

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-------|---|--|---|---|
| | | (Unaudited) Current Year Quarter 30.09.2014 | (Audited) Preceding Year Corresponding Quarter 30.09.2013 | (Unaudited) Current Year To Date 30.09.2014 | (Audited) Preceding Year To Date 30.09.2013 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 9 | 62,697 | 85,937 | 248,138 | 289,021 |
| Cost of sales | | (59,786) | (81,619) | (235,526) | (275,600) |
| Gross profit | | 2,911 | 4,318 | 12,612 | 13,421 |
| Other operating income | | 757 | 1,498 | 4,825 | 5,975 |
| Operating expenses | | (1,757) | (2,614) | (7,685) | (9,434) |
| Finance costs | | (370) | (1,187) | (2,947) | (3,994) |
| Profit before taxation | 9, 20 | 1,541 | 2,015 | 6,805 | 5,968 |
| Taxation | 21 | (166) | (455) | (1,548) | (1,707) |
| Net profit for the period | | 1,375 | 1,560 | 5,257 | 4,261 |
| Other comprehensive income:- | | | | | |
| Items that will be reclassified subsequently to profit or loss: | | | | | |
| Foreign currency translation | | 667 | 590 | 89 | 1,107 |
| Total comprehensive income | | 2,042 | 2,150 | 5,346 | 5,368 |
| Net profit attributable to:- | | | | | |
| Equity holders of the parent | | 327 | 1,327 | 4,510 | 3,548 |
| Non-controlling interests | | 1,048 | 233 | 747 | 713 |
| | | 1,375 | 1,560 | 5,257 | 4,261 |
| Total comprehensive income attributable to:- | | | | | |
| Equity holders of the parent | | 1,028 | 1,959 | 4,613 | 5,007 |
| Non-controlling interests | | 1,014 | 191 | 733 | 361 |
| | | 2,042 | 2,150 | 5,346 | 5,368 |
| Earnings per share attributable to equity holders of the parent:- | | | | | |
| Basic and diluted earnings per share (sen) | 26 | 0.26 | 1.05 | 3.56 | 2.80 |

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 16 form an integral part of the interim financial report.

QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | (Unaudited) At End Of Current Year To Date 30.09.2014 | (Audited) At End Of Preceding Financial Year 31.12.2013 |
|--|---|---|
| Note | RM'000 | RM'000 |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | 15,972 | 16,775 |
| Land and development expenditure | 63,651 | 83,356 |
| Intangible assets | 8,261 | 8,261 |
| Trade receivables - retention sum | 8,813 | 14,203 |
| Other receivables | 20,171 | - |
| | <hr/> | <hr/> |
| Total Non Current Assets | 116,868 | 122,595 |
| CURRENT ASSETS | | |
| Inventories | 18,300 | 3,513 |
| Property development costs | 57,324 | 38,481 |
| Amount owing by customers on contracts | 101,691 | 104,673 |
| Trade receivables | 90,911 | 142,664 |
| Other receivables | 29,921 | 29,607 |
| Tax recoverable | 176 | 282 |
| Fixed deposits with license bank | 13,569 | 17,276 |
| Cash held under Housing Development Account | 340 | 1,237 |
| Cash and bank balances | 2,078 | 4,514 |
| | <hr/> | <hr/> |
| Total Current Assets | 314,310 | 342,247 |
| CURRENT LIABILITIES | | |
| Amount owing to customers on contracts | 19,150 | 22,187 |
| Trade payables | 98,218 | 124,721 |
| Other payables | 52,559 | 24,007 |
| Hire purchase payables | 3,266 | 4,761 |
| Short term borrowings | 23 49,776 | 71,469 |
| Short term loans | 23 13,148 | 19,228 |
| Tax payables | 941 | 99 |
| | <hr/> | <hr/> |
| Total Current Liabilities | 237,058 | 266,472 |
| NET CURRENT ASSETS | | |
| | <hr/> | <hr/> |
| | 77,252 | 75,775 |
| | <hr/> | <hr/> |
| | 194,120 | 198,370 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | | |
| Share Capital | 12,678 | 63,391 |
| Share Premium | 18,235 | 18,235 |
| Reserves | 107,174 | 51,848 |
| | <hr/> | <hr/> |
| | 138,087 | 133,474 |
| NON-CONTROLLING INTERESTS | | |
| | 507 | (226) |
| TOTAL EQUITY | | |
| | <hr/> | <hr/> |
| | 138,594 | 133,248 |
| LONG TERM AND DEFERRED LIABILITIES | | |
| Trade payables - retention sum | 16,200 | 20,578 |
| Hire purchase payables | 1,196 | 3,021 |
| Long term loans | 23 37,580 | 40,973 |
| Deferred taxation | 550 | 550 |
| | <hr/> | <hr/> |
| Total Long Term And Deferred Liabilities | 55,526 | 65,122 |
| | <hr/> | <hr/> |
| | 194,120 | 198,370 |
| NET ASSETS PER SHARE (RM) | | |
| | <hr/> | <hr/> |
| | 1.09 | 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 16 form an integral part of the interim financial report.



**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to Equity Holders of the Company | | | | | Total | Non-Controlling Interests | Total Equity |
|---|---|---------------|------------------|-----------------|------------------|----------------|---------------------------|----------------|
| | Non - Distributable | | | Distributable | | | | |
| | Share Capital | 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 30.09.2014 (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 | - | - | - | - | 4,510 | 4,510 | 747 | 5,257 |
| Par value reduction | (50,713) | - | - | 45,880 | 4,833 | - | - | - |
| Other comprehensive income for the period | - | - | 103 | - | - | 103 | (14) | 89 |
| Total comprehensive income for the period | (50,713) | - | 103 | 45,880 | 9,343 | 4,613 | 733 | 5,346 |
| At 30 September 2014 | <u>12,678</u> | <u>18,235</u> | <u>1,380</u> | <u>58,030</u> | <u>47,764</u> | <u>138,087</u> | <u>507</u> | <u>138,594</u> |
| At End Of Preceding Year Corresponding Period 30.09.2013 (Audited) | | | | | | | | |
| At 1 January 2013 | 63,391 | 18,235 | 374 | 12,150 | 33,876 | 128,026 | 303 | 128,329 |
| Net profit for the period | - | - | - | - | 3,548 | 3,548 | 713 | 4,261 |
| Other comprehensive income for the period | - | - | 1,459 | - | - | 1,459 | (352) | 1,107 |
| Total comprehensive income for the period | - | - | 1,459 | - | 3,548 | 5,007 | 361 | 5,368 |
| At 30 September 2013 | <u>63,391</u> | <u>18,235</u> | <u>1,833</u> | <u>12,150</u> | <u>37,424</u> | <u>133,033</u> | <u>664</u> | <u>133,697</u> |

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 16 form an integral part of the interim financial report.



**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | (Unaudited) Current Year To Date 30.09.2014 | (Audited) Preceding Year To Date 30.09.2013 |
|---|--|--|
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 6,805 | 5,968 |
| Adjustments for:- | | |
| Non-cash items | 1,909 | 2,070 |
| Non-operating items | 944 | 3,462 |
| Operating profit before working capital changes | 9,658 | 11,500 |
| Net change in current assets | 27,772 | (9,925) |
| Net change in current liabilities | (2,388) | 36,786 |
| Cash generated from operations | 35,042 | 38,361 |
| Interest received | 585 | 532 |
| Interest paid | (6,041) | (11,118) |
| Tax refund | 109 | 23 |
| Tax paid | (708) | (1,126) |
| Net cash from operating activities | 28,987 | 26,672 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 285 | 908 |
| Purchase of property, plant and equipment | (1,130) | (169) |
| Increase in retention sums | 1,011 | 3,098 |
| Additions to land held for property development | (1,725) | (2,713) |
| Net cash (used in)/from investing activities | (1,559) | 1,124 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of hire purchase payables | (3,319) | (2,932) |
| Drawdown of bank borrowings | 2,968 | 907 |
| Repayment of bank borrowings | (12,441) | (26,080) |
| Release of fixed deposits pledged | 3,707 | 3,366 |
| Net cash used in financing activities | (9,085) | (24,739) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 18,343 | 3,057 |
| 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 | (47,358) | (71,184) |
| Cash and cash equivalents at the end of period comprise:- | | |
| Cash and bank balances | 2,418 | 5,982 |
| Fixed deposits with licensed banks | 13,569 | 18,319 |
| Less: short term borrowings | (49,776) | (77,166) |
| | (33,789) | (52,865) |
| Less: fixed deposits pledged with licensed banks | (13,569) | (18,319) |
| | (47,358) | (71,184) |

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 16 form an integral part of the interim financial report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 ended 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 decided to allow Transitioning Entities to defer adoption of the MFRS Framework for another year. Consequently, adoption of MFRS Framework by Transitioning Entities would be mandatory for annual periods beginning on or after 1 January 2014. On 7 August 2013, MASB 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 would 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 impact of the above accounting standards, amendments to accounting standards and interpretations effective during the financial year is not material to the financial results and position of the Group.

Accounting standards, amendments to accounting standards and interpretations that are applicable for the Group in the following periods but are not yet effective:

| | | <u>Effective date for financial periods beginning on or after</u> |
|---|---------------------------|---|
| Amendments to FRS 119 | Employee Benefits | 1 July 2014 |
| Amendments to FRS 2 | Share-based payment | 1 July 2014 |
| Amendments to FRS 3 | Business combination | 1 July 2014 |
| Amendments to FRS 8 | Operating segments | 1 July 2014 |
| Amendments to FRS 13 | Fair value measurement | 1 July 2014 |
| Amendments to FRS 116 Property, plant and equipment and FRS 138 Intangible Assets | | 1 July 2014 |
| Amendments to FRS 124 | Related Party Disclosures | 1 July 2014 |
| Amendments to FRS 140 | Investment Property | 1 July 2014 |
| Annual Improvements to MFRSs 2010-2012 Cycle | | 1 July 2014 |

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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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.

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.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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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 | 173,532 | 26,715 | 47,891 | - | 248,138 |
| Inter-segment sales | 17,261 | 6,588 | 16,964 | (40,813) | - |
| Total revenue | 190,793 | 33,303 | 64,855 | (40,813) | 248,138 |
| <u>Results</u> | | | | | |
| Segment results | 5,491 | 2,032 | 226 | - | 7,749 |
| Interest expense | | | | | (2,947) |
| Interest income | | | | | 2,003 |
| Total results | | | | | 6,805 |

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 other than the corporate proposals disclosed in Note 22.

12. CHANGES IN COMPOSITION OF THE GROUP

On 1 October 2014, the Board of Directors of Prinsiptek Corporation ("PCB") Company announced that Pan Rekejaya Sdn. Bhd. ("PRSB"), a 67% owned subsidiary company of Gabungan Sanjung Sdn. Bhd. ("GSSB"), which in turn is a 67% owned subsidiary of PCB, had on 30 September 2014 received notice pursuant to Section 308(4) of the Companies Act, 1965 dated 25 August 2014 from Companies Commission of Malaysia ("CCM") on striking-off of PRSB from the register of CCM.

The striking-off of PRSB is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of PCB for the financial year ending 31 December 2014.

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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 September 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 | | 10,819 |
| Unsecured corporate guarantees given by the Company to:- | | |
| - financial institutions for banking, hire purchase and leasing facilities granted to subsidiary companies | | 131,003 |
| - clients | | 7,611 |
| Secured bank guarantees given by the Group in the ordinary course of business to:- | | |
| - trade suppliers | 3,610 | |
| - authorities | 669 | |
| - clients | 32,894 | |
| | <u>32,894</u> | <u>37,173</u> |
| | | <u><u>186,606</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 RM62.70 million representing a decrease of RM23.24 million or 27.04% as compared to RM85.94 million in the preceding year corresponding quarter. This was mainly due to the completion of certain construction and property development projects. Thus, the Group also recorded a lower profit after taxation of RM1.38 million representing a decrease of 11.54% as compared to RM1.56 million in the preceding year corresponding quarter.

The Construction Division continued to be the main contributor to the Group revenue representing 69.93% of the total revenue, with the Trading and Others Division of 19.30% and the Property Development Division contributed the balance of 10.77% of the Group revenue.

The Construction Division recorded a decrease of its revenue of RM5.75 million or 10.35% for the current financial quarter as compared to the preceding year corresponding quarter.

There was a decrease of revenue from the Trading and Other Division of RM5.94 million or 37.59% as compared to the preceding year corresponding quarter and this was in line with the decreased activities in the Construction Division during the current financial quarter

The Property Development Division recorded a decrease of its revenue of RM11.56 million or 79.00%. The significant decrease was due to the completion of two of the property development projects in Klang Valley.

The Group registered a total revenue of RM248.14 million for the current financial period representing a decrease of RM40.88 million or 14.14% as compared to the preceding financial period. The Group recorded a higher profit after taxation of RM5.26 million during the current financial period as compared to RM4.26 million in the preceding financial period, representing an increase of RM1.0 million or 23.47% of the profit after taxation. This was mainly due to the recognition of higher profit margin projects and also the drop in the net operating expenses during the current financial period.

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group registered a decrease of total revenue of RM62.70 million for the current financial quarter as compared to RM93.17 million in the preceding financial quarter. There was a decrease of revenue of RM30.47 million or 32.70% due to the completion of one of property development project and certain construction projects.

As a result, the profit before taxation was decreased to RM1.54 million in the current financial quarter as compared to RM2.61 million in the preceding quarter.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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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.

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>30.09.2014</u> RM'000 | Current Year To Date <u>30.09.2014</u> RM'000 |
|---|--|--|
| Interest income | (172) | (2,003) |
| Other income | (539) | (2,647) |
| Interest expense | 370 | 2,947 |
| Gain on disposal of property, plant and equipment | (46) | (175) |
| Depreciation and amortization | 335 | 1,023 |
| Provision for doubtful debts | - | 1,029 |

21. TAXATION

| | Current Year Quarter <u>30.09.2014</u> RM'000 | Current Year To Date <u>30.09.2014</u> RM'000 |
|------------------------------|--|--|
| Malaysia tax in respect of:- | | |
| - current results | 166 | 1,548 |

The effective tax rate for the current financial year quarter and the financial year to date was lower than the statutory tax rate as the utilization of tax losses by the oversea subsidiaries to set off against its taxable income.

**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 (“RHB”) had announced that the listing application and draft circular in relation to the Proposal has been submitted to Bursa Malaysia Securities Berhad (“Bursa Securities”) on 23 June 2014.

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 behalf of the Board of Directors of PCB, RHB had announced that an office copy of the order granted by the High Court of Malaya at Kuala Lumpur dated 17 September 2014 confirming the reduction of the issued and paid-up share capital of the Company via the cancellation of RM0.40 of the par value of each ordinary share in PCB have been lodged with the Companies Commission of Malaysia on 25 September 2014.

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

On 3 October 2014, the Company had entered into an underwriting agreement with RHB to underwrite 106,503,179 Rights Shares together with 71,002,120 free Warrants, representing approximately 56.00% of the Rights Issue with Warrants, for which no undertaking has been obtained from shareholders of PCB.

The balance of 83,670,937 Rights Shares together with 55,780,624 free Warrants or approximately 44.00% of the total Rights Shares represents the entitlements of Dato' Foo Chu Jong and Daya Setempat Sdn Bhd, the substantial shareholders of PCB, under the Rights Issue with Warrants, for which they have provided written undertakings to subscribe in full for their entitlement under the Rights Issue with Warrants as at the entitlement date.

In addition, the Company had on even date executed the deed poll constituting the 126,782,744 Warrants to be issued pursuant to the Rights Issue with Warrants.

On 21 October 2014, the Company has issued the Abridged Prospectus pertaining to this proposal together with the Notice of Provisional Allotment and Rights Subscription Form to the entitled shareholders.

On 13 November 2014, On behalf of the Board of Directors of PCB, RHB had announced that as at the close of acceptance, excess application and payment for the Rights Issue with Warrants at 5.00 p.m. on 6 November 2014 ("Closing Date"), the total acceptances and excess applications for the Rights Issue with Warrants were 251,206,430 Rights Shares, which represents an over-subscription of 32.09% over the total number of 190,174,116 Rights Shares available for subscription under the Rights Issue with Warrants.

On 20 November 2014, On behalf of the Board of Directors of PCB, RHB had announced that the Rights Issue with Warrants has been completed following the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities as well as the admission of the Warrants to the Official list of Bursa Securities and the listing of and quotation for the Warrants on the Main Market of Bursa Securities.

23. GROUP BORROWINGS

| | Current Year To Date <u>30.09.2014</u> RM'000 |
|--|--|
| <u>Secured</u> | |
| Short term borrowings and loans | 62,924 |
| Long term loans | 37,580 |
| | <u>100,504</u> |
| <u>Foreign borrowings in Ringgit equivalent</u> | |
| U.S Dollar | <u>1,632</u> |

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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>30.09.2014</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 | 84,113 | 70,162 |
| - Unrealised | (550) | (919) |
| | 83,563 | 69,243 |
| Less: Consolidation adjustments | (35,799) | (30,822) |
| | 47,764 | 38,421 |
| Total Group retained profits as per statements of financial position | 47,764 | 38,421 |

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. Teamforce has filed their reply to PST's reply on 25 September 2014. The matter is now pending filling of Discovery by any parties (if any) not later than 24 November 2014.

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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 30.09.2014 | Preceding Year Corresponding Quarter 30.09.2013 | Current Year To Date 30.09.2014 | Preceding Year To Date 30.09.2013 |
| Net profit attributable to the equity holders of parent (RM'000) | 327 | 1,327 | 4,510 | 3,548 |
| Weighted average number of ordinary shares in issue ('000) | 126,783 | 126,783 | 126,783 | 126,783 |
| Basic and diluted earnings per share (sen) | 0.26 | 1.05 | 3.56 | 2.80 |



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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 November 2014