

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2014**

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

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-------|---|--|---|---|
| | | (Unaudited) Current Year Quarter 31.03.2014 | (Audited) Preceding Year Corresponding Quarter 31.03.2013 | (Unaudited) Current Year To Date 31.03.2014 | (Audited) Preceding Year To Date 31.03.2013 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 9 | 92,273 | 89,608 | 92,273 | 89,608 |
| Cost of sales | | (87,295) | (85,762) | (87,295) | (85,762) |
| Gross profit | | 4,978 | 3,846 | 4,978 | 3,846 |
| Other operating income | | 1,315 | 1,643 | 1,315 | 1,643 |
| Operating expenses | | (3,216) | (2,925) | (3,216) | (2,925) |
| Finance costs | | (428) | (662) | (428) | (662) |
| Profit before taxation | 9, 20 | 2,649 | 1,902 | 2,649 | 1,902 |
| Taxation | 21 | (675) | (411) | (675) | (411) |
| Net profit for the period | | 1,974 | 1,491 | 1,974 | 1,491 |
| Other comprehensive income:- Items that will be reclassified subsequently to profit or loss: | | | | | |
| Foreign currency translation | | (143) | 535 | (143) | 535 |
| Total comprehensive income | | 1,831 | 2,026 | 1,831 | 2,026 |
| Net profit attributable to:- | | | | | |
| Equity holders of the parent | | 1,993 | 629 | 1,993 | 629 |
| Non-controlling interests | | (19) | 862 | (19) | 862 |
| | | 1,974 | 1,491 | 1,974 | 1,491 |
| Total comprehensive income attributable to:- | | | | | |
| Equity holders of the parent | | 1,866 | 2,271 | 1,866 | 2,271 |
| Non-controlling interests | | (35) | (245) | (35) | (245) |
| | | 1,831 | 2,026 | 1,831 | 2,026 |
| Earnings per share attributable to equity holders of the parent:- | | | | | |
| Basic earnings per share (sen) | 26(a) | 1.57 | 0.50 | 1.57 | 0.50 |
| Diluted earnings per share (sen) | 26(b) | 1.57 | 0.50 | 1.57 | 0.50 |

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 FIRST FINANCIAL QUARTER ENDED 31 MARCH 2014**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| Note | (Unaudited) At End Of Current Year To Date 31.03.2014 | (Audited) At End Of Preceding Financial Year 31.12.2013 |
|--|---|---|
| | RM'000 | RM'000 |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | 16,336 | 16,775 |
| Land and development expenditure | 84,210 | 83,356 |
| Intangible assets | 8,261 | 8,261 |
| Trade and other receivables | 33,788 | 14,203 |
| | <hr/> | <hr/> |
| Total Non Current Assets | 142,595 | 122,595 |
| CURRENT ASSETS | | |
| Inventories | 1,368 | 3,513 |
| Property development costs | 40,738 | 38,481 |
| Amount owing by customers on contracts | 105,665 | 104,673 |
| Trade and other receivables | 141,008 | 172,271 |
| Tax recoverable | 130 | 282 |
| Fixed deposits with license bank | 14,083 | 17,276 |
| Cash held under Housing Development Account | 1,846 | 1,237 |
| Cash and bank balances | 2,458 | 4,514 |
| | <hr/> | <hr/> |
| Total Current Assets | 307,296 | 342,247 |
| CURRENT LIABILITIES | | |
| Amount owing to customers on contracts | 27,818 | 22,187 |
| Trade and other payables | 129,070 | 148,728 |
| Hire purchase payables | 4,366 | 4,761 |
| Short term borrowings | 23 73,014 | 71,469 |
| Short term loans | 23 17,709 | 19,228 |
| Tax payables | 137 | 99 |
| | <hr/> | <hr/> |
| Total Current Liabilities | 252,114 | 266,472 |
| NET CURRENT ASSETS | | |
| | <hr/> | <hr/> |
| | 55,182 | 75,775 |
| | <hr/> | <hr/> |
| | 197,777 | 198,370 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS | | |
| OF THE PARENT | | |
| Share Capital | 63,391 | 63,391 |
| Share Premium | 18,235 | 18,235 |
| Reserves | 53,714 | 51,848 |
| | <hr/> | <hr/> |
| | 135,340 | 133,474 |
| NON-CONTROLLING INTERESTS | | |
| | <hr/> | <hr/> |
| | (261) | (226) |
| TOTAL EQUITY | | |
| | <hr/> | <hr/> |
| | 135,079 | 133,248 |
| LONG TERM AND DEFERRED LIABILITIES | | |
| Trade payables | 20,578 | 20,578 |
| Hire purchase payables | 2,198 | 3,021 |
| Long term loans | 23 39,372 | 40,973 |
| Deferred taxation | 550 | 550 |
| | <hr/> | <hr/> |
| Total Long Term And Deferred Liabilities | 62,698 | 65,122 |
| | <hr/> | <hr/> |
| | 197,777 | 198,370 |
| NET ASSETS PER SHARE (RM) | | |
| | <hr/> | <hr/> |
| | 1.07 | 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 FIRST FINANCIAL QUARTER ENDED 31 MARCH 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 | |
| <u>At End Of Current Year To Date</u> <u>31.03.2014 (Unaudited)</u> | | | | | | | | |
| At 1 January 2014 | 63,391 | 18,235 | 1,277 | 12,150 | 38,421 | 133,474 | (226) | 133,248 |
| Net profit for the period | - | - | - | - | 1,993 | 1,993 | (19) | 1,974 |
| Other comprehensive income for the period | - | - | (127) | - | - | (127) | (16) | (143) |
| Total comprehensive income for the period | - | - | (127) | - | 1,993 | 1,866 | (35) | 1,831 |
| At 31 March 2014 | <u>63,391</u> | <u>18,235</u> | <u>1,150</u> | <u>12,150</u> | <u>40,414</u> | <u>135,340</u> | <u>(261)</u> | <u>135,079</u> |
| <u>At End Of Preceding Year</u> <u>Corresponding Period 31.03.2013 (Audited)</u> | | | | | | | | |
| At 1 January 2013 | 63,391 | 18,235 | 374 | 12,150 | 33,876 | 128,026 | 303 | 128,329 |
| Net profit for the period | - | - | - | - | 629 | 629 | 862 | 1,491 |
| Other comprehensive income for the period | - | - | 1,642 | - | - | 1,642 | (1,107) | 535 |
| Total comprehensive income for the period | - | - | 1,642 | - | 629 | 2,271 | (245) | 2,026 |
| At 31 March 2013 | <u>63,391</u> | <u>18,235</u> | <u>2,016</u> | <u>12,150</u> | <u>34,505</u> | <u>130,297</u> | <u>58</u> | <u>130,355</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 15 form an integral part of the interim financial report.

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2014**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | (Unaudited) Current Year To Date 31.03.2014 | (Audited) Preceding Year To Date 31.03.2013 |
|---|--|--|
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 2,649 | 1,902 |
| Adjustments for:- | | |
| Non-cash items | 1,131 | 221 |
| Non-operating items | 315 | 491 |
| Operating profit before working capital changes | 4,095 | 2,614 |
| Net change in current assets | 30,914 | 1,554 |
| Net change in current liabilities | (14,048) | 2,753 |
| Cash generated from operations | 20,961 | 6,921 |
| Interest received | 113 | 170 |
| Interest paid | (1,972) | (3,247) |
| Tax refund | - | 8 |
| Tax paid | (485) | (511) |
| Net cash from operating activities | 18,617 | 3,341 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 134 | 423 |
| Purchase of property, plant and equipment | (177) | (270) |
| Increase in retention sums | (19,585) | - |
| Additions to land held for property development | (853) | (1,094) |
| Net cash (used in) investing activities | (20,481) | (941) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of hire purchase payables | (1,218) | (142) |
| Drawdown of bank borrowings | - | 835 |
| Repayment of bank borrowings | (3,120) | (6,045) |
| Release/(placement) of fixed deposits pledged | 3,194 | (3,021) |
| Net cash (used in) financing activities | (1,144) | (8,373) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (3,008) | (5,973) |
| EFFECTS OF FOREIGN EXCHANGE RATE CHANGES | 16 | - |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | (65,718) | (74,241) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | (68,710) | (80,214) |
| Cash and cash equivalents at the end of period comprise:- | | |
| Cash and bank balances | 4,304 | 3,565 |
| Fixed deposits with licensed banks | 14,083 | 24,706 |
| Less: short term borrowings | (73,014) | (83,779) |
| | (54,627) | (55,508) |
| Less: fixed deposits pledged with licensed banks | (14,083) | (24,706) |
| | (68,710) | (80,214) |

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 FIRST FINANCIAL QUARTER ENDED 31 MARCH 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 FIRST FINANCIAL QUARTER ENDED 31 MARCH 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.

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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 | 63,516 | 6,794 | 21,963 | - | 92,273 |
| Inter-segment sales | 3,596 | 2,231 | 6,433 | (12,260) | - |
| Total revenue | <u>67,112</u> | <u>9,025</u> | <u>28,396</u> | <u>(12,260)</u> | <u>92,273</u> |
| <u>Results</u> | | | | | |
| Segment results | 1,448 | 1,144 | 372 | - | 2,964 |
| Interest expense | | | | | (428) |
| Interest income | | | | | 113 |
| Total results | | | | | <u>2,649</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.

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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 31 March 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 | | 15,658 |
| Unsecured corporate guarantees given by the Company to:- | | |
| - financial institutions for banking, hire purchase and leasing facilities granted to subsidiary companies | | 173,684 |
| - clients | | 7,611 |
| Secured bank guarantees given by the Group in the ordinary course of business to:- | | |
| - trade suppliers | 6,720 | |
| - authorities | 669 | |
| - clients | 35,192 | |
| | <u>35,192</u> | <u>42,581</u> |
| | | <u><u>239,534</u></u> |

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2014**

**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 RM92.27 million representing an increase of 2.97% as compared to RM89.61 million in the preceding year corresponding quarter. The Group recorded a higher profit after taxation of RM1.97 million representing an increase of 32.21% as compared to RM1.49 million in the preceding year corresponding quarter. The improvement was mainly due to the recognition of higher profit margin projects during the current financial quarter.

The Construction Division continued to be the main contributor to the Group revenue representing 68.84% of the total revenue, with the Trading and Others Division of 23.80% and the Property Development Division contributed the balance of 7.36% of the Group revenue.

The Construction Division recorded a slight increase of its revenue of RM5.10 million or 8.73% for the current financial quarter as compared to the preceding year corresponding quarter.

There was a slight increase of revenue from the Trading and Other Division of RM1.80 million or 8.93% as compared to the preceding year corresponding quarter and this was in line with the increase activities in the Construction Division.

The Property Development Division recorded a decrease of its revenue of RM4.24 million or 38.40% and this was due to the completion of certain property development projects in Klang Valley.

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group registered a total revenue of RM92.27 million for the current financial quarter as compared to RM121.27 million in the preceding financial quarter. There was a decrease of revenue of RM29.00 million or 23.91%. This was due to the completion of certain construction and property development projects during the current financial quarter.

However, the Group recorded a higher profit before taxation of RM2.65 million in the current financial quarter as compared to RM0.54 million in the preceding quarter. This was mainly due to the recognition of higher profit margin projects during the current financial 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.

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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>31.03.2014</u> RM'000 | Current Year To Date <u>31.03.2014</u> RM'000 |
|---|--|--|
| Interest income | (113) | (113) |
| Other income | (1,084) | (1,084) |
| Interest expense | 428 | 428 |
| Gain on disposal of property, plant and equipment | (118) | (118) |
| Depreciation and amortization | 343 | 343 |
| Provision for doubtful debts | 906 | 906 |

21. TAXATION

| | Current Year Quarter <u>31.03.2014</u> RM'000 | Current Year To Date <u>31.03.2014</u> RM'000 |
|------------------------------|--|--|
| Malaysia tax in respect of:- | | |
| - current results | <u>675</u> | <u>675</u> |

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

22. CORPORATE PROPOSALS - STATUS OF THE CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this report.

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23. GROUP BORROWINGS

| | Current Year To Date <u>31.03.2014</u> RM'000 |
|---------------------------------|--|
| <u>Secured</u> | |
| Short term borrowings and loans | 90,723 |
| Long term loans | <u>39,372</u> |
| | <u>130,095</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>31.03.2014</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 | 71,702 | 70,162 |
| - Unrealised | <u>(550)</u> | <u>(919)</u> |
| | 71,152 | 69,243 |
| Less: Consolidation adjustments | <u>(30,738)</u> | <u>(30,822)</u> |
| Total Group retained profits as per statements of financial position | <u>40,414</u> | <u>38,421</u> |

**QUARTERLY REPORT ON UNAUDITED CONSOLIDATED RESULTS
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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:-

- a) In respect of a Writ of Summons filed by The Company on 1 November 2002 against Juru Bena Tenaga Sdn Bhd ("JBT") ("Defendant") at the Kuala Lumpur High Court vide Suit No. D1-22-1778-2002, The Company claimed against JBT a sum of RM510,937.54 for services rendered by The Company to JBT. The JBT in replied filed a claim amounting to RM1,978,947.85. The Court granted the Company's claim and also the JBT's claim with cost and damages to be assessed for the sum of RM2,324,204.89 (inclusive of interest at 8% per annum).

The Company was not satisfied with the decision and had filed a Notice of Appeal against the High Court's decision in allowing the (i) JBT's Claim (Liability) and (ii) against the Assessment of Damages. The liability's appeal was heard on 2 December 2013 and Court of Appeal has decided in the Company's favor. JBT has subsequently filed an appeal to the Federal Court against the said Court of Appeal's decision ("Federal Court Appeal").

On 17 May 2014, both parties have reached an amicable settlement on the followings terms and conditions among others (a) that JBT agrees to release the sum of RM1,432, 613.34 which has been deposited to the stakeholder to the Company on or before 20 May 2014; (b) that JBT agrees to pay the Judgment Sum of RM891,000.00 and Cost of RM250,000.00 to the Company; (c) that JBT agrees to withdraw their Notice of Motion for Leave to the Federal Court within 14 days from 17 May 2014 with no order as to cost; (d) that in consideration of all the above, subsequently the Company agrees to withdraw the Notice to Appeal to the Court of Appeal on the Assessment of Damages with no order as to cost.

26. EARNINGS PER SHARE

- a) Basic earnings per share

The basic 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>31.03.2014</u> | Preceding Year Corresponding Quarter <u>31.03.2013</u> | Current Year To Date <u>31.03.2014</u> | Preceding Year To Date <u>31.03.2013</u> |
| Net profit attributable to the equity holders of parent (RM'000) | 1,993 | 629 | 1,993 | 629 |
| Weighted average number of ordinary shares in issue ('000) | 126,783 | 126,783 | 126,783 | 126,783 |
| Basic earnings per share (sen) | 1.57 | 0.50 | 1.57 | 0.50 |

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26. EARNINGS PER SHARE (CONTD.)

b) Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's net profit attributable to the equity holders of parent for the current financial quarter / financial year to date by the weighted average number of ordinary shares, after adjusted for the effects of dilutive potential ordinary shares from the assumed exercise of options under the Employees' Share Option Scheme ("ESOS") of the Company as follows:

| | Individual Quarter | | Cumulative Quarter | |
|--|--|---|--|---|
| | Current Year Quarter <u>31.03.2014</u> | Preceding Year Corresponding Quarter <u>31.03.2013</u> | Current Year To Date <u>31.03.2014</u> | Preceding Year To Date <u>31.03.2013</u> |
| Net profit attributable to the equity holders of parent (RM'000) | 1,993 | 629 | 1,993 | 629 |
| Weighted average number of Ordinary shares in issue ('000) | 126,783 | 126,783 | 126,783 | 126,783 |
| Diluted earnings per share (sen) | 1.57 | 0.50 | 1.57 | 0.50 |

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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: 29 May 2014