

**R&A TELECOMMUNICATION GROUP BERHAD (645677-D)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 30 September 2014	Preceding year corresponding quarter 30 September 2013	Current year to date 30 September 2014	Preceding year corresponding period 30 September 2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	5,942	6,990	24,730	18,835
Cost of sales	(5,575)	(2,567)	(21,657)	(8,118)
Operating expenses	<u>(7,378)</u>	<u>(3,167)</u>	<u>(12,434)</u>	<u>(10,482)</u>
<b>(Loss)/ Earnings before amortisation, depreciation and finance cost</b>	(7,011)	1,256	(9,361)	235
Depreciation and amortisation	(796)	(728)	(2,383)	(2,224)
Finance cost	(799)	(566)	(2,168)	(770)
Other income	<u>150</u>	<u>810</u>	<u>268</u>	<u>1,363</u>
<b>(Loss)/ Profit before tax</b>	(8,456)	772	(13,644)	(1,396)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(Loss)/ Profit after tax</b>	(8,456)	772	(13,644)	(1,396)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/ profit	<u><u>(8,456)</u></u>	<u><u>772</u></u>	<u><u>(13,644)</u></u>	<u><u>(1,396)</u></u>
<b>(Loss)/ Profit attributable to :</b>				
Equity holders of the Company	<u><u>(8,456)</u></u>	<u><u>772</u></u>	<u><u>(13,644)</u></u>	<u><u>(1,396)</u></u>
<b>Total comprehensive (loss)/ income attributable to :</b>				
Equity holders of the Company	<u><u>(8,456)</u></u>	<u><u>772</u></u>	<u><u>(13,644)</u></u>	<u><u>(1,396)</u></u>
(Loss)/ Earnings per share (sen):-				
a) Basic	(0.87)	0.09	(1.41)	(0.16)

Notes :

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares in issue for the quarter and financial period respectively.
- (ii) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended ("FYE") 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**R&A TELECOMMUNICATION GROUP BERHAD (645677-D)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2014**

	As at 30 September 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,407	16,198
Investment property	502	513
Development costs	3,763	4,068
Goodwill	49,724	49,724
Deferred tax assets	2,097	2,097
	<u>68,493</u>	<u>72,600</u>
<b>Current assets</b>		
Inventories	1,182	1,063
Amount due from a customer	2,570	9,632
Accrued billings	6,130	9,966
Work in progress	12,378	3,014
Trade receivables	22,841	21,754
Other receivables	1,705	3,171
Fixed deposits with licensed banks	4,883	5,032
Cash and bank balances	95	255
	<u>51,784</u>	<u>53,887</u>
<b>Total Assets</b>	<u><u>120,277</u></u>	<u><u>126,487</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	48,343	87,897
Reserves	42,666	8,220
Accumulated losses	(12,604)	(8,203)
<b>Shareholders' equity</b>	<u>78,405</u>	<u>87,914</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	228	228
Finance lease liabilities	492	701
	<u>720</u>	<u>929</u>
<b>Current liabilities</b>		
Trade payables	1,568	2,990
Other payables	3,059	3,896
Amount due to a Director	-	188
Bank borrowings	35,409	27,633
Finance lease liabilities	582	1,013
Tax payable	534	1,924
	<u>41,152</u>	<u>37,644</u>
<b>Total liabilities</b>	41,872	38,573
<b>Total equity and liabilities</b>	<u><u>120,277</u></u>	<u><u>126,487</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.08</u>	<u>0.10</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**R&A TELECOMMUNICATION GROUP BERHAD (645677-D)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	Current year to date 30 September 2014 RM'000	Preceding year corresponding period 30 September 2013 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss Before Taxation	(13,644)	(1,396)
Adjustments for Non-cash items	<u>8,026</u>	<u>2,554</u>
<b>Operating (loss)/ profit before working capital changes</b>	<b>(5,618)</b>	<b>1,158</b>
Changes in working capital		
Inventories	(119)	(388)
Contract customers	1,533	(14,155)
Trade and other receivables	(723)	7,957
Trade and other payables	<u>(2,445)</u>	<u>22</u>
<b>Cash used in operations</b>	<b>(7,372)</b>	<b>(5,406)</b>
Interest paid	(2,168)	(770)
Tax paid	<u>(1,390)</u>	<u>(678)</u>
<b>Net cash used in operating activities</b>	<b><u>(10,930)</u></b>	<b><u>(6,854)</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	162	263
Purchase of property, plant and equipment	(570)	(23)
Interest received	<u>25</u>	<u>44</u>
<b>Net cash (used in)/ generated from investing activities</b>	<b><u>(383)</u></b>	<b><u>284</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	(20,605)	(17,033)
Drawdown from borrowings	19,937	21,444
Payment of finance lease liabilities	(907)	(2,053)
Repayment of term loan	-	(630)
Payment of private placement	(260)	-
Private placement from issuance of shares	<u>4,395</u>	<u>-</u>
<b>Net cash generated from financing activities</b>	<b><u>2,560</u></b>	<b><u>1,728</u></b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(8,753)</b>	<b>(4,842)</b>
<b>Cash and Cash Equivalents at beginning of the period</b>	<b>(14,290)</b>	<b>(4,180)</b>
<b>Cash and Cash Equivalents at end of the period</b>	<b><u>(23,043)</u></b>	<b><u>(9,022)</u></b>
Represented by :-		
Fixed deposits with licensed banks	4,883	4,617
Bank overdrafts	(28,021)	(14,099)
Cash and bank balances	<u>95</u>	<u>460</u>
	<b><u>(23,043)</u></b>	<b><u>(9,022)</u></b>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

**R&A TELECOMMUNICATION GROUP BERHAD (645677-D)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	<----- Non-distributable ----->				<-----Distributable----->	
	Share capital RM '000	Share premium RM '000	Revaluation reserve RM '000	Other reserve RM '000	Accumulated losses RM '000	<b>Total Equity RM '000</b>
Balance as at 1 January 2014	87,897	3,898	4,322	-	(8,203)	<b>87,914</b>
Reduction of share capital	(43,949)	-	-	34,706	9,243	-
Private placement from issuance of shares	4,395	-	-	-	-	<b>4,395</b>
Listing expenses for the proposed reduction of share capital	-	(260)	-	-	-	<b>(260)</b>
Loss for the financial year	-	-	-	-	(13,644)	<b>(13,644)</b>
<b>Balance as at 30 September 2014</b>	<b>48,343</b>	<b>3,638</b>	<b>4,322</b>	<b>34,706</b>	<b>(12,604)</b>	<b>78,405</b>
<b>As at preceding year corresponding quarter 30 September 2013</b>						
Balance as at 1 January 2013	87,897	3,898	-	-	(4,948)	<b>86,847</b>
Loss for the financial year	-	-	-	-	(1,396)	<b>(1,396)</b>
<b>Balance as at 30 September 2013</b>	<b>87,897</b>	<b>3,898</b>	<b>-</b>	<b>-</b>	<b>(6,344)</b>	<b>85,451</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

## **R&A TELECOMMUNICATION GROUP BERHAD (645677-D)**

### **NOTES TO THE QUARTERLY REPORT**

#### **PART A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

##### **A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the Financial Year Ended (“FYE”) 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.

##### **A2. Significant accounting policies**

The significant accounting policies and methods of computation adopted by the Group in this quarterly financial statement are consistent with those of the annual financial statements for the year ended 31 December 2013.

The Group has adopted all the new and revised MFRSs and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not impact in significant changes in the accounting policies of the Group.

##### **A3. Qualification on the Auditors’ Report of preceding annual financial statements**

There was no audit qualification to the annual audited financial statements of the Group for the FYE 31 December 2013.

##### **A4. Seasonal or cyclical factors**

The business operations within the industry are not affected by seasonal and cyclical factors.

**A5. Unusual Items**

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

**A6. Changes in estimates of amounts reported**

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

**A7. Issuance or repayment of debt and equity securities**

There was no issuance or repayment of debt or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review.

**A8. Dividend paid**

There was no dividend neither paid nor declared for the current financial quarter under review.

**A9. Segmental information**

The Group is organised into the following operating segments:-

- a. Civil, mechanical and electrical works (“CME”)**
- b. Telecommunication equipment installation (“TI”)**
- c. In-building system (“IBS”)**

**A9. Segmental information (cont'd)**

<b>Quarter Ended 30 September 2014</b>	<b>CME RM'000</b>	<b>TI RM'000</b>	<b>IBS RM'000</b>	<b>Elimi- nations RM'000</b>	<b>Consoli- dated RM'000</b>
Revenue from external customers	3,928	2,091	99	(176)	5,942
Cost of sales	(3,597)	(2,069)	(85)	176	(5,575)
<b>Gross Profit</b>	<b>331</b>	<b>22</b>	<b>14</b>	<b>-</b>	<b>367</b>
Loss before taxation					(8,456)
Income tax expenses					-
<b>Loss after tax</b>					(8,456)
Other comprehensive income					-
<b>Total Comprehensive Loss</b>					(8,456)

<b>Cumulative Year-to-Date Ended 30 September 2014</b>	<b>CME RM'000</b>	<b>TI RM'000</b>	<b>IBS RM'000</b>	<b>Elimi- nations RM'000</b>	<b>Consoli- dated RM'000</b>
Revenue from external customers	19,846	5,108	218	(442)	24,730
Cost of sales	(18,021)	(3,878)	(200)	442	(21,657)
<b>Gross Profit</b>	<b>1,825</b>	<b>1,230</b>	<b>18</b>	<b>-</b>	<b>3,073</b>
Loss before taxation					(13,644)
Income tax expenses					-
<b>Loss after tax</b>					(13,644)
Other comprehensive income					-
<b>Total Comprehensive Loss</b>					(13,644)

**A9. Segmental information (cont'd)**

The Group's segmental information by geographical location is not shown as the activities of the Group are in Malaysia.

**A10. Valuation of property, plant and equipment**

The Company has not carried out valuation on its property, plant and equipment in current financial quarter under review.

**A11. Capital commitments**

There are no material capital commitments in respect of property, plant and equipment as at 30 September 2014.

**A12. Capital expenditure**

The major additions and disposals of the property, plant and equipment during the current financial quarter under review and financial year-to-date were as follows:-

	<b>Current Quarter Ended 30 September 2014 RM'000</b>	<b>Cumulative Year-to-Date 30 September 2014 RM'000</b>
Property, plant & equipment:		
Additions	412	837

**A13. Changes in the composition of the Group**

Save as disclosed below, there were no changes in the composition of the Group for the current financial quarter under review.

On the 8 September 2014, R&A Telecommunication Sdn Bhd, a wholly owned subsidiary of the Company acquired 1 ordinary shares of B\$1 in R&A CS-Com Sdn Bhd comprising 50% equity interest for a total cash consideration of B\$1. In consequence thereof, R&A CS-Com Sdn Bhd became an associate company of R&A Telecommunication Sdn Bhd.

**A14. Contingent liabilities and contingent assets**

Save as disclosed below, the Group does not have any others contingent assets or liabilities as at 30 September 2014.



**A.14 Contingent liabilities and contingent assets (cont'd)**

**RM'000**

Contingent Liabilities :

Corporate guarantees given by our Company to financial institutions for credit facilities granted to our subsidiary companies	35,281
Potential litigation and claim from utility service providers	791

**A15. Subsequent material events**

Save for the corporate proposals as disclosed in Note B7, there were no other material events subsequent to the end of the current quarter under review.

**A16. Significant related party transactions**

There were no related party transactions during the current financial quarter under review.

## **PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

### **B1. Review of the performance of the Group**

For the current financial quarter ended 30 September 2014, the Group recorded revenue of RM5.94 million and loss before tax of RM8.46 million.

When compared to the preceding year corresponding financial quarter, the Group recorded a decrease of RM1.05 million in revenue and increase in loss before tax of RM9.23 million. The increase in loss before tax in current financial quarter attributed to the lower gross profit margin of the Group and also due to impairment loss on plant, property and equipment and trade receivable and other receivable during the period.

#### Civil, mechanical and electrical works segment (“CME”)

Revenue derived from the CME segment for the current financial quarter ended 30 September 2014 and financial year to date were RM3.75 million and RM19.40 million respectively after elimination of intercompany transactions. This segment is the main contributor for the current financial quarter as it comprised 63.1% of the total revenue. As compared to preceding financial quarter, CME revenue decreased by RM8.95 million due to lower work orders received.

#### Telecommunication equipment installation segment (“TI”)

Revenue derived from the TI segment for the current financial quarter ended 30 September 2014 and financial year to date were RM2.09 million and RM5.11 million respectively. The total revenue for this segment increased by RM0.61 million due to more TI’s works being requested and commissioned by customers during the current financial quarter as compared to the preceding financial quarter.

#### In-building system (“IBS”)

Revenue derived from the IBS segment for the current financial quarter ended 30 September 2014 and financial year to date were RM0.10 million and RM0.22 million respectively. The total revenue for this segment increased by RM0.07 million compared to the previous financial quarter due to higher number of IBS sites completed and billed during the current financial quarter.

## **B2. Comparison to the results of the preceding quarter**

	<b>Current Quarter 30 September 2014 RM'000</b>	<b>Preceding Quarter 30 June 2014 RM'000</b>
Revenue	5,942	14,219
Loss before tax	(8,456)	(2,590)

For the current financial quarter ended 30 September 2014, the Group recorded revenue of RM5.94 million as compared to RM14.22 million which recorded in the preceding financial quarter ended 30 June 2014. The decrease in revenue recorded during the current financial quarter is mainly due to the decreased contribution from the CME segments, due to lower work orders received. The revenue recorded for the current financial quarter was insufficient to cover the fixed and variable overheads of the Group, which resulted in the loss before tax of RM8.46 million.

## **B3. Prospects for 2014**

R&A will be expecting an increase in the physical rollout of Long-Term Evolution (LTE) technology by the Malaysia Cellular Operators. This means that the potential for new business is very promising and we will continue to bid for jobs with the local operators and equipment vendors.

In addition to project demand from commercial cellular operators, R&A, as a telecommunication engineering service provider, expects to benefit from the rollout of network and application services in 2014 by Malaysia Communications and Multimedia Commission (MCMC) using the Universal Service Provision (USP) fund which has an allocated budget of RM2 billion.

We are also looking to further develop our overseas portfolio. We are exploring entrance into Indonesia and expects Brunei via the Outside Plant Project (fibre cable laying project) to continue contributing to our revenues. Lastly, we are actively looking at diversifying from the current project based business model by participating in projects with recurring revenues such as maintenance and concession based businesses.

## **B4. Profit forecast and profit estimate**

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

**B5. Loss before tax**

	<b>Current Quarter 30 September 2014 RM'000</b>	<b>Cumulative Year-to-date 30 September 2014 RM'000</b>
Profit before tax is arrived at after charging / (crediting):		
- Depreciation and amortization	796	2,383
- Foreign exchange (gain)/ loss	(6)	8
- Gain on disposal of property, plant and equipment	(117)	(117)
- Impairment loss on receivables	1,094	1,094
- Impairment loss on Property, plant and equipment	2,515	2,515
- Interest income	(3)	(25)
- Interest expenses	799	2,168

Other disclosure items pursuant to Rule 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Securities are not applicable

**B6. Taxation**

	<b>Current Quarter Ended 30 September 2014 RM'000</b>	<b>Cumulative Year-to-Date 30 September 2014 RM'000</b>
Current tax	-	-
	-	-

The effective tax rate of the Group for the current quarter and cumulative quarter is NIL due to the capital allowance claimable against statutory income of the Group.

**B7. Status of corporate proposals**

Save as disclosed below, there were corporate proposals announced but not yet completed.

On 16 April 2014, the Company proposed to undertake the following proposals:

- (i) Proposed renounceable rights issue of up to 1,054,758,600 new ordinary shares of RM0.05 each in R&A (“R&A Shares” or “Shares”) (“Rights Shares”) together with up to 527,379,300 free new detachable warrants (“New Warrants”) on the basis of two (2) rights shares together with one (1) New Warrant for every two (2) existing R&A Shares held by the entitled shareholders of R&A on an entitlement date to be determined later (“Proposed Rights Issues of Shares with New Warrants”);

## **B.7 Status of corporate proposals (cont'd)**

- (ii) Proposed renounceable rights issue of up to RM26,368,965 nominal value of five (5)-year, 1%, Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) at 100% of the nominal value of RM0.025 each on the basis of one (1) RM0.025 nominal value of ICULS for every one (1) existing R&A Share held by the entitled shareholdings of R&A on the same entitlement date as the Proposed Rights Issue of Shares with New Warrants (“Proposed Rights Issues of ICULS”);

Note: The Securities Commission Malaysia had vide its letter dated 31 July 2014 approved the proposed issuance of the ICULS pursuant to the Proposed Rights Issue of ICULS.

- (iii) Proposed increase in the authorised share capital of R&A; and
- (iv) Proposed amendments to the Memorandum and Articles of Association of R&A.

Bursa Securities had vide its letter dated 12 September 2014 approved the following:-

- (a) Listing of up to 1,054,758,600 Rights Shares to be issued pursuant to the Proposed Rights Issue of Shares with New Warrants;
- (b) Admission to the Official List and the listing and quotation of up to 527,379,300 New Warrants to be issued pursuant to the Proposed Rights Issue of Shares with New Warrants;
- (c) Listing of up to 527,379,300 new R&A Shares to be issued arising from the exercise of the New Warrants;
- (d) Admission to the Official List and the listing and quotation of up to RM26,368,965 ICULS to be issued pursuant to the Proposed Rights Issue of ICULS;
- (e) Listing and quotation of up to 1,054,758,600 new R&A Shares to be issued pursuant to the exercise of the ICULS arising from the Proposed Rights Issue of ICULS.

On 28 October 2014, our shareholders has approved the Proposed Rights Issue of Shares with New Warrants and the Proposed Rights Issue of ICULS at the Extraordinary General Meeting.

## **B8. Status of utilisation of proceeds**

As at the date of this report, the Company has fully utilised the proceeds raised from all its fund raising activities.

## B9. Realised and unrealised profits

The breakdown of retained profits of the Group and the Company for the financial quarter ended 30 September 2014 and preceding year corresponding quarter ended 30 September 2013, is as follows :-

	<b>Group Quarter Ended 30 September 2014 RM'000</b>	<b>Group Quarter Ended 30 September 2013 RM'000</b>
Total retained profits of the Group:		
- Realised	9,522	15,712
- Unrealised (in respect of deferred tax recognised in the income statement)	-	-
	<hr/> 9,522	<hr/> 15,712
Less : Consolidation adjustments	(22,126)	(22,056)
Total Group accumulated losses as per consolidated accounts	<hr/> <b>(12,604)</b>	<hr/> <b>(6,344)</b>

	<b>Company Quarter Ended 30 September 2014 RM'000</b>	<b>Company Quarter Ended 30 September 2013 RM'000</b>
Total accumulated losses of the Company :		
- Realised	(379)	(6,841)
- Unrealised (in respect of deferred tax recognised in the income statement)	-	-
Total Company's accumulated losses as per accounts	<hr/> <b>(379)</b>	<hr/> <b>(6,841)</b>

## B10. Group borrowings and debt securities

The Group's borrowings as at 30 September 2014 are as follows:-

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<b><u>Secured</u></b>			
Hire Purchases	582	492	1,074
Bank Over Drafts/ Project Revolving Loans	28,021	-	28,021
Banker's Acceptance	7,388	-	7,388
	<hr/> 35,991	<hr/> 492	<hr/> 36,483

## **B11. Material litigation**

Save as disclosed below, to the best knowledge of the Board, our Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against our Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of our Group:-

- (a) By various letters of demand received by R&A Telecommunication Sdn Bhd (“**RASB**”), a wholly-owned subsidiary of our Company, from November 2013 up to October 2014, the Employees’ Provident Fund (“**EPF**”) Board (“**EPF Board**”) had via its solicitors demanded from RASB and its directors the following:
  - (i) the accrued EPF contributions of RASB’s employees (“**Contributions**”) for the sum of RM433,357 being Contributions for the months of May 2013 to July 2013 together with accrued interest and dividend thereon pursuant to Sections 45(3) and 49(1) Employees Provident Fund Act 1991 (“**EPF Act**”). As at the date of this report, RASB has fully settled the aforesaid sum save for interest and dividend thereon of RM25,564 and RM30,981 respectively;
  - (ii) the sum of RM396,929 being the outstanding Contributions for the months of August 2013 to October 2013 together with accrued interest and dividend thereon pursuant to EPF Act. As at the date of this report, RASB has fully settled the aforesaid sum save for the accrued dividend and interest which is still pending confirmation by the EPF Board in respect of the final accrued dividend and interest payable by RASB;
  - (iii) the sum of RM243,383 being the outstanding Contributions for the months of November 2013 to December 2013. The EPF Board has agreed via consent judgment dated 17 September 2014 for such sum to be settled in full together with costs of RM1,000, dividend rate as declared by EPF on the amount outstanding until full settlement and interest at the rate of 7.15% per annum on the amount outstanding until full settlement. As at the date of this report, RASB has fully settled the aforesaid sum save for the accrued dividend and interest which is still pending confirmation by the EPF Board in respect of the final accrued dividend and interest payable by RASB;

## **B11. Material litigation (cont'd)**

- (iv) the sums of RM47,886 and RM58,067 being the accrued dividend and accrued interest respectively in respect of the Contributions for the months of November 2012 to April 2013. The EPF Board has agreed via consent judgment dated 25 August 2014 for such sum to be settled in full including costs of RM800. As at the date of this report, RASB has forwarded two (2) post-dated cheques of RM47,886 and RM58,067 dated 30 November 2014 and 30 December 2014 respectively to the EPF Board via its solicitors;
  - (v) the sum of RM346,148.00 being the outstanding Contribution for the months of January 2014 to March 2014 together with accrued interest and dividend thereon pursuant to EPF Act. Upon proposal for settlement made by RASB, the EPF Board has agreed for such sum to be settled by way of four (4) monthly instalments of RM10,000 each commencing from 22 September 2014 to 22 December 2014 and the remaining balance to be settled in three (3) monthly instalments of RM102,049 each commencing from January 2015 excluding costs of RM2,000. As at the date of this report, RASB had forwarded post-dated cheques for the aforesaid sum and bank draft of RM2,000 as costs to its solicitors for submission to EPF Board save for the accrued dividend and interest which is still pending confirmation by the EPF Board in respect of the final accrued dividend and interest payable by RASB; and
  - (vi) the sum of RM364,172.00 being the outstanding Contribution for the months of April 2014 to June 2014 together with accrued interest and dividend thereon pursuant to the EPF Act. As at the date of this report, RASB is still in the midst of negotiation with the EPF Board for settlement via its solicitors.
- (b) By a letter of demand (“**Demand**”) dated 9 May 2014, Tenaga Nasional Berhad (“**TNB**”) had via its solicitors demanded from RASB the sum of RM568,077.30 being the cost of repair in respect of damage to 33kV electric cables from PMU Air Terjun to PPU Batu Ferringhi and from PPU Tanjung Bungah to PPU Pulau Tikus allegedly caused by RASB or its employees or its agents when carrying out their construction works. By a letter dated 16 May 2014, RASB wrote to TNB’s solicitors requesting for further information regarding the Demand in order to conduct an internal investigation. By letter dated 26 September 2014, RASB’s solicitors wrote to TNB’s solicitors requesting for a copy of all documents sustaining TNB’s allegations contained in the Demand. TNB’s solicitors responded via letter dated 23 October 2014 that TNB is unable to accede to RASB’s request for documents. Notwithstanding the above, RASB maintains an erection-all-risk insurance policy in respect of damage to property during construction works with coverage of up to RM1,000,000.



**B12. Dividends**

No interim dividends have been declared during the current financial quarter under review.

**B13. Earnings per share**

## (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of shares in issue for the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
(Loss)/ Profit attributable to the equity holders of the Company (RM'000)	(8,456)	772	(13,644)	(1,396)
Weighted average number of shares in issue ('000)	966,862	878,966	966,862	878,966
Basic (loss)/ profit per share (sen)	(0.87)	0.09	(1.41)	(0.16)

## (b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue and issuable during the period.

**B13. Earnings per share (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
<b>Diluted Profit/(Loss) Per Share</b>	<b>30 September 2014</b>	<b>30 September 2013</b>	<b>30 September 2014</b>	<b>30 September 2013</b>

Profit attributable to the equity holders of the Company (RM'000)	(8,456)	772	(13,644)	(1,396)
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	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
<b>Diluted Profit/(Loss) Per Share</b>	<b>30 September 2014</b>	<b>30 September 2013</b>	<b>30 September 2014</b>	<b>30 September 2013</b>

Weighted average number of shares ('000)	966,862	878,966	966,862	878,966
Effects of dilution in outstanding warrants ('000)	87,897	87,897	87,897	87,897

Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,054,759	966,863	1,054,759	966,863
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Diluted (profit per share (sen))	**	0.08	**	**
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Note:

\*\* Anti-dilutive in nature due to loss attributable to the equity holders of the Company