



Interim Financial Report on
Unaudited Consolidated Results for the
Second Quarter Ended
30 June 2015

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KUB MALAYSIA BERHAD

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

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 30 June 2015.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2014 RM'000	CURRENT YEAR TO DATE 30/6/2015 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 30/6/2014 RM'000
CONTINUING OPERATIONS				
Revenue	114,645	170,694	220,130	352,457
Operating expenses	(121,738)	(171,295)	(234,072)	(353,304)
Other operating income	2,917	2,945	18,642	4,552
Results from operating activities	(4,176)	2,344	4,700	3,705
Finance income	560	552	946	1,012
Finance costs	(635)	(1,307)	(1,388)	(2,775)
Share of profit of associates	2,325	2,227	4,620	4,442
Profit / (loss) before tax	(1,926)	3,816	8,878	6,384
Income tax expense	(1,032)	(981)	(1,088)	(2,270)
Profit / (loss) for the period from continuing operations	(2,958)	2,835	7,790	4,114
DISCONTINUED OPERATIONS				
Loss for the period from discontinued operations	(177)	-	(374)	-
Profit / (loss) for the period	(3,135)	2,835	7,416	4,114
Other comprehensive income:				
Net gain / (loss) on available-for-sale financial assets	398	260	1,098	(811)
Foreign currency translation	(13)	(94)	60	(137)
Total comprehensive income / (loss) for the period	(2,750)	3,001	8,574	3,166
Profit / (loss) attributable to:				
Owners of the parent				
- from continuing operations	(2,662)	2,444	7,868	3,333
- from discontinued operations	(97)	-	(205)	-
	(2,759)	2,444	7,663	3,333
Non-controlling interest	(376)	391	(247)	781
	(3,135)	2,835	7,416	4,114
Total comprehensive income / (loss) attributable to:				
Owners of the parent	(2,374)	2,610	8,821	2,385
Non-controlling interest	(376)	391	(247)	781
	(2,750)	3,001	8,574	3,166
Earnings / (Loss) per share attributable to owners of the parent (sen) :				
Basic and diluted				
- from continuing operations	(0.48)	0.44	1.41	0.60
- from discontinued operations	(0.02)	-	(0.04)	-
	(0.50)	0.44	1.38	0.60

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 2014.

KUB MALAYSIA BERHAD

(Company No. 6022-D)
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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT QUARTER 30/6/2015 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2014 RM'000
Assets		
Property, plant and equipment	173,966	152,544
Land held for property development	4,611	4,610
Plantation development expenditure	49,066	48,218
Investment properties	7,982	8,183
Investment in associates	26,152	23,116
Other investments	5,549	4,451
Intangible assets	899	545
Deferred tax assets	9,473	9,469
Total non-current assets	277,698	251,136
Inventories	16,583	15,367
Trade and other receivables	109,532	102,067
Tax recoverable	415	699
Cash and bank balances	110,409	125,061
Total current assets	236,939	243,194
Non-current assets held for sale	10,930	24,864
Assets of disposal group classified as held for sale	-	975
Total Assets	525,567	520,169
Equity		
Share capital	222,586	222,586
Reserves	45,245	44,087
Retained earnings	10,706	3,043
Total equity attributable to owners of the parent	278,537	269,716
Non-controlling interest	9,732	10,379
Total equity	288,269	280,095
Liabilities		
Borrowings	41,339	39,933
Deferred tax liabilities	13,695	13,695
Total non-current liabilities	55,034	53,628
Trade and other payables	161,198	164,333
Provision for tax	3,401	2,945
Borrowings	17,597	19,147
Derivative financial liability	68	7
Total current liabilities	182,264	186,432
Liabilities of disposal group classified as held for sale	-	14
Total liabilities	237,298	240,074
Total equity and liabilities	525,567	520,169
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.50	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 2014

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent						Attributable to owners of the parent						
							Non-distributable reserves						Non-controlling interests
	Equity, total	Equity, total	Share capital	Share premium	Retained earnings / (loss)	Other Reserves, total	Capital reserve	Capital redemption reserve	Fair value adjustment reserve	Premium paid on acquisition non-controlling interests	Translation reserve	Merger reserve	Non-controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	280,095	269,716	222,586	5,965	3,043	38,122	34,016	312	2,294	(10,079)	432	11,147	10,379
Profit for the period	7,416	7,663	-	-	7,663	-	-	-	-	-	-	-	(247)
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	1,158	1,158	-	-	-	1,158	-	-	1,098	-	60	-	-
Total comprehensive income / (loss)	8,574	8,821	-	-	7,663	1,158	-	-	1,098	-	60	-	(247)
Dividend paid to minority interest at subsidiary	(400)	-	-	-	-	-	-	-	-	-	-	-	(400)
At 30 June 2015	288,269	278,537	222,586	5,965	10,706	39,280	34,016	312	3,392	(10,079)	492	11,147	9,732
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

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 2014.

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR YEAR TO DATE 30/6/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2014 RM'000
Profit / (Loss) before taxation		
- Continuing Operation	8,878	6,384
- Discontinued Operation	(374)	-
Adjustments for :		
Depreciation of property, plant and equipment	6,352	7,125
Depreciation of investment properties	271	300
Amortisation of plantation development expenditure	1,188	1,218
Amortisation of intangible assets	80	53
Gain on disposal of property, plant and equipment	(35)	(217)
Gain on disposal of assets held for sale	(7,421)	(1,235)
Provision of liquidated ascertained damages	2,039	-
Property, plant and equipment written off	-	650
Allowance for impairment on receivables	3,469	-
Share of profit of associates	(4,620)	(4,442)
Others	503	27
Operating profit / (loss) before working capital changes	10,330	9,863
Changes in working capital:		
Inventories	(1,216)	(1,864)
Payables	(11,735)	50,495
Receivables	(2,301)	(41,011)
	(15,252)	7,620
Tax paid	(2,784)	(1,004)
Net cash (used in)/generated from operating activities	(7,706)	16,479
Acquisition of property, plant and equipment	(27,921)	(5,219)
Acquisition of non-controlling interest	-	(7,667)
Disposal of property, plant and equipment, net of cash disposed	136	219
Disposal of Assets Held for Sale, net of cash disposed	23,500	3,000
Dividend received	228	210
Increase in plantation development expenditure	(2,037)	(2,181)
Interest received	946	1,012
Net cash used in investing activities	(5,148)	(10,626)
Changes in deposit pledged with licensed banks	960	1,361
Interest paid	(1,388)	(2,775)
Net (repayment)/drawdown of term loan	1,706	12,805
Net (repayment)/drawdown of short term borrowings	1,006	(25,175)
Other financing activities	(1,066)	(1,752)
Net cash generated from/(used in) financing activities	1,218	(15,536)
Net increase/(decrease) in cash and cash equivalents	(11,636)	(9,683)
Effect in exchange rate fluctuations on cash held	(256)	388
Cash and cash equivalents at beginning of period	76,584	81,953
Cash and cash equivalents classified as assets held for sale	-	(619)
Cash and cash equivalents at end of period	64,692	72,039
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :		
Cash in hand and at banks	24,671	33,292
Deposits with licensed bank	85,738	84,434
Cash and cash equivalents (as per consolidated statement of financial position)	110,409	117,726
Bank overdrafts	(7,971)	(8,555)
Deposits pledged with licensed banks	(37,746)	(37,132)
	64,692	72,039

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 2014.

KUB MALAYSIA BERHAD

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 audited financial statements for the year ended 31 December 2014.

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 2014, except for the mandatory adoption of the following new/revised FRSs and amendments to FRSs :

Standard	Title
Amendments to FRS 119 Amendments to FRSs	Defined Benefit Plans : Employee Contributions Annual Improvements to FRSs 2010-2012 Cycle Annual Improvements to FRSs 2011-2013 Cycle

Malaysian Financial Reporting Standards

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities should apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 Revenue from Contracts with Customers and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, the MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in its financial statements for the financial year ending 31 December 2017, being the first set of financial statements prepared in accordance with the new MFRS Framework.

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 2014.

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

Effective 1 June 2015, the Board has approved the new corporate organisation structure which gives effect to a new composition of business segment. 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 Technology ("IT"), Energy, Agro Business ("Agro"), Food Business ("Food"), Engineering & Construction ("EC"), Properties ("Properties"), and Power / Oil & Gas ("Power / O&G").

Segment information for the current financial period ended 30 June 2015 is as follows:

Continuing Operations

	IT	Energy	Agro	Food	EC	Properties	Power/ O&G	Others	Eliminations	Total
RM'000										
Revenue										
External sales	16,373	144,677	17,065	29,138	10,982	1,230	437	228	-	220,130
Inter-segment sales	126	-	-	-	568			4,584	(5,278)	-
Total revenue	16,499	144,677	17,065	29,138	11,550	1,230	437	4,812	(5,278)	220,130
Results										
Profit / (loss) from operations	2,477	1,730	3,813	409	(8,863)	(87)	(7,048)	12,269	-	4,700
Interest income	143	476	49	-	49	3	60	166	-	946
Finance costs	(39)	(42)	(226)	(18)	(546)	(1)	(83)	(433)	-	(1,388)
Share of profit of associates	-	-	-	-	-			4,620	-	4,620
Profit / (loss) before tax	2,581	2,164	3,636	391	(9,360)	(85)	(7,071)	16,622	-	8,878
Income tax expense	347	(540)	(793)	-	-	(99)		(3)	-	(1,088)
Profit / (loss) for the period	2,928	1,624	2,843	391	(9,360)	(184)	(7,071)	16,619	-	7,790

Discontinued Operations

	Others *
RM'000	
Revenue	
External sales	-
Inter-segment sales	-
Total revenue	-
Results	
Profit / (loss) from operations	(374)
Interest income	-
Finance costs	-
Profit / (loss) before tax	(374)
Income tax expense	-
Profit / (loss) for the period	(374)

*(a subsidiary which is in the process of liquidation)

8. Segment reporting (cont'd)

Segment information for the preceding year corresponding period ended 30 June 2014 is as follows:

Continuing Operations

	IT	Energy	Agro	Food	EC	Properties	Power/ O&G	Others	Eliminations	Total
RM'000										
Revenue										
External sales	18,183	262,242	18,003	25,906	25,406	1,228	1,279	210	-	352,457
Inter-segment sales	211	-	-	-	5,810			18,425	(24,446)	-
Total revenue	18,394	262,242	18,003	25,906	31,216	1,228	1,279	18,635	(24,446)	352,457
Results										
Profit / (loss) from operations	1,192	3,465	5,859	(238)	1,268	21	(1,554)	(6,308)	-	3,705
Interest income	159	348	177	-	43	5	82	198	-	1,012
Finance costs	(79)	(43)	(310)	(11)	(711)	-	(593)	(1,028)	-	(2,775)
Share of results of associates	-	-	-	-	-			4,442	-	4,442
Profit / (loss) before tax	1,272	3,770	5,726	(249)	600	26	(2,065)	(2,696)	-	6,384
Income tax expense	145	(943)	(1,283)	-	(88)	(99)	-	(2)	-	(2,270)
Profit / (loss) for the period	1,417	2,827	4,443	(249)	512	(73)	(2,065)	(2,698)	-	4,114

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

IT Sector : The sector recorded two-fold increase in terms of pre-tax profit i.e. RM2.6 million as compared to RM1.3 million in corresponding period last year. This was contributed from higher margin derived from maintenance projects.

Energy Sector : The sector remains profitable despite experiencing a significant drop in revenue by 45%. This was mainly due to lower average contract price (CP) and sales volume for the liquefied petroleum gas (LPG) as compared to the preceding year. The cost of purchase of the LPG had also increased resulted from high stock holding cost and weakening of RM against US Dollar. These adverse factors had eventually resulted in lower profit before tax of RM2.2 million for the sector as compared to higher profit recorded in preceding year of RM3.8 million.

Agro Sector : Being the main contributor to the operating profit of the Group, the sector has managed to record a pre-tax profit of RM3.6 million. Nevertheless, the sector has experienced lower average FFB price whilst its crop harvested had marginally increased by 16%. The drop in the price had resulted in lower revenue hence its profit before tax for the current period.

Food Sector : The sector's performance has improved substantially as a result of higher sales achieved in both A&W restaurants in Malaysia and Thailand. The opening of AWM's four new outlets in Senai, Gong Badak, Puchong, and PJ Palm in Petaling Jaya had helped to boost the sales in the current period. In addition, with improved cost efficiency practised, the sector had managed to turnaround from the loss before tax of RM249,000 to profit before tax of RM391,000.

EC Sector : The sector incurred loss in the current period as compared to pre-tax profit of RM600,000 in the preceding year. This is due to the significant drop in revenue as minimal project undertaken in the current period whilst slow order recorded in current projects.

Properties Sector : The sector has remained stagnant with current rental of properties. The sector incurred loss in current period compared to the preceding year due to operational cost increment.

Power / O&G Sector : The sector continued to incur loss in the current period as minimal revenue was generated. The newly secured projects are still in preliminary stage.

9. Notes to profit/(loss) before tax

	6 months ended 30/6/2015 RM'000	6 months ended 30/6/2014 RM'000
Profit/(loss) before tax is arrived after crediting/(charging):		
Interest income	946	1,012
Other income including investment income	10,678	1,574
Interest expense	(1,388)	(2,775)
Depreciation and amortisation	(7,891)	(8,696)
Allowance for impairment on receivables	(3,469)	-
Write off of assets	-	(650)
Gain on disposal of property, plant and equipment	35	217
Gain on disposal of assets held for sale	7,421	1,235
Foreign exchange gain	508	1,522
Gain / (loss) on derivatives	(61)	4

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 2015 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 30 June 2015 that have not been reflected in the condensed financial statements.

12. Changes in the composition of the group

There were no changes in the composition of the group as at the date of this announcement since the preceding financial year ended 31 December 2014.

13. Capital commitments

There are no capital commitments except as disclosed below:

6 months ended
30/6/2015
RM'000

Capital expenditure:

Property, plant and equipment

Approved and contracted for

29,590

Approved but not contracted for

31,033

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 2014.

15. Tax

Malaysian income tax:

Current tax

Over provision in prior year

3 months ended		6 months ended	
30/6/2015	30/6/2014	30/6/2015	30/6/2014
RM'000	RM'000	RM'000	RM'000
1,028	981	1,431	2,503
-	-	(347)	(145)
1,028	981	1,084	2,358
4	-	4	(88)
4	-	4	(88)
1,032	981	1,088	2,270

Deferred tax:

Current

The effective tax rate for the current financial year under review is lower than the statutory tax rate as certain gain or income are not taxable.

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
30/6/2015
RM'000

Non-current

Term loans

- secured

39,770

Finance leases

1,569

41,339

Current

Term loans

- secured

6,014

Bank overdrafts

- secured

7,971

Bankers' acceptances / Trust receipts

- secured

1,406

Finance leases

2,206

17,597

18. Material litigation

Saved as disclosed below, the Group does not have any other material litigation which would have a material effect on the financial position of the Group.

On 10 April 2015, KUB Builders Sdn Bhd ("KUBB"), a wholly owned subsidiary of KUB Malaysia has received judgment of a court case against Bina Rezeki Sdn Bhd ("BR"). KUBB appointed BR as sub-contractor for the School Project in 2009. BR argued that since they had completed the works and the Defect Liability Period ("DLP") has expired, KUBB must release the retention sum of RM1,165,793.42. KUBB counter-argued that the release can be made only after Ministry Of Education ("MOE") has issued the Certificate of Making Good Defect (CMGD) to KUBB. KUBB also contended that the works performed by Bina Rezeki was not satisfactory and KUBB had to pay a third party contractor for an amount of RM494,271 to rectify the defects. The High Court allowed BR's claim and ordered KUBB to pay RM1,180,419.44 (being the judgment sum of RM1,149,789.42 plus cost of RM30,000 and interest of RM630.02). KUBB and BR subsequently agreed for the payment to be made by installments. The last payment of RM182,604.86 will be paid on 7 September 2015. The claim amount was RM1,165,793.42.

On 14 August 2015, Swee Construction & Transports Co (M) Sdn Bhd ("Swee") commenced an arbitration proceeding against KUB Builders Sdn Bhd ("KUBB") at Kuala Lumpur Regional Centre for Arbitration ("KLRC") before the sole Arbitrator, Dato' Mah Weng Kwai. The claim is in relation to the sub-contract works awarded by KUBB to Swee for the KLIA2 Project in 2012. The claim amount is RM34,192,682.13 comprising of (i) RM18,191,264.09 for certified works and retention sum, and (ii) RM16,001,418.04 non-certified claims (e.g. loss & expense, loss of profit). The Arbitrator has directed the parties to file the Statement of Claim and Statement of Defence on 23 September 2015 and 16 October 2015 respectively. The hearing dates have been fixed to be on 18-26 January 2016. Relatedly, Swee also filed for adjudication under Construction Industry Payment Act 2012 (CIPAA) for the sum of RM18,191,264.09, which is part of the amount claimed under the arbitration proceeding.

On 19 August 2015, KUB Builders Sdn Bhd ("KUBB"), a wholly owned subsidiary of KUB Malaysia was served a Statutory Notice under Section 218(2)(a) of the Companies Act 1965 by Ket Kenson Berhad ("KK"). Earlier on 7 July 2015, KUBB received judgment of a court case against KK. The claim is for alleged work done of RM1,435,008.25 and retention sum of RM128,502.41, in relation to the School Project awarded by the MOE to KUBB in 2008. KUBB appointed KK on 8 February 2010 for RM2,570,049.00 after another subcontractor failed to complete its works. However, due to poor performance and prolong delays, KUBB issued many reminders and on 24 November 2010 terminated KK's contract. The Trial was completed on 12 May 2015. The High Court allowed KK's claims and awarded RM20,000 costs against KUBB & KUB. A Notice of Appeal was filed on 6 August 2015. The claim amount was RM1,563,510.66.

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

During the current quarter, the Group recorded a loss before tax of RM1.9 million as compared to a profit before tax of RM10.8 million in the immediate preceding quarter. Included in the previous quarter was other income earned from receipt of settlement of early release of a lease for a sum of RM9 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 2015, the Group recorded a revenue of RM220.1 million and a profit before tax of RM8.9 million as compared to the revenue of RM352.5 million and a profit before tax of RM6.4 million in the previous corresponding period. Despite its lower turnover, the profit before tax has improved in the current period due to cost optimisation exercise implemented. The other main contributor is other income received during the period under review.

21. Prospects

In 2015, the Group's business segments are expected to continue operating in a challenging environment with adverse market sentiments. The Group is constantly looking to boost efficiencies, streamlining and consolidating operations for greater resources optimisation across all business units.

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.

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 30/6/2015 RM'000	As at 30/6/2014 RM'000
Total accumulated loss of the Company and its subsidiaries		
- Realised	(507,313)	(549,886)
- Unrealised	(9,068)	(1,933)
Total share of retained earnings / (loss) from associated companies		
- Realised	30,419	24,616
- Unrealised	(2,683)	(2,009)
	(488,645)	(529,212)
Group consolidation adjustments	499,351	533,504
Total Group retained earnings / (loss) as per consolidated financial statements	<u>10,706</u>	<u>4,292</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	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
Earnings / (Loss) for the period attributable to owners of the parent	RM'000	RM'000	RM'000	RM'000
- From continuing operations	(2,662)	2,444	7,868	3,333
- From discontinued operations	(97)	-	(205)	-
Weighted average number of ordinary shares in issue	('000)			
	556,465	556,465	556,465	556,465
Basic earnings / (loss) per share	(sen)			
- From continuing operations	(0.48)	0.44	1.41	0.60
- From discontinued operations	(0.02)	-	(0.04)	-

(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 not entered into any related party transactions.

By Order of the Board

Sharina Saidon
Company Secretary
26 August 2015