

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.2013 RM'000	Previous year corresponding quarter 31.12.2012 RM'000	12 months ended 31.12.2013 RM'000	12 months ended 31.12.2012 RM'000
Revenue	82,358	30,857	253,058	180,711
Cost of sales	(51,862)	(28,129)	(207,943)	(152,630)
Gross profit	30,496	2,728	45,115	28,081
Other operating income	139	1677	3,582	2,206
Operating expenses	(8,539)	(9,033)	(13,356)	(13,818)
Profit/(loss) from operations	22,096	(4,628)	35,341	16,469
Finance costs	(12)	(222)	(727)	(324)
Profit/(loss) before tax (Note 25)	22,084	(4,850)	34,614	16,145
Taxation (Note 19)	(4,883)	64	(7,953)	(3,119)
Profit/(loss) for the period	17,201	(4,786)	26,661	13,026
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	17,201	(4,786)	26,661	13,026
Profit and total comprehensive income/(loss) attributable to :				
Owners of the Parent	17,201	(4,786)	26,661	13,026

EARNINGS PER SHARE (Note 30)

Basic (sen)	2.57	(0.71)	3.98	1.94
Diluted (sen)	2.57	(0.71)	3.98	1.94

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Unaudited as at 31.12.2013 RM'000	Audited as at 31.12.2012 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,088	1,209
Investment properties	340	308
Available-for-sale investment	90	90
Land held for future development	316,038	188,916
	<u>317,556</u>	<u>190,523</u>
CURRENT ASSETS		
Development properties	261,226	390,015
Inventories	182	182
Trade and other receivables	174,073	77,865
Other current assets	2,963	30,559
Tax recoverable	-	3,078
Cash and bank balances	80,209	46,297
	<u>518,653</u>	<u>547,996</u>
TOTAL ASSETS	836,209	738,519
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	334,864	334,864
Reserves	207,920	181,259
Shareholders' equity	<u>542,784</u>	<u>516,123</u>
NON-CURRENT LIABILITIES		
Long term borrowings	1,411	1,427
Deferred tax liabilities	115,995	117,832
	<u>117,406</u>	<u>119,259</u>
CURRENT LIABILITIES		
Short term borrowings	61,818	16,162
Trade and other payables	96,538	73,975
Other current liabilities	4,803	4,565
Provisions	10,955	8,435
Tax payable	1,905	-
	<u>176,019</u>	<u>103,137</u>
TOTAL LIABILITIES	293,425	222,396
TOTAL EQUITY AND LIABILITIES	836,209	738,519
Net assets per share (RM)	0.81	0.78

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2013

	Share capital	Share premium	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2013	334,864	225,821	(44,562)	516,123
Total comprehensive income for the period	-	-	26,661	26,661
Closing balance at 31 Dec 2013	334,864	225,821	(17,901)	542,784
Opening balance at 1 January 2012	334,864	225,821	(57,588)	503,097
Total comprehensive income for the period	-	-	13,026	13,026
Closing balance at 31 Dec 2012	334,864	225,821	(44,562)	516,123

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2013

	12 months ended 31.12.2013 RM'000	12 month ended 31.12.2012 RM'000
Operating activities		
Profit before tax	34,614	16,145
Adjustment for :		
Bad debts written off	122	669
Depreciation	298	387
(Reversal of)/Provision for legal claim	(3,035)	4,650
Provision for eviction costs	4,356	-
Provision for project costs	-	789
Property, plant and equipment written off	35	-
Net gain from fair value adjustment of investment properties	32	-
Impairment loss on trade receivables	129	1,765
Impairment loss recovered on trade receivables	(300)	(163)
Interest income	(532)	(2,072)
Interest expenses	727	324
Operating profit before changes in working capital	36,446	22,494
Change in trade and other receivables	(68,954)	(71,307)
Change in trade and other payables	23,882	40,342
Change in property development cost	1,667	7,629
Change in inventories	-	365
Cash flows used in operating activities	(6,959)	(477)
Interest paid	(143)	(324)
Taxes paid (net)	(4,789)	(4,462)
Net cash used in operating activities	(11,891)	(5,263)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2013

	12 months ended 31.12.2013 RM'000	12 months ended 31.12.2012 RM'000
Investing activities		
Purchase of property, plant and equipment	(82)	(68)
Interest received	376	546
Net cash from investing activities	294	478
Financing activities		
Repayment of short term borrowings	(8,008)	-
Drawdown of short term borrowings	61,700	5,486
Repayment of obligations under finance leases	(179)	(233)
Net cash from financing activities	53,513	5,253
Net increase/(decrease) in cash and cash equivalents	41,916	(468)
Cash and cash equivalents at beginning of period	38,293	37,825
Cash and cash equivalents at the end of period	80,209	38,293
Cash and cash equivalents comprise:		
Cash and bank balances	44,860	16,789
Deposit with licensed banks	35,349	29,508
	80,209	46,297
Less : Bank overdraft	-	(8,004)
	80,209	38,293

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to these interim financial statements.

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NOTES TO THE 4TH QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

1. BASIS OF PREPARATION

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

This condensed report has also been prepared on a historical basis.

This condensed report should be read in conjunction with the audited financial statements for the year ended 31 December 2012. These explanatory notes attached to this condensed report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

2. CHANGES IN ACCOUNTING POLICIES

2.1 Adoption of Standards, Amendments and IC interpretations

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012.

2.2 Standards and interpretations issued but not yet effective

Amendments to FRS 9	Mandatory Effective Date of FRS 9 and Transition Disclosures
Amendments to FRS 10	Consolidation Financial Statements: Investment Entities
Amendments to FRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to FRS 127	Consolidated and Separate Financial Statements: Investment Entities
Amendments to FRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 21	Levies

The Group will adopt the above pronouncements when they become effective in the respective financial periods. Based on the directors' preliminary assessment, they are of the opinion that the standards and amendments above will have no material impact on the financial statements in the year of initial adoption.

2.3 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (the Board) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

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2. CHANGES IN ACCOUNTING POLICIES (CONT'D)

2.3 Malaysian Financial Reporting Standards (Cont'd)

On 7 August 2013, the Board has decided to extend the transitional period for another year; consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The directors are of the opinion that the financial performance and financial position as disclosed in these financial statements for the year ending 31 December 2014 would not be significantly different if prepared under the MFRS Framework, except for the revenue recognition for its property development projects.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of MFRS, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this change in accounting policy.

2.4 Significant accounting judgement and estimates

The Group recognises revenue and expenses from construction activities in the statements of profit or loss and other comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs.

Significant judgment is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contract. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

On 1 August 2013, the subsidiary namely, Tebrau Bay Construction Sdn Bhd ("TBCSB") had received Liquidated Ascertained Damages ("LAD") claim from its customer amounting to RM5.9 million. The Group has obtained professional advice and is in the opinion that TBCSB is not liable for the said LAD and no provision for the above has been made.

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2012

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

4. SEASONAL OR CYCLICAL FACTORS

The Group's business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size, or incidence.

6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in previous quarters of the current financial period or changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

7. DEBT AND EQUITY SECURITIES

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter ended 31 December 2013.

8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain the optimal capital structure, the Group may, from time to time, adjust dividend payments to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group.

The gearing ratios as at 31 December 2013 and 30 September 2013, which are within the Group's objectives for capital management, are as follows:-

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8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT (CONT'D)

	31.12.2013	30.09.2013
	RM'000	RM'000
Borrowings	63,229	66,369
Trade and other payables	96,538	91,744
Less: Cash and bank balances	<u>(80,209)</u>	<u>(42,209)</u>
Net debt	<u>79,558</u>	<u>115,904</u>
Equity	<u>542,784</u>	<u>525,582</u>
Total capital	<u>542,784</u>	<u>525,582</u>
Capital and net debt	622,342	641,486
Gearing ratio	12.8%	18.1%

The decrease in the gearing ratio of 12.8% in the current quarter ended 31 December 2013, as compared to previous quarter of 18.1% was due to decrease in bank borrowings and increase in bank balances.

The details of the drawdown and the repayment of bank borrowings in the current quarter are as follows:

	Current year quarter	12 months cumulative to date
	31.12.2013	31.12.2013
	RM'000	RM'000
a) Drawdown on new bank borrowings	19,000	61,700
b) Repayment of bank borrowings	(17,995)	(27,469)

9. DIVIDENDS

No dividends were recommended, declared, or paid during the financial period ended 31 December 2013.

10. VALUATION OF INVESTMENT PROPERTIES

An independent valuation for investment properties was carried out by Raine & Horne during the financial year ended 31 December 2013 and the net fair value gain arising from the valuation amounting to RM31,585 was recognised in the statement of profit or loss for the financial year ended 31 December 2013.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter that have not been reflected in the quarterly financial statements.

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

12. GROUP COMPOSITION

There were no material changes in the composition of the Group during the financial quarter under review.

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Group has no contingent liabilities except for the following and as disclosed under Note 28 :

	31.12.2013 RM'000	31.12.2012 RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries	184,966	102,858
- Current exposure	62,813	18,842
Performance bond issued by subsidiaries involved in construction activities	51,266	22,850

14. OPERATING SEGMENTS

The following tables provide an analysis of the Group's revenue, results, assets and liabilities by business segments:-

As at 31 Dec 2013 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	7,603	245,455	-	-	253,058
Other income	3,225	340	-	-	3,565
Unallocated other income	-	-	-	-	17
	10,828	245,795	-	-	256,640
RESULT					
Segment results	(147)	39,698	(17)	(3,058)	36,476
Unallocated corporate expenses					(1,135)
Finance costs					(727)
Profit before tax					34,614

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

14. OPERATING SEGMENTS (CONT'D)

As at 31 Dec 2012 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	27,026	155,840	-	(2,155)	180,711
Other income	341	1,847	-	-	2,188
Unallocated other income	-	-	-	-	18
	27,367	157,687	-	(2,155)	182,917
RESULT					
Segment results	10,615	11,290	(9)	(3,265)	18,631
Unallocated corporate expenses					(2,162)
Finance costs					(324)
Profit before tax					16,145

ASSETS AND LIABILITIES

As at 31 Dec 2013 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<u>ASSETS</u>					
Segment assets	618,327	242,357	17	(29,776)	830,925
Investment properties					340
Available-for-sale investments					90
Unallocated corporate assets					4,854
Consolidated total assets					836,209
<u>LIABILITIES</u>					
Segment liabilities	(138,643)	(183,583)	(526)	29,776	(292,976)
Unallocated corporate liabilities					(449)
Consolidated total liabilities					(293,425)

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

14. OPERATING SEGMENTS (CONT'D)

As at 31 Dec 2012 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment assets	606,688	141,685	25	(112,059)	636,339
Investment properties					308
Available-for-sale investments					90
Unallocated corporate assets					101,782
Consolidated total assets					738,519
LIABILITIES					
Segment liabilities	(158,557)	(172,943)	(512)	112,059	(219,953)
Unallocated corporate liabilities					(2,443)
Consolidated total liabilities					(222,396)

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Purchase of raw materials from Wengcon Marketing Sdn. Bhd., a subsidiary of a company of which a director of the Company has interest	1,536	898	7,532	898
Rental of equipment paid or payable to Wengcon Equipment Sdn. Bhd., a subsidiary of a company of which a director of the Company has interest	-	-	2	-

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

16. REVIEW OF PERFORMANCE

(i) Performance for the year

a) Property Development

The Group has not launched any new products for the period under review and is expected to launch its new luxury apartment, The Botanica in 2014. The revenue of RM7.6 million for the current quarter was mainly derived from revenue from Joint Venture with Paradise Realty Sdn Bhd and Co - developer fees with State Secretary Johor Incorporation ("SSI"). Revenue of RM27.0 million recorded in preceding quarter was mainly contributed by Joint Venture with Paradise Realty Sdn Bhd and the sale of commercial land to Northstar Frontier Sdn Bhd.

b) Construction

For the financial year 2013, revenue generated from construction activities increased from RM89.6 million to RM245.5 million as compared to the previous year of RM155.8 million. This was attributed to the projects awarded by Unit Perancang Ekonomi Negeri Johor (UPEN) known as "Pengerang-Building and Infrastructure" and "Rimbunan Kaseh-Earthworks".

(ii) Performance for the quarter

a) Property Development

As mentioned above, no new projects were launched during this quarter. The revenue in the current quarter was mainly from revenue from Joint Venture with Paradise Realty Sdn Bhd and Co - developer fees with SSI. No revenue was recorded from property development in the previous corresponding quarter.

b) Construction

The revenue generated from construction activities increased from RM74.7 million in 3rd quarter 2013 to RM82.4 million in the current quarter due to construction activities from the projects awarded by UPEN as mentioned in 16(i)(b) above.

The substantial increase in profit is mainly due to settlement of final account with subcontractor which resulted in significant cost savings for the current quarter.

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

17. PROSPECTS

The Group looks forward to 2014 with optimism especially in respect of property development activities. The recently announced disposal of land and joint venture with Tropicana Corporation Berhad group will allow the Group to unlock the potential value of its landbank whilst continuing to enjoy the future upside from the joint venture development.

The Group also expects to launch its new product, The Botanica @ Bayu Puteri comprising 3 towers of apartments and 3 blocks of townhouse with an expected gross development value of RM488 million.

For the construction activities, the Company will continue its appointment as contractor for “Pengerang; building & infrastructure” contract and for “Rimbunan Kaseh; earthwork” contract. These two contracts are expected to continue to contribute to revenue and net profit for construction division for the financial year 2014.

The Group will continue to explore potential joint venture with new projects to enhance further the potential of the group.

18. PROFIT FORECAST

The Group has not provided any profit forecast in a public document.

19. TAXATION

	Quarter ended		12 months cumulative to date	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Income tax	6,420	934	9,788	4,343
Deferred tax	(1,537)	(998)	(1,835)	(1,224)
	<u>4,883</u>	<u>(64)</u>	<u>7,953</u>	<u>3,119</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period.

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

19. TAXATION (CONT'D)

	Current quarter 31.12.2013 RM'000	12 months cumulative to date 31.12.2013 RM'000
Major components of tax expenses:		
Profit before tax	22,084	34,614
Taxation at the Malaysian statutory tax rate of 25%	5,521	8,654
Adjustments:		
- Income not subject to taxation	(867)	(1,665)
- Non - deductible expenses	229	1,090
- Overprovision in prior year	-	(126)
Income tax expenses	4,883	7,953
Effective tax rate	22.11%	22.98%

20. UNQUOTED INVESTMENTS AND PROPERTIES

There were no purchases or sales of unquoted investments and properties for the current quarter and financial period-to-date.

21. QUOTED INVESTMENTS

There were no purchases or sales of quoted securities for the current quarter and financial period-to-date.

There were no investments in quoted securities as at the end of the current quarter.

22. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no other corporate proposals announced but not completed as at the reporting date.

- (1) On 26 December 2013, the Company announced that it proposes to undertake the following: -
- (i) proposed renounceable rights issue with warrants;
 - (ii) proposed exemption;
 - (iii) proposed ESOS;
 - (iv) proposed increase in authorised share capital; and
 - (v) proposed M&A amendments

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22. STATUS OF CORPORATE PROPOSALS (CONT'D)

- (2) On 26 December 2013, the Company had also announced that a wholly-owned subsidiary of the Company namely Tebrau Bay Sdn Bhd had on 23 December 2013 entered into a Shareholders Agreement with Golddust United Sdn Bhd; a wholly-owned subsidiary of Tropicana Corporation Berhad and a Conditional Sale and Purchase agreement with Renown Dynamics Sdn Bhd for the sale of a piece of land measuring 60 acres and the development of the same via a joint venture.

23. BORROWINGS AND DEBT EQUITIES

Details of the Group's borrowings (all denominated in Malaysian currency) as at 31 December 2013 are as follows:

	Current	Non current	Total
	RM'000	RM'000	RM'000
Secured			
Bridging loans – Note 1	-	1,113	1,113
Revolving Credit – Note 2	61,700	-	61,700
Obligations under finance lease	118	298	416
Total	<u>61,818</u>	<u>1,411</u>	<u>63,229</u>

Note 1 : As at 31 December 2013, RM1.1 million has been drawdown from the Bridging facilities of RM32.2 million under the Bai 'Al Istisna with Bank Kerjasama Rakyat Malaysia Bhd. The facility will be repaid through the redemption from sale of development properties.

Note 2 : As at 31 December 2013, RM61.7 million has been drawdown from Revolving Credit (RC) Facilities with AmIslamic Bank Berhad to finance Rimbunan Kaseh Project for Earthwork & Site Clearing and Building & Infrastructure Project in Pengerang Kota Tinggi. The facilities will be repaid through direct deduction from the contract proceeds received. The Group had repaid RM14.8 million in the current quarter.

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

24. REALISED AND UNREALISED PROFITS/(LOSSES)

The Group's realised and unrealised accumulated losses disclosure is as follows:

	For the quarter ended 31.12.2013	For the quarter ended 30.09.2013
RM'000		
Total accumulated losses of the Company and subsidiaries:		
- Realised	2,493	(14,679)
- Unrealised	2,383	1,157
	4,876	(13,522)
Less: Consolidation adjustments	(22,777)	(21,581)
	(17,901)	(35,103)

25. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Quarter ended		12 months cumulative to date	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Depreciation	40	93	298	387
Bad debts written off	-	506	122	669
Impairment loss recovered on trade receivables	-	-	(300)	(163)
Impairment loss on trade receivables	129	1,765	129	1,765
Interest income	(136)	(1,723)	(532)	(2,072)
Interest expenses	12	222	727	324
Other income	(4)	(4)	(16)	(134)
(Reversal of provision) /provision for legal claim	-	4,650	(3,035)	4,650
Other income	(4)	(4)	(16)	(134)
Provision for eviction costs	4,356	-	4,356	-
Property, plant and equipment written off	-	-	35	-
	-	-	35	-

Other than as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Malaysia Listing Requirement are not applicable.

26. EVENTS AFTER REPORTING PERIOD

There were no material events subsequent to the end of the current quarter.

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NOTES TO THE 4th QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2013

27. DERIVATIVES

- a. There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the quarter ended 31 December 2013; and
- b. The Group has not entered into a type of derivatives not disclosed in the previous financial year or any of the previous quarters under the current financial period.

28. MATERIAL LITIGATION

<u>Case No./Parties</u>
Johor Bahru High Court Writ No. 22C-7-10/2013 ML Sepakat Sdn Bhd vs. Tebrau Bay Constructions Sdn Bhd
<u>Descriptions</u>
<p>Tebrau Bay Constructions Sdn Bhd (“TBCSB”), a wholly owned subsidiary of Tebrau Teguh Berhad was served with a sealed copy of a Writ of Summons and Statement of Claim (“the Writ”) on 1 November 2013 by ML Sepakat Sdn Bhd (“MSSB”) claiming for:</p> <ol style="list-style-type: none">1. a sum of RM28,979,574.76 being the sum allegedly owned by TBCSB pursuant to site clearance and earthworks contract awarded by TBCSB to MSSB;2. a sum of RM2,942,500.00 being the retention monies held by TBCSB; and3. interest on the claimed amounts and other incidental costs. <p>Both parties had achieved an out of court settlement. Following the filing of the Notice of Discontinuance with the High Court on 17 February 2014, the case is now deemed to be closed.</p>

29. DIVIDEND PAYABLE

No dividend has been declared for the financial period ended 31 December 2013 (31 December 2012 : RM Nil).

30. EARNINGS PER SHARE

The basic earnings per share for the financial period has been calculated based on the Group’s earnings after taxation and divided by the 669,727,143 ordinary shares of RM0.50 each in issue during the financial period.

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31. STATUS OF JOINT VENTURE PROJECTS

Following is the status of the existing joint venture projects as at 31 December 2013:

	Paradise Realty Sdn. Bhd.
<u>Development Status</u>	
Total land area	20.324 acres
% land under development	100%
% of development completed	35 %
% of development not yet completed	65 %
<u>Joint Venture Consideration</u>	
Minimum consideration (RM'000)	35,426
Amount invoiced (RM'000)	18,439
Amount collected (RM'000)	(18,439)
Outstanding as at 31 December 2013 (RM'000)	-

32. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19th February 2014.