



Interim Financial Report on
Unaudited Consolidated Results for the
Fourth Quarter Ended
31 December 2013

Contents:	Pages
Condensed Consolidated Statement of Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Explanatory Notes to the Condensed Financial Statements	5 - 11

KUB MALAYSIA BERHAD

(Company No. 6022-D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 December 2013.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2012 RM'000	CURRENT YEAR TO DATE 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31/12/2012 RM'000
CONTINUING OPERATIONS				
Revenue	229,084	202,513	920,863	806,762
Operating expenses	(229,649)	(210,661)	(923,356)	(829,803)
Other operating income	4,882	(2,777)	10,729	5,206
Results from operating activities	<u>4,317</u>	<u>(10,925)</u>	<u>8,236</u>	<u>(17,835)</u>
Finance income	846	602	2,505	2,915
Finance costs	(1,591)	(1,850)	(6,233)	(7,995)
Share of profit of associates	(1,019)	3,341	6,444	8,204
Profit / (Loss) before tax	<u>2,553</u>	<u>(8,832)</u>	<u>10,952</u>	<u>(14,711)</u>
Income tax expense	(1,936)	2,104	(3,899)	240
Profit / (Loss) for the period from continuing operation	<u>617</u>	<u>(6,728)</u>	<u>7,053</u>	<u>(14,471)</u>
DISCONTINUED OPERATIONS				
Loss for the period from discontinued operations	(2,549)	(2,084)	(2,549)	(2,084)
Profit / (Loss) for the period	<u>(1,932)</u>	<u>(8,812)</u>	<u>4,504</u>	<u>(16,555)</u>
Other comprehensive income:				
Net gain / (loss) on available-for-sale financial assets	1,805	(339)	2,924	(144)
Foreign currency translation	2,188	(188)	436	(343)
Total comprehensive income / (loss) for the period	<u>2,061</u>	<u>(9,339)</u>	<u>7,864</u>	<u>(17,042)</u>
Profit / (Loss) attributable to:				
Owners of the parent				
- from continuing operations	(82)	(6,998)	7,068	(14,630)
- from discontinued operations	(2,549)	(2,084)	(2,549)	(2,084)
Non-controlling interest	699	270	(15)	159
	<u>(1,932)</u>	<u>(8,812)</u>	<u>4,504</u>	<u>(16,555)</u>
Total comprehensive income / (loss) attributable to:				
Owners of the parent	1,362	(9,609)	7,879	(17,201)
Non-controlling interest	699	270	(15)	159
	<u>2,061</u>	<u>(9,339)</u>	<u>7,864</u>	<u>(17,042)</u>
Earnings / (Loss) per share attributable to owners of the parent (sen) :				
Basic and diluted				
- from continuing operations	(0.01)	(1.26)	1.27	(2.63)
- from discontinued operations	(0.46)	(0.37)	(0.46)	(0.37)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2012.

KUB MALAYSIA BERHAD

(Company No. 6022-D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2013 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2012 RM'000
Assets		
Property, plant and equipment	121,842	125,027
Land held for property development	4,609	4,607
Plantation development expenditure	45,636	39,379
Investment properties	49,241	52,398
Investment in associates	27,164	24,305
Other investments	7,124	4,199
Intangible assets	560	745
Deferred tax assets	6,633	5,617
Total non-current assets	262,809	256,277
Inventories	17,862	21,554
Trade and other receivables	194,587	216,463
Tax recoverable	2,660	3,051
Cash and bank balances	127,770	144,253
Total current assets	342,879	385,321
Assets classified as held for sale	7,881	620
Total Assets	613,569	642,218
Equity		
Share capital	222,586	222,586
Reserves	49,832	46,472
Retained earnings / (loss)	901	(3,618)
Total equity attributable to owners of the parent	273,319	265,440
Non-controlling interest	12,868	15,601
Total equity	286,187	281,041
Liabilities		
Borrowings	59,950	47,332
Deferred tax liabilities	13,641	14,041
Total non-current liabilities	73,591	61,373
Trade and other payables	214,929	214,442
Provision for tax	4,510	2,167
Borrowings	31,995	83,002
Derivative financial liability	98	193
Total current liabilities	251,532	299,804
Liabilities classified as held for sale	2,259	-
Total liabilities	327,382	361,177
Total equity and liabilities	613,569	642,218
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.49	0.48

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2012.

KUB MALAYSIA BERHAD

(Company No. 6022-D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the parent Non-distributable reserves →											
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	Translation reserve RM'000	Premium paid on acquisition of non-controlling interests RM'000	Fair value adjustment reserve RM'000	Merger reserve RM'000	Retained earnings / (loss) RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2013	222,586	5,965	34,016	312	10	(7,019)	2,041	11,147	(3,618)	265,440	15,601	281,041
Total comprehensive income / (loss)	-	-	-	-	436	-	2,924	-	4,519	7,879	(15)	7,864
Subscription of shares in subsidiary by minority interest											1,432	1,432
Capital repayment in subsidiary	-	-	-	-	-	-	-	-	-	-	(4,050)	(4,050)
Dividend paid to minority interest at subsidiary	-	-	-	-	-	-	-	-	-	-	(100)	(100)
At 31 December 2013	<u>222,586</u>	<u>5,965</u>	<u>34,016</u>	<u>312</u>	<u>446</u>	<u>(7,019)</u>	<u>4,965</u>	<u>11,147</u>	<u>901</u>	<u>273,319</u>	<u>12,868</u>	<u>286,187</u>
At 1 January 2012	222,586	5,965	34,016	312	353	(7,019)	2,185	11,147	13,116	282,661	20,349	303,010
Total comprehensive income / (loss)	-	-	-	-	(343)	-	(144)	-	(16,714)	(17,201)	159	(17,042)
Capital reduction in subsidiary	-	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Dividend paid to minority interest at subsidiary											(407)	(407)
Adjustment									(20)	(20)	-	(20)
At 31 December 2012	<u>222,586</u>	<u>5,965</u>	<u>34,016</u>	<u>312</u>	<u>10</u>	<u>(7,019)</u>	<u>2,041</u>	<u>11,147</u>	<u>(3,618)</u>	<u>265,440</u>	<u>15,601</u>	<u>281,041</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2012.

KUB MALAYSIA BERHAD

(Company No. 6022-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR YEAR TO DATE 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2012 RM'000
Profit / (Loss) before taxation		
- Continuing Operation	10,952	(14,711)
- Discontinued Operation	(2,549)	(2,071)
Adjustments for :		
Depreciation of property, plant and equipment	13,665	15,821
Depreciation of investment properties	1,725	1,194
Amortisation of plantation development expenditure	2,471	2,485
Amortisation of intangible assets	100	326
Gain on disposal of property, plant and equipment	(12)	(2,568)
Gain on disposal of assets held for sale	(428)	-
Property, plant and equipment written off	583	4,724
Impairment loss on receivables	572	3,006
Impairment loss on property, plant and equipment	185	2,092
Impairment loss on intangible assets	-	1,438
Share of profit of associates	(6,444)	(8,204)
Others	(1,287)	5,185
Operating profit / (loss) before working capital changes	19,533	8,717
Changes in working capital:		
Inventories	3,692	2,046
Payables	6,019	24,931
Receivables	14,319	(48,854)
	24,030	(21,877)
Tax paid	(1,656)	(2,864)
Net cash (used in)/generated from operating activities	41,907	(16,024)
Acquisition of property, plant and equipment	(9,728)	(10,323)
Disposal of subsidiaries, net of cash disposed	-	24
Disposal of property, plant and equipment, net of cash disposed	433	2,443
Disposal of Assets Held for Sale, net of cash disposed	725	-
Dividend received	3,832	282
Increase in plantation development expenditure	(8,726)	(2,596)
Interest received	2,532	3,266
Other investing activities	(179)	(425)
Net cash used in investing activities	(11,111)	(7,329)
Changes in deposit pledged with licensed banks	15,287	(11,734)
Interest paid	(6,782)	(8,052)
Net (repayment)/drawdown of term loan	11,174	(3,283)
Net (repayment)/drawdown of short term borrowings	(10,505)	(976)
Other financing activities	5,490	2,822
Net cash generated from/(used in) financing activities	14,664	(21,223)
Net increase/(decrease) in cash and cash equivalents	45,460	(44,576)
Effect in exchange rate fluctuations on cash held	436	(343)
Cash and cash equivalents at beginning of period	40,845	85,764
Cash and cash equivalents classified as assets held for sale	(2,090)	-
Cash and cash equivalents at end of period	84,651	40,845
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :		
Cash in hand and at banks	39,700	66,298
Deposits with licensed bank	88,070	77,955
Cash and cash equivalents (as per consolidated statement of financial position)	127,770	144,253
Bank overdrafts	(9,545)	(54,548)
Deposits pledged with licensed banks	(33,574)	(48,860)
	84,651	40,845

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2012.

KUB MALAYSIA BERHAD

(Company No. 6022-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2012.

The accounting policies and methods of computation adopted by the Group for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2012, except for the mandatory adoption of the following new/revised FRSs and Issues Committee ("IC") Interpretations effective for the financial period beginning on 1 January 2013:

Standard	Title
Amendments to FRS 101	Presentation of Financial Statements (Improvements to FRSs (2012))
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associate and Joint Ventures
Amendment to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))
Amendments to FRS134	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 10	Interim Financial Reporting (Improvements to FRSs (2012))
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance

The application of the above revised FRSs and IC Interpretations are expected to have no significant impact on the accounting policies and presentation of the financial results of the Group.

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

The Malaysian Accounting Standards Board ("MASB") has, on 7 August 2013, announced to allow entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer ("Transitioning Entities"), to defer the adoption of the Malaysian Financial Reporting Standards ("MFRS") Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015 in light of the latest status of the International Accounting Standards Board's ("IASB") work plan on the two transitional issues that have yet to be resolved.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

2. Audit report of the preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the year ended 31 December 2012.

3. Seasonal or cyclicity of operations

The Group's operations are not materially affected by seasonal or cyclical factors except for Agro business which is influenced by both CPO prices and FFB crop production which may be affected by weather and cropping patterns. The cyclical swing in FFB crop production is generally at its lowest in the first half of the year, with gradual increase to peak production towards the second half.

The remainder of the Group's operations are not materially affected by any seasonal or cyclical events.

4. Items of unusual nature, size or incidence

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

5. Changes in estimates

There were no major changes in estimates that have had a material effect on the financial statements of the current quarter and financial year-to-date.

6. Debt and equity structure

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

7. Dividends paid

There was no dividend paid in the current quarter and financial year-to-date.

8. Segment reporting

The Group's primary format for reporting segment information is business segments based on the Group's management and internal reporting structure and organised into Information & Communication Technology ("ICT"), Energy, Agro Business ("Agro"), Food & Beverages ("Food"), and Properties, Engineering & Construction ("PEC").

Segment information for the current financial period ended 31 December 2013 is as follows:

Continuing Operations

	ICT	Energy	Agro	Food	PEC	Others	Eliminations	Total
RM'000								
Revenue								
External sales	46,269	498,911	35,200	43,724	296,381	378	-	920,863
Inter-segment sales	868	-	-	117	1,422	18,085	(20,492)	-
Total revenue	47,137	498,911	35,200	43,841	297,803	18,463	(20,492)	920,863
Results								
Profit / (Loss) from operations	4,680	9,630	10,488	(939)	(5,329)	27,857	(38,151)	8,236
Interest income	391	565	823	-	494	1,783	(1,551)	2,505
Finance costs	(257)	(85)	(157)	(81)	(5,022)	(2,182)	1,551	(6,233)
Share of profit of associates	-	-	-	-	-	6,444	-	6,444
Profit / (Loss) before tax	4,814	10,110	11,154	(1,020)	(9,857)	33,902	(38,151)	10,952
Income tax expense	(1,206)	(2,491)	(979)	(13)	810	(20)	-	(3,899)
Profit / (Loss) for the period	3,608	7,619	10,175	(1,033)	(9,047)	33,882	(38,151)	7,053

8. Segment reporting (cont'd)

Discontinued Operations

	Food	PEC	Total
RM'000			
Revenue			
External sales	15,610	-	15,610
Inter-segment sales	-	-	-
Total revenue	15,610	-	15,610
Results			
Profit / (Loss) from operations	(1,832)	(744)	(2,576)
Interest income	-	27	27
Profit / (Loss) before tax	(1,832)	(717)	(2,549)
Income tax expense	-	-	-
Profit / (Loss) for the period	(1,832)	(717)	(2,549)

Segment information for the preceding year corresponding period ended 31 December 2012 is as follows:

Continuing Operations

	ICT	Energy	Agro	Food	PEC	Others	Eliminations	Total
RM'000								
Revenue								
External sales	90,769	488,961	37,194	51,751	137,720	367	-	806,762
Inter-segment sales	680	-	-	152	1,865	16,713	(19,410)	-
Total revenue	91,449	488,961	37,194	51,903	139,585	17,080	(19,410)	806,762
Results								
Profit / (Loss) from operations	269	3,865	12,577	(12,607)	(15,989)	30,334	(36,284)	(17,835)
Interest income	351	673	586	-	1,084	1,418	(1,197)	2,915
Finance costs	(934)	(87)	(511)	(56)	(5,353)	(2,251)	1,197	(7,995)
Share of results of associates	-	-	-	-	-	8,204	-	8,204
Profit / (Loss) before tax	(314)	4,451	12,652	(12,663)	(20,258)	37,705	(36,284)	(14,711)
Income tax expense	663	(253)	(1,357)	40	1,156	(9)	-	240
Profit / (Loss) for the period	349	4,198	11,295	(12,623)	(19,102)	37,696	(36,284)	(14,471)

Discontinued Operations

	Food	PEC	Total
RM'000			
Revenue			
External sales	19,438	492	19,930
Inter-segment sales	-	-	-
Total revenue	19,438	492	19,930
Results			
Profit / (Loss) from operations	(3,339)	973	(2,366)
Interest income	-	351	351
Finance costs	(22)	(34)	(56)
Profit / (Loss) before tax	(3,361)	1,290	(2,071)
Income tax expense	-	(13)	(13)
Profit / (Loss) for the period	(3,361)	1,277	(2,084)

8. Segment reporting (cont'd)

Below are the segmental review as compared to previous year corresponding period:

ICT Sector : The revenue from the sector fell to RM46.3 million this period as compared to RM90.8 million in the preceding year primarily due to failure to secure tendered projects and slow order from customers. The profit was mainly derived from revision of projected cost of sales for several projects.

Energy Sector : Revenue was marginally higher by 2% in the current period as compared to the preceding year due to increase in consumer demand on liquefied petroleum gas (LPG). The profit before tax was further improved with lower LPG cost and higher gain in hedging from foreign exchange. The Group intends to strengthen the LPG business and continue its strategy to expand its operations into possible opportunities in related areas with high margins and minimal competition.

Food Sector (Continuing Operation) : A significant improvement can be seen from this sector mainly from its A&W restaurants, as various initiatives have been taken to improve the business performance. The Group's strategy to close down the A&W non-performing outlets in the preceding year and effective management of resources have reduced the sector's loss before tax from RM12.6 million to RM0.9 million. The sector's loss for the period was largely affected by payment for retrenchment benefit to the staff of RM1.3 million following the cessation of business of the hotel. A&W Malaysia has recorded its maiden profit of RM1.9 million after incurring losses since it became part of KUB Group in 2001 .

Agro Sector : The profit before tax for the sector declined by 12% due to lower average FFB price from RM543 pmt last year to RM454 pmt this year despite higher crop harvested by 13%. Nevertheless, Agro sector continued to be the major contributor to the profitability of the Group. The Group is in the midst of constructing a mill in Mukah, Sarawak to further enhance the income and profit margins for this sector.

PEC Sector (Continuing Operation) : Despite sector's higher revenue generated during this period, high cost of sales from the project undertaken has resulted in a loss before tax of RM9.9 million. Loss before tax incurred in the preceding year amounting to RM20.3 million was contributed, among others, by the impairment of goodwill in subsidiary of RM9.9 million. The Group is currently focusing on completing the projects that have already been secured while aggressively pursuing new projects that can contribute continuous income for the group.

9. Notes to profit/(loss) before tax

	12 months ended 31/12/2013 RM'000	12 months ended 31/12/2012 RM'000
Profit/(loss) before tax is arrived after crediting/(charging):		
Interest income	2,505	2,915
Other income including investment income	8,744	1,626
Interest expense	(6,233)	(7,995)
Depreciation and amortisation	(17,961)	(19,826)
Allowance for impairment on receivables	(572)	(3,006)
Write off of assets	(583)	(4,724)
Gain on disposal of property, plant and equipment	12	2,568
Gain on disposal of assets held for sale	428	-
Impairment of assets	(185)	(2,092)
Foreign exchange gain	1,450	1,465
Gain / (loss) on derivatives	95	(453)

Save as disclosed above, other items as required to be disclosed under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

10. Carrying amount of revalued assets

There is no revaluation of property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

11. Subsequent events

There are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2013 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 December 2013 that have not been reflected in the condensed financial statements.

12. Changes in the composition of the group

On 7 February 2013, a Joint Venture Agreement was signed by KUB Agro Holdings Sdn Bhd (formerly known as KUB Agrotech Sdn Bhd) ("KUBA"), KUB Sepadu Sdn Bhd ("KUBS") and Sutracom Sdn Bhd ("Sutracom") for the purposes of engaging in the development and construction of a palm oil mill in Mukah, Sarawak and upon completion thereof, to commence the production of fresh fruit bunch, crude palm oil and crude palm kernel and such other related activities as may be mutually agreed between the parties.

Pursuant thereto, KUB Maju Mill Sdn Bhd (formerly known as KUB Advanced Systems Sdn Bhd) ("KUB Maju"), shall be used as a joint venture company. The authorised share capital of KUB Maju shall be increased from RM2,000,000 to RM20,000,000 divided into 20,000,000 ordinary shares of RM1.00 each. The issued and paid up capital of KUB Maju shall be increased from 1,312,282 ordinary shares of RM1.00 each to 6,312,282 which shall be done by way of subscription of 5,000,000 new shares in the Company which the parties shall subscribe by way of cash at a subscription price of RM1.00 by KUBA (51%), Sutracom (43%) and KUBS (6%).

Save as disclosed above, there were no other changes in the composition of the Group during the period under review.

13. Capital commitments

There are no capital commitments except as disclosed below:

12 months ended
31/12/2013
RM'000

Capital expenditure:

Property, plant and equipment

Approved and contracted for

14,226

Approved but not contracted for

90,350

14. Contingent liabilities

There were no material changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2012.

15. Tax

	3 months ended		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current tax	911	2,568	2,874	4,432
Over provision in prior year		(2,710)	(391)	(2,710)
	911	(142)	2,483	1,722
Deferred tax:				
Current	1,025	(2,370)	1,416	(2,370)
Under/(over) provision in prior year	-	844	-	844
	1,025	(1,526)	1,416	(1,526)
Foreign income tax	-	(436)	-	(436)
	1,936	(2,104)	3,899	(240)

The effective tax rate for the current financial year under review is higher than the statutory tax rate as certain expenses which are not deductible for tax purposes and profits of certain subsidiaries cannot be offset against losses of other subsidiaries for income tax purposes.

16. Status of corporate proposals

As at the date of this report, there were no corporate proposals announced by the Group but yet to be completed.

17. Group borrowings and debt securities

As at end of
current quarter
31/12/2013
RM'000

<u>Non-current</u>		
Term loans	- secured	56,017
Finance leases		3,933
		<u>59,950</u>
<u>Current</u>		
Term loans	- secured	7,415
Bank overdrafts	- secured	9,545
Bankers' acceptances / Trust receipts	- secured	12,230
Finance leases		2,805
		<u>31,995</u>

18. Material litigation

For the period under review, the Group does not have any material litigation which would have a material adverse effect on the financial position of the Group.

19. Profit before tax for the current quarter compared to the immediate preceding quarter

During the current quarter, the Group recorded a profit before tax of RM2.6 million as compared to a profit before tax of RM4.1 million in the immediate preceding quarter. Lower profit for the quarter was mainly due to higher cost incurred at PEC sector as compared to its revenue. Magnitude of the loss, however, been reduced by an improved performance from ICT and Agro sectors as a result of project cost rationalisation and higher crop harvested respectively. During the current quarter, the Group has classified its two subsidiaries as assets held for sale; represented by a loss from discontinued operations.

20. Review of performance for the current interim financial period compared to the corresponding period in the preceding year

For the current financial period ended 31 December 2013, the Group recorded a revenue of RM920.9 million and a profit before tax of RM10.9 million as compared to the revenue of RM806.8 million and a loss before tax of RM14.7 million in the previous corresponding period. The positive turnaround results was contributed by improvement shown from several sectors. Lower cost of sales in Energy and ICT sectors have increased both sectors profit margin. In addition, closure of the non-performing A&W outlets in previous year has resulted in significant reduction of loss incurred by Food sector in the current year.

21. Prospects

The Board is of the opinion that the overall economy and market outlook for 2014 remains to be challenging. The various Malaysian budget rationalisation efforts implemented by the Government are widely expected to have an impact on consumer disposable income and this will affect the Group mainly in consumer demand on LPG and its food business. In addition, the current uncertainties surrounding the political turmoil in Thailand may affect consumer sentiments thus impact the Group's food sector business in Thailand.

In view of this, the Group will constantly enhance efficiency and reviewing its cost structure towards sustaining the operating performance of the Group. The Group will also continue to seek other new projects to further contribute to the Group's financial performance.

22. Profit forecast / profit guarantee

The Group has neither made any profit forecast nor issued any profit guarantee during the current quarter and financial year to-date.

23. Dividends

No dividend was declared and paid during the quarter under review. The Board has not made any decision in respect of dividend for the year ended 31 December 2013.

24. Realised and Unrealised Profit/(Losses)

The breakdown of the Group's retained earnings / (loss) as at reporting dates, into realised and unrealised is as follows:

	As at 31/12/2013 RM'000	As at 31/12/2012 RM'000
Total accumulated loss of the Company and its subsidiaries		
- Realised	(545,938)	(590,287)
- Unrealised	(7,818)	(7,968)
Total share of retained earnings / (loss) from associated companies		
- Realised	23,985	20,700
- Unrealised	(1,794)	(1,794)
	(531,565)	(579,349)
Group consolidation adjustments	532,466	575,731
Total Group retained earnings / (loss) as per consolidated financial statements	<u>901</u>	<u>(3,618)</u>

25. Earnings / (Loss) per share

(a) Basic earnings / (loss) per share

The basic earnings / (loss) per share is calculated by dividing the profit for the period attributable to ordinary owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

	3 months ended		12 months ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Earnings / (Loss) for the period attributable to owners of the parent	RM'000	RM'000	RM'000	RM'000
- From continuing operations	(82)	(6,998)	7,068	(14,630)
- From discontinued operations	(2,549)	(2,084)	(2,549)	(2,084)
Weighted average number of ordinary shares in issue	('000) 556,465	556,465	556,465	556,465
Basic earnings / (loss) per share				
- From continuing operations	(sen) (0.01)	(1.26)	1.27	(2.63)
- From discontinued operations	(sen) (0.46)	(0.37)	(0.46)	(0.37)

(b) Diluted earnings / (loss) per share

The Group has no dilution in its earnings or loss per ordinary share in the quarter under review and financial year to-date.

26. Related Party Transactions

As at the end of the current period under review, the Group has entered into/or completed the following related party transactions:

12 months ended
31/12/2013
RM'000

Transactions with Jeks Engineering Sdn Bhd, a major shareholder of Precast Products Sdn Bhd with 30% equity interest, a Company with interested directors:

- Sales of precast products 9,480

Transactions with Jeks Engineering Pte Ltd, a wholly own subsidiary of Jeks Engineering Sdn Bhd which in turn is a major shareholder of Precast Products Sdn Bhd with 30% equity interest, a Company with interested directors:

- Sales of precast products 4,420

Transactions with Jeks Trading Sdn Bhd, a wholly own subsidiary of Jeks Engineering Sdn Bhd which in turn is a major shareholder of Precast Products Sdn Bhd with 30% equity interest, a Company with interested directors:

- Purchase of raw materials (2,007)

The above related party transactions are recurrent transactions of a revenue and expense nature and are entered into in the ordinary course of business on terms not more favourable to the related party than those generally available to the public.

By Order of the Board

Sharina Saidon
Company Secretary
28 February 2014