



**Interim Financial Report on
Unaudited Consolidated Results for the
Second Quarter Ended
30 June 2014**

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 SECOND QUARTER ENDED 30 JUNE 2014

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 30 June 2014.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2013 RM'000	CURRENT YEAR TO DATE 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 30/6/2013 RM'000
CONTINUING OPERATIONS				
Revenue	167,369	243,671	346,065	463,485
Operating expenses	(167,678)	(243,053)	(346,127)	(462,164)
Other operating income	2,901	2,666	4,493	4,104
Results from operating activities	2,592	3,284	4,431	5,425
Finance income	552	590	1,012	1,038
Finance costs	(1,307)	(1,279)	(2,775)	(2,996)
Share of profit of associates	2,227	1,518	4,442	2,715
Profit / (loss) before tax	4,064	4,113	7,110	6,182
Income tax expense	(981)	(1,037)	(2,270)	(2,183)
Profit / (loss) for the period from continuing operations	3,083	3,076	4,840	3,999
DISCONTINUED OPERATIONS				
Loss for the period from discontinued operations	(248)	(1,032)	(726)	(1,851)
Profit / (loss) for the period	2,835	2,044	4,114	2,148
Other comprehensive income:				
Net gain / (loss) on available-for-sale financial assets	260	945	(811)	894
Foreign currency translation	(94)	1,539	(137)	(810)
Total comprehensive income / (loss) for the period	3,001	4,528	3,166	2,232
Profit / (loss) attributable to:				
Owners of the parent				
- from continuing operations	2,692	3,694	4,059	5,102
- from discontinued operations	(248)	(1,032)	(726)	(1,851)
	2,444	2,662	3,333	3,251
Non-controlling interest	391	(618)	781	(1,103)
	2,835	2,044	4,114	2,148
Total comprehensive income / (loss) attributable to:				
Owners of the parent	2,610	5,146	2,385	3,335
Non-controlling interest	391	(618)	781	(1,103)
	3,001	4,528	3,166	2,232
Earnings / (Loss) per share attributable to owners of the parent (sen) :				
Basic and diluted				
- from continuing operations	0.48	0.66	0.73	0.92
- from discontinued operations	(0.04)	(0.19)	(0.13)	(0.33)
	0.44	0.48	0.60	0.58

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 2013.

KUB MALAYSIA BERHAD

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT QUARTER 30/6/2014 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2013 RM'000
Assets		
Property, plant and equipment	137,335	135,408
Land held for property development	4,608	4,609
Plantation development expenditure	46,641	45,679
Investment properties	37,116	37,617
Investment in associates	20,806	27,164
Other investments	6,315	7,124
Intangible assets	3,592	560
Deferred tax assets	11,504	11,592
Total non-current assets	267,917	269,753
Inventories	19,746	17,863
Trade and other receivables	154,052	199,495
Tax recoverable	499	714
Cash and bank balances	117,570	128,003
Total current assets	291,867	346,075
Non-current assets held for sale	230	1,993
Assets of disposal group classified as held for sale	3,847	5,707
Total Assets	563,861	623,528
Equity		
Share capital	222,586	222,586
Reserves	48,838	49,786
Retained earnings	4,292	959
Total equity attributable to owners of the parent	275,716	273,331
Non-controlling interest	9,317	13,247
Total equity	285,033	286,578
Liabilities		
Borrowings	51,486	42,693
Deferred tax liabilities	13,445	13,445
Total non-current liabilities	64,931	56,138
Trade and other payables	179,340	222,844
Provision for tax	6,912	5,655
Borrowings	25,864	49,872
Derivative financial liability	94	98
Total current liabilities	212,210	278,469
Liabilities of disposal group classified as held for sale	1,687	2,343
Total liabilities	278,828	336,950
Total equity and liabilities	563,861	623,528
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.50	0.49

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 2013.

KUB MALAYSIA BERHAD

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						Non-distributable reserves						
	Equity, total RM'000	Equity attributable to owners of the parent total RM'000	Share capital RM'000	Share premium RM'000	Retained earnings / (loss) RM'000	Other Reserves, total RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	Fair value adjustment reserve RM'000	Premium paid on acquisition non-controlling interests RM'000	Translation reserve RM'000	Merger reserve RM'000	Non-controlling interests RM'000
At 1 January 2014	286,578	273,331	222,586	5,965	959	43,821	34,016	312	4,967	(7,019)	398	11,147	13,247
Profit for the period	4,114	3,333	-	-	3,333	-	-	-	-	-	-	-	781
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	(948)	(948)	-	-	-	(948)	-	-	(811)	-	(137)	-	-
Total comprehensive income / (loss)	3,166	2,385	-	-	3,333	(948)	-	-	(811)	-	(137)	-	781
Acquisition of non controlling interest	(4,711)	-	-	-	-	-	-	-	-	-	-	-	(4,711)
At 30 June 2014	285,033	275,716	222,586	5,965	4,292	42,873	34,016	312	4,156	(7,019)	261	11,147	9,317
At 1 January 2013	281,041	265,440	222,586	5,965	(3,618)	40,507	34,016	312	2,041	(7,019)	10	11,147	15,601
Profit for the period	2,148	3,251	-	-	3,251	-	-	-	-	-	-	-	(1,103)
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	84	84	-	-	-	84	-	-	894	-	(810)	-	-
Total comprehensive income / (loss)	2,232	3,335	-	-	3,251	84	-	-	894	-	(810)	-	(1,103)
At 30 June 2013	283,273	268,775	222,586	5,965	(367)	40,591	34,016	312	2,935	(7,019)	(800)	11,147	14,498

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 2013.

KUB MALAYSIA BERHAD

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR YEAR TO DATE 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2013 RM'000
Profit / (Loss) before taxation		
- Continuing Operation	7,110	6,182
- Discontinued Operation	(726)	(1,851)
Adjustments for :		
Depreciation of property, plant and equipment	7,125	6,532
Depreciation of investment properties	300	576
Amortisation of plantation development expenditure	1,218	1,296
Amortisation of intangible assets	53	42
Gain on disposal of property, plant and equipment	(217)	(362)
Gain on disposal of assets held for sale	(1,235)	-
Property, plant and equipment written off	650	240
Share of profit of associates	(4,442)	(2,715)
Others	27	(456)
Operating profit / (loss) before working capital changes	9,863	9,484
Changes in working capital:		
Inventories	(1,864)	777
Payables	50,495	27,236
Receivables	(41,011)	(9,711)
	7,620	18,302
Tax paid	(1,004)	(1,424)
Net cash (used in)/generated from operating activities	16,479	26,362
Acquisition of property, plant and equipment	(5,219)	(7,649)
Acquisition of non-controlling interest	(7,667)	-
Disposal of property, plant and equipment, net of cash disposed	219	951
Disposal of Assets Held for Sale, net of cash disposed	3,000	-
Dividend received	210	2,176
Increase in plantation development expenditure	(2,181)	(1,132)
Interest received	1,012	1,065
Net cash used in investing activities	(10,626)	(4,589)
Changes in deposit pledged with licensed banks	1,361	5,229
Interest paid	(2,775)	(2,996)
Net (repayment)/drawdown of term loan	12,805	(3,841)
Net (repayment)/drawdown of short term borrowings	(25,175)	5,193
Other financing activities	(1,752)	6,837
Net cash generated from/(used in) financing activities	(15,536)	10,422
Net increase/(decrease) in cash and cash equivalents	(9,683)	32,195
Effect in exchange rate fluctuations on cash held	388	(811)
Cash and cash equivalents at beginning of period	81,953	40,845
Cash and cash equivalents classified as assets held for sale	(775)	(11,215)
Cash and cash equivalents at end of period	71,883	61,014
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :		
Cash in hand and at banks	33,136	42,499
Deposits with licensed bank	84,434	95,244
Cash and cash equivalents (as per consolidated statement of financial position)	117,570	137,743
Bank overdrafts	(8,555)	(33,098)
Deposits pledged with licensed banks	(37,132)	(43,631)
	71,883	61,014

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 2013.

KUB MALAYSIA BERHAD

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

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

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 2013.

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 2013, 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 2014:

Standard	Title
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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 2013.

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 30 June 2014 is as follows:

Continuing Operations

	ICT	Energy	Agro	Food	PEC	Others	Eliminations	Total
RM'000								
Revenue								
External sales	18,183	262,242	18,003	19,514	27,913	210	-	346,065
Inter-segment sales	211	-	-	-	5,810	18,425	(24,446)	-
Total revenue	18,394	262,242	18,003	19,514	33,723	18,635	(24,446)	346,065
Results								
Profit / (loss) from operations	1,192	3,465	5,859	(292)	236	(6,029)	-	4,431
Interest income	159	348	177	-	173	155	-	1,012
Finance costs	(79)	(43)	(310)	(11)	(1,304)	(1,028)	-	(2,775)
Share of profit of associates	-	-	-	-	-	4,442	-	4,442
Profit / (loss) before tax	1,272	3,770	5,726	(303)	(895)	(2,460)	-	7,110
Income tax expense	145	(943)	(1,283)	-	(187)	(2)	-	(2,270)
Profit / (loss) for the period	1,417	2,827	4,443	(303)	(1,082)	(2,462)	-	4,840

Discontinued Operations

	Food	PEC	Total
RM'000			
Revenue			
External sales	6,392	-	6,392
Inter-segment sales	-	-	-
Total revenue	6,392	-	6,392
Results			
Profit / (loss) from operations	(726)	-	(726)
Interest income	-	-	-
Finance costs	-	-	-
Profit / (loss) before tax	(726)	-	(726)
Income tax expense	-	-	-
Profit / (loss) for the period	(726)	-	(726)

8. Segment reporting (cont'd)

Segment information for the preceding year corresponding period ended 30 June 2013 is as follows:

Continuing Operations

	ICT	Energy	Agro	Food	PEC	Others	Eliminations	Total
RM'000								
Revenue								
External sales	25,559	235,932	14,410	22,096	165,215	273	-	463,485
Inter-segment sales	251	-	-	38	-	2,001	(2,290)	-
Total revenue	25,810	235,932	14,410	22,134	165,215	2,274	(2,290)	463,485
Results								
Profit / (loss) from operations	(2,324)	3,260	3,292	556	4,425	(3,784)	-	5,425
Interest income	179	256	291	-	176	136	-	1,038
Finance costs	38	(42)	(359)	(38)	(1,525)	(1,070)	-	(2,996)
Share of results of associates	-	-	-	-	-	2,715	-	2,715
Profit / (loss) before tax	(2,107)	3,474	3,224	518	3,076	(2,003)	-	6,182
Income tax expense	-	(868)	(1,194)	-	(116)	(5)	-	(2,183)
Profit / (loss) for the period	(2,107)	2,606	2,030	518	2,960	(2,008)	-	3,999

Discontinued Operations

	Food	PEC	Total
RM'000			
Revenue			
External sales	8,464	-	8,464
Inter-segment sales	-	-	-
Total revenue	8,464	-	8,464
Results			
Profit / (loss) from operations	(1,204)	(674)	(1,878)
Interest income	-	27	27
Finance costs	-	-	-
Profit / (loss) before tax	(1,204)	(647)	(1,851)
Income tax expense	-	-	-
Profit / (loss) for the period	(1,204)	(647)	(1,851)

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

ICT Sector : The revenue from the sector fell to RM18.2 million this period as compared to RM25.6 million in the preceding year primarily due to slow order from customers on the existing projects while new projects have yet to be secured. However, the financial result for the sector was favourable due to higher margin contributed by the maintenance projects. Included in the previous year's financial result was payment of Voluntary Separation Scheme to the staff of RM2.6 million following the sector's rationalisation exercise in 2013. The Group is currently working with leading ICT players to offer a wider range of ICT infrastructure as well as services and to explore new project initiatives to ensure a long term growth and guaranteed returns.

Energy Sector : Revenue was higher by 11% in the current period as compared to the preceding year due to increase in consumer demand on liquefied petroleum gas (LPG) and higher average contract price. However, the LPG cost was also higher in the current period resulted in smaller gross profit margin. The Group intends to strengthen the LPG business by increasing its storage capacity and expand its line of production at its plant.

Agro Sector : A significant improvement shown by this sector on the back of higher revenue as a result of higher average fresh fruit bunch (FFB) price from RM439 pmt in preceding year to RM544 pmt this year, higher average yield per hectare and lower cost of production. The Group is in the midst of constructing a mill in Mukah, Sarawak to further enhance the income and profit margins for this sector and expected to commence operation in mid 2015 .

8. Segment reporting (cont'd)

Food Sector (*Continuing Operations*) : The sector's revenue reduced by 12% as compared to the preceding year due to cessation of its hotel business and lower sales from A&W restaurants in Malaysia as a result of relocation and renovation of several outlets. Despite cessation of the hotel business, the administrative expenses were still incurred resulted in loss to the Food sector. For A&W Malaysia, the Group intends to continuously improve its sales and market share by opening more outlets.

PEC Sector (*Continuing Operations*) : The sector experiencing lower revenue for the current period due to no big projects undertaken as compared to the preceding year ie. KLIA2 project and construction of a power substation in Johor Bahru, hence resulted in a loss position. Nevertheless, Precast Products Sdn Bhd, which manufactures IBS elements has managed to generate profit and expected to significantly contribute to the profitability of the Group.

9. Notes to profit/(loss) before tax

	6 months ended 30/6/2014 RM'000	6 months ended 30/6/2013 RM'000
Profit/(loss) before tax is arrived after crediting/(charging):		
Interest income	1,012	1,038
Other income including investment income	1,515	2,730
Interest expense	(2,775)	(2,996)
Depreciation and amortisation	(8,696)	(8,446)
Allowance for impairment on receivables	-	(56)
Write off of assets	(650)	(240)
Gain on disposal of property, plant and equipment	217	362
Gain on disposal of assets held for sale	1,235	-
Impairment of assets	-	(243)
Impairment of initial fees	-	(117)
Foreign exchange gain	1,522	875
Gain / (loss) on derivatives	4	137

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 30 June 2014 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 30 June 2014 that have not been reflected in the condensed financial statements.

12. Changes in the composition of the group

On 18 March 2014, the issued and paid up capital of the Company's wholly owned subsidiary, KUB Builders Sdn. Bhd. ("KUBB") has increased from 10,000,000 ordinary shares at RM1.00 per share to 30,000,000 ordinary shares at RM1.00 per share by capitalising the amount owing to its holding Company, KUB Malaysia Berhad of RM20 million. The purpose of the capitalisation of the amount owing is to improve KUBB's financial position.

The authorised share capital of KUBB has also increased from 25,000,000 ordinary shares at RM1.00 per share to 50,000,000 ordinary shares at RM1.00 per share.

On 28 March 2014, the Company has entered into a Share Sale Agreement with JEKS Engineering Sdn. Bhd. for the acquisition of 4,149,000 ordinary shares of RM1.00 each representing 30% of the equity interest held by JEKS in Precast Products Sdn. Bhd. ('PPSB') for a total purchase consideration of RM7,650,000.

The acquisition will allow the Group to have full control of PPSB with the remaining shares in PPSB held by KUB Builders Sdn Bhd.

The purchase consideration has been fully paid and transfer of shares have been completed on 15 June 2014.

12. Changes in the composition of the group (cont'd)

On 27 May 2014, KUBM has entered into a Share Sale Agreement with Mohd Fadzli bin Ghazali for the acquisition of 1,200,000 ordinary shares of RM1.00 each representing 30% of the equity interest held by Mohd Fadzli bin Ghazali in Empirical Systems (M) Sdn Bhd ('Empirical') for a total purchase consideration of RM1.00. The acquisition has made Empirical, a wholly-owned subsidiary of KUB Malaysia Berhad.

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:

	6 months ended 30/6/2014 RM'000
Capital expenditure:	
Property, plant and equipment	
Approved and contracted for	7,399
Approved but not contracted for	44,555

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 2013.

15. Tax

	3 months ended		6 months ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current tax	981	1,037	2,503	2,183
Over provision in prior year	-	-	(145)	-
	981	1,037	2,358	2,183
Deferred tax:				
Current	-	-	(88)	-
	-	-	(88)	-
	981	1,037	2,270	2,183

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 30/6/2014 RM'000
<u>Non-current</u>		
Term loans	- secured	47,177
Finance leases		4,309
		51,486
<u>Current</u>		
Term loans	- secured	11,437
Bank overdrafts	- secured	8,555
Bankers' acceptances / Trust receipts	- secured	3,935
Finance leases		1,937
		25,864

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 higher profit before tax of RM4.1 million as compared to a profit before tax of RM3.0 million in the immediate preceding quarter. The improved result was due to better margin contributed by energy and food sectors and a gain on disposal of property of RM1.2 million.

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 30 June 2014, the Group recorded a revenue of RM346.1 million and a profit before tax of RM7.1 million as compared to the revenue of RM463.5 million and a profit before tax of RM6.2 million in the previous corresponding period. Despite its lower turnover, the profit before tax has improved in the current period as a result of improved FFB price, higher yield per hectare and lower cost of production by Agro sector, positive results shown by the ICT sector and higher other income generated.

21. Prospects

Despite the challenges ahead, the Group will strive to improve its performance by increasing its operational efficiency, continuing its cost optimisation exercise and improve productivity across all aspects of its operations. The Group will also continue to seek new projects and initiatives to enhance its profitability.

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 30 June 2014.

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 30/6/2014 RM'000	As at 30/6/2013 RM'000
Total accumulated loss of the Company and its subsidiaries		
- Realised	(549,886)	(591,154)
- Unrealised	(1,933)	(8,298)
Total share of retained earnings / (loss) from associated companies		
- Realised	24,616	21,897
- Unrealised	(2,009)	(1,794)
	(529,212)	(579,349)
Group consolidation adjustments	533,504	578,982
Total Group retained earnings / (loss) as per consolidated financial statements	<u>4,292</u>	<u>(367)</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		6 months ended	
		30/6/2014	30/6/2013	30/6/2014	30/6/2013
Earnings / (Loss) for the period attributable to owners of the parent		RM'000	RM'000	RM'000	RM'000
- From continuing operations		2,692	3,694	4,059	5,102
- From discontinued operations		(248)	(1,032)	(726)	(1,851)
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) 0.48	0.66	0.73	0.92
- From discontinued operations		(sen) (0.04)	(0.19)	(0.13)	(0.33)

(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:

		6 months ended 30/6/2014 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		3,743
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		349

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.

On 15 June 2014, KUB Malaysia Berhad has completed the acquisition of the 30% equity interest in Precast Products Sdn Bhd held by Jeks Engineering Sdn Bhd. Thus, Jeks Engineering Sdn Bhd and Jeks Engineering Pte Ltd have ceased to be the Group's related party.

By Order of the Board

Sharina Saidon
Company Secretary
26 August 2014