

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.2014 RM'000	Previous year corresponding quarter 31.03.2013 RM'000	3 months ended 31.03.2014 RM'000	3 months ended 31.03.2013 RM'000
Revenue	36,204	30,847	36,204	30,847
Cost of sales	(32,832)	(28,066)	(32,832)	(28,066)
Gross profit	3,372	2,781	3,372	2,781
Other operating income	670	77	670	77
Operating expenses	(2,899)	(2,002)	(2,899)	(2,002)
Profit from operations	1,143	856	1,143	856
Finance costs	(222)	(238)	(222)	(238)
Profit before tax (Note 25)	921	618	921	618
Tax expenses (Note 19)	1,066	(482)	1,066	(482)
Profit for the period	1,987	136	1,987	136
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	1,987	136	1,987	136
Profit and total comprehensive income attributable to :				
Owners of the Parent	1,987	136	1,987	136

EARNINGS PER SHARE (Note 30)

Basic (sen)	0.30	0.02	0.30	0.02
Diluted (sen)	0.30	0.02	0.30	0.02

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 2013 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 MARCH 2014

	Unaudited as at 31.03.2014 RM'000	Audited as at 31.12.2013 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	984	1,048
Available-for-sale investment	90	90
Investment in associate	150	-
Investment properties	340	340
Land held for future development	316,038	316,038
Deferred tax assets	1,326	1,365
	<u>318,928</u>	<u>318,881</u>
CURRENT ASSETS		
Development properties	305,802	267,677
Inventories	182	182
Trade and other receivables	181,037	188,611
Other current assets	13,632	12,197
Tax recoverable	2,657	2,723
Cash and bank balances	51,700	78,303
	<u>555,010</u>	<u>544,693</u>
TOTAL ASSETS	873,938	863,574
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	334,864	334,864
Share premium	225,821	225,821
Reserves	(15,914)	(17,901)
Shareholders' equity	<u>544,771</u>	<u>542,784</u>
NON-CURRENT LIABILITIES		
Long term borrowings	1,367	1,409
Deferred tax liabilities	116,632	117,362
	<u>117,999</u>	<u>118,771</u>
CURRENT LIABILITIES		
Short term borrowings	75,486	63,619
Trade and other payables	110,383	97,351
Other current liabilities	14,828	27,655
Provisions	10,471	8,540
Tax payable	-	4,854
	<u>211,168</u>	<u>202,019</u>
TOTAL LIABILITIES	329,167	320,790
TOTAL EQUITY AND LIABILITIES	873,938	863,574
Net assets per share (RM)	0.81	0.81

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2014

	Share capital	Share premium	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2014	334,864	225,821	(17,901)	542,784
Total comprehensive income for the period	-	-	1,987	1,987
Closing balance at 31 March 2014	334,864	225,821	(15,914)	544,771
Opening balance at 1 January 2013	334,864	225,821	(44,564)	516,121
Total comprehensive income for the period	-	-	136	136
Closing balance at 31 March 2013	334,864	225,821	(44,428)	516,257

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 MARCH 2014

	3 months ended 31.03.2014 RM'000	3 month ended 31.03.2013 RM'000
Operating activities		
Profit before tax	921	618
Adjustment for :		
Bad debts written off	-	122
Depreciation	68	92
Interest income	(666)	(67)
Interest expenses	222	238
Operating profit before changes in working capital	545	1,003
Change in trade and other receivables	2,951	26,897
Change in trade and other payables	(3,285)	(7,156)
Change in property development cost	(38,125)	(2,929)
Cash flows used in operating activities	(37,914)	17,815
Interest paid	(222)	(238)
Taxes paid (net)	(803)	(242)
Net cash (used in)/from operating activities	(38,939)	17,335
Investing activities		
Purchase of property, plant and equipment	(3)	(64)
Purchase of investment in associate	(150)	-
Interest received	666	67
Net cash from investing activities	513	3

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 MARCH 2014

	3 months ended 31.03.2014 RM'000	3 months ended 31.03.2013 RM'000
Financing activities		
Drawdown of short term borrowings	9,000	-
Repayment of obligations under finance leases	(32)	(57)
Net cash from/(used in) financing activities	8,968	(57)
Net (decrease)/increase in cash and cash equivalents	(29,458)	17,281
Cash and cash equivalents at beginning of period	78,303	38,292
Cash and cash equivalents at the end of period	48,845	55,574
Cash and cash equivalents comprise:		
Cash and bank balances	16,259	28,653
Deposit with licensed banks	35,441	30,321
	51,700	58,974
Less : Bank overdraft	(2,855)	(3,340)
	48,845	55,574

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

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 2013. 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 2013.

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 2013 except for the adoption of Amendments to Standards and Issue Committee (“IC”) interpretations effective as of 1 January 2014.

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

2.2 Standards and interpretations issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group :

Annual Improvements to FRSs 2010–2012 Cycle
Annual Improvements to FRSs 2011–2013 Cycle
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)
FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application, other than for FRS 9 Financial Instruments. The Group will assess the financial implications of FRS 9 Financial Instruments when the full standard is issued.

2.3 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) 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').

Transitioning Entities are allowed to defer the adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards (FRS) as its financial reporting framework for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will present its first set of MFRS financial statements when the MFRS Framework is mandated by the MASB. 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 Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ending 31 December 2014 could be different if prepared under the MFRS Framework.

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.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2013

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2013 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 March 2014.

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.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

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

The gearing ratios as at 31 March 2014 and 31 December 2013, which are within the Group's objectives for capital management, are as follows:-

	31.03.2014 RM'000	31.12.2013 RM'000
Borrowings	72,631	63,619
Trade and other payables	110,383	97,351
Less: Cash and bank balances	(48,845)	(78,303)
Net debt	<u>134,169</u>	<u>82,667</u>
Equity	<u>544,771</u>	<u>542,784</u>
Total capital	<u>544,771</u>	<u>542,784</u>
Capital and net debt	678,940	625,451
Gearing ratio	19.7%	13.2%

The increase in the gearing ratio of 19.7% in the current quarter ended 31 March 2014 as compared to previous quarter of 13.2% was due to increase in bank borrowings and decrease in bank balances.

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

	Current year quarter 31.03.2014 RM'000	3 months cumulative to date 31.03.2014 RM'000
a) Drawdown on new bank borrowings	8,500	8,500
b) Repayment of bank borrowings	-	-

9. DIVIDENDS

No dividends were recommended, declared or paid during the financial period ended 31 March 2014.

10. VALUATION OF INVESTMENT PROPERTIES

The valuations of investment properties had been brought forward from the audited financial statements for the financial year ended 31 December 2013, without amendments.

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.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

12. GROUP COMPOSITION

There were no material changes in the composition of the Group during the financial quarter under review except for investment in an associate company, namely Renown Dynamic Sdn. Bhd..

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

	31.03.2014 RM'000	31.03.2013 RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries	184,966	51,858
- Current exposure	73,613	9,334
Performance bond issued by subsidiaries involved in construction activities	51,266	25,150

14. OPERATING SEGMENTS

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

As at 31 Mar 2014 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	224	35,979	-	-	36,203
Other income	145	520	-	-	665
Unallocated other income	-	-	-	-	5
	369	36,499	-	-	36,873
RESULT					
Segment results	(1,218)	3,197	(3)	37	2,013
Unallocated corporate expenses					(871)
Finance costs					(222)
Profit before tax					920

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

14. OPERATING SEGMENTS (CONT'D)

As at 31 Mar 2013 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	-	30,847	-	-	30,847
Other income	-	-	-	-	-
Unallocated other income	-	-	-	-	-
	-	30,847	-	-	30,847
RESULT					
Segment results	(516)	1,648	-	-	1,132
Unallocated corporate expenses					(276)
Finance costs					(238)
Profit before tax					618

ASSETS AND LIABILITIES

As at 31 Mar 2014 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<u>ASSETS</u>					
Segment assets	655,788	252,948	17	(46,640)	862,113
Investment associates					150
Investment properties					340
Available-for-sale investments					90
Unallocated corporate assets					6,619
Consolidated total assets					869,312
<u>LIABILITIES</u>					
Segment liabilities	(132,978)	(234,699)	(529)	46,640	(321,566)
Unallocated corporate liabilities					(2,936)
Consolidated total liabilities					(324,502)

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

14. OPERATING SEGMENTS (CONT'D)

As at 31 Mar 2013 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment assets	601,930	64,378	30	(100,892)	565,446
Investment properties					308
Available-for-sale investments					90
Unallocated corporate assets					104,702
Consolidated total assets					670,546
LIABILITIES					
Segment liabilities	(159,657)	(105,207)	(509)	100,892	(164,481)
Unallocated corporate liabilities					(3,404)
Consolidated total liabilities					(167,885)

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		3 months ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	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	649	4,494	649	4,494

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.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

16. REVIEW OF PERFORMANCE

- (i) 1st quarter 2014 vs 1st quarter 2013, comparison with previous corresponding quarter

a) Property Development

The Group has not launched any new products for the period under review. The revenue of RM224,000 for the current quarter was mainly derived from revenue from its Co-development project. No revenue was recorded from property development in the previous corresponding quarter.

b) Construction

Revenue of RM35.9 million generated from construction activities for the current quarter has increased by RM5.1 million as compared to the previous corresponding quarter of RM30.8 million.

- (ii) 1st quarter 2014 vs 4th quarter 2013, comparison with the preceding 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 Co-development project. Revenue of RM7.6 million recorded in preceding quarter was mainly contributed by its Joint Venture and Co-development projects.

b) Construction

Revenue generated from construction activities has decreased by RM46.4 million or 56.3% to RM35.9 million in 1st quarter 2014 as compared to 4th quarter 2013 due to completion of one of the major projects awarded by Unit Perancang Ekonomi Negeri Johor.

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.

On 10 May 2014, the Group has also launched the first tower of 264 apartment units of its new project, The Botanika @ Bayu Puteri, which was overwhelming via balloting process. The Botanika @ Bayu Puteri is a waterfront development comprising 3 towers of apartments and 3 blocks of townhouse with an expected gross development value of RM488 million.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

17. PROSPECTS (CONT'D)

For the construction activities, the Group had obtained Certificate of Completion for “Rimbunan Kaseh; earthwork” contract and will also continue its appointment as contractor for “Pengerang; building & infrastructure” contract. The contract is 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 potential of the group.

18. PROFIT FORECAST

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

19. TAXATION

	Quarter ended		3 months cumulative to date	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Income tax	740	534	740	534
Deferred tax	(1,806)	(52)	(1,806)	(52)
	<u>(1,066)</u>	<u>(482)</u>	<u>(1,066)</u>	<u>482</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period. The domestic statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective year of assessment 2016.

	Current	3 months
	quarter	cumulative to date
	31.03.2014	31.03.2014
	RM'000	RM'000
Major components of tax expenses:		
Profit before tax	921	921
Taxation at the Malaysian statutory tax rate of 25%	230	230
Adjustments:		
- Income not subject to taxation	(265)	(265)
- Deferred tax recognised at different tax rate	(806)	(806)
- Non - deductible expenses	6	6
- Overprovision in prior period	(1)	(1)
Income tax expenses	<u>(1,066)</u>	<u>(1,066)</u>
Effective tax rate	-115.74%	-115.74%

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

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) The Group 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
- (2) The Group 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.

22. BORROWINGS AND DEBT EQUITIES

Details of the Group's borrowings (all denominated in Malaysian currency) as at 31 March 2014 are as follows:

	Current	Non current	Total
Secured	RM'000	RM'000	RM'000
Bridging loans – Note 1	-	1,113	1,113
Revolving Credit – Note 2	72,500	-	72,500
Obligations under finance lease	131	254	385
Total	<u>72,631</u>	<u>1,367</u>	<u>73,998</u>

Note 1 : As at 31 March 2014, 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 products.

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

22. BORROWINGS AND DEBT EQUITIES (CONT'D)

Note 2 : As at 31 March 2014, RM72.5 million has been withdrawn from Revolving Credit (RC) Facilities with Amlslamic Bank Berhad to finance its construction projects. The facilities will be repaid through direct deduction from the contract proceeds received. The Group had repaid RM7.5 million as full settlement loan for one of the project in April 2014.

23. REALISED AND UNREALISED PROFITS/(LOSSES)

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

	For the quarter ended 31.03.2014	For the quarter ended 31.12.2013
RM'000		
Total accumulated losses of the Company and subsidiaries:		
- Realised	3,385	2,493
- Unrealised	2,710	2,383
	6,095	4,876
Less: Consolidation adjustments	(22,009)	(22,777)
Total Group accumulated losses	(15,914)	(17,901)

24. PROFIT BEFORE TAX

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

	Quarter ended		3 months cumulative to date	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Depreciation	68	92	68	92
Bad debts written off	-	122	-	122
Interest income	(666)	(67)	(666)	(67)
Interest expenses	222	237	222	237
Other income	(3)	(10)	(3)	(10)
	68	281	68	281

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.

25. EVENTS AFTER REPORTING PERIOD

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

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014

26. DERIVATIVES

- a. There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the quarter ended 31 March 2014; and
- b. The Group has not entered into a type of derivatives not disclosed in the previous financial year or any of the previous quarter under the current financial period.

27. DIVIDEND PAYABLE

No dividend has been declared for the financial period ended 31 March 2014 (31 December 2013 : RM Nil).

28. 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.

29. STATUS OF JOINT VENTURE PROJECTS

Following is the status of the existing joint venture projects as at 31 March 2014:

	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 March 2014 (RM'000)	-

30. 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 20th May 2014.