

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Dec 2015 RM'000	PRECEEDING YEAR QUARTER 31 Dec 2014 RM'000	CURRENT YEAR TO DATE 31 Dec 2015 RM'000	PRECEEDING YEAR TO DATE 31 Dec 2014 RM'000
Revenue	46,893	122,067	272,511	534,163
Cost of sales	(32,978)	(79,645)	(224,099)	(379,907)
Gross profit	13,915	42,422	48,412	154,256
Other income	4,031	1,136	6,308	3,067
Operating costs	(14,726)	(13,525)	(51,926)	(45,240)
Finance cost	(2,543)	(2,188)	(10,852)	(6,003)
Share of loss of a joint venture	(1)	(4)	(6)	(4)
Share of profit of an associate	(36)	119	188	180
Profit/(Loss) before tax	640	27,960	(7,876)	106,256
Tax expense	(4,080)	(9,749)	(8,268)	(32,955)
(Loss)/Profit for the financial period	(3,440)	18,211	(16,144)	73,301
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (expense)/income for the financial period	(3,440)	18,211	(16,144)	73,301
Attributable to:				
Owners of the parent	513	11,704	(9,886)	52,949
Non-controlling interests	(3,953)	6,507	(6,258)	20,352
	(3,440)	18,211	(16,144)	73,301
Earnings/(Loss) per ordinary share attributable to equity holders of the Company (sen) :				
- Basic	0.13	3.19	(2.54)	14.41
- Diluted	0.13	2.22	(2.54)	10.04

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	(UNAUDITED) AS AT 31 Dec 2015 RM'000	(AUDITED) AS AT 31 Dec 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	55,061	54,526
Land held for property development	90,276	87,579
Investment properties	38,755	-
Investment in a joint venture	244	251
Investment in an associate	3,691	3,502
Deferred tax assets	4,527	7,098
	<u>192,554</u>	<u>152,956</u>
Current assets		
Property development costs	228,813	185,587
Inventories	33,609	34,410
Trade and other receivables	488,017	412,504
Current tax assets	981	1,890
Short term funds	818	1,501
Cash and bank balances	42,385	46,847
	<u>794,623</u>	<u>682,739</u>
TOTAL ASSETS	<u>987,177</u>	<u>835,695</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	97,730	97,730
Share premium	85,545	85,545
Treasury shares	(419)	(3,008)
Retained earnings	138,112	152,835
	<u>320,968</u>	<u>333,102</u>
Non-controlling interests	<u>1,499</u>	<u>7,752</u>
TOTAL EQUITY	<u>322,467</u>	<u>340,854</u>
Non-current liabilities		
Borrowings	49,497	12,628
Deferred tax liabilities	2,271	3,571
	<u>51,768</u>	<u>16,199</u>
Current liabilities		
Trade and other payables	358,842	299,389
Borrowings	244,391	160,777
Current tax liabilities	9,709	18,476
	<u>612,942</u>	<u>478,642</u>
TOTAL LIABILITIES	<u>664,710</u>	<u>494,841</u>
TOTAL EQUITY AND LIABILITIES	<u>987,177</u>	<u>835,695</u>
Net assets per share attributable to owners of the parent (RM)	0.83	0.86

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

GABUNGAN AQRS BERHAD
(Company No. 912527-A)
(Incorporated in Malaysia)

26 February 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----							
	-----Non-distributable-----			Distributable	Total	Non-controlling-interests		Total equity
	Share capital	Share premium	Treasury shares	Retained earnings				
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Balance as at 1 January 2015	97,730	85,545	(3,008)	152,835	333,102	7,752	340,854	
Loss for the financial period /								
Total comprehensive (expense)/income for the period	-	-	-	(9,886)	(9,886)	(6,258)	(16,144)	
Acquisition of a subsidiary	-	-	-	-	-	5	5	
Dividend paid	-	-	4,837	(4,837)	-	-	-	
Shares repurchased	-	-	(2,248)	-	(2,248)	-	(2,248)	
Balance as at 31 December 2015	<u>97,730</u>	<u>85,545</u>	<u>(419)</u>	<u>138,112</u>	<u>320,968</u>	<u>1,499</u>	<u>322,467</u>	

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----							
	-----Non-distributable-----			Distributable	Total	Non-controlling-interests		Total equity
	Share capital	Share premium	Treasury shares	Retained earnings				
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
Balance as at 1 January 2014	88,880	56,041	(344)	106,657	251,234	10,919	262,153	
Profit for the financial period /								
Total comprehensive income for the period	-	-	-	52,949	52,949	20,352	73,301	
Dividend paid	-	-	-	(6,771)	(6,771)	(23,519)	(30,290)	
Issuance of ordinary share - Private Placement	8,850	30,090	-	-	38,940	-	38,940	
Share issue expenses	-	(586)	-	-	(586)	-	(586)	
Shares repurchased	-	-	(2,664)	-	(2,664)	-	(2,664)	
Balance as at 31 December 2014	<u>97,730</u>	<u>85,545</u>	<u>(3,008)</u>	<u>152,835</u>	<u>333,102</u>	<u>7,752</u>	<u>340,854</u>	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2015

	Current 12 months Ended 31 Dec 2015 RM'000	Preceding 12 months Ended 31 Dec 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(7,876)	106,256
Adjustments for :		
Depreciation of property, plant and equipment	12,374	5,787
Bad debt written off	-	3
Interest expense	9,063	6,003
Interest income	(1,075)	(1,803)
Property, plant and equipment written off	-	127
Gain on disposal of property, plant and equipment	(211)	(181)
Gain on disposal of other investment	-	(8)
Share of loss of a joint venture	6	4
Share of profit of an associate	(188)	(180)
Operating profit before changes in working capital	12,093	116,008
Changes in working capital:		
Property development costs	(42,425)	(15,595)
Trade and other receivables	(75,513)	(114,822)
Trade and other payables	59,453	47,759
Cash (used in)/generated from operating activities	(46,392)	33,350
Interest paid	(7,799)	(5,280)
Interest received	1,075	1,803
Tax paid	(16,937)	(26,678)
Tax refunded	2,080	3
Net cash (used in)/generated from operating activities	(67,973)	3,198
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in a joint venture	-	(252)
Investment in an associate	-	(3,322)
Purchase of property, plant and equipment	(7,090)	(27,387)
Purchase of land held for property development	(2,696)	(27,433)
Purchase of investment property	(38,755)	-
Proceeds from disposals of property, plant and equipment	267	216
Proceeds from withdrawal of short term funds	-	980
Withdrawals/(Placements) of fixed deposits pledged	984	(625)
Proceeds from withdrawal of other investments	-	10
Net cash used in investing activities	(47,290)	(57,813)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares to non-controlling interests	5	-
Interest paid	(1,264)	(723)
Dividend paid	-	(6,771)
Dividend paid to non-controlling interests	-	(12,423)
Proceeds from private placements	-	38,940
Payment of private placement expenses	-	(586)
Repurchase of shares	(2,248)	(2,664)
Repayments to hire purchase creditors	(9,372)	(3,993)
Drawdowns of revolving credits	-	5,000
Drawdowns of term loans	163,957	32,696
Repayments of term loans	(13,569)	(50,011)
Net cash generated from financing activities	137,509	(535)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	22,246	(55,150)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(85,660)	(30,510)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(63,414)	(85,660)

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 31 Dec 2015 RM'000	As at 31 Dec 2014 RM'000
Cash and bank balances	8,075	11,554
Fixed deposits with licensed banks	34,310	35,293
Short term funds	818	1,501
	43,203	48,348
Less : Bank overdrafts included in borrowings	(72,307)	(98,715)
Fixed deposits pledged	(34,310)	(35,293)
Total cash and cash equivalents	(63,414)	(85,660)

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2015

A Explanatory Notes in compliance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2014.

A2. Changes in Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 31 December 2014, except for the adoption of the following new/revised FRSs and amendment to FRSs:

On 1 January 2015, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2015.

1 July 2014

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

Adoption of the above amended standards did not have any material effect on the financial performance or position of the Group.

The Group has not adopted the following standards and interpretations that have been issued and not yet effective:

1 January 2016

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to FRSs	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 127	Equity Method in Separate Financial Statements

1 January 2018

FRS 9	Financial Instruments
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A2. Changes in Accounting Policies (Cont'd)

Deferred

Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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Malaysian Financial Reporting Standards (MFRS Framework)

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 that 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').

On 8 September 2015, MASB allowed Transitioning Entities to defer adoption of the MFRS framework to annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of MFRS framework for the financial periods as allowed.

A3. Qualification of Financial Statements

The auditors' report for the preceding audited financial statements was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any seasonal or cyclical factors.

A5. Nature and Amount of Unusual Items

There were no unusual items for the current financial quarter and financial year-to-date.

A6. Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current quarter and financial year-to-date.

GABUNGAN AQRS BERHAD**(Company No: 912527 - A)****(Incorporated in Malaysia)****Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2015****A7. Issuance and Repayment of Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter other than the following:-

During the current quarter, the Company repurchased 50,000 of its own ordinary shares of RM0.25 each from the open market for a total consideration of RM42,500 at an average price of RM0.85 per ordinary share. During the financial year-to-date, a total of 435,502 shares purchased back were held as treasury shares with a total cost of RM419,381. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 in Malaysia.

A8. Dividend Paid

On 3 August 2015, the Share Dividend was credited into the entitled depositor's securities account via a distribution of Treasury Shares on the basis of 1 Treasury Share for every 100 existing ordinary shares of RM0.25 each held in the Company, in respect of the financial year ended 31 December 2014, which was approved by the shareholders during the 5th Annual General Meeting held on 25 June 2015.

Other than the above Share Dividend, there was no dividend proposed for the quarter under review.

A9. Segmental Information

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.

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Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2015

A9. Segmental Information (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

12 months ended 31 December 2015	Construction RM'000	Property Development RM'000	Other RM'000	Total RM'000
Segment Revenue				
Total revenue	309,473	60,419	5,791	375,683
Inter segment revenue	(97,381)	-	(5,791)	(103,172)
Revenue from external customers	212,092	60,419	-	272,511
Interest income	759	248	658	1,665
Finance cost	(5,427)	(4,833)	(592)	(10,852)
Net finance expense	(4,668)	(4,585)	66	(9,187)
Segment (loss)/profit before taxation	(4,262)	6,436	(3,742)	(1,568)
Share of profit of an associate, net of tax	188	-	-	188
Share of loss of a joint venture, net of tax	-	-	(6)	(6)
Taxation	2,099	(10,292)	(75)	(8,268)
Other material non-cash item:				
- Depreciation	(11,415)	(555)	(404)	(12,374)
Additions to non-current assets other than financial instruments and deferred tax assets	10,941	4,341	39,039	54,321
Segment assets	709,511	583,352	303,574	1,596,437
Segment liabilities	532,045	547,793	106,544	1,186,382

GABUNGAN AQRS BERHAD
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Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2015

A9. Segmental Information (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment: (cont'd)

12 months ended 31 December 2014	Construction RM'000	Property Development RM'000	Other RM'000	Total RM'000
Segment Revenue				
Total revenue	406,030	208,940	46,859	661,829
Inter segment revenue	(80,807)	-	(46,859)	(127,666)
Revenue from external customers	325,223	208,940	-	534,163
Interest income	763	710	330	1,803
Finance cost	(3,380)	(2,623)	-	(6,003)
Net finance expense	(2,617)	(1,913)	330	(4,200)
Segment profit/(loss) before taxation	40,123	67,825	(2,979)	104,969
Share of profit of an associate, net of tax	180	-	-	180
Share of loss of a joint venture, net of tax	-	-	(4)	(4)
Taxation	(11,771)	(21,133)	(51)	(32,955)
Other material non-cash item:				
- Depreciation	(5,076)	(575)	(136)	(5,787)
Additions to non-current assets other than financial instruments and deferred tax assets	32,873	39,997	9,491	82,361
Segment assets	618,781	538,999	240,248	1,398,028
Segment liabilities	438,194	501,610	35,173	974,977

Reconciliations of reportable segment revenues and profit or loss to the corresponding amounts of the Group are as follows:

	As at 31 Dec 15 RM'000	As at 31 Dec 14 RM'000
Revenue		
Total revenue for reportable segments	375,683	661,829
Elimination of inter-segmental revenues	(103,172)	(127,666)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	272,511	534,163
(Loss)/Profit for the financial period		
Total loss or profit for reportable segments	(1,568)	104,969
Share of profit of an accosiate, net of tax	188	180
Share of loss of a joint venture, net of tax	(6)	(4)
Elimination of consolidation adjustments	(6,490)	1,111
(Loss)/Profit before tax	(7,876)	106,256
Tax expense	(8,268)	(32,955)
(Loss)/Profit for the financial period of the Group per consolidated statement of profit or loss and other comprehensive income	(16,144)	73,301

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

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Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2015

A9. Segmental Information (Cont'd)

Reconciliations of reportable segment revenues and profit or loss to the corresponding amounts of the Group are as follows:

	As at 31 Dec 15 RM'000	As at 31 Dec 14 RM'000
Assets		
Total assets for reportable segments	1,596,437	1,398,028
Elimination of investment in subsidiaries and consolidation adjustments	(91,198)	(80,403)
Elimination on inter-segment balances	(518,062)	(481,930)
Total assets of the Group per consolidated statement of financial position	<u>987,177</u>	<u>835,695</u>
Liabilities		
Total liabilities for reportable segments	1,186,382	974,977
Elimination of consolidation adjustments	1,794	1,794
Elimination on inter-segment balances	(523,466)	(481,930)
Total liabilities of the Group per consolidated statement of financial position	<u>664,710</u>	<u>494,841</u>

A10. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment performed in the current quarter and financial year-to-date.

A11. Acquisition/Disposal of Property, Plant and Equipment

There was no material acquisition or disposal of property, plant and equipment during the current quarter and financial year-to-date.

A12. Material Subsequent Event

There were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13. Changes in the Composition of the Group

There were no changes to the composition of the Group for the current financial year-to-date, except as follows:

- (a) On 5 February 2015, the Company subscribed for 45,000 ordinary shares of RM1.00 each in Trusvest Sdn. Bhd. (Company No. 1103220-P) ('Trusvest') for a total cash consideration of RM45,000, representing 90% equity interest in Trusvest.
- (b) On 9 April 2015, the Company acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest in the share capital of GBG Properties (Sabah) Sdn Bhd (Company No. 1127983-D) ("GBGPS") for a total consideration of RM2.00.

The acquisition of the above mentioned companies did not have any material financial effect to the Group.

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Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2015

A14. Capital Commitment

	As at 31 Dec 15 RM'000	As at 31 Dec 14 RM'000
Contracted but not provided for:		
- Land held for property development	-	17,154
- Freehold land held under development	65,300	77,000
	<u>65,300</u>	<u>94,154</u>

A15. Contingent Liabilities

Details of contingent liabilities of the Group are as follows:

	As at 31 Dec 15 RM'000	As at 31 Dec 14 RM'000
Bank guarantees given by financial institutions in respect of construction and property projects	<u>133,123</u>	<u>135,796</u>

GABUNGAN AQRS BERHAD

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Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2015

B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia

B1. Review of Performance

Performance of current quarter against the preceding year corresponding quarter

For the current quarter under review, the Group recorded revenue of RM46.89 million and profit after tax and non-controlling interests of RM0.51 million as compared to RM122.06 million and RM11.70 million respectively in preceding quarter ended 31 December 2014.

Construction segment:

This segment reported a lower revenue of RM81.92 million in 4Q2015 compared to RM91.29 million in the same quarter last year (before eliminating inter-segment sales). It recorded a pre-tax profit of RM7.02 million compared to RM10.75 million the previous year corresponding period.

The revenue was lower as some of the existing projects were completed or close to completion during the quarter under review as compared to the preceding year corresponding quarter. The lower revenue correspondingly resulted in lower overall performance for the construction division.

Property development segment:

This segment reported a net reversal in revenue of RM2.51 million in 4Q2015 compared to a revenue of RM46.73 million in the same quarter last year. Current quarter gross revenue prior to netting off with the reversal was RM16.32 million. The reversal was due to sales cancellation arising from buyers' failure to secure end-financing as a result of mortgage loan tightening policies by financial institutions.

The revenue in current quarter is comparatively lower than the same quarter last year because all of the Group's 3 on-going developments, namely, The Peak (serviced apartments in Jalan Temenggong, Johor Bahru), Permas Centro (shop offices in Permas Jaya, Johor Bahru) and 'The Avenue' (shop offices located in Kinrara Uptown, Puchong) were in full swing. 'The Avenue' was completed in November 2014, thus it no longer contribute to the current year quarter's performance.

Current quarter result recorded a pre-tax loss of RM1.97 million compared to a profit before tax of RM32.21 million the previous year corresponding period. The loss for the quarter was mainly due to the impact of sales reversal.

The Group has also written off deferred tax assets (DTA) for a loss making subsidiary amounting to RM2.17 million in the current quarter. The de-recognition of the deferred tax is only temporary as development project to be launched in the future will enable the recognition of these DTA.

GABUNGAN AQRS BERHAD

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(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2015

B2. Material Changes in the Result for the Current Quarter Compared With the Results for the Preceding Quarter

For the current quarter under review, the Group recorded revenue of RM46.89 million and profit after tax and non-controlling interests of RM0.51 million as compared to revenue of RM34.35 million and loss after tax and non-controlling interests of RM21.94 million respectively in the immediate preceding quarter. The Group revenue for the current quarter was contributed by the construction segment.

The Group recorded a profit before tax of RM0.64 million in the current quarter as compared to loss before tax of RM24.04 million in the preceding quarter. The loss in previous quarter was mainly due lower revenue recorded for the current quarter from both divisions coupled with the recognition of foreseeable loss for Tropicana Metropark-Paloma project and the cancellation of sales from the property development segment.

B3. Prospects

On the Property Development front, the Group targets to complete the Permas Centro (shop offices in Permas Jaya, Johor Bahru) by end of second quarter year 2016, ahead of its scheduled completion in September 2016.

The Group's property development projects currently have unbilled sales of sold units amounting to approximately RM138.5 million and unbilled sales in relation to unsold units amounting to approximately RM632.1 million.

On 16 March 2015, the Group entered into a Joint Venture Agreement with Suria Capital Holdings Berhad ("Suria Capital") for a mixed development in Kota Kinabalu, Sabah known as One Jesselton Waterfront. This land is part of the new Kota Kinabalu waterfront and is now one of the most prime land in Kota Kinabalu. The Group has agreed with Suria Capital that the development will have a minimum Net Sales Value (NSV) of RM1.1 billion but both parties will use their best endeavors to increase the NSV to RM1.8 billion. This project is progressing into its next stage with the land title expected to be issued soon which will then hasten the development activities for this project. This project is expected to contribute positively to both revenue and profits to both its Construction and Property Development division in the financial year 2016.

The Group's project on the Provision of Accommodation on Base-Camp Concept complete with necessary facilities for Petronas Chemicals Fertiliser Sabah Sdn Bhd in Sipitang, Sabah is in the midst of handing over and will be ready for occupancy by early March 2016. This project will contribute recurring income to the Group through monthly lease rentals of about RM946,000 commencing in second quarter of year 2016.

On another note, an associate company of the Group, Kreatif Sinar Gabungan Sdn Bhd is now awaiting for the Letter of Award to undertake from the State Government of Pahang for the Proposed Development of Pusat Pentadbiran Sultan Ahmad Shah (PPSAS) in Kuantan. The Group is expected to undertake a significant portion of the construction works for PPSAS once the project has been awarded by the State Government of Pahang.

Arising from active tender bidding exercises, the Construction Division of the Group anticipates its construction order book to be significantly enhanced through a few potential contracts sometime early year 2016.

In spite of the challenging business environment caused by the slowdown in both the local and global economy, the Group remains confident that with its enhanced construction order book and pipeline property development projects, it will be able to deliver satisfactory performance in the financial year 2016.

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B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate in any public document.

B5. Items included in the Statements of Comprehensive Income include:

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 15 RM'000	31 Dec 14 RM'000	31 Dec 15 RM'000	31 Dec 14 RM'000
Interest income	492	512	1,666	1,803
Other income	1,966	383	4,431	864
Interest expense (excluding interest capitalised)	(2,543)	(2,189)	(10,852)	(6,003)
Depreciation and amortisation	(3,856)	(1,996)	(12,374)	(5,787)
Provision for and write off of receivables	*	3	*	3
Provision for and write off of inventories	*	*	*	*
Property, plant and equipment written off	-	(99)	-	(127)
Gain on disposal of property, plant and equipment	(75)	(11)	211	181
Gain on disposal of investment property	*	*	*	*
Goodwill written off	*	*	*	*
Foreign exchange gain or loss	*	*	*	*
Gain or loss on derivatives	*	*	*	*
Exceptional items	*	*	*	*

* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

B6. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 15 RM'000	31 Dec 14 RM'000	31 Dec 15 RM'000	31 Dec 14 RM'000
Current taxation				
- Current year	756	10,278	6,287	33,472
- Prior years	(70)	(303)	(1,233)	(138)
	686	9,975	5,054	33,334
Deferred taxation				
- Current year	6,955	103	3,460	(1,091)
- Prior years	(3,561)	(329)	(246)	712
	3,394	(226)	3,214	(379)
	4,080	9,749	8,268	32,955

The Group effective tax rate for the cumulative quarter is higher than the statutory tax rate mainly due non-allowable expenses for tax deduction and non-recognition of deferred tax assets of loss making subsidiary amounting to RM2.17 million.

The deferred tax assets written off is only temporary and will be recognised and utilised against the taxable profits when the subsidiary starts to have taxable profits in the future, which will then results in lower effective tax rate.

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B7. Status of Corporate Proposals Announced

There were no corporate proposals previously announced but not completed as at 19 February 2016, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report.

B8. Group Borrowings and Debt Securities

	As at 31 Dec 15 RM'000	As at 31 Dec 14 RM'000
The Group's borrowings and debt securities are as follows:		
Long term borrowings		
Secured:		
Hire purchase creditors	5,370	11,765
Term loans	44,127	863
	<u>49,497</u>	<u>12,628</u>
Short term borrowings		
Secured:		
Bank overdrafts	72,307	98,716
Hire purchase creditors	9,793	6,896
Term loans	157,291	49,765
Revolving credit	5,000	5,400
	<u>244,391</u>	<u>160,777</u>

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B9. Material Litigation

Saved as disclosed below, there is no other material litigation pending as at 19 February 2016, being a date not earlier than 7 days from the date of this report:-

- a) On 4 Feb 2016, Pembinaan Megah Ikhlas Sdn Bhd (“PMI”) and Gabungan Strategik Sdn Bhd (“GSSB”), both subsidiaries of the Company, were served with a Writ of Summons and Statement of Claim by Profound Projects Sdn Bhd (“Profound”). Profound is claiming for a total cost of RM3,249,488.04 for balance sum due for workdone, variation of price for diesel/cost of fluctuation and retention sum.

PMI denied the contention by Profound whereby Profound had executed and completed its work as per the Sub-Contract Agreement dated 21 January 2006. PMI had carried out the remaining construction work on behalf of Profound and had incurred a cost of RM3,401,839. In relation to this, PMI had issued Debit Notes and back-charged Profound in respect of the costs incurred. Consequently, PMI decided to pursue to claim back these costs incurred on behalf of Profound.

In accordance to the Letter of Guarantee dated 21 Jan 2006 signed by Profound, Clause 2 to Clause 4, Profound shall indemnify PMI against all losses, damages, costs and expenses which incurred by PMI in respect of default in the due performance of works. Besides, PMI reserves any rights to recover any amount by deduction from any money from Profound. In view of the above, we are in the opinion that the claim would be in favor to PMI.

The suit was filed for case management on 17 February 2016. PMI the 1st defendant herein and GSSB the 2nd defendant herein are required to file Memorandum of Appearance before 29 February 2016 and Statement of Defence and/or Counter Claim before 14 March 2016. The Court has fixed this matter for further Case Management on 21 April 2016 at the Construction Court.

- b) On 18 November 2015, AQRS The Building Company Sdn Bhd (“AQRS”), a subsidiary of the Company, filed a lawsuit against Goodnite and demanded a sum of RM6,833,034, which comprised land costs paid and development costs amounted to RM5,660,329 and RM1,172,706 respectively.

AQRS had entered into a Sale and Purchase Agreement (“SPA”) with Goodnite for the acquisition of leasehold land located at Sungai Lalang. The SPA entered into between Goodnite and AQRS was subject to the conditions precedent as the existing SPA entered into by Goodnite with another party (Merit Trading Sdn. Bhd. (“Merit”)) dated 14 August 2014 be duly terminated and the withdrawal of the existing private caveat dated 18 August 2014.

The above conditions precedent had been fulfilled by Goodnite on 19 November 2014. However, subsequently on 30 April 2015, Merit had lodged a new caveat and demanded a compensation of RM4.5 million from Goodnite. AQRS had on 3 September 2015 decided to terminate this acquisition after Goodnite had failed to remove the new caveat lodged by Merit despite reminders being sent to them.

Goodnite has counterclaimed against AQRS for General Damages in excess of RM5,000,000. The Court has fixed the Suit for Case Management on 22 March 2016.

B10. Dividend

The Board has yet to decide on the dividend for the financial year ended 31 December 2015.

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B11. Earnings/(Loss) Per Share

(a) Basic

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

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 15 RM'000	31 Dec 14 RM'000	31 Dec 15 RM'000	31 Dec 14 RM'000
Profit/(Loss) attributable to equity holders of the Company (RM'000)	513	11,704	(9,886)	52,949
Number of shares at the beginning of the year ('000)	388,445	355,208	388,445	355,208
Share dividend	1,601	-	1,601	-
Share buyback	-	12,802	-	12,802
Effect of Share Buy Back	(1,284)	(636)	(1,284)	(636)
Weighted average number of ordinary shares in issue ('000)	388,762	367,374	388,762	367,374
Basic earnings per share (sen)	0.13	3.19	(2.54)	14.41

(b) Diluted

Diluted earnings per ordinary share are the same as basic earnings per ordinary share as there were no dilutive potential ordinary shares.

The Company has warrants in issue for quarter under review. However, the diluted earnings per ordinary share for the Group would be the same as basic earnings per share as there were no conversion from the exercise of the warrants as the exercise price of the warrants exceeded the average market price of the ordinary shares during the period (i.e. they were 'out of the money').

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 15 RM'000	31 Dec 14 RM'000	31 Dec 15 RM'000	31 Dec 14 RM'000
Profit/(Loss) attributable to equity holders of the Company (RM'000)	513	11,704	(9,886)	52,949
No of ordinary shares for basic earnings per share computation	388,762	367,374	388,762	367,374
Effect of dilution				
- on assumption that all warrants are exercised	- n/a -	159,984	- n/a -	159,984
No of ordinary shares for diluted earnings per share computation	388,762	527,358	388,762	527,358
Diluted earnings per share (sen)	0.13	2.22	(2.54)	10.04

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B12. Realised and Unrealised Retained Profits

	As at 31 Dec 15 RM'000	As at 31 Dec 14 RM'000
Total retained earnings for the Group:		
- Realised	214,574	227,786
- Unrealised	<u>(476)</u>	<u>2,748</u>
	214,098	230,534
Less: Consolidated adjustments	<u>(75,986)</u>	<u>(77,699)</u>
Total group retained earnings as per consolidated accounts	<u><u>138,112</u></u>	<u><u>152,835</u></u>

B13. Authorisation for Issue

This interim financial report was authorised for issuance by the Board of Directors of the Company on 26 February 2016.