

R&A TELECOMMUNICATION GROUP BERHAD (645677-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

	----- Individual Quarter -----		----- Cumulative Quarter -----	
	Current year quarter 31 December 2014	Preceding year corresponding quarter 31 December 2013	Current year to date 31 December 2014	Preceding year corresponding period 31 December 2013
	RM'000	RM'000	RM'000	RM'000
Revenue	7,621	19,640	32,351	38,475
Cost of sales	(10,311)	(13,742)	(31,968)	(21,859)
Operating expenses	<u>(9,108)</u>	<u>(8,074)</u>	<u>(21,542)</u>	<u>(18,557)</u>
Loss before depreciation and finance cost	(11,798)	(2,176)	(21,159)	(1,941)
Depreciation	(247)	(772)	(2,630)	(2,996)
Finance cost	(760)	(1,063)	(2,928)	(1,833)
Other income	<u>183</u>	<u>127</u>	<u>451</u>	<u>1,490</u>
Loss before tax	(12,622)	(3,884)	(26,266)	(5,280)
Taxation	<u>-</u>	<u>2,097</u>	<u>(32)</u>	<u>2,097</u>
Loss after tax	(12,622)	(1,787)	(26,298)	(3,183)
Other comprehensive income	-	-	9,244	-
Total comprehensive loss	<u>(12,622)</u>	<u>(1,787)</u>	<u>(17,054)</u>	<u>(3,183)</u>
Loss attributable to :				
Equity holders of the Company	<u>(12,622)</u>	<u>(1,787)</u>	<u>(17,054)</u>	<u>(3,183)</u>
Total comprehensive loss attributable to :				
Equity holders of the Company	<u>(12,622)</u>	<u>(1,787)</u>	<u>(17,054)</u>	<u>(3,183)</u>
Loss per share (sen):-				
a) Basic	(1.31)	(0.20)	(1.76)	(0.36)

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 31 DECEMBER 2014**

	As at 31 December 2014 (Unaudited) RM'000	As at 31 December 2013 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	11,846	16,198
Investment property	498	513
Development costs	2,034	4,068
Goodwill	49,724	49,724
Deferred tax assets	2,097	2,097
	<u>66,199</u>	<u>72,600</u>
Current assets		
Inventories	1,058	1,063
Amount due from customers	-	9,632
Accrued billings	7,790	9,966
Work in progress	8,550	3,014
Trade receivables	19,199	21,754
Other receivables	2,969	3,171
Fixed deposits with licensed banks	5,422	5,032
Cash and bank balances	82	255
	<u>45,070</u>	<u>53,887</u>
Total Assets	<u><u>111,269</u></u>	<u><u>126,487</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	48,343	87,897
Reserves	42,665	8,220
Accumulated losses	(25,257)	(8,203)
Shareholders' equity	<u>65,751</u>	<u>87,914</u>
Non-current liabilities		
Deferred tax liabilities	228	228
Finance lease liabilities	362	701
	<u>590</u>	<u>929</u>
Current liabilities		
Trade payables	3,151	2,990
Other payables	4,093	3,896
Amount due to directors	-	188
Bank borrowings	37,076	27,633
Finance lease liabilities	531	1,013
Tax payable	77	1,924
	<u>44,928</u>	<u>37,644</u>
Total liabilities	45,518	38,573
Total equity and liabilities	<u><u>111,269</u></u>	<u><u>126,487</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>0.07</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 FOURTH QUARTER ENDED 31 DECEMBER 2014**

	Current year to date 31 December 2014 RM'000	Preceding year corresponding period 31 December 2013 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(26,266)	(5,280)
Adjustments for non-cash items	<u>16,116</u>	<u>8,372</u>
Operating (loss)/ profit before working capital changes	(10,150)	3,092
Changes in working capital		
Inventories	5	654
Customer	4,096	(9,628)
Accrued billings	2,177	(4,531)
Receivables	(3,527)	3,385
Payables	<u>170</u>	<u>2,173</u>
Cash used in operations	(7,229)	(4,855)
Tax paid	(1,879)	(1,140)
Interest paid	<u>(2,928)</u>	<u>(1,797)</u>
Net cash used in operating activities	<u>(12,036)</u>	<u>(7,792)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(570)	(191)
Payment for development costs	-	(119)
Interest received	166	85
Proceeds from disposal of property, plant and equipment	<u>167</u>	<u>370</u>
Net cash (used in)/ generated from investing activities	<u>(237)</u>	<u>145</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	(1,087)	(2,584)
Drawdown from borrowings	26,005	27,414
Repayment of bank borrowings	(24,304)	(27,293)
Payment for private placement	(260)	-
Private placement from issuance of shares	<u>4,395</u>	<u>-</u>
Net cash generated/ (used in) from financing activities	<u>4,749</u>	<u>(2,463)</u>
Net Change in Cash and Cash Equivalents	(7,524)	(10,110)
Cash and Cash Equivalents at beginning of the period	(14,290)	(4,180)
Cash and Cash Equivalents at end of the period	<u>(21,814)</u>	<u>(14,290)</u>
Represented by :-		
Fixed deposits with licensed banks	5,422	5,032
Bank overdrafts	(27,318)	(19,577)
Cash and bank balances	<u>82</u>	<u>255</u>
	<u>(21,814)</u>	<u>(14,290)</u>

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 FOURTH QUARTER ENDED 31 DECEMBER 2014**

	<----- Non-distributable ----->				<----Distributable---->	
	Share capital RM '000	Share premium RM '000	Revaluation reserve RM '000	Other reserve RM '000	Accumulated losses RM '000	Total Equity RM '000
Balance as at 1 January 2014	87,897	3,898	4,322	-	(8,203)	87,914
Arising from reduction of share capital	(43,949)	-	-	34,705	9,244	-
Private placement from issuance of shares	4,395	-	-	-	-	4,395
Listing expenses for the proposed reduction of share capital	-	(260)	-	-	-	(260)
Loss for the financial year	-	-	-	-	(26,298)	(26,298)
Balance as at 31 December 2014	48,343	3,638	4,322	34,705	(25,257)	65,751
As at preceding year corresponding quarter 31 December 2013						
Balance as at 1 January 2013	87,897	3,898	4,322	-	(5,020)	91,097
Loss for the financial year	-	-	-	-	(3,183)	(3,183)
Balance as at 31 December 2013	87,897	3,898	4,322	-	(8,203)	87,914

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)

Quarter Ended 31 December 2014	CME RM'000	TI RM'000	IBS RM'000	Elimi- nations RM'000	Consoli- dated RM'000
Revenue from external customers	3,580	3,962	455	(376)	7,621
Cost of sales	(6,726)	(3,792)	(169)	376	(10,311)
Gross Loss	(3,146)	170	286	-	(2,690)
Loss before taxation					(12,622)
Income tax expenses					-
Loss after tax					(12,622)
Other comprehensive income					-
Total Comprehensive Loss					(12,622)

Cumulative Year-to- Date Ended 31 December 2014	CME RM'000	TI RM'000	IBS RM'000	Elimi- nations RM'000	Consoli- dated RM'000
Revenue from external customers	23,426	9,070	673	(818)	32,351
Cost of sales	(24,747)	(7,670)	(369)	818	(31,968)
Gross Profit	(1,321)	1,400	304	-	383
Loss before taxation					(26,266)
Income tax expenses					(32)
Loss after tax					(26,298)
Other comprehensive income					9,244
Total Comprehensive Loss					(17,054)

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 31 December 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:-

	Current Quarter Ended 31 December 2014 RM'000	Cumulative Year-to-Date 31 December 2014 RM'000
Property, plant & equipment: Additions	-	837

A13. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

A14. Contingent liabilities and contingent assets

Save as disclosed below, the Group does not have any others contingent assets or liabilities as at 31 December 2014.

	RM'000
<u>Contingent Liabilities :</u>	
Corporate guarantees given by our Company to financial institutions for credit facilities granted to our subsidiary companies	36,932
Potential litigation and claim from utility service providers	772

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 31 December 2014, the Group recorded revenue of RM7.62 million and loss before tax of RM13.00 million.

When compared to the preceding year corresponding financial quarter, the Group recorded a decrease of RM12.02 million in revenue and increase in loss before tax of RM8.74 million. The increase in loss before tax in current financial quarter attributed to the stiff competitions from competitors and this resulted in low margins for some of the projects undertaken. In addition, this was mainly contributed by written off for bad debts and impairment loss on development costs.

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

Revenue derived from the CME segment for the current financial quarter ended 31 December 2014 and financial year to date were RM3.20 million and RM22.61 million respectively after elimination of intercompany transactions. As compared to preceding financial quarter, CME revenue decreased by RM0.55 million due to lower work orders received.

Telecommunication equipment installation segment (“TI”)

Revenue derived from the TI segment for the current financial quarter ended 31 December 2014 and financial year to date were RM3.96 million and RM9.07 million respectively. This segment is the main contributor for the current financial quarter as it comprised 52.0% of the total revenue. The total revenue for this segment increased by RM1.87 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 31 December 2014 and financial year to date were RM0.46 million and RM0.67 million respectively. The total revenue for this segment increased by RM0.36 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

	Current Quarter 31 December 2014 RM'000	Preceding Quarter 30 September 2014 RM'000
Revenue	7,621	5,942
Loss before tax	(12,622)	(8,456)

For the current financial quarter ended 31 December 2014, the Group recorded revenue of RM7.62 million as compared to RM5.94 million which recorded in the preceding financial quarter ended 30 September 2014. The increase in revenue recorded during the current financial quarter is mainly due to the increased contribution from the TI segments, due to additional work orders received, completed and built in the current quarter. Although the revenue recorded increase for the current financial quarter, it was insufficient to cover the fixed and variable costs of the Group, which resulted in a loss before tax of RM13.00 million mainly due to written off for bad debts and impairment loss on development costs.

B3. Prospects for 2015

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 2015 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 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

	Current Quarter 31 December 2014 RM'000	Cumulative Year-to-date 31 December 2014 RM'000
Loss before tax is arrived at after charging / (crediting):		
- Bad debts written off	7,062	7,062
- Depreciation	247	2,630
- Foreign exchange loss	-	8
- Gain on disposal of property, plant and equipment	(4)	(121)
- Recoverable of bad debts	(1,880)	(786)
- Impairment loss on development costs	2,030	2,030
- Impairment loss on Property, plant and equipment	16	2,531
- Interest income	(141)	(166)
- Interest expenses	760	2,928

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

B6. Taxation

	Current Quarter Ended 31 December 2014 RM'000	Cumulative Year-to-Date 31 December 2014 RM'000
Current tax	-	32
	-	32

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.

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

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”);
- (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.

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

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.

On 25 February 2015, the Company has submitted an application to Bursa Securities to seek approval for an extension of time of three (3) months from 11 March 2015 being the date on which the approval of Bursa Securities for the Proposed Rights Issue of Shares with New Warrants and Proposed Rights Issue of ICULS granted on 12 September 2014 would lapse, to 11 June 2015 for R&A to implement the Proposals.

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 losses or profits

The breakdown of accumulated losses or retained profits of the Group and the Company for the financial ended 31 December 2014 and preceding year corresponding ended 31 December 2013, is as follows :-

	Group Current Year-To -Date 31 December 2014 RM'000	Group Preceding Year Corresponding Period 31 December 2013 RM'000
Total (accumulated losses) / retained profits of the Group:		
- Realised	(3,131)	11,826
- Unrealised (in respect of deferred tax recognised in the income statement)	-	2,097
	<hr/>	<hr/>
	(3,131)	13,923
Less : Consolidation adjustments	(22,126)	(22,126)
Total Group accumulated losses as per consolidated accounts	<hr/> (25,257)	<hr/> (8,203) <hr/>

B9. Realised and unrealised losses or profits (cont'd)

	Company Quarter Ended 31 December 2014 RM'000	Company Quarter Ended 31 December 2013 RM'000
Total accumulated losses of the Company :		
- Realised	(516)	(9,130)
- Unrealised (in respect of deferred tax recognised in the income statement)	-	-
Total Company's accumulated losses as per accounts	<u>(516)</u>	<u>(9,130)</u>

B10. Group borrowings and debt securities

The Group's borrowings as at 31 December 2014 are as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Secured</u>			
Hire Purchases	531	362	893
Bank Over Drafts/ Project Revolving Loans	27,318	-	27,318
Banker's Acceptance	9,757	-	9,757
	<u>37,606</u>	<u>362</u>	<u>37,968</u>

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;

B11. Material litigation (cont'd)

- (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 and save for interest and dividend thereon of RM15,491 and RM25,564 respectively. Upon proposal for settlement made by RASB, the EPF Board has agreed for such sum to be settled by way of five (5) monthly instalments of RM8,211 each commencing from 10 January 2015 to 10 May 2015;
- (ii) the sums of RM23,409 and RM26,749 being the accrued dividend and accrued interest respectively in respect of the Contributions for the months of August 2013 to October 2013. RASB had, through its solicitors via a letter dated 5 February 2015 proposed a settlement to the EPF Board to consider a settlement by way of two (2) instalments to be paid via post-dated cheques starting June 2015. As at the date of this report, RASB is still awaiting for the approval from the EPF Board in respect of the aforesaid proposal;
- (iii) the sums of RM12,965 and RM7,455 being the accrued dividend and accrued interest respectively in respect of the Contributions for the months of November 2013 to December 2013. 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 RM5,105 each commencing from 26 January 2015 to 26 April 2015;
- (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. As at the date of this report, RASB has fully settled the aforesaid sum;
- (v) the sum of RM346,148 being the outstanding Contribution for the months of January 2014 to March 2014 together with accrued interest and dividend thereon pursuant to EPF Act. The EPF Board has agreed via consent judgment dated 1 December 2014 for such sum to be settled in full together with costs of RM800, dividend rate as declared by EPF on the amount outstanding until full settlement and interest at the rate of 7.15% per annum for the period 17 February 2013 to 16 February 2014; 7.35% per annum for the period 17 February 2014 to time as determined 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; and

B.11. Material litigation (cont'd)

- (vi) the sum of RM364,172 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. Upon proposal for settlement made by RASB, the EPF Board has agreed for such sum to be settled by in advance of RM50,000 on/ before 30 November 2014 and the remaining balance to be settled in three (3) equal monthly instalments commencing from April 2015 to June 2015 excluding costs of RM1,500. 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.

- (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.

B.12. 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
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Loss attributable to the equity holders of the Company (RM'000)	(12,622)	(1,787)	(17,054)	(3,183)
Weighted average number of shares in issue ('000)	966,862	878,966	966,862	878,966
Basic loss per share (sen)	(1.31)	(0.20)	(1.76)	(0.36)

(b) Diluted earnings per share

Not applicable