this interpretation will change the Group's revenue recognition to take place at the time of delivery when risk and reward is transferred instead of recognised based on the percentage of completion method.

The Group would apply IC Interpretation 15 retrospectively at the date of transition.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the preceding audited financial statements of the Group was not subjected to any audit qualifications.

4. SEASONAL OR CYCLICAL FACTORS

The Group's performance during the current financial quarter under review and financial year to date was not affected by unusual seasonal or cyclical fluctuations.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group during the current financial quarter under review and financial year to date.

6. CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported by the Group in prior financial years which have a material effect in the current financial quarter.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
 FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014**

7. DEBT AND EQUITY SECURITIES

There were no cancellation, repurchases, resale and repayments of debt and equity securities by the Company during the current financial quarter under review and financial year to date.

8. DIVIDEND

There was no dividend paid during the current financial quarter under review and financial year to date.

9. SEGMENTAL INFORMATION

Segmental information for the current financial year to date is presented in respect of the Group's business segments as follows:-

	<u>Construction</u>	<u>Property Development</u>	<u>Trading and Others</u>	<u>Elimination</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
External sales	123,763	23,643	38,035	-	185,441
Inter-segment sales	12,258	3,138	9,470	(24,866)	-
Total revenue	<u>136,021</u>	<u>26,781</u>	<u>47,505</u>	<u>(24,866)</u>	<u>185,441</u>
<u>Results</u>					
Segment results	2,590	3,747	498	-	6,835
Interest expense					(2,577)
Interest income					1,006
Total results					<u>5,264</u>

10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group states its property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. The Group does not adopt a policy to revalue its property, plant and equipment.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material subsequent events from the end of the current interim financial period to the date of this report that have not been reflected in this report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in composition of the Group during the current financial quarter under review and financial year to date.

13. DISCONTINUED OPERATIONS

There was no discontinued operations event during the current financial quarter under review / year to date.

14. CAPITAL COMMITMENT

There is no capital commitment for the interim financial statement as at 30 June 2014.

15. CHANGES IN CONTINGENT ASSETS AND CONTINGENT LIABILITIES

	RM'000	RM'000
Unsecured corporate guarantees given by the Company and the Group to trade suppliers		12,483
Unsecured corporate guarantees given by the Company to:-		
- financial institutions for banking, hire purchase and leasing facilities granted to subsidiary companies		155,122
- clients		7,611
Secured bank guarantees given by the Group in the ordinary course of business to:-		
- trade suppliers	3,899	
- authorities	890	
- clients	35,191	
	<u>35,191</u>	<u>39,980</u>
		<u><u>215,196</u></u>

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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**PART B: ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")**

16. REVIEW OF PERFORMANCE

For the current financial quarter, the Group achieved a total revenue of RM93.17 million representing a decrease of 17.90% as compared to RM113.48 million in the preceding year corresponding quarter. This was mainly due to the completion of certain construction and property development projects. The Group recorded a higher profit after taxation of RM1.91 million representing an increase of 57.85% as compared to RM1.21 million in the preceding year corresponding quarter. The improvement of profit after taxation was mainly due to the recognition of higher profit margin projects coupled with a better control of its operating expenses incurred during the current financial quarter.

The Construction Division continued to be the main contributor to the Group revenue representing 66.74% of the total revenue, with the Trading and Others Division of 20.51% and the Property Development Division contributed the balance of 12.75% of the Group revenue.

The Construction Division recorded a slight increase of its revenue of RM6.35 million or 5.41% for the current financial quarter as compared to the preceding year corresponding quarter.

There was a slight decrease of revenue from the Trading and Other Division of RM1.11 million or 2.85% as compared to the preceding year corresponding quarter.

The Property Development Division recorded a decrease of its revenue of RM22.88 million or 49.18% and this was due to the completion of one of the property development projects in Klang Valley.

The Group registered a total revenue of RM185.44 million for the current financial period representing a decrease of RM17.64 million or 8.69% as compared to the preceding financial period. The Group recorded a profit after taxation of RM3.88 million during the current financial period as compared to RM2.70 million in the preceding financial period, representing an increase of RM1.18 million or 43.70% of the profit after taxation.

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group registered a slight increase of total revenue of RM93.17 million for the current financial quarter as compared to RM92.27 million in the preceding financial quarter.

The profit before taxation was maintained at RM2.61 million in the current financial quarter as compared to RM2.65 million in the preceding quarter.

18. PROSPECTS

With the existing balance order book in the Construction Division and the potential launching of the new projects from the Property Development Division, the Board of Directors is cautious of the sustaining performance of the Group for the coming financial quarter.

The Group will continue to adopt a prudent approach in its investments and focus on its core activities to enhance and strengthen the synergy among its group of companies.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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19. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT AND SHORTFALL IN PROFIT GUARANTEE

The Group did not publish any profit forecast in respect of the current financial quarter.

20. PROFIT BEFORE TAXATION IS DERIVED AFTER CHARGING/(CREDITING)

	Current Year Quarter <u>30.06.2014</u> RM'000	Current Year To Date <u>30.06.2014</u> RM'000
Interest income	(893)	(1,006)
Other income	(1,849)	(2,933)
Interest expense	2,149	2,577
Gain on disposal of property, plant and equipment	(11)	(129)
Depreciation and amortization	345	688
Provision for doubtful debts	123	1,029

21. TAXATION

	Current Year Quarter <u>30.06.2014</u> RM'000	Current Year To Date <u>30.06.2014</u> RM'000
Malaysia tax in respect of:-		
- current results	707	1,382

Overall effective tax rate for the Group for the current financial quarter and the financial year to date was higher than the statutory tax rate due to no group relief is available with respect to losses incurred by companies within the Group.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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22. CORPORATE PROPOSALS - STATUS OF THE CORPORATE PROPOSALS

On 12 June 2014, the Company announced that the Company proposed to undertake the followings:-

- i. Proposed par value reduction via the cancellation of RM0.40 of the par value of every existing ordinary share of RM0.50 each in Prinsiptek Corporation Berhad (“PCB”) pursuant to section 64(1) of the Companies Act, 1965 (“Proposed Par Value Reduction”);
- ii. Proposed renounceable right issue of 190,174,116 new ordinary shares of RM0.10 each in PCB (“Right Share(s)”) on the basis of three (3) rights shares for every two (2) ordinary shares of RM0.10 each in PCB after the proposed par value reduction, together with 126,782,744 free detachable new warrants (“Warrant(s)”) on the basis of two (2) warrants for every three (3) rights shares successfully subscribed for at an entitlement date to determined and announced later; and
- iii. Proposed amendment to the memorandum of association of PCB as a consequence of the proposed par value reduction;

(Collectively referred to as the “Proposals”).

On behalf of the Board of Directors of PCB, RHB Investment Bank Berhad had announced that the listing application and draft circular in relation to the Proposal has been submitted to Bursa Malaysia Securities Berhad on 23 June 2014.

Bursa Malaysia Securities Berhad (“Bursa Securities”) had vide its letter dated 11 July 2014 approved the following:-

- i. Admission of Warrants to Official List of Bursa Securities and the listing and quotation for 126,782,744 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;
- ii. Listing and quotation for 190,174,116 new Rights Shares to be issued pursuant to the Proposed Right Issue with Warrants; and
- iii. Listing for 126,782,744 new ordinary shares of RM0.10 each in PCB to be issued arising from exercise of the Warrants.

On 16 July 2014, a notice of the Extraordinary General Meeting (“EGM”) was dispatched to the shareholders of PCB for the EGM to be held on 8 August 2014 to approve the Proposals.

All the resolutions set out in the Notice of EGM were duly approved by the shareholders of PCB at the EGM held on 8 August 2014.

On 12 August 2014, Messrs Tan, Goh & Associates, on behalf of the Company had filed petition with the High Court of Malaya at Kuala Lumpur and the hearing for the Notice of Application is scheduled to be held on the 27 August 2014.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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23. GROUP BORROWINGS

	Current Year To Date <u>30.06.2014</u> RM'000
<u>Secured</u>	
Short term borrowings and loans	85,555
Long term loans	<u>37,029</u>
	<u>122,584</u>
 <u>Foreign borrowings in Ringgit equivalent</u>	
U.S Dollar	<u>5,925</u>

24. REALISED AND UNREALISED PROFITS / (LOSSES)

The breakdown of retained profits of the Group as at reporting date, into realised and unrealised is as follow:

	Current Year To Date <u>30.06.2014</u> RM'000	(Audited) At end of Financial Year <u>31.12.2013</u> RM'000
Total retained profits of the Company and its subsidiary companies		
- Realised	73,253	70,162
- Unrealised	<u>(550)</u>	<u>(919)</u>
	72,703	69,243
Less: Consolidation adjustments	<u>(30,099)</u>	<u>(30,822)</u>
Total Group retained profits as per statements of financial position	<u>42,604</u>	<u>38,421</u>

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014**

25. MATERIAL LITIGATIONS

Save as disclosed below, the Company and its subsidiary companies are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant as at the date of this report:-

In respect of an arbitration filed by Prinsiptek (M) Sdn Bhd ("PST"), PST is claiming against Teamforce Builders Sdn Bhd ("Teamforce") for a sum of RM648,526.57 being the advance payment for the construction and completion of structural and architectural works and the supply of labour and materials for the installation of cornice works rendered by Teamforce to PST.

PST has filed the Statement of Claim dated 22 May 2014 and Teamforce has filed the Statement of Defence and Counterclaim for a sum of RM2,547,603.02 for workdone on 25 July 2014. PST has filed the reply to the Statement of Defence and Counterclaim on 25 August 2014. The matter is now pending filling of reply by Teamforce before 25 September 2014.

26. EARNINGS PER SHARE

The basic and diluted earnings per share has been calculated by dividing the Group's net profit attributable to the shareholders for the current financial quarter / financial year to date by the weighted average number of ordinary shares in issue during the financial quarter / financial year to date under review as follows:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter <u>30.06.2014</u>	Preceding Year Corresponding Quarter <u>30.06.2013</u>	Current Year To Date <u>30.06.2014</u>	Preceding Year To Date <u>30.06.2013</u>
Net profit attributable to the equity holders of parent (RM'000)	2,190	1,592	4,183	2,221
Weighted average number of ordinary shares in issue ('000)	126,783	126,783	126,783	126,783
Basic and diluted earnings per share (sen)	1.73	1.25	3.30	1.75



**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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**PART C : INFORMATION ON PROVISION OF FINANCIAL ASSISTANCE PURSUANT TO
PARAGRAPH 8.23 AND PRACTICE NOTE 11 / 2001 UNDER LISTING
REQUIREMENTS OF BURSA SECURITIES**

27. FINANCIAL ASSISTANCE

There is no financial assistance rendered by the Company and the Group for the current financial quarter / financial year to date.

By order of the Board

Dato' Foo Chu Jong
Managing Director

Subang Jaya
Date: 27 August 2014