ADVANCE SYNERGY BERHAD
(Company No: 1225-D)

COMPANY ANNOUNCEMENT
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2013

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter and year ended 31 December 2013.

This interim report is prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2012.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	3 months ended		Year-to-date 12 months ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Revenue	74,114	62,248	262,175	229,809
Cost of sales	(49,086)	(35,978)	(169,583)	(140,950)
Gross profit	25,028	26,270	92,592	88,859
Other operating income	6,557	8,828	13,633	30,480
Operating expenses	(46,310)	(32,479)	(117,872)	(102,891)
Profit/(Loss) from operations	(14,725)	2,619	(11,647)	16,448
Finance costs	(1,259)	(1,570)	(5,193)	(6,781)
Share of results of associates	(579)	(191)	(2,487)	(493)
Profit/(Loss) before tax	(16,563)	858	(19,327)	9,174
Income tax expense	(2,420)	(1,060)	(5,539)	(3,281)
Net profit/(loss) for the financial period/year	(18,983)	(202)	(24,866)	5,893
Attributable to:				
Owners of the parent	(16,222)	223	(23,418)	(978)
Non-controlling interests	(2,761)	(425)	(1,448)	6,871
	(18,983)	(202)	(24,866)	5,893
Earnings/(Loss) per share attributable to owners of the parent:				
Basic (sen)	(3.16)	0.04	(4.56)	(0.19)
Diluted (sen)	(3.16)	0.04	(4.56)	(0.19)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	3 months ended		Year-to-date 12 months ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Net profit/(loss) for the financial period/year	(18,983)	(202)	(24,866)	5,893
Other comprehensive income/(expenses):				
Item that will not be reclassified to profit or loss	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss:				
Fair value of available-for-sale financial assets	(81)	-	241	2,411
Present value adjustment to retirement benefits	(173)	-	(173)	-
Realisation of revaluation reserve	-	-	(62)	-
Revaluation of property	3,296	-	3,296	-
Share of other comprehensive income of associates, net of tax	-	63	90	120
Foreign currency translation differences for foreign operations	358	(751)	3,971	(1,175)
Total items that are or may be reclassified subsequently to profit or loss	3,400	(688)	7,363	1,356
Other comprehensive income/(loss) for the financial period/year	3,400	(688)	7,363	1,356
Total comprehensive income/(loss) for the financial period/year	(15,583)	(890)	(17,503)	7,249
Attributable to:				
Owners of the parent	(12,979)	(239)	(16,196)	518
Non-controlling interests	(2,604)	(651)	(1,307)	6,731
Total comprehensive income/(loss) for the financial period/year	(15,583)	(890)	(17,503)	7,249

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	185,441	155,457
Investment properties	8,870	8,870
Investment in associates	35,668	34,341
Investment securities	19,719	34,286
Goodwill on consolidation	92,027	92,027
Intangible assets	17,796	17,153
Trade, other receivables and other assets	-	2,417
Deferred tax assets	3,041	3,139
	362,562	347,690
Current assets		
Progress billings	12,449	546
Inventories	58,427	60,498
Trade and other receivables	76,315	61,292
Tax recoverable	2,513	4,213
Investment securities	499	518
Short term deposits	85,053	92,068
Cash and bank balances	45,701	37,948
	280,957	257,083
Non-current assets classified as held for sale	-	29,327
TOTAL ASSETS	643,519	634,100
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	154,175	154,115
Irredeemable Convertible Unsecured Loan Stocks ("ICULS") - equity component	108,669	108,722
Reserves	179,335	196,533
	442,179	459,370
Non-controlling interests	34,888	38,079
Total equity	477,067	497,449
Non-current liabilities		
Borrowings	55,992	51,179
ICULS - liability component	9,231	10,486
Other payables	-	5,746
Deferred tax liabilities	3,613	2,553
Provision for retirement benefit obligations	1,374	1,042
	70,210	71,006
Current liabilities		
Trade and other payables	66,686	58,047
Borrowings	26,950	6,314
Tax payable	2,606	1,284
	96,242	65,645
Total Liabilities	166,452	136,651
TOTAL EQUITY AND LIABILITIES	643,519	634,100

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	Attributable to owners of the parent									
			Non-distributable				*Distributable*			
	Share Capital	**ICULS-Equity Component**	**Share Premium**	**Revaluation Reserve**	**Exchange Translation Reserve**	**Available-For-Sale Reserve**	**Retained Profits**	**Total**	**Non-Controlling Interests**	**Total Equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 January 2013	154,115	108,722	117,317	12,766	(9,421)	4,661	71,210	459,370	38,079	497,449
Net profit/(loss) for the financial year	-	-	-	-	-	-	(23,418)	(23,418)	(1,448)	(24,866)
Fair value of available-for-sale financial assets	-	-	-	-	-	241	-	241	-	241
Present value adjustment to retirement benefits	-	-	-	-	-	-	(173)	(173)	-	(173)
Share of other comprehensive income of associates, net of tax	-	-	-	-	-	90	-	90	-	90
Realisation of revaluation reserves	-	-	-	(62)	-	-	-	(62)	-	(62)
Revaluation of property	-	-	-	3,296	-	-	-	3,296	-	3,296
Foreign currency translation differences for foreign operations	-	-	-	(2)	3,832	-	-	3,830	141	3,971
Total comprehensive income/(loss) for the financial year	-	-	-	3,232	3,832	331	(23,591)	(16,196)	(1,307)	(17,503)
Transactions with owners in their capacity as owners:										
Dividends paid	-	-	-	-	-	-	(1,927)	(1,927)	-	(1,927)
Acquisition of additional shares in subsidiaries	-	-	-	-	-	-	925	925	(814)	111
Issue of new ordinary shares pursuant to the conversion of ICULS	60	(53)	-	-	-	-	-	7	-	7
	60	(53)	-	-	-	-	(1,002)	(995)	(814)	(1,809)
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(1,070)	(1,070)
Balance as at 31 December 2013	154,175	108,669	117,317	15,998	(5,589)	4,992	46,617	442,179	34,888	477,067

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	Attributable to owners of the parent									
			Non-distributable				*Distributable*			
	Share Capital	**ICULS-Equity component**	**Share Premium**	**Revaluation Reserve**	**Exchange Translation Reserve**	**Available-For-Sale Reserve**	**Retained Profits**	**Total**	**Non-Controlling Interests**	**Total Equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at 1 January 2012	151,318	111,162	117,317	12,769	(8,389)	2,130	74,643	460,950	31,777	492,727
Net profit/(loss) for the financial year	-	-	-	-	-	-	(978)	(978)	6,871	5,893
Fair value of available-for-sale financial assets	-	-	-	-	-	2,411	-	2,411	-	2,411
Share of other comprehensive income of associates, net of tax	-	-	-	-	-	120	-	120	-	120
Foreign currency translation differences for foreign operations	-	-	-	(3)	(1,032)	-	-	(1,035)	(140)	(1,175)
Total comprehensive income/(loss) for the financial year	-	-	-	(3)	(1,032)	2,531	(978)	518	6,731	7,249
Transactions with owners in their capacity as owners:										
Deemed partial disposal of interest in a subsidiary	-	-	-	-	-	-	(21)	(21)	21	-
Dividends paid	-	-	-	-	-	-	(1,926)	(1,926)	-	(1,926)
Acquisition of additional shares in subsidiary	-	-	-	-	-	-	(508)	(508)	148	(360)
Issue of new ordinary shares pursuant to the conversion of ICULS	2,797	(2,440)	-	-	-	-	-	357	-	357
	2,797	(2,440)	-	-	-	-	(2,455)	(2,098)	169	(1,929)
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	(598)	(598)
Balance as at 31 December 2012	154,115	108,722	117,317	12,766	(9,421)	4,661	71,210	459,370	38,079	497,449

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	12 months ended 31.12.2013 RM'000	12 months ended 31.12.2012 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	(19,327)	9,174
Adjustments for :-		
Non-cash items	36,144	2,880
Other investing and financing items	1,945	3,420
Operating profit before working capital changes	18,762	15,474
Changes in working capital		
Inventories	1,886	(5,062)
Receivables	(24,913)	432
Payables	8,904	(6,099)
Cash generated from operations	4,639	4,745
Retirement benefit paid	(31)	(14)
Tax paid	(2,408)	(4,714)
Net cash from operating activities	2,200	17
Cash flows from investing activities		
Acquisition of intangible assets	(2,147)	(2,241)
Acquisition of a subsidiary, net of cash acquired	150	(9,869)
Acquisition of additional shares in subsidiaries	(110)	(360)
Investment in associates	(3,732)	(14,115)
Acquisition of held for trading investments	-	(329)
Dividend income received	2	3
Interest received	3,246	3,358
Payment to contingent consideration	(3,277)	-
Proceeds from disposal of held for trading investments	-	790
Proceeds from disposal of non-current assets classified as held for sale	-	11,116
Proceeds from disposal of property, plant and equipment	111	195
Proceeds from disposal of a subsidiary, net of cash disposed	-	1
Proceeds from deregistration of subsidiaries	-	178
Purchase of property, plant and equipment	(11,053)	(12,055)
Net cash used in investing activities	(16,810)	(23,328)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

	12 months ended 31.12.2013 RM'000	12 months ended 31.12.2012 RM'000
Cash flows from financing Activities		
Dividends paid	(1,927)	(1,926)
Dividends paid to non-controlling interests of a subsidiary	(1,070)	(598)
Drawdown of term loans and revolving credit	25,685	3,955
Interest paid	(6,941)	(8,030)
Drwandown of/(Payments to) hire purchase payables	84	(83)
Pledge of short term deposits	2,186	(8,347)
Repayment of term loans	(2,995)	(30,210)
Net from/(cash used) in financing activities	15,022	(45,239)
Effect of exchange rate changes	(1,247)	(2,070)
Net decrease in cash and cash equivalents	(835)	(70,620)
Cash and cash equivalents as at beginning of financial year		
As previously reported	91,249	161,236
Effect of exchange rate changes	2,033	633
As restated	93,282	161,869
Cash and cash equivalents as at end of financial year *	92,447	91,249

*** Cash and cash equivalents at the end of the financial year comprising the following :**

Short term deposits	85,053	92,068
Cash and bank balances	45,701	37,948
Bank overdrafts	(2,464)	(738)
	128,290	129,278
Less : Deposits placed with lease creditors as security deposit for lease payments	(20,763)	(19,840)
Restricted deposits	(7,226)	(9,000)
Cash held under Housing Development Accounts	(531)	(515)
Deposits pledged to licensed banks	(7,323)	(8,674)
	(35,843)	(38,029)
	92,447	91,249

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The unaudited interim financial report has been prepared in compliance with MFRS 134 - "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012.

2. Significant accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following new and revised Malaysian Financial Reporting Standards ("MFRS"), amendments/improvements to MFRSs, IC Interpretations ("IC Int") and amendment to IC Int:

<u>New MFRSs</u>

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures in Interests in Other Entities
MFRS 13	Fair Value Measurement

<u>Revised MFRSs</u>

MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

<u>Amendments/Improvements to MFRSs</u>

MRFS 1	First-time Adoption of Malaysian Financial Reporting Standards
MRFS 7	Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities
MRFS 10	Consolidated Financial Statements : Transition Guidance
MRFS 11	Joint Arrangements : Transition Guidance
MFRS 12	Disclosure of Interests in Other Entities : Transition Guidance
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, plant and equipment (Annual Improvements 2009-2011 Cycle)
MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
MFRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)

<u>Amendments to IC Int</u>

IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments

The adoption of the above MFRSs and Amendments/Improvements to MFRSs will have no significant impact on the financial statements of the Group upon their initial application.

MFRSs, Amendments to MFRSs and IC Int issued but not yet effective

The following MFRSs, Amendments/Improvements to MFRSs, IC Int and Amendments to IC Int that are issued but are not yet effective, have yet to be adopted by the Group:

<u>New MFRS</u>

MFRS 9	Financial Instruments

<u>Amendments/Improvements to MFRSs / IC Int</u>

MFRS 10	Consolidated Financial Statements : Investment Entities
MFRS 12	Disclosure of Interests in Other Entities : Investment Entities
MFRS 127	Separate Financial Statements : Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
MFRS 136	Impairment of Assets : Recoverable Amount Disclosures for Non-Financial Assets.
MFRS 139	Financial Instruments: Novation of Derivatives and Continuation of Hedge Accounting
IC Int 21	Levies

3 Audit report

The auditors' report on the financial statements for the year ended 31 December 2012 was not subject to any qualification.

4 Seasonal or cyclical factors

The operations of the Group for the quarter and year ended 31 December 2013 were not materially affected by any seasonal or cyclical factors.

5. Unusual items

There were no unusual significant items during the current quarter and financial year under review other than the provision for impairment loss on an available-for-sale investment of RM14.8 million.

6. Changes in estimates

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

7 Debt and equity securities

For the financial year ended 31 December 2013, a total of 400,000 2% 10-Year Irredeemable Convertible Unsecured Loan Stocks at 100% of the nominal value of RM0.15 each ("ICULS") have been converted into 200,000 new ordinary shares of RM0.30 each of the Company by surrendering for cancellation two ICULS for every one new ordinary share of RM0.30 each in the Company.

Apart from the above, there were no issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities during the financial year ended 31 December 2013.

8 Dividends paid

The first and final gross dividend of 0.50 sen per ordinary shares less 25% income tax totalling RM1,927,181.68 in respect of the financial year ended 31 December 2012 was paid on 5 August 2013 after obtaining the approval from the shareholders of the Company at the Annual General Meeting held on 24 June 2013.

9. Segmental Information

For the financial year ended 31 December 2013

	Investment Holding	Hotels & Resorts	Information & Communications Technology	Property Development	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External	1,027	74,288	44,316	19,077	94,449	29,018	-	262,175
Inter-segment	14,955	-	-	16	340	-	(15,311)	-
Total revenue	15,982	74,288	44,316	19,093	94,789	29,018	(15,311)	262,175
Results								
Segment results	(8,738)	4,935	4,280	2,722	2,190	(8,096)	(14,133)	(16,840)
Share of results of associates	(909)	(1,455)	-	-	(123)	-	-	(2,487)
Consolidated profit/(loss) before tax	(9,647)	3,480	4,280	2,722	2,067	(8,096)	(14,133)	(19,327)
Income tax expense								(5,539)
Consolidated profit/(loss) after tax								(24,866)
Non-controlling interests								1,448
Net profit/(loss) for the financial year attributable to owners of the parent								(23,418)

9. Segmental Information (Continued)

For the financial year ended 31 December 2013

	Investment Holding	Hotels & Resorts	Information & Communications Technology	Property Development	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information								
Segment assets	74,838	236,659	156,637	60,451	16,600	57,112	-	602,297
Investment in associates	15,521	19,817	-	-	330	-	-	35,668
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-
Unallocated corporate assets								5,554
Total assets								643,519
Segment liabilities	17,447	90,425	12,979	8,013	6,154	25,215	-	160,233
Unallocated corporate liabilities								6,219
Total liabilities								166,452
Capital expenditure:								
- Property, plant & equipment	105	4,537	855	1	82	5,473	-	11,053
- Software development expenditure	-	-	2,147	-	-	-	-	2,147

9. Segmental Information (Continued)

For the financial year ended 31 December 2012

	Investment Holding	Hotels & Resorts	Information & Communications Technology	Property Development	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External	1,157	74,266	41,106	7,913	84,031	21,336	-	229,809
Inter-segment	16,403	-	-	9	537	-	(16,949)	-
Total revenue	17,560	74,266	41,106	7,922	84,568	21,336	(16,949)	229,809
Results								
Segment results	10,206	2,773	17,037	1,325	1,322	(5,158)	(17,838)	9,667
Share of results of associates	(548)	(13)	118	-	(50)	-	-	(493)
Consolidated profit/(loss) before tax	9,658	2,760	17,155	1,325	1,272	(5,158)	(17,838)	9,174
Income tax expense								(3,281)
Consolidated profit/(loss) after tax								5,893
Non-controlling interests								(6,871)
Net profit/(loss) for the financial year attributable to owners of the parent								(978)

9. Segmental Information (Continued)

For the financial year ended 31 December 2012

	Investment Holding	Hotels & Resorts	Information & Communications Technology	Property Development	Travel & Tours	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information								
Segment assets	60,162	221,616	161,977	56,106	14,442	48,777	-	563,080
Investment in associates	16,326	17,868	-	-	147	-	-	34,341
Non-current assets held for sale	-	29,327	-	-	-	-	-	29,327
Unallocated corporate assets								7,352
Total assets								634,100
Segment liabilities	19,169	68,325	18,759	5,621	5,405	15,535	-	132,814
Unallocated corporate liabilities								3,837
Total liabilities								136,651
Capital expenditure								
- Property, plant and equipment	195	3,545	1,309	1	138	6,867	-	12,055
- Software development expenditure	-	-	2,241	-	-	-	-	2,241

10. Property, plant and equipment

The valuations of land and buildings have been brought forward without amendment from the financial statements for the year ended 31 December 2012 except for a revaluation surplus recognised in other comprehensive income and accumulated in equity as revaluation reserve arising from a revaluation exercise conducted on a hotel property of a wholly-owned subsidiary company.

11. Significant events after the reporting period

(a) On 28 January 2014, Triton Engineering Sdn Bhd ("Triton Engineering") received the notice of striking-off pursuant to Section 308(2) of the Companies Act, 1965 ("CA 1965") from the Registrar of Companies ("ROC"). Further details relating to the status of striking-off are set out in Note 12(f) below.

Apart from the above, there are no significant events after the reporting period.

12. Changes in the composition of the Group

(a) On 3 January 2013, Alangka-Suka International Limited ("ASIL"), an indirect wholly-owned subsidiary of the Company [held via Alangka-Suka Hotels & Resorts Sdn Bhd ("ASHR"), which is in turn a wholly-owned subsidiary of the Company], acquired the remaining 10,000 ordinary shares of USD1.00 each representing 10% equity interest in P.T. Diwangkara Holiday Villa Bali ("P.T. Diwangkara") not already owned by ASIL for a total cash consideration of USD34,114.60 from Mr Jeffry Budiman Rahardja. Consequential thereto, P.T. Diwangkara became an indirect wholly-owned subsidiary of the Company held via ASIL.

(b) On 5 January 2013, Holiday Villa Assets Sdn Bhd, an indirect wholly-owned subsidiary of the Company, [held via ASHR] ("HV Assets"), acquired an additional 8.6% equity interest in Posthotel Arosa AG ("Arosa") comprising 172 fully paid up registered shares of CHF 500 each from Mr Jacques Rüdisser and Mrs Verena Maria Rüdisser for a total cash consideration of CHF 596’999.96. On 11 July 2013, HV Assets acquired an additional 0.1% equity interest in Arosa comprising 2 fully paid up registered shares of CHF 500 each registered under Dr. Alfred Assal et Mme Elsie Assal for a total cash consideration of CHF 5’000 and consequently, Arosa became an indirect 48.7%-owned associate company of the Company.

(c) On 10 January 2013, the Company announced that Antara Holiday Villas Sdn Bhd ("AHV"), an indirect wholly-owned subsidiary of the Company [held via ASHR, which is in turn a wholly-owned subsidiary of the Company], entered into a Joint Venture Agreement with TH Hotel & Residence Sdn Bhd ("THHR") to incorporate a private limited company in Malaysia ("JV Company") with a view to jointly manage the hotel to be developed by Lembaga Tabung Haji at Kuala Nerus, Kuala Terengganu, Terengganu ("Hotel") under the Holiday Villa brand upon completion of the Hotel which was expected to be by middle of 2013. Upon the incorporation of the JV Company, the JV Company would become a 70%-owned subsidiary of the Company held via AHV. On 9 May 2013, THV Management Services Sdn Bhd, the JV Company, was incorporated.

(d) On 11 January 2013, the Company announced its acquisition of 100% equity interest comprising 2 issued and paid-up ordinary shares of RM1.00 each in a shelf company, Segi Koleksi Sdn Bhd ("SKSB"). On 5 February 2013, the equity structure of SKSB was reconstituted to facilitate the Company's interest to invest in the educational business via SKSB, resulting in the Company holding 70% of the enlarged share capital of SKSB while Pacific Existence Sdn Bhd, a company in which the Group Executive Chairman of the Company has an interest, holds the remaining 30%.

(e) On 16 January 2013, Synergy Tours Sdn Bhd ("Synergy Tours"), an indirect wholly-owned subsidiary of the Company [held via Orient Escape Travel Sdn Bhd, a wholly-owned subsidiary of Diversified Gain Sdn Bhd which in turn is a wholly-owned subsidiary of the Company] incorporated a 49%-owned associate company in Indonesia, PT Panorama Synergy Indonesia. The principal activity of PT Panorama Synergy Indonesia is to operate the travel and tours business.

(f) On 26 December 2012, the Company announced that the inactive wholly-owned subsidiaries of the Company [held via Advance Synergy Capital Sdn Bhd, a wholly-owned subsidiary of the Company ("ASC")], namely Triton Engineering, Triton Express Sdn Bhd ("Triton Express") and Triton Khidmat Sdn Bhd ("Triton Khidmat"), had respectively passed resolutions to apply to strike-off the name of the company from the register pursuant to Section 308(1) of the CA 1965 ("Applications") and the Applications had been submitted to the ROC on 26 December 2012. On 27 June 2013 and 25 July 2013, Triton Express and Triton Khidmat had respectively received the notice of striking off pursuant to Section 308(1) and Section 308(2) of the CA 1965 from ROC for their Applications. On 17 December 2013, the Company announced that Triton Express and Triton Khidmat received the notice of striking-off from the ROC pursuant to Section 308(4) of the CA 1965 informing that Triton Express and Triton Khidmat had been struck off from the register of the ROC. Triton Engineering received the notice of striking-off pursuant to Section 308(1) of the CA 1965 from ROC on 24 December 2013.

12. Changes in the composition of the Group (Continued)

(g) On 24 June 2013, Holiday Villas International Limited ("HVIL"), an indirect wholly-owned subsidiary of the Company [held via ASHR, which is in turn a wholly-owned subsidiary of the Company], acquired the remaining 3 ordinary shares of USD1.00 each representing 10% equity interest in Holiday Villa Middle East Limited ("HV Middle East") not already owned by HVIL for a total cash consideration of USD3.00 from Mr Hossam Ahmed Wahid Eldin Naguib Suwailem. Consequential thereto, HV Middle East became an indirect wholly-owned subsidiary of the Company held via HVIL.

(h) On 1 October 2013, Excellent Display Sdn Bhd, a wholly-owned subsidiary of the Company ("Excellent Display"), acquired the remaining 196,000 ordinary shares of RM1.00 each representing 20% equity interest in Dama TCM Sdn Bhd ("Dama TCM") not already owned by Excellent Display for a cash consideration of RM1.00 from Mr Lee Thiam Huat. Consequential thereto, Dama TCM became an indirect wholly-owned subsidiary of the Company held via Excellent Display.

Other than the above, there were no changes in the composition of the Group for the current financial year.

13. Changes in contingent liabilities

There were no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2012.

14. Review of performance

For the current year ended 31 December 2013, all divisions except Investment Holding division recorded a higher revenue resulting in a higher Group revenue of RM262.2 million compared to a revenue of RM229.8 million recorded in previous year, an increase of 14.1%. However, despite the higher revenue, the Group recorded a loss before tax of RM19.3 million in the current year compared to a profit before tax of RM9.2 million in the preceding year. The Group's performance is affected by an impairment loss on a foreign investment of RM14.8 million ("Impairment Loss"). Included in 2012 results is a fair value gain of RM12.8 million arising from accounting standard MFRS 3 Business Combinations on remeasuring the existing 40% equity interest in Ahead Mobile Sdn Bhd, following the acquisition of the remaining 60% equity interest in this former associated company by our Information & Communications Technology division which was completed on 16 January 2012 ("Fair Value Gain") and a gain on disposal of properties of RM3.1 million ("Gain on Properties Disposal'). Excluding the Impairment Loss in 2013 and Fair Value Gain and Gain on Properties Disposal in 2012, all divisions except for Others division showed improved results for the current year under review compared to the preceding year 2012 resulting in the Group recording a profit from operations (before interest and share of loss in associates) of RM3.2 million compared to RM0.6 million in 2012. In the current year, there was a higher share of loss in the associates of RM2.5 million compared to a share of loss of RM0.5 million last year although this was partly offset by lower finance costs of RM5.2 million in 2013 compared to RM6.8 million in 2012.

Investment Holding

The division recorded a loss of RM9.6 million in the current year ended 2013 compared to a profit of RM9.7 million in the previous year attributable mainly to the Impairment Loss in 2013 and Gain on Properties Disposal in 2012. Excluding the Impairment Loss and Gain on Properties Disposal, this division would have recorded a profit of RM5.2 million in 2013 and RM6.7 million in 2012. The lower profit is mainly due to lower dividends from subsidiaries (eliminated at group level) and higher share of losses of associates.

Hotels & Resorts

The Hotels & Resorts division's revenue remains fairly stable at RM74.3 million for the current year ended 31 December 2013 and the preceding year. However, this division registered a higher profit before tax of RM3.5 million in the current year as compared to preceding year of RM2.8 million mainly attributable to lower overheads partly offset by higher share of losses of associates, namely, higher share of loss from Posthotel Arosa AG ("Arosa") in 2013 as the acquisition of Arosa was completed in June 2012.

Information & Communications Technology

The Information & Communications Technology division registered a higher revenue for the current year ended 31 December 2013 of RM44.3 million compared to RM41.1 million in the previous year, an increase of 7.8%. The higher revenue is mainly attributable to the improved revenue performance of Value Added Services ("VAS") and Operation Support System ("OSS") Business Units ("BU") partly offset by a marginal lower revenue from the Mobile Technology BU ("TECH"). The improvement of revenue of VAS BU was driven primarily by the higher system sale and managed service contracts in the South East Asia ("SEA") region while the increase in OSS BU's revenue is largely due to the higher managed service contract revenues realised by OSS BU in the SEA region.

Despite the higher revenue, this division recorded a lower profit before tax of RM4.3 million in the current financial year compared to RM17.2 million last year due mainly to the impairment loss of assets of RM2.1 million in the current year and the Fair Value Gain recorded in the previous year. Excluding the effect of the impairment loss of assets and Fair Value Gain, the division recorded a higher profit before tax of RM6.3 million for the current year under review as compared to the previous year of RM4.4 million.

14. Review of performance (Continued)

Property Development

The Property Development division registered a higher revenue for the current year ended 31 December 2013 of RM19.1 million compared to RM7.9 million in previous year. With the higher revenue, this division recorded a higher profit before tax of RM2.7 million for the current year under review compared to RM1.3 million last year.

Travel & Tours

For the current year ended 31 December 2013, our Travel & Tours division achieved a higher revenue of RM94.8 million as compared to a revenue of RM84.6 million in the last financial year, an increase of RM10.2 million or 12.1%. In line with the higher revenue achieved and higher other operating income in the current year under review, the division's profit before tax has improved to RM2.1 million in current financial year as compared to RM1.3 million last year.

Others

Others division registered higher revenue of RM29.0 million in the financial year ended 31 December 2013 compared to a revenue of RM21.3 million achieved last year. Despite higher revenue, the Others division recorded a higher loss before tax of RM8.1 million in the current financial year compared to loss of RM5.2 million in the previous year mainly due to higher overhead arising from higher depreciation and system maintenance support cost incurred by our Card & Payment Services division in 2013 and higher other income in 2012 arising from internal restructuring of capital for the Card & Payment Services division which has no impact at group level.

15. Comparison of results with preceding quarter

The Group achieved a revenue of RM74.1 million for the current quarter ended 31 December 2013 ("Q4 2013") which was higher compared to the revenue in the previous quarter ended 30 September 2013 ("Q3 2013") of RM63.0 million. This was mainly due to higher revenue from all divisions except for Travel & Tours and Hotels & Resorts divisions. Despite the higher revenue, the Group recorded a higher loss before tax of RM16.6 million for Q4 2013 compared to a loss of RM1.3 million in Q3 2013 mainly attributable to the Impairment Loss, higher operating expenses and higher share of losses of associates.

Investment Holding

The Investment Holding division recorded a loss before tax of RM3.4 million for Q4 2013 compared to a loss before tax of RM2.4 million for Q3 2013. The higher loss in the current quarter was mainly due to the Impairment Loss partly offset by the dividend income from subsidiaries (eliminated at group level).

Hotels & Resorts

The Hotels & Resorts division registered a slightly lower revenue for Q4 2013 of RM18.6 million as compared to RM19.1 million in Q3 2013. For the current quarter, this division made a profit of RM0.4 million compared to a profit of RM2.1 million in the previous quarter mainly attributable to the lower management fee and higher share of loss from associates in the current quarter.

Information & Communications Technology

The Information & Communications Technology division registered a higher revenue in Q4 2013 of RM11.4 million compared to RM10.7 million in the preceding quarter. The higher revenue in the quarter under review was mainly due to higher system sale contract revenue recorded by OSS BU in SEA and higher VAS system sale and revenue share contracts revenues in Middle East and Africa (" MEA") and SEA respectively. Despite higher revenue in the current quarter, this division recorded a lower profit before tax in Q4 2013 of RM0.4 million compared to RM0.6 million in the preceding quarter mainly attributable to the impairment loss of assets of RM2.1 million recorded in this quarter, partly offset by a fair value gain adjustment on contingent consideration of acquisition of Ahead Mobile Sdn. Bhd. of RM1.9 million in the same quarter.

Property Development

The Property Development division recorded a higher revenue of RM12.0 million for Q4 2013 compared to RM2.8 million in the preceding quarter. With the higher revenue, the division recorded a higher profit before tax of RM1.9 million compared to the previous quarter's profit of RM0.4 million.

Travel & Tours

The Travel & Tours division recorded a lower revenue for Q4 2013 of RM23.2 million compared to RM24.5 million in Q3 2013. With the lower revenue coupled with lower other operating income, the division recorded a lower profit before tax of RM0.2 million compared to the profit of RM0.9 million in the preceding quarter.

Others

The Others division recorded a higher revenue for Q4 2013 of RM8.8 million compared to RM5.8 million in the Q3 2013. The increased in revenue was attributable mainly to the Bus Manufacturing division. With the increased revenue in this quarter, the Others division recorded a lower loss of RM1.8 million in Q4 2013 compared to a loss of RM2.9 million in the previous quarter.

16. Prospects

Although major advanced economies are showing signs of improvement, the Directors are of the opinion that the global economic outlook remains challenging in 2014 while growth in our local economy may be constrained by downside risks such as inflationary pressures arising from subsidy rationalization.

The Group will continue to execute key strategies to further develop and enhance its range of products and/or services, strengthen its marketing activities, seek opportunities via exploring new markets overseas and improve competitiveness through higher productivity and operational efficiency. With the expected surge in operating costs due to the inflationary pressures, the Group will also focus on action plans to manage costs effectively.

Year 2014 will be challenging for our Property Development division with the introduction of property cooling measures introduced by the Government in the Budget 2014. Notwithstanding the restrained outlook in property development, this division expects its on-going development projects and a new project comprising residential units and shophouses situated in Matang, Kuching, which will be launch in 2014, to further enhance its performance this year.

Our Hotels & Resorts division expects to continue enjoying encouraging demand from both the leisure and business markets. This division will leverage on its branding and expertise in hotel management to secure hotel management and operations agreements, and explore viable joint venture opportunities to expand and further strengthen its Holiday Villa brand presence globally.

The Information & Communications Technology division expects 2014 to remain challenging largely due to the persistent soft system sale market conditions notwithstanding the favourable progress in growing the managed services contract portfolio. With the ramping up of internet usage, the division expects that internet-delivered application services and mobile and digital advertising solutions will continue to offer strong growth portfolio. The division will continue to explore opportunities for strategic investment and acquisition focusing primarily on these growth businesses in the SEA and South Asia regions.

The inbound travel & tours business expects its performance to stabilize in anticipation of higher arrival from Visit Malaysia 2014 and will continue its intensed marketing efforts to offer competitive and unique services and / or innovative packages to secure bookings from key markets and new market segments. The outbound travel and tours business expects to continue enjoying strong demand from the domestic market despite the cautious outlook in the industry due to the inflationary pressure and will leverage on its products expertise to enhance its performance and provide sustainable growth in the increasingly competitive environment.

Although the Others division is still under-performing, sufficient progress is shown in driving up the overall revenue of this division in 2013. The division expects to face continued challenges in 2014 in its effort to drive up the revenue growth plan and will focus on strengthening its marketing activities and implementation of cost management and operational efficiency plans to turnaround its performance.

17. Board of Directors' opinion on revenue or profit estimate, forecast, projection or internal targets

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets in a public document.

18. Profit variance and shortfall in profit guarantee

Not Applicable.

19. Income tax expense

	3 months ended 31.12.2013 RM'000	Year-to-date ended 31.12.2013 RM'000
On current quarter/period results		
- Malaysian income tax	1,582	4,108
- Overseas taxation	(345)	94
Under provision in prior years	1,202	1,282
Transfer (to)/from deferred taxation	(19)	55
	2,420	5,539

The effective tax rate of the Group for the financial quarter and year ended 31 December 2013 is higher than the statutory tax rate. This is mainly due to certain expenses which were not deductible for taxation purposes and the non-availability of group relief where tax losses of certain subsidiaries cannot be set off against the taxable income of other subsidiaries.

19. Income tax expense (Continued)

ASC Credit Sdn Bhd ("ASCC"), a indirect wholly-owned subsidiary of the Company [held via Advance Synergy Capital Sdn Bhd, which is in turn a wholly-owned subsidiary of the Company], had received a notice of additional assessment dated 14 November 2013 (hereinafter referred to as "Notice of Additional Assessment") from Malaysia Inland Revenue Board ("IRB") in the amount of RM1,223,350.00 and a penalty charge of RM550,507.50 for the year of assessment 2009. The additional assessment is in respect of disallowance of certain expenses by the IRB. ASCC has agreed and accepted the assessment raised by IRB as stipulated in the Notice of Additional Assessment but objected to the imposition of penalty raised under Section 113(2) of the Income Tax Act, 1967 and has filed an appeal to the IRB for the removal of such penalty. Notwithstanding the outcome of the appeal and objection in respect of the tax penalty, the Group has provided the amount in full in the fourth quarter of the financial year ended 31 December 2013.

20. Status of corporate proposals

(a) On 25 March 1996, the Company announced that it had accepted the offer from Perbadanan Kemajuan Negeri Kedah ("PKNK") to purchase from the Company 52,500,000 ordinary shares of RM1.00 each representing 70% equity interest in Kedah Marble Sdn Bhd ("KMSB") for a total cash consideration of RM59,797,500. In the meantime, a Winding-Up Petition dated 25 March 2002 was served on KMSB, on or about 19 April 2002, by Malaysia Airports Sdn Bhd, a trade creditor of KMSB. On 11 June 2003, a Winding-Up Order was granted by the Kuala Lumpur High Court and the Official Receiver was appointed the Provisional Liquidator.

The Company had on 14 June 2004 instituted legal action vide Alor Setar High Court Civil Suit No. MT2-22-95-2004 against PKNK to recover its investment in KMSB. Details of this legal suit are set out in Note 23(a).

(b) On 10 February 2014, the Company announced that ASHR, a wholly-owned subsidiary of the Company, accepted a Letter of Intent ("Offer") from Maranatha, a limited liability company with a share capital of EURO7,000,000, located at 148 traverse de la Martine bat A1, 13 011 MARSEILLE registered with the MARSEILLE Register of Companies under the number 500 162 979, represented by Mr Olivier Carvin, the President, or any other representatives ("the Purchaser"), to acquire the Group's entire shareholding and voting rights, free from all securities, fees, options or other engagements in Alangka-Suka Paris ("ASP"), Holiday Villa Lafayette Paris ("HVLP") and Legenda De Malaisie ("LDM") ("Acquiree Companies") ("Proposed Disposal"). The Purchaser shall confirm their interest by entering into a transfer agreement after undertaking the survey and audit of the Acquiree Companies and their assets and businesses.

The Offer from the Purchaser is EURO10,500,000 (equivalent to approximately RM46,725,000) (“Consideration”), being the value of the immovable assets and the business (“Asset”) of the Acquiree Companies with value assigned to the Asset of ASP, HVLP and LDM of EURO3,800,000, EURO5,500,000 and EURO1,200,000 respectively. The Group’s share of the Consideration is EURO7,710,000 (equivalent to approximately RM34,309,500). The final consideration for the entire equity interest in the Acquiree Companies shall be arrived at after adjusting the Consideration by adding the net book value of other assets and deducting the net book value of liabilities in the Acquiree Companies as at the completion date. All shareholders’ loans shall be reimbursed upon the completion of the Proposed Disposal. With the completion of the Proposed Disposal, ASP, HVLP and LDM shall cease to be indirect subsidiaries of the Company.

21. Group borrowings

(a) Details of the borrowings by the Group are as follows :-

	As At 31.12.2013 RM’000	As At 31.12.2012 RM’000
Short term - secured		
- Term loans	3,294	2,646
- Bank overdraft	2,464	738
- Hire purchase payables	23	28
- Finance lease payable	1,669	1,556
- Revolving credit	19,500	-
Short term - unsecured		
- Term loans	-	1,346
	26,950	6,314
Long term - secured		
- Term loans	28,960	25,024
- Hire purchase payables	39	63
- Finance lease payable	21,246	21,253
Long term - unsecured		
- Term loans	5,747	4,839
	55,992	51,179
Total borrowings	82,942	57,493

21. Group borrowings (Continued)

(b) Group borrowings denominated in foreign currency are as follows:-

	As At 31.12.2013 RM'000	As At 31.12.2012 RM'000
Australian Dollars	5,747	6,185
Sterling Pounds	574	777
Euro	11,553	11,225

22. Financial Instruments

(a) Derivatives

The Group does not have any outstanding derivatives as at the date of this report.

(b) Gain/Loss arising from fair value changes of financial liabilities

There were no gain/loss arising from the fair value changes in financial liabilities for the current financial period.

23. Material litigation

(a) The Company initiated the Alor Setar High Court Civil Suit No. MT2-22-95-2004 on 14 June 2004 against Perbadanan Kemajuan Negeri Kedah ("PKNK") to recover its investment of RM52,500,000 representing 70% equity interest in Kedah Marble Sdn Bhd ("KMSB") together with other sums, damages, interests and costs.

PKNK then applied for the determination of points or issues of law pursuant to Order 14A and/or Order 33 Rule 2 of the Rules of High Court, 1980. The application was heard on 13 January 2011 and allowed by the High Court on the basis that the Company's claim was time barred under the Public Authorities Protection Act ("PAPA") and/or the Limitation Act. In the result, the suit was dismissed with costs. The Judgment of the High Court was appealed to the Court of Appeal of Malaysia vide Civil Appeal No.: K-01-85-2011. The appeal was heard on the 27 September 2012 and allowed with costs. In the result, the order of the High Court dated 13 January 2011 was set aside and the matter remitted to the High Court for trial. Following the order of the Court of Appeal of Malaysia, PKNK has filed an application for leave to appeal to the Federal Court of Malaysia vide Civil Application No.: 08-772-10/2012. The application was called up for case management on 20 January 2014 and the parties were informed that the Grounds of Judgement of the Court of Appeal of Malaysia are still unavailable. Accordingly, there has been no change in the status of this matter save that the matter has been fixed for further case management on 20 March 2014. A hearing date will only be fixed by the Federal Court of Malaysia once the written Grounds of Judgment are made available to the parties by the Court of Appeal of Malaysia.

(b) On 20 November 2013, Unified Communications Holdings Limited ("UCH"), a 58.3%-owned subsidiary of the Company (held via Worldwide Matrix Sdn Bhd, a wholly-owned subsidiary of the Company), announced that Unified Telecom Private Limited ("UTPL"), a joint venture entity of UCH in India, had on 19 November 2013 filed a petition to the High Court of Delhi, New Delhi under Section 9 of India's Arbitration and Conciliation Act, 1996 to obtain interim relief on the protection of Assets (i.e. the required systems comprising hardware, software and services implemented at the Telco's sites for the Project) currently under the custody of a mobile telecoms network operator and service provider in India ("Telco") and to deny the penalty claims by the Telco against UTPL.

In October 2008, UTPL entered into a revenue sharing contract with the Telco for the provision of mobile advertising services on a turnkey basis ("Project"). UTPL had decided not to pursue renewal upon the expiry of the said contract in March 2012 and had made repeated attempts to recover the Assets that remain in the custody of the Telco. Telco had via a letter issued in July 2013 alleged that UTPL is liable for a sum of INR 10.7 crore (approximately SGD2.1 million or RM5.4 million) for damages and expenditure incurred in connection with the said contract during its currency.

Having assessed the legal opinion obtained from the law firms consulted, the Board of UCH is of the view that UTPL has the full rights and title to the Assets and should be entitled to demand their return, and that the Telco's financial claim against UTPL has no legal merit.

Subsequent to the announcement above, the High Court of Delhi has scheduled the petition to be heard on 23 April 2014.

Based on the assessment of the matter, UCH has set aside an impairment loss of approximately RM2.14 million (or SGD0.83 million) on the net carrying value of the Assets in the custody of the Telco for the financial year ended 31 December 2013 to recognise the loss associated with the potential failure to recover the Assets.

24. Capital Commitments

A subsidiary has entered into a Leasehold Agreement on 1 November 2013 with PT Buana Megawisatama for a long term lease of a property in the "Pantai Indah Villas" project situated in Bintan, Kepulauan Riau, Indonesia for a leasehold price of SGD606,669.53 (equivalent to RM1.6 million). The leasehold property is expected to be completed and delivered by 1 June 2015 and the leasehold expiry date is 31 May 2095.

25. Notes To The Statement of Comprehensive Income

Included in the operating profit/(loss) are:

	12 months ended 31.12.2013 RM'000	**12 months ended 31.12.2012 RM'000**
Amortisation of intangible assets	(2,722)	(2,435)
Depreciation	(16,238)	(14,194)
Bad debts written off	(506)	(105)
Fair value gain on remeasurement of UCSB's 40% equity interest in an associate	-	12,809
Fair value gain on remeasurement of contingent consideration on acquisition of a subsidiary	1,871	2,417
Gain/(loss) on disposal of:		
- held for trading investment	-	41
- non-current assets classified as held for sale	-	3,078
- property, plant and equipment	38	160
- subsidiaries	-	(532)
Deregistration of subsidiaries		(338)
Gross dividend income	2	3
Impairment loss on:		
- available-for-sale investment	(14,808)	(1)
- development expenditure	-	(349)
- held for trading investment	(19)	-
- inventories	(185)	(18)
- loan and receivables	(475)	(260)
- property, plant and equipment	(2,068)	(1,167)
- investment in joint venture	(24)	-
Interest expenses	(5,193)	(6,781)
Interest income	3,246	3,358
Write back of payables	373	17
Net unrealised (loss)/gain on foreign exchange	869	(1,070)
Property, plant and equipment written off	(16)	(482)
Bad debts recovered	50	70
Provision for retirement plan	(190)	(180)
Write back of impairment loss on:		
- held for trading investment	-	10
- loan and receivables	393	142

26. Retained Earnings

	As At 31.12.2013 RM'000	As At 31.12.2012 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(415,156)	(375,871)
- Unrealised	(870)	(8,611)
Total retained profits/(accumulated losses) from associates		
- Realised	(5,734)	(2,675)
- Unrealised	28	11
Total retained profits/(accumulated losses) from jointly controlled entities		
- Realised	(796)	(762)
- Unrealised	-	-
	(422,528)	(387,908)
Consolidation adjustments	469,145	459,118
Total Group retained profits as per consolidated financial statements	46,617	71,210

27. Dividend

The Board will decide on the recommendation of dividend after finalisation of the audited financial results for the financial year ended 31 December 2013.

28. (Loss)/Earnings per share

Basic (loss)/earnings per share

The basic (loss)/earnings per share for the current quarter and current year-to-date are computed based on the Group's net profit/(loss) attributable to equity holders of the Company of (RM16,222,000) and (RM23,418,000) respectively, divided by the weighted average number of ordinary shares of 513,915,830 and 513,820,488 for the current quarter and current year-to-date respectively as follows:

	3 months ended		Year-to-date ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	No. of shares		No. of shares	
Issued ordinary shares at beginning of the year	513,915,830	513,715,830	513,715,830	504,391,530
Weighted average number of new ordinary shares arising from ICULS converted todate	-	-	104,658	6,686,862
Weighted average number of ordinary shares	513,915,830	513,715,830	513,820,488	511,078,392

	3 months ended		Year-to-date ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Basic (loss)/earnings per share (sen)	(3.16)	0.04	(4.56)	(0.19)

28. (Loss)/Earnings per share (Continued)

<u>Diluted (loss)/earnings per share</u>

The diluted (loss)/earnings per share for the current quarter and current year-to-date are computed based on the Group's net profit/(loss) attributable to equity holders of the Company of (RM15,881,000) and (RM22,065,000) respectively, after adjusting for interest saving on ICULS, divided by the weighted average number of ordinary shares of 929,194,952 and 929,194,952 for the current quarter and current year-to-date respectively assuming conversion of the remaining ICULS as follows:

	3 months ended		Year-to-date ended	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
	RM'000		RM'000	
Net (loss)/profit attributable to equity holders	(16,222)	223	(23,418)	(978)
Profit impact of assumed conversion- interest on ICULS	341	308	1,353	1,232
	(15,881)	531	(22,065)	254

Weighted average number of ordinary shares (diluted)

	3 months ended		Year-to-date ended	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
	No. of shares		No. of shares	
Issued ordinary shares at beginning of the year	513,915,830	513,715,830	513,715,830	504,391,530
Weighted average number of new ordinary shares arising from ICULS converted todate	-	-	104,658	6,686,862
Weighted average number of new ordinary shares assuming conversion of the remaining ICULS	415,279,122	415,479,122	415,374,464	418,116,560
Weighted average number of ordinary shares	929,194,952	929,194,952	929,194,952	929,194,952

	3 months ended		Year-to-date ended	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Diluted (loss)/earnings per share (sen)	(3.16)	0.04	(4.56)	(0.19)

The diluted (loss)/earnings per share and basic loss per share for the current quarter, current year-to-date, corresponding quarter last year and corresponding year-to-date last year are reported to be the same as the effect arising from the deemed conversion of ICULS is anti-dilutive.

29. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD
ADVANCE SYNERGY BERHAD

HO TSAE FENG
Company Secretary
28 February 2014