

**ADVANCE SYNERGY BERHAD**  
**(Company No: 1225-D)**

**COMPANY ANNOUNCEMENT**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED**  
**31 MARCH 2014**

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter ended 31 March 2014.

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 2013.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

|  | <u>3 months ended</u> |                   | <u>Year-to-date</u> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <u>31.03.2014</u>     | <u>31.03.2013</u> | <u>31.03.2014</u>   | <u>31.03.2013</u> |
|  | <u>RM'000</u>         | <u>RM'000</u>     | <u>RM'000</u>       | <u>RM'000</u>     |
| Revenue  | 60,916                | 58,621            | 60,916              | 58,621            |
| Cost of sales  | (39,733)              | (36,534)          | (39,733)            | (36,534)          |
| Gross profit   | 21,183                | 22,087            | 21,183              | 22,087            |
| Other operating income                               | 2,916                 | 2,485             | 2,916               | 2,485             |
| Operating expenses                                   | (24,761)              | (23,630)          | (24,761)            | (23,630)          |
| Profit/(Loss) from operations                        | (662)                 | 942               | (662)               | 942               |
| Finance costs  | (1,405)               | (1,300)           | (1,405)             | (1,300)           |
| Share of results of associates                       | 712                   | (403)             | 712                 | (403)             |
| Loss before tax                                      | (1,355)               | (761)             | (1,355)             | (761)             |
| Income tax expense                                   | (878)                 | (831)             | (878)               | (831)             |
| Net loss for the financial period                    | <u>(2,233)</u>        | <u>(1,592)</u>    | <u>(2,233)</u>      | <u>(1,592)</u>    |
| Attributable to:                                     |                       |                   |                     |                   |
| Owners of the parent                                 | (2,128)               | (2,168)           | (2,128)             | (2,168)           |
| Non-controlling interests                            | (105)                 | 576               | (105)               | 576               |
|  | <u>(2,233)</u>        | <u>(1,592)</u>    | <u>(2,233)</u>      | <u>(1,592)</u>    |
| Loss per share attributable to owners of the parent: |                       |                   |                     |                   |
| Basic (sen)  | <u>(0.41)</u>         | <u>(0.42)</u>     | <u>(0.41)</u>       | <u>(0.42)</u>     |
| Diluted (sen)  | <u>(0.41)</u>         | <u>(0.42)</u>     | <u>(0.41)</u>       | <u>(0.42)</u>     |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|  | <b>3 months ended</b> |                   | <b>Year-to-date<br/>3 months ended</b> |                   |
|--|-----------------------|-------------------|--|-------------------|
|  | <b>31.03.2014</b>     | <b>31.03.2013</b> | <b>31.03.2014</b>                      | <b>31.03.2013</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>     | <b>RM'000</b>                          | <b>RM'000</b>     |
| Net loss for the financial period  | (2,233)               | (1,592)           | (2,233)                                | (1,592)           |
| Other comprehensive income/(expenses):                                     |                       |                   |  |                   |
| Item that will not be reclassified subsequently to profit or loss          | -                     | -                 | -                                      | -                 |
| Items that are or may be reclassified subsequently to profit or loss:      |                       |                   |  |                   |
| Fair value of available-for-sale financial assets                          | 1,366                 | 1,608             | 1,366                                  | 1,608             |
| Share of other comprehensive income of associates, net of tax              | 17                    | (3)               | 17                                     | (3)               |
| Foreign currency translation differences for foreign operations            | 278                   | (760)             | 278                                    | (760)             |
| Total items that are or may be reclassified subsequently to profit or loss | 1,661                 | 845               | 1,661                                  | 845               |
| Other comprehensive income for the financial period                        | 1,661                 | 845               | 1,661                                  | 845               |
| Total comprehensive loss for the financial period                          | <u>(572)</u>          | <u>(747)</u>      | <u>(572)</u>                           | <u>(747)</u>      |
| Attributable to:   |                       |                   |  |                   |
| Owners of the parent   | (486)                 | (1,081)           | (486)                                  | (1,081)           |
| Non-controlling interests  | (86)                  | 334               | (86)                                   | 334               |
| Total comprehensive loss for the financial period                          | <u>(572)</u>          | <u>(747)</u>      | <u>(572)</u>                           | <u>(747)</u>      |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|   | <b>Unaudited<br/>as at<br/><u>31.03.2014</u><br/>RM'000</b> | <b>Audited<br/>as at<br/><u>31.12.2013</u><br/>RM'000</b> |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| <b><u>Non-current assets</u></b>                          |   |   |
| Property, plant and equipment                             | 184,816   | 187,407   |
| Investment properties                                     | 8,870   | 8,870   |
| Investment in associates                                  | 36,398  | 35,667  |
| Investment securities                                     | 21,085  | 19,719  |
| Goodwill on consolidation                                 | 92,027  | 92,027  |
| Intangible assets   | 17,139  | 17,798  |
| Deferred tax assets                                       | 1,211   | 1,239   |
|   | 361,546   | 362,727   |
| <b><u>Current assets</u></b>                              |   |   |
| Progress billings   | 3,784   | 12,449  |
| Inventories   | 61,495  | 58,434  |
| Trade and other receivables                               | 81,354  | 72,419  |
| Tax recoverable   | 2,713   | 2,520   |
| Investment securities                                     | 499   | 499   |
| Short term deposits                                       | 77,135  | 85,383  |
| Cash and bank balances                                    | 39,635  | 44,993  |
|   | 266,615   | 276,697   |
| <b>TOTAL ASSETS</b>                                       | <b><u>628,161</u></b>                                       | <b><u>639,424</u></b>                                     |
| <b>EQUITY AND LIABILITIES</b>                             |   |   |
| <b><u>Equity attributable to owners of the parent</u></b> |   |   |
| Share capital   | 154,175   | 154,175   |
| Irredeemable Convertible Unsecured Loan                   |   |   |
| Stocks ("ICULS") - equity component                       | 108,669   | 108,669   |
| Reserves  | 177,798   | 178,284   |
|   | 440,642   | 441,128   |
| <b>Non-controlling interests</b>                          | 34,539  | 34,625  |
| <b>Total equity</b>                                       | <b>475,181</b>  | <b>475,753</b>  |
| <b><u>Non-current liabilities</u></b>                     |   |   |
| Borrowings  | 55,293  | 56,097  |
| ICULS - liability component                               | 8,919   | 9,231   |
| Deferred tax liabilities                                  | 1,811   | 1,811   |
| Provision for retirement benefit obligations              | 1,424   | 1,374   |
|   | 67,447  | 68,513  |
| <b><u>Current liabilities</u></b>                         |   |   |
| Trade and other payables                                  | 63,685  | 65,717  |
| Borrowings  | 19,117  | 26,845  |
| Tax payable   | 2,731   | 2,596   |
|   | 85,533  | 95,158  |
| <b>Total Liabilities</b>                                  | <b>152,980</b>  | <b>163,671</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       | <b><u>628,161</u></b>                                       | <b><u>639,424</u></b>                                     |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 MARCH 2014**

|  | ← Attributable to owners of the parent → |   |                            |                                  |  |  |                               |                 |  |                           |
|--|--|---|----------------------------|----------------------------------|--|--|-------------------------------|-----------------|--|---------------------------|
|  | ← Non-distributable →                    |   |                            |                                  |  | Distributable                                |                               |                 |  |                           |
|  | Share<br>Capital<br>RM'000               | ICULS-<br>Equity<br>Component<br>RM'000 | Share<br>Premium<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Exchange<br>Translation<br>Reserve<br>RM'000 | Available-<br>For-Sale-<br>Reserve<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>RM'000 | Non-<br>Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
| Balance as at<br>1 January 2014                                    | 154,175                                  | 108,669                                 | 117,317                    | 15,998                           | (5,489)                                      | 4,992  | 45,466                        | 441,128         | 34,625                                     | 475,753                   |
| Net loss for the financial period                                  | -  | -                                       | -                          | -                                | -  | -  | (2,128)                       | (2,128)         | (105)                                      | (2,233)                   |
| Fair value of available-for-sale financial<br>assets               | -  | -                                       | -                          | -                                | -  | 1,366  | -                             | 1,366           | -  | 1,366                     |
| Share of other comprehensive income<br>of associates, net of tax   | -  | -                                       | -                          | -                                | 19   | (2)  | -                             | 17              | -  | 17                        |
| Foreign currency translation<br>differences for foreign operations | -  | -                                       | -                          | -                                | 259  | -  | -                             | 259             | 19   | 278                       |
| Total comprehensive income/(loss) for<br>the financial period      | -  | -                                       | -                          | -                                | 278  | 1,364  | (2,128)                       | (486)           | (86)                                       | (572)                     |
| Balance as at<br>31 March 2014                                     | 154,175                                  | 108,669                                 | 117,317                    | 15,998                           | (5,211)                                      | 6,356  | 43,338                        | 440,642         | 34,539                                     | 475,181                   |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 MARCH 2013**

|  | ← Attributable to owners of the parent → |   |                            |                                  |  |   |                               |                 |  |                           |
|--|--|---|----------------------------|----------------------------------|--|---|-------------------------------|-----------------|--|---------------------------|
|  | ← Non-distributable                      |   |                            | → Distributable                  |  |   |                               |                 |  |                           |
|  | Share<br>Capital<br>RM'000               | ICULS-<br>Equity<br>Component<br>RM'000 | Share<br>Premium<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Exchange<br>Translation<br>Reserve<br>RM'000 | Available-<br>For-Sale<br>Reserve<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>RM'000 | Non-<br>Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
| Balance as at<br>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 period                         | -  | -                                       | -                          | -                                | -  | -   | (2,168)                       | (2,168)         | 576  | (1,592)                   |
| Fair value of available-for-sale financial<br>assets               | -  | -                                       | -                          | -                                | -  | 1,608                                       | -                             | 1,608           | -  | 1,608                     |
| Share of other comprehensive income<br>of associates, net of tax   | -  | -                                       | -                          | -                                | (3)  | -   | -                             | (3)             | -  | (3)                       |
| Foreign currency translation<br>differences for foreign operations | -  | -                                       | -                          | (1)                              | (517)  | -   | -                             | (518)           | (242)                                      | (760)                     |
| Total comprehensive income/(loss) for<br>the financial period      | -  | -                                       | -                          | (1)                              | (520)  | 1,608                                       | (2,168)                       | (1,081)         | 334  | (747)                     |
| <b>Transactions with owners in their<br/>capacity as owners:</b>   |  |   |                            |                                  |  |   |                               |                 |  |                           |
| Acquisition of additional shares in<br>a subsidiary                | -  | -                                       | -                          | -                                | -  | -   | 283                           | 283             | (283)                                      | -                         |
|  | -  | -                                       | -                          | -                                | -  | -   | 283                           | 283             | (283)                                      | -                         |
| Balance as at<br>31 March 2013                                     | 154,115                                  | 108,722                                 | 117,317                    | 12,765                           | (9,941)                                      | 6,269                                       | 69,325                        | 458,572         | 38,130                                     | 496,702                   |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2014**

|   | <b>3 months ended</b><br><b><u>31.03.2014</u></b><br><b>RM'000</b> | <b>3 months ended</b><br><b><u>31.03.2013</u></b><br><b>RM'000</b> |
|---|--|--|
| <b>Cash flows from operating activities</b>             |  |  |
| Loss before tax   | (1,355)  | (761)  |
| Adjustments for :-                                      |  |  |
| Non-cash items  | 4,050  | 5,207  |
| Other investing and financing items                     | 610  | 287  |
| Operating profit before working capital changes         | <u>3,305</u>   | <u>4,733</u>   |
| Changes in working capital                              |  |  |
| Inventories   | (3,061)  | 1,495  |
| Receivables   | (277)  | (6,124)  |
| Payables  | 205  | (5,782)  |
| Cash generated from/(used in) operations                | <u>172</u>   | <u>(5,678)</u>   |
| Tax paid  | (908)  | (582)  |
| <b>Net cash used in operating activities</b>            | <u><b>(736)</b></u>  | <u><b>(6,260)</b></u>  |
| <b>Cash flows from investing activities</b>             |  |  |
| Acquisition of intangible assets                        | (174)  | (542)  |
| Investment in associates                                | -  | (1,991)  |
| Acquisition of held for trading investments             | -  | (20)   |
| Interest received                                       | 795  | 1,013  |
| Proceeds from disposal of held for trading investments  | -  | 20   |
| Proceeds from disposal of property, plant and equipment | 1  | 24   |
| Purchase of property, plant and equipment               | (1,750)  | (543)  |
| <b>Net cash used in investing activities</b>            | <u><b>(1,128)</b></u>  | <u><b>(2,039)</b></u>  |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2014 (Continued)**

|  | <b>3 months ended</b><br><b>31.03.2014</b><br><b>RM'000</b> | <b>3 months ended</b><br><b>31.03.2013</b><br><b>RM'000</b> |
|--|---|---|
| <b>Cash flows from financing Activities</b>  |   |   |
| Drawdown of term loans   | -   | 200   |
| Interest paid  | (3,934)   | (1,553)   |
| Payments to hire purchase payables   | (4)   | (10)  |
| Pledge of short term deposits  | (1,631)   | (480)   |
| Repayment of revolving credit  | (6,500)   | -   |
| Repayment of term loans  | (852)   | (612)   |
| <b>Net cash used in financing activities</b>   | <b>(12,921)</b>   | <b>(2,455)</b>  |
| Effect of exchange rate changes  | 876   | (474)   |
| <b>Net decrease in cash and cash equivalents</b>   | <b>(13,909)</b>   | <b>(11,228)</b>   |
| <b>Cash and cash equivalents as at beginning of financial period</b>                             |   |   |
| As previously reported   | 90,901  | 91,249  |
| Effect of exchange rate changes  | (81)  | (108)   |
| As restated  | 90,820  | 91,141  |
| <b>Cash and cash equivalents as at end of financial period *</b>                                 | <b>76,911</b>   | <b>79,913</b>   |
| <b>* Cash and cash equivalents at the end of the financial period comprising the following :</b> |   |   |
| Short term deposits  | 77,135  | 83,592  |
| Cash and bank balances   | 39,635  | 38,578  |
| Bank overdrafts  | (1,218)   | (3,748)   |
|  | 115,552   | 118,422   |
| Less : Deposits placed with lease creditors as security deposit for lease payments               | (21,288)  | (19,987)  |
| Restricted deposits  | (6,119)   | (9,000)   |
| Cash held under Housing Development Accounts   | (535)   | (519)   |
| Deposits pledged to licensed banks   | (10,699)  | (9,003)   |
|  | (38,641)  | (38,509)  |
|  | 76,911  | 79,913  |

## 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 2013.

### 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 2013, 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:

#### Amendments to MFRSs

MRFS 10 Consolidated Financial Statements : Investment Entities

MRFS 12 Disclosure of Interests in Other Entities : Investment Entities

MRFS 127 Separate Financial Statements : Investment Entities

MRFS 132 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

MFRS 136 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets

MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting

#### New IC Int

IC Int 21 Levies

The adoption of the above amendments to MFRSs and IC Interpretation 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:

#### New MFRS

MFRS 9 Financial Instruments (effective date to be announced by MASB)

#### Amendments/Improvements to MFRSs / IC Int

MFRS 119 Defined Benefit Plans : Employee Contributions (effective from 1 July 2014)

MFRS 12 Disclosure of Interests in Other Entities : Investment Entities (effective 1 July 2014)

Annual Improvements to MFRSs 2010 - 2012 Cycle (effective from 1 July 2014)

Annual Improvements to MFRSs 2011 - 2013 Cycle (effective from 1 July 2014)

### 3 Audit report

The auditors’ report on the financial statements for the year ended 31 December 2013 was not subject to any qualification.

**4 Seasonal or cyclical factors**

The operations of the Group for the quarter ended 31 March 2014 were not materially affected by any seasonal or cyclical factors.

**5. Unusual items**

There were no unusual significant items during the current quarter under review.

**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 under review.

**7 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities during the financial period ended 31 March 2014.

**8 Dividends paid**

There was no payment of any dividend during the financial period ended 31 March 2014.

## 9. Segmental Information

For the financial period ended 31 March 2014

|   | 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        |
| <b>Revenue</b>  |                    |                  |   |                      |                |              |              |               |
| External  | 279                | 18,066           | 13,127                                  | 2,507                | 21,906         | 5,031        | -            | 60,916        |
| Inter-segment   | 344                | -                | -                                       | 3                    | 134            | -            | (481)        | -             |
| <b>Total revenue</b>  | <b>623</b>         | <b>18,066</b>    | <b>13,127</b>                           | <b>2,510</b>         | <b>22,040</b>  | <b>5,031</b> | <b>(481)</b> | <b>60,916</b> |
| <b>Results</b>  |                    |                  |   |                      |                |              |              |               |
| Segment results   | (1,836)            | 425              | 1,040                                   | 197                  | 769            | (2,677)      | 15           | (2,067)       |
| Share of results of associates  | 645                | 104              | -                                       | -                    | (37)           | -            | -            | 712           |
| Consolidated profit/(loss) before tax   | (1,191)            | 529              | 1,040                                   | 197                  | 732            | (2,677)      | 15           | (1,355)       |
| Income tax expense  |                    |                  |   |                      |                |              |              | (878)         |
| Consolidated profit/(loss) after tax  |                    |                  |   |                      |                |              |              | (2,233)       |
| Non-controlling interests   |                    |                  |   |                      |                |              |              | 105           |
| Net profit/(loss) for the financial period attributable to owners of the parent |                    |                  |   |                      |                |              |              | (2,128)       |

9. Segmental Information (Continued)

For the financial period ended 31 March 2014

|                                    | 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  |
| <b><u>Other information</u></b>    |                    |                  |   |                      |                |        |              |         |
| Segment assets                     | 62,478             | 230,129          | 160,429                                 | 58,682               | 16,459         | 59,662 | -            | 587,839 |
| Investment in associates           | 16,184             | 19,921           | -                                       | -                    | 293            | -      | -            | 36,398  |
| Unallocated corporate assets       |                    |                  |   |                      |                |        |              | 3,924   |
| Total assets                       |                    |                  |   |                      |                |        |              | 628,161 |
| Segment liabilities                | 12,628             | 82,281           | 15,932                                  | 6,216                | 5,355          | 26,026 | -            | 148,438 |
| Unallocated corporate liabilities  |                    |                  |   |                      |                |        |              | 4,542   |
| Total liabilities                  |                    |                  |   |                      |                |        |              | 152,980 |
| Capital expenditure:               |                    |                  |   |                      |                |        |              |         |
| - Property, plant & equipment      | 1                  | 1,380            | 207                                     | 1                    | 14             | 147    | -            | 1,750   |
| - Software development expenditure | -                  | -                | 174                                     | -                    | -              | -      | -            | 174     |

**9. Segmental Information (Continued)**

**For the financial period ended 31 March 2013**

|   | <b>Investment Holding</b> | <b>Hotels &amp; Resorts</b> | <b>Information &amp; Communications Technology</b> | <b>Property Development</b> | <b>Travel &amp; Tours</b> | <b>Others</b> | <b>Eliminations</b> | <b>Total</b>  |
|---|---------------------------|-----------------------------|--|-----------------------------|---------------------------|---------------|---------------------|---------------|
|   | <b>RM'000</b>             | <b>RM'000</b>               | <b>RM'000</b>                                      | <b>RM'000</b>               | <b>RM'000</b>             | <b>RM'000</b> | <b>RM'000</b>       | <b>RM'000</b> |
| <b>Revenue</b>  |                           |                             |  |                             |                           |               |                     |               |
| External  | 262                       | 18,115                      | 10,047   | 2,574                       | 21,540                    | 6,083         | -                   | 58,621        |
| Inter-segment   | 194                       | -                           | -  | 2                           | 58                        | -             | (254)               | -             |
| <b>Total revenue</b>  | <b>456</b>                | <b>18,115</b>               | <b>10,047</b>                                      | <b>2,576</b>                | <b>21,598</b>             | <b>6,083</b>  | <b>(254)</b>        | <b>58,621</b> |
| <b>Results</b>  |                           |                             |  |                             |                           |               |                     |               |
| Segment results   | (1,795)                   | 1,130                       | 1,329  | 372                         | 394                       | (1,806)       | 18                  | (358)         |
| Share of results of associates  | (411)                     | 155                         | -  | -                           | (147)                     | -             | -                   | (403)         |
| Consolidated profit/(loss) before tax   | (2,206)                   | 1,285                       | 1,329  | 372                         | 247                       | (1,806)       | 18                  | (761)         |
| Income tax expense  |                           |                             |  |                             |                           |               |                     | (831)         |
| Consolidated profit/(loss) after tax  |                           |                             |  |                             |                           |               |                     | (1,592)       |
| Non-controlling interests   |                           |                             |  |                             |                           |               |                     | (576)         |
| Net profit/(loss) for the financial period attributable to owners of the parent |                           |                             |  |                             |                           |               |                     | (2,168)       |

**9. Segmental Information (Continued)**

**For the financial period ended 31 March 2013**

|                                    | <b>Investment Holding</b> | <b>Hotels &amp; Resorts</b> | <b>Information &amp; Communications Technology</b> | <b>Property Development</b> | <b>Travel &amp; Tours</b> | <b>Others</b> | <b>Eliminations</b> | <b>Total</b>  |
|------------------------------------|---------------------------|-----------------------------|--|-----------------------------|---------------------------|---------------|---------------------|---------------|
|                                    | <b>RM'000</b>             | <b>RM'000</b>               | <b>RM'000</b>                                      | <b>RM'000</b>               | <b>RM'000</b>             | <b>RM'000</b> | <b>RM'000</b>       | <b>RM'000</b> |
| <b><u>Other information</u></b>    |                           |                             |  |                             |                           |               |                     |               |
| Segment assets                     | 54,529                    | 220,996                     | 162,159  | 55,806                      | 14,638                    | 49,196        | -                   | 557,324       |
| Investment in associates           | 15,917                    | 20,016                      | -  | -                           | -                         | -             | -                   | 35,933        |
| Non-current assets held for sale   | -                         | 29,327                      | -  | -                           | -                         | -             | -                   | 29,327        |
| Unallocated corporate assets       |                           |                             |  |                             |                           |               |                     | 6,990         |
| Total assets                       |                           |                             |  |                             |                           |               |                     | 629,574       |
| Segment liabilities                | 12,548                    | 69,454                      | 18,080   | 5,033                       | 5,256                     | 18,783        | -                   | 129,154       |
| Unallocated corporate liabilities  |                           |                             |  |                             |                           |               |                     | 3,718         |
| Total liabilities                  |                           |                             |  |                             |                           |               |                     | 132,872       |
| Capital expenditure                |                           |                             |  |                             |                           |               |                     |               |
| - Property, plant and equipment    | 12                        | 316                         | 196  | -                           | -                         | 19            | -                   | 543           |
| - Software development expenditure | -                         | -                           | 542  | -                           | -                         | -             | -                   | 542           |

## **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 2013.

## **11. Significant events after the reporting period**

- (a) On 29 April 2014, Synergy Realty Incorporated (“SRI”), an indirect wholly-owned subsidiary of the Company [held via Advance Synergy Properties Sdn Bhd], subscribed 2 new ordinary shares of USD1.00 each representing 50% of the equity interest in Helenium Holdings Limited (“Helenium”), a company incorporated in the British Virgin Islands. Consequential thereto, Helenium became a 50%-owned indirect associated company of the Company held via SRI.
- (b) On 16 May 2014, the Company announced a re-organisation of the Group structure, whereby Advance Synergy Capital Sdn Bhd (“ASCAP”), a wholly-owned subsidiary of the Company, transferred its entire holding of 10 ordinary shares of AUD1.00 each, representing 50% equity interest in Quality Bus & Coach Pty Ltd (“QBC Australia”), to Quality Bus & Coach (M) Sdn Bhd, a 61%-owned subsidiary of ASCAP (“QBC Malaysia”) for a cash consideration of AUD 10.00. The remaining 50% equity interest in QBC Australia not held by ASB Group was also transferred to QBC Malaysia (hereinafter referred to as “Transfer of QBC Australia”).

As a result of the Transfer of QBC Australia, Autobus Australia Pty Ltd (“Autobus Australia”), the wholly-owned subsidiary of QBC Australia, became an indirect wholly-owned subsidiary of QBC Malaysia.

Consequential to the above, QBC Australia ceased to be an indirect associate of the Company [held via ASCAP] and became an indirect subsidiary of the Company [held via QBC Malaysia].

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

## **12. Changes in the composition of the Group**

- (a) On 28 January 2014, Triton Engineering Sdn Bhd, an inactive wholly-owned subsidiary of the Company [held via ASCAP], received the notice of striking-off pursuant to Section 308(2) of the Companies Act, 1965 (“CA 1965”) from the Registrar of Companies (“ROC”) for its application to strike-off the name of the company from the register pursuant to Section 308(1) of the CA 1965 submitted to the ROC on 26 December 2012.
- (b) On 19 March 2014, the Company announced that its 58.3%-owned subsidiary of the Company [held via Worldwide Matrix Sdn Bhd, a wholly-owned subsidiary of the Company], Unified Communications Holdings Limited (now known as Captii Limited (“Captii”)) had received an Affidavit of Liquidation from the Partnership and Companies Registration Office of Bangkok, Thailand on 18 March 2014 that Unified (Thailand) Limited, a subsidiary of Captii in Thailand, had been voluntarily wound up on 17 March 2014.

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

## **13. Changes in contingent liabilities**

There were no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2013.

#### **14. Review of performance**

For the current period ended 31 March 2014 (“Q1 2014”), all divisions, except Others and Property Development divisions, recorded a higher revenue resulting in a higher Group revenue of RM60.9 million compared to a revenue of RM58.6 million recorded in corresponding period 31 March 2013 (“Q1 2013”), an increase of 3.9%. However, despite the higher revenue, the Group recorded a loss before tax of RM1.4 million in the current period compared to a loss before tax of RM0.8 million in the corresponding period last year. All divisions recorded lower contribution except for the improved results from Travel & Tours division and associates. The Group loss is mainly attributable to the higher loss from Others division and higher operating costs affecting the results of the other profitable divisions. Gross profit for the Group was lower at 34.8% for the current period under review compared to 37.7% in the corresponding period last year. Operating expenses increased by RM1.1 million or an increase of 4.8% for Q1 2014 compared to Q1 2013.

##### ***Investment Holding***

The division recorded a loss of RM1.2 million in the current period ended 31 March 2014 compared to a loss of RM2.2 million in the corresponding period last year attributable mainly to the better results from associates.

##### ***Hotels & Resorts***

The revenue for the Hotels & Resorts division remained fairly stable at RM18.1 million for Q1 2014 and the corresponding period last year. However, this division registered a lower profit before tax of RM0.5 million in the current period as compared to corresponding period last year of RM1.3 million mainly attributable to higher overhead cost as a result of higher electricity and staff costs.

##### ***Information & Communications Technology***

The Information & Communications Technology division registered a higher revenue for Q1 2014 of RM13.1 million compared to RM10.0 million in Q1 2013, an increase of 30.7%. The higher revenue is mainly attributable to the improved revenue performance of Value Added Services (“VAS”), Mobile Technology BU (“TECH”) and Operation Support System (“OSS”) Business Units (“BU”). The improvement in revenue of TECH and VAS BU was driven primarily by the higher system sale contracts revenue in the Middle East and Africa regions while the increase in OSS BU's revenue is largely due to the higher system sale contracts revenue realised by OSS BU in the South East Asia (“SEA”) region.

Despite the higher revenue, this division recorded a lower profit before tax of RM1.0 million in the current period compared to RM1.3 million in the corresponding period last year due mainly to lower gross profit margin of OSS system sale contracts and higher operating cost due to expansion of technical staff headcount coupled with lower capitalisation of technical support resource costs into intellectual property.

##### ***Property Development***

The Property Development division registered a slightly lower revenue for the current period ended 31 March 2014 of RM2.5 million compared to RM2.6 million in corresponding period last year. This division also recorded a lower profit before tax of RM0.2 million for the current period compared to RM0.4 million for the corresponding period last year.

##### ***Travel & Tours***

For Q1 2014, our Travel & Tours division achieved a higher revenue of RM22.0 million as compared to a revenue of RM21.6 million in Q1 2013, an increase of RM0.4 million or 2.0%. Although the division's topline revenue was marginally higher by 2.0%, the higher gross profit margin coupled with higher other operating income in the current period contributed to the sharp increase in the division's profit before tax of RM0.7 million in the current period under review as compared to RM0.2 million in Q1 2013.

#### **14. Review of performance (Continued)**

##### ***Others***

The Others division registered lower revenue of RM5.0 million in Q1 2014 compared to a revenue of RM6.1 million achieved in Q1 2013. In the current period, the division recorded a higher loss before tax of RM2.7 million compared to loss before tax of RM1.8 million in the corresponding period last year. The poorer performance of the division was mainly due to unfavourable results from Bus Manufacturing businesses.

#### **15. Comparison of results with preceding quarter**

The Group achieved a revenue of RM60.9 million for the current quarter ended 31 March 2014 ("Q1 2014") which was lower compared to the revenue in the previous quarter ended 31 December 2013 ("Q4 2013") of RM73.8 million. This was mainly due to lower revenue from all divisions except for Information & Communications Technology division. Despite the lower revenue, the Group recorded a lower loss before tax of RM1.4 million for Q1 2014 compared to a loss of RM18.2 million in Q4 2013 mainly attributable to the impairment loss on a foreign investment and assets of RM16.9 million and lower contribution from associates in Q4 2013.

##### ***Investment Holding***

The Investment Holding division recorded a loss before tax of RM1.2 million for Q1 2014 compared to a loss before tax of RM3.4 million for Q4 2013. The higher loss in the previous quarter was mainly due to the impairment loss on a foreign investment and lower contribution from associates partly offset by the dividend income from subsidiaries (eliminated at group level).

##### ***Hotels & Resorts***

The Hotels & Resorts division registered a slightly lower revenue for Q1 2014 of RM18.1 million as compared to RM18.2 million in Q4 2013. For the current quarter, this division made a profit of RM0.5 million compared to a loss of RM1.2 million in the previous quarter mainly attributable to the lower management fee and higher depreciation costs in the previous quarter.

##### ***Information & Communications Technology***

The Information & Communications Technology division registered a higher revenue in Q1 2014 of RM13.1 million compared to RM11.4 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. With higher revenue in the current quarter, this division recorded a higher profit before tax in Q1 2014 of RM1.0 million compared to RM0.4 million in the preceding quarter.

##### ***Property Development***

The Property Development division recorded a lower revenue of RM2.5 million for Q1 2014 compared to RM12.0 million in the preceding quarter. With the lower revenue, the division recorded a lower profit before tax of RM0.2 million compared to the previous quarter's profit of RM1.9 million.

##### ***Travel & Tours***

The Travel & Tours division recorded a lower revenue for Q1 2014 of RM22.0 million compared to RM23.2 million in Q4 2013. Despite the lower revenue, the division recorded a higher profit before tax of RM0.7 million compared to the profit of RM0.2 million in the preceding quarter mainly due to higher other operating income.

##### ***Others***

The Others division recorded a lower revenue for Q1 2014 of RM5.0 million compared to RM8.8 million in the Q4 2013. The decreased in revenue was attributable mainly to the Bus Manufacturing division. With the decreased revenue in this quarter, the Others division recorded a higher loss of RM2.7 million in Q1 2014 compared to a loss of RM1.8 million in the previous quarter.

## **16. Prospects**

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.

The remaining period in 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 launched this year, to further enhance its performance.

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 stabilise due to higher arrival from Visit Malaysia 2014 and will continue its intensified 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.

The Others division expects to face continued challenges in its effort to drive up the revenue growth plan and will focus on seeking opportunities, 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

|                                      | <b>3 months<br/>ended<br/><u>31.03.2014</u><br/>RM'000</b> | <b>Year-<br/>to-date ended<br/><u>31.03.2014</u><br/>RM'000</b> |
|--------------------------------------|--|---|
| On current quarter/period results    |  |   |
| - Malaysian income tax               | 849  | 849   |
| Transfer (to)/from deferred taxation | 29   | 29  |
|                                      | <u>878</u>   | <u>878</u>  |

The effective tax rate of the Group for the financial quarter ended 31 March 2014 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.

## 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 Alangka-Suka Hotels & Resorts Sdn Bhd ("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").

On 9 May 2014, the Company announced that ASHR has on 7 May 2014 entered into 2 Share Purchase Agreements ("SPA") with the Purchaser in respect of the Proposed Disposal at the value or price as described below.

The offer price from the Purchaser is EURO10,500,000 (equivalent to approximately RM46,839,450), being the value of the immovable assets and the business ("Asset") of ASP, HVLP and LDM with value assigned to the Asset ("Enterprise Value") of ASP, HVLP and LDM of EURO3,800,000, EURO5,500,000 and EURO1,200,000 respectively.

Pursuant to the SPA, the Initial Price of the Shares refers to the adjusted Enterprise Value after adding the current assets value and deducting the amount of current liabilities, shareholders' loans and existing loans of the Acquiree Companies as at 31 May 2014.

The Initial Price of the Shares shall be paid to the Vendors on the Date of Completion, i.e. 7 July 2014.

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.

The Final Price shall be based on the adjusted Enterprise Value after adding the current assets value and deducting the amount of current liabilities, shareholders' loans and existing bank loans of the Acquiree Companies as at the Date of Completion. The parties agreed that any difference between the Initial Price of the Shares and the Final Price shall be settled within the timeframe as stated in the SPA.

## 20. Status of corporate proposals (Continued)

- (c) On 8 April 2014, the Company announced that Antara Holiday Villas Sdn Bhd (“AHV”), an indirect wholly-owned subsidiary of the Company (held via ASHR, which in turn a wholly-owned subsidiary of the Company), entered into a Share Sale Cum Settlement Agreement with TH Hotel & Residence Sdn Bhd (“THHR”) for the disposal of AHV’s entire shareholding of 350,000 shares representing 70% equity interest in THV Management Services Sdn Bhd (“THV”) to THHR, a company which is currently holding the remaining 30% equity interest in THV, for a consideration of RM350,000.00 only (“Proposed Disposal”).

In conjunction with the Proposed Disposal, there is a settlement sum of RM400,000.00 to be paid by THHR to AHV for the management services rendered by AHV under the Management Services Agreements entered into by THV.

Following the completion of the Proposed Disposal, THV shall cease to be a subsidiary of AHV, ASHR and the Company.

## 21. Group borrowings

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

|                              | <b>As At</b><br><b><u>31.03.2014</u></b><br><b>RM'000</b> | <b>As At</b><br><b><u>31.12.2013</u></b><br><b>RM'000</b> |
|------------------------------|---|---|
| <b>Short term - secured</b>  |   |   |
| - Term loans                 | 3,310   | 3,294   |
| - Bank overdraft             | 1,218   | 2,464   |
| - Hire purchase payables     | 24  | 23  |
| - Finance lease payable      | 1,565   | 1,564   |
| - Revolving credit           | 13,000  | 19,500  |
|                              | <u>19,117</u>   | <u>26,845</u>   |
| <b>Long term - secured</b>   |   |   |
| - Term loans                 | 27,959  | 28,960  |
| - Hire purchase payables     | 33  | 39  |
| - Finance lease payable      | 21,370  | 21,351  |
| <b>Long term - unsecured</b> |   |   |
| - Term loans                 | 5,931   | 5,747   |
|                              | <u>55,293</u>   | <u>56,097</u>   |
| <b>Total borrowings</b>      | <u>74,410</u>   | <u>82,942</u>   |

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

|                    | <b>As At</b><br><b><u>31.03.2014</u></b><br><b>RM'000</b> | <b>As At</b><br><b><u>31.12.2013</u></b><br><b>RM'000</b> |
|--------------------|---|---|
| Australian Dollars | 5,931   | 5,747   |
| Sterling Pounds    | 504   | 574   |
| Euro               | <u>11,160</u>   | <u>11,553</u>   |

## 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 PKNK to recover its investment of RM52,500,000 representing 70% equity interest in 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 ("Leave Application") to appeal to the Federal Court of Malaysia vide Civil Application No.: 08-772-10/2012.

The Leave Application was heard by the Federal Court of Malaysia on the 6 May 2014 and unanimously dismissed with costs of RM10,000.00 payable by PKNK to the Company. In the result, the suit will be tried by the High Court in Alor Setar. The Company's solicitors will be applying for case management of the suit in the High Court of Alor Setar and expect to secure hearing dates for the trial of the suit proper.

- (b) On 20 November 2013, Captii announced that Unified Telecom Private Limited ("UTPL"), a joint venture entity of Captii 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 ("Act") 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 Captii 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. On 25 April 2014, Captii announced that the Telco has sought further time to file a reply to the petition under Section 9 of the Act and the matter was heard on 23 May 2014. Captii further announced on 26 May 2014 that the Telco has filed a reply to the petition and the High Court of Delhi has scheduled the matter to be heard on 28 July 2014.

Based on the assessment of the matter, Captii has set aside an impairment loss of approximately RM2.07 million (or SGD0.82 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. Notes To The Statement of Comprehensive Income

Included in the operating profit/(loss) are:

|  | <b>3 months<br/>ended<br/><u>31.03.2014</u><br/>RM'000</b> | <b>3 months<br/>ended<br/><u>31.03.2013</u><br/>RM'000</b> |
|--|--|--|
| Amortisation of intangible assets              | (741)  | (703)  |
| Depreciation                                   | (4,078)  | (3,952)  |
| Bad debts written off                          | -  | (6)  |
| Gain/(loss) on disposal of:                    |  |  |
| - held for trading investment                  | -  | (53)   |
| - property, plant and equipment                | -  | 21   |
| Impairment loss on:                            |  |  |
| - loan and receivables                         | (4)  | (8)  |
| Interest expenses                              | (1,405)  | (1,300)  |
| Interest income                                | 795  | 1,013  |
| Net unrealised gain/(loss) on foreign exchange | 113  | (9)  |
| Property, plant and equipment written off      | (2)  | (59)   |
| Provision for retirement plan                  | (50)   | (35)   |

## 25. Retained Earnings

|   | <b>As At<br/><u>31.03.2014</u><br/>RM'000</b> | <b>As At<br/><u>31.03.2013</u><br/>RM'000</b> |
|---|---|---|
| Total retained profits/(accumulated losses) of the Company and its subsidiaries |   |   |
| - Realised  | (421,812)                                     | (377,364)                                     |
| - Unrealised  | (2,101)                                       | (8,507)                                       |
| Total retained profits/(accumulated losses) from associates                     |   |   |
| - Realised  | (4,980)                                       | (3,220)                                       |
| - Unrealised  | 7   | -   |
| Total retained profits/(accumulated losses) from jointly controlled entities    |   |   |
| - Realised  | (800)   | (757)   |
| - Unrealised  | -   | -   |
|   | <u>(429,686)</u>                              | <u>(389,848)</u>                              |
| Consolidation adjustments   | 473,024                                       | 459,173                                       |
| Total Group retained profits as per consolidated financial statements           | <u><u>43,338</u></u>                          | <u><u>69,325</u></u>                          |

**26. Dividend**

The Board does not recommend the payment of any dividend during the financial period ended 31 March 2014.

**27. Loss per share****Basic loss per share**

The basic loss per share for the current quarter and current year-to-date are computed based on the Group's net loss attributable to equity holders of the Company of RM2,128,000, divided by the weighted average number of ordinary shares of 513,915,830 for the current quarter and current year-to-date as follows:

|   | <b>3 months<br/>ended</b> |                          | <b>Year-<br/>to-date ended</b> |                          |
|---|---------------------------|--------------------------|--------------------------------|--------------------------|
|   | <b><u>31.03.2014</u></b>  | <b><u>31.03.2013</u></b> | <b><u>31.03.2014</u></b>       | <b><u>31.03.2013</u></b> |
|   | <b>No. of shares</b>      |                          | <b>No. of shares</b>           |                          |
| Issued ordinary shares at beginning of the period                                   | 513,915,830               | 513,715,830              | 513,915,830                    | 513,715,830              |
| Weighted average number of new ordinary shares arising from ICULS converted to date | -                         | -                        | -                              | -                        |
| Weighted average number of ordinary shares  | <u>513,915,830</u>        | <u>513,715,830</u>       | <u>513,915,830</u>             | <u>513,715,830</u>       |
|   |                           |                          |                                |                          |
|   | <b>3 months<br/>ended</b> |                          | <b>Year-<br/>to-date ended</b> |                          |
|   | <b><u>31.03.2014</u></b>  | <b><u>31.03.2013</u></b> | <b><u>31.03.2014</u></b>       | <b><u>31.03.2013</u></b> |
| Basic loss per share (sen)  | <u>(0.41)</u>             | <u>(0.42)</u>            | <u>(0.41)</u>                  | <u>(0.42)</u>            |

**Diluted loss per share**

The diluted loss per share for the current quarter and current year-to-date are computed based on the Group's net loss attributable to equity holders of the Company of RM1,798,000, after adjusting for interest saving on ICULS, divided by the weighted average number of ordinary shares of 929,194,952 for the current quarter and current year-to-date assuming conversion of the remaining ICULS as follows:

|   | <b>3 months<br/>ended</b> |                          | <b>Year-<br/>to-date ended</b> |                          |
|---|---------------------------|--------------------------|--------------------------------|--------------------------|
|   | <b><u>31.03.2014</u></b>  | <b><u>31.03.2013</u></b> | <b><u>31.03.2014</u></b>       | <b><u>31.03.2013</u></b> |
|   | <b>RM'000</b>             |                          | <b>RM'000</b>                  |                          |
| Net loss attributable to equity holders               | (2,128)                   | (2,168)                  | (2,128)                        | (2,168)                  |
| Profit impact of assumed conversion-interest on ICULS | 330                       | 345                      | 330                            | 345                      |
|   | <u>(1,798)</u>            | <u>(1,823)</u>           | <u>(1,798)</u>                 | <u>(1,823)</u>           |

