

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (FRS 134)**

**1. Basis of Accounting and Accounting Policies**

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with FRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. The explanatory notes attached to the financial statements 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 2014.

**2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2014, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2015.

The Group has adopted the following Amendments to Standards, with a date of initial application of 1 January 2015.

Amendments to FRS 119      Employee Benefits – Defined Benefit Plans: Employee Contributions  
Annual Improvements to FRSs 2010 - 2012 Cycle  
Annual Improvements to FRSs 2011 - 2013 Cycle

The above new amendments to standard do not have any financial impact on the results of the Group as these changes only affect disclosures.

## INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

### 2. Changes in Accounting Policies (Cont'd)

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after	
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Joint Arrangements Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to FRS 101	Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to FRS 127	Consolidated and Separate Financial Statements – Equity Method in Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Consolidated Financial Statements and Investments in Associates and Joint Venture - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 116 and FRS 138	Property, Plant and Equipment and Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Investments in Associates and Joint Venture - Investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements to FRSs 2012 - 2014 Cycle		1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
FRS 9	Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in July 2014)	1 January 2018

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The Group does not expect any material impact to the financial statements on the above pronouncement other than described below.

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in FRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this FRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The adoption of FRS 9 will result in a change in accounting policy. The Group is still assessing the financial impact of adopting FRS 9.

## **INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

### **2. Changes in Accounting Policies (Cont'd)**

#### Malaysian Financial Reporting Standards (MFRS Framework)

MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "transitioning entities"). As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

MASB made an announcement on 8 September 2015 regarding the deferral of the effective date for MFRS 15 "Revenue from Contract with Customers". According to the announcement, the adoption of MFRS 15 "Revenue from Contract with Customers" will be mandatory for annual periods beginning on or after 1 January 2018.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2018. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

### **3. Declaration of audit qualification**

The preceding audited financial statements of the Company were reported without any qualification.

### **4. Seasonal or Cyclical Factors**

The Group's business operations for the quarter ended 30 September 2015 were not materially affected by significant seasonal or cyclical fluctuations.

### **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 ended 30 September 2015.

### **6. Changes in estimates**

There were no major changes in estimates that have had a material effect in the current quarter.

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**
**7. Segmental Information**

<b>OPERATING SEGMENTS</b>	<b>REVENUE</b>		<b>PROFIT BEFORE TAX</b>	
	3 months ended	9 months ended	3 months ended	9 months ended
	30.09.2015	30.09.2015	30.09.2015	30.09.2015
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Maintenance	154,855	405,694	26,804	63,148
Construction	62,644	185,388	182	12,707
Property Development	26,020	81,100	2,213	9,864
Engineering Services	16,986	52,465	74	3,155
Trading & Manufacturing	32,511	97,292	540	1,999
Education	14,284	42,451	196	295
Others & Eliminations	(3,321)	(30,917)	4,548	2,659
<b>GROUP</b>	<b>303,979</b>	<b>833,473</b>	<b>34,557</b>	<b>93,827</b>

**8. Valuation of property, plant and equipment**

The Group did not carry out any valuation on property, plant and equipment during the current quarter under review.

**9. Subsequent events**

There was no event subsequent to the end of the current quarter up to 17 November 2015, being the last practicable date from the date of the issue of this report that are expected to have a material impact on the Group other than :-

- (i) The issuance of 190,000 ordinary shares of RM0.50 each pursuant to the exercise of the Company's Employees Share Scheme.
- (ii) Protasco Venture Partners Inc (BVI), a wholly owned subsidiary of the Company, had subscribed for 67% equity of PT. Protasco Infra Indonesia ("PTPI"), a company incorporated in Indonesia with the registered capital of USD1 million. PTPI is intended mainly to provide infrastructure services, environmental and energy management in Indonesia.

**10. Changes in Composition of the Group**

There was no material changes in the composition of the Group during the financial period ended 30 September 2015.

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**
**11. Contingent Liabilities**

The changes in contingent liabilities are as follows:

	As at 30.09.2015 <u>(RM'000)</u>	As at 31.12.2014 <u>(RM'000)</u>
Guarantees given to financial institutions in respect of credit facilities granted to subsidiary companies	290,419	179,769
Corporate guarantees given to suppliers for credit facilities granted to subsidiary companies	21,550	33,800
Guarantee given to Government of Malaysia for repayment of advance payment	8,700	8,700
Guarantee given to Government of Malaysia for performance bond for services rendered	3,954	3,106
Performance guarantee extended to third parties	<u>8,081</u>	<u>8,081</u>

**12. Capital Commitments**

	As at <u>30.09.2015</u> RM'000
Approved and contracted for	344
Approved but not contracted for	<u>738</u>
	<u>1,082</u>

**13. Dividend**

- (i) In respect of the financial year ending 31 December 2015 :-
- (a) an interim dividend of 4 sen net per ordinary shares amounted to RM13.373 million was paid on 1 July 2015.
  - (b) the Board of Directors has declared an interim dividend of 4 sen net per ordinary shares amounted to approximately RM13.481 million, computed based on the issued and paid up capital as at 30 September 2015 (excluding treasury shares) of 337,030,490 units.
- (ii) In respect of the financial year ended 31 December 2014, interim dividend of 5 sen net per ordinary shares of RM16.763 million was paid on 1 January 2015.

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**
**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APP'X 9B OF THE MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD**
**14. Analysis of Unaudited Performance of the Group by Operating Segment**

During the quarter ended 30 September 2015, the Group recorded RM833.5 million of revenue, an improvement of 24.8% over the preceding year corresponding quarter of RM667.7 million. The improvement was contributed mainly from maintenance, construction and property development segment.

Profit after taxation attributable to the Group reported more than 100% growth, from losses incurred of RM42.4 million to profit of RM46.2 million. The improvement was mainly due to the impairment loss provided on the investment of PT Anglo Slavic Indonesia during the current quarter in the last preceding year. However, taking aside the impairment, the Group registered a growth of 9.4% as compared to the same period in the last preceding year, mainly from the contribution of the maintenance segments.

Analysis of segmental results is as follows:

**i) Maintenance**

	<b>Qtr ended 30.09.2015 RM'000</b>	<b>Qtr ended 30.09.2014 RM'000</b>	<b>Y-T-D ended 30.09.2015 RM'000</b>	<b>Y-T-D ended 30.09.2014 RM'000</b>
Revenue	154,855	168,899	405,694	311,698
Profit Before Tax ("PBT")	26,804	12,018	63,148	47,828

Maintenance segment recorded an increase in revenue by 30% due to the periodic maintenance works awarded in the beginning of the financial year, resulting from the natural disaster in the east coast of Malaysia. The PBT also increase by 32%, in line with the increase in revenue.

**ii) Construction**

	<b>Qtr ended 30.09.2015 RM'000</b>	<b>Qtr ended 30.09.2014 RM'000</b>	<b>Y-T-D ended 30.09.2015 RM'000</b>	<b>Y-T-D ended 30.09.2014 RM'000</b>
Revenue	62,644	65,645	185,388	117,968
Profit Before Tax ("PBT")	182	24,878	12,707	28,087

Construction revenue increase by 57% mainly due to the contribution from 'Perumahan Penjawat Awam 1Malaysia' (PPA1M) project. The PBT, however, decrease by 55% due to the completion of few construction projects at the end of last preceding year.

As at the current quarter, PPA1M project was 39% completed.

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**iii) Property Development**

	<b>Qtr ended 30.09.2015 RM'000</b>	<b>Qtr ended 30.09.2014 RM'000</b>	<b>Y-T-D ended 30.09.2015 RM'000</b>	<b>Y-T-D ended 30.09.2014 RM'000</b>
Revenue	26,020	11,580	81,100	54,619
Profit Before Tax ("PBT")	2,213	937	9,864	5,786

Revenue and PBT from property development segment increase by 48% and 70% respectively, mainly contributed from the Group's mix development projects, De Centrum Phase 1 and Phase 2A.

As at 30 September 2015, Phase 1 was 79% completed and Phase 2A was 29% completed.

**iv) Engineering Services**

	<b>Qtr ended 30.09.2015 RM'000</b>	<b>Qtr ended 30.09.2014 RM'000</b>	<b>Y-T-D ended 30.09.2015 RM'000</b>	<b>Y-T-D ended 30.09.2014 RM'000</b>
Revenue	16,986	27,192	52,465	65,064
Profit Before Tax ("PBT")	74	1,662	3,155	7,233

Revenue and PBT decrease by 19% and 56% respectively due to lesser geotechnical works awarded in the current year and higher operating costs incurred.

**v) Trading and Manufacturing**

	<b>Qtr ended 30.09.2015 RM'000</b>	<b>Qtr ended 30.09.2014 RM'000</b>	<b>Y-T-D ended 30.09.2015 RM'000</b>	<b>Y-T-D ended 30.09.2014 RM'000</b>
Revenue	32,511	36,802	97,292	102,522
Profit Before Tax ("PBT")	540	981	1,999	2,652

Turnover and PBT for this segment decline by 5% and 25% respectively as compared to the same quarter preceding year due to lower demand for bitumen products and pavement materials.

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**
**vi) Education**

	<b>Qtr ended 30.09.2015 RM'000</b>	<b>Qtr ended 30.09.2014 RM'000</b>	<b>Y-T-D ended 30.09.2015 RM'000</b>	<b>Y-T-D ended 30.09.2014 RM'000</b>
Revenue	14,284	16,593	42,451	43,467
Profit Before Tax	196	674	295	1,801

Infrastructure University Kuala Lumpur (IUKL) recorded a lower revenue and PBT of 2% and 84% respectively, due to lower student enrollment and higher operating costs compared to the same period of the preceding year.

The students population as at the end of the current quarter stood at 4,077.

**15. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter**

There were no material changes in the current quarter as compared to the preceding quarter.

**16. Commentary on Prospects**

Maintenance and Construction segments are expected to contribute steadily to Group's revenue and profits for 2015.

Property Development segment with on-going De Centrum Phase 2A and soon-to-be launched De Centrum Phase 2B projects are expected to continue to contribute positively towards the revenue and profits for 2015.

The Group will also continue to explore other business opportunities, both locally and internationally, to further enhance the shareholders' value.

The Board of Directors remain positive of its overall performance in 2015.



**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**
**17. Profit Forecast or Profit Guarantee**

Not applicable.

**18. Taxation**

Taxation represents current period provision.

The effective tax rate for the current quarter was higher than the statutory tax rate principally due to losses of certain subsidiary companies that cannot be offset against taxable profits made by the other subsidiaries and non-allowable expenses incurred.

**19. Profit after Taxation**

	<u>Current</u> <u>Period To Date</u> <u>30.09.2015</u>	<u>Corresponding</u> <u>Period To Date</u> <u>30.09.2014</u>
	RM'000	RM'000
Profit for the financial period is arrived at after (crediting) / charging:		
Depreciation of property, plant and equipment	10,007	10,512
Impairment on receivables	-	84,643
Interest expense	5,130	3,575
Unrealised loss on foreign exchange	590	-
Property, plant and equipment written off	2	-
Gain on disposal of property, plant and equipment	(324)	(202)
Interest income	(1,513)	(1,613)
Other income including investment income	(2,722)	(5,972)

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**
**20. Corporate Proposals**

There was no corporate proposal announced but not completed in the current quarter up to 17 November 2015, being the last practicable date from the date of the issue of this report.

**21. Borrowings and Debt Securities**

	<u>As at</u> <u>30.09.2015</u> RM'000	<u>As at</u> <u>31.12.2014</u> RM'000
Secured :		
Short term borrowings	54,935	75,081
Long term borrowings	199,001	92,732
Bank overdrafts	10,582	z19,235
Total borrowings	<u>264,518</u>	<u>187,048</u>

There is no borrowing denominated in foreign currency.

**22. Share Capital**

During the financial period, the issued and paid up share capital increased from 335,272,090 to 337,030,490 pursuant to the Employees' Share Scheme.

**23. Treasury Shares**

	Average Price (RM)	RM'000
As at 1 January 2015		3
Purchase of 1,445,000 units	1.63	2,357
As at 30 September 2015		<u>2,360</u>

**24. Cash and Bank Balances**

Included in cash and bank balances of the Group is a sum of RM11.4 million (2014: RM2.47 million) held under a Housing Development Account pursuant to Section 7A of the Housing Developer (Control & Licensing) Act 1966.

## **INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

### **25. Off Balance Sheet Financial Instruments**

The Group does not have any off balance sheet financial instruments as at the date of this announcement.

### **26. Material Litigations**

Other than stated below, there were no changes in material litigation since the last annual balance sheet date:

- (i) *Protasco Berhad v PT Anglo Slavic Utama ("1<sup>st</sup> Defendant"), Tey Por Yee ("2<sup>nd</sup> Defendant") and Ooi Kok Aun ("3<sup>rd</sup> Defendant")*

On 28 December 2012, the Company entered into a conditional Sale and Purchase Agreement ("Conditional SPA") with PT Anglo Slavic Utama ("PT ASU") to acquire 95,000,000 ordinary shares of IDR1,000 each in PT Anglo Slavic Indonesia ("PT ASI"), representing 76% equity interest in PT ASI for a proposed purchase consideration of USD55 million.

PT ASI holds 95% equity interest in PT Firman Andalan Sakti ("PT FAS") which in turn holds 70% equity interest in PT Hase Bumou Aceh ("PT Haseba") ("PT ASI Group"). PT Haseba has a 10 year production management partnership agreement ("PMP Agreement") with PT Pertamina (PERSERO) ("Pertamina") to develop and to produce oil and gas in the Kuala Simpang Timur Field ("KST Field") from 14 December 2004.

On 29 January 2014, the Company entered into an amended and restated Sale and Purchase Agreement ("Restated SPA") with PT ASU to amend, vary and restate, in its entirety, the Conditional SPA. With the execution of the Restated SPA, the Company acquired 78,750,000 ordinary shares of IDR1,000 each in PT ASI representing 63% equity interest in PT ASI from PT ASU for a total purchase consideration of USD22.0 million (RM68,393,170). The purchase consideration was paid by off-setting the deposit of RM50.0 million and the balance was paid by cash.

The Restated SPA is subject to, amongst others, the following Conditions Subsequent to the completion of the Restated SPA within 6 months from the date of the Restated SPA (Conditional Period):-

- (i) Consent of Pertamina;
- (ii) Extension of the PMP Agreement for a further ten (10) year period; and
- (iii) Issuance of SKT Migas licence by the Ministry of Energy and Mineral Resources' General of Oil and Gas Indonesia to PT Haseba.

In January 2014, the Company paid the balance of purchase consideration of RM18,393,170 to PT ASU. The Company also made an advance of RM16,250,000 for the working capital of PT ASI.

The total purchase consideration paid to PT ASU and advance made to PT ASI amounted to RM84,643,170.

## **INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

### **26. Material Litigations (Cont'd)**

- (i) *Protasco Berhad v PT Anglo Slavic Utama ("1<sup>st</sup> Defendant"), Tey Por Yee ("2<sup>nd</sup> Defendant") and Ooi Kok Aun ("3<sup>rd</sup> Defendant") (cont'd)*

On 5 August 2014, the Company announced that the Conditions Subsequent pursuant to the completion of Restated SPA had not been fulfilled by PT ASU within the Condition Period and accordingly, the Restated SPA lapsed on 28 July 2014. The Company terminated the Restated SPA on 4 August 2014.

On 22 September 2014, the Company filed a legal suit against PT ASU and two former directors of the Company for the refund of the purchase consideration and advance.

The total amount claimed against PT ASU and the two former directors ("Defendants") are as follows:

#### Against PT ASU

- i. A payment of USD22 million;
- ii. Pre-judgement interest on USD22 million pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
- iii. Post judgement interest on USD22 million pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum; and
- iv. Damages for the breach of the Restated SPA.

#### Against two former directors

- i. A payment of USD27 million (including an advance of USD5.0 million to PT ASI for the purpose of exploration, wells re-activation and/or construction of wells);
- ii. Pre-judgement interest on USD27 million pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
- iii. Post judgement interest on USD27 million pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum;
- iv. Damages for fraud and conspiracy; and
- v. General damages, aggravated and exemplary.

On 3 October 2014, the Court has directed the 2<sup>nd</sup> Defendant and the 3<sup>rd</sup> Defendant to enter appearance by 16 October 2014 and to file their Statement of Defence by 30 October 2014. The 2<sup>nd</sup> Defendant and the 3<sup>rd</sup> Defendant had, on 28<sup>th</sup> October filed their Statement of Defence. The 1<sup>st</sup> Defendant has entered its appearance on 10 October 2014.

## **INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

### **26. Material Litigations (Cont'd)**

- (i) *Protasco Berhad v PT Anglo Slavic Utama ("1<sup>st</sup> Defendant"), Tey Por Yee ("2<sup>nd</sup> Defendant") and Ooi Kok Aun ("3<sup>rd</sup> Defendant") (cont'd)*

As an update:

#### Stay of Proceeding

The 1<sup>st</sup> Defendant's application for a stay of proceeding pending arbitration has been dismissed on 11 August 2015. The 1<sup>st</sup> Defendant has filed an appeal at the Court of Appeal and has been fixed for Hearing on 19 January 2016.

In the meantime, the 1<sup>st</sup> Defendant's application for a stay of proceeding at the High Court pending the disposal of its appeal at the Court of Appeal has been allowed on 20 October 2015.

The 2<sup>nd</sup> and 3<sup>rd</sup> Defendant's application for a stay of proceeding pending arbitration has been withdrawn on 2 October 2015 with costs of RM1,000 each to be paid to PB by the 2<sup>nd</sup> and 3<sup>rd</sup> Defendant.

#### Contempt Proceeding

PB has filed an application for Contempt of Court against the 2<sup>nd</sup> and 3<sup>rd</sup> Defendant and one Mr. Gideon Tan from Messrs. Gideon Tan Razali Zaini, Advocates & Solicitors, the previous Solicitor for the 2<sup>nd</sup> and 3<sup>rd</sup> Defendant for attempted to pervert and/or obstruct the course of justice by interfering with the evidence of a key witness of PB in this Suit. The Defendants and Gideon Tan have filed an application to set aside the contempt proceeding. It has been fixed for Case Management on 30 November 2015.

#### Bank Account Discovery Proceeding

PB will file a fresh application for discovery (to inspect and make copies) of the bank account records of the 2<sup>nd</sup> and 3<sup>rd</sup> Defendant only and few other companies related to this Suit in accordance with Section 6 and/or Section 7 of Bankers' Book (Evidence) Act 1949 and/or in accordance with the inherent power of the Court under Order 92 Rule 4 of the Rules of Court 2012. Such inspection and copies of the records shall be used as evidence to prove that PB had been made a victim of deception and fraud by the defendants.

The earlier application against all the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Defendant has been withdrawn on 20 October 2015.

Notwithstanding the above litigation, the purchase consideration paid and advance made amounting to RM68,393,170 and RM16,250,000 respectively have been fully impaired in the previous financial year.

## **INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

### **26. Material Litigations (Cont'd)**

#### *(ii) Kingdom Seekers Ventures Sdn Bhd v Protasco Berhad and 7 others*

PB had on 28 October 2014, been served with a derivative action by Kingdom Seekers Ventures Sdn Bhd ("Kingdom Seekers") suing in a representative capacity for and on behalf of PB and/or for the benefit of PB. PB is named as the 7<sup>th</sup> Defendant by virtue of the representative claim.

Kingdom Seekers has alleged that Dato' Sri Chong Ket Pen has purportedly received financial gains through RS Maha Niaga Sdn Bhd, a company purportedly under the control and/or the alter ego of Dato' Sri Chong Ket Pen, from PB's oil and gas dealings with an Indonesian party, PT Anglo Slavic Utama and from PB's wholly owned subsidiary namely, Protasco Trading Sdn Bhd's ("PTSB") coal/bitumen dealings with another Indonesian party, PT Goldchild Integritas Abadi ("Goldchild").

Kingdom Seekers is a company controlled by one of PB's former director, namely Tey Por Yee and is a substantial shareholder of PB.

As an update:

- i. Striking Out Proceeding – PB has on 22 January 2015 filed an application to strike out the Suit. The Court has, on 21 April 2015 allowed PB'S and 7 others' application to strike out the Suit with costs of RM15,000.00 each.
- ii. Appeal – Kingdom Seekers has filed an appeal at the Court of Appeal. The appeal has been dismissed on 21 October 2015 with costs of RM15,000 to be paid to PB.

## **INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

### **26. Material Litigations (Cont'd)**

#### *(iii) Protasco Trading Sdn Bhd vs PT Goldchild Integritas Abadi and Ooi Kock Aun*

Protasco Trading Sdn Bhd ("PTSB"), a wholly owned subsidiary of the Company, had entered into an agreement dated 4 February 2013 ("the Agreement") to undertake coal trades with PT Goldchild Integritas Abadi ("Goldchild").

Pursuant to the terms of the Agreement and to facilitate coal purchases, a deposit ("Deposit") of USD5,161,290 or approximately RM16,000,000 was paid by PTSB to Goldchild on 4 February 2013. The Deposit is to be deducted in stages against future coal trades.

On 19 July 2013, PTSB entered into a Coal Stockpile Joint Venture Agreement with Goldchild to provide a sum of not exceeding USD900,000 or approximately RM2,904,000 for the purpose of the joint venture to purchase coal in Indonesia and resell the coal to potential buyers, subject to such terms and conditions as stipulated in the Coal Stockpile Joint Venture Agreement.

On 22 September 2014, the Company filed a legal suit against Goldchild and one of the former directors when the Company uncovered that the former director has an undisclosed interest in Goldchild.

As an update:

#### Striking Out Application

Ooi Kock Aun has filed the application on 5 March 2015. The said application has been dismissed on 19 October 2015 with costs of RM5,000 to be paid to PB.

#### Stay of Proceeding

Goldchild had on 8 May 2015 filed an application to stay this legal proceedings pending arbitration. The said application has been allowed on 19 October 2015 with costs of RM5,000 to be paid by PB.

Notwithstanding the above litigation, the coal trade deposits made to Goldchild amounted to RM18,904,000 had been fully impaired in the previous financial year.

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**
**27. Earnings Per Share**

	<u>3 months</u> <u>ended</u> 30.09.2015	<u>9 months</u> <u>ended</u> 30.09.2015
Net profit attributable to ordinary shareholders (RM'000)	15,365	46,222
Weighted average number of ordinary shares in issue less Treasury Shares ('000)	334,900	334,729
Basic earnings per share (sen)	<u>4.59</u>	<u>13.81</u>

**28. Realised and unrealised retained profit**

	<b>Unaudited</b> As at 30.09.2015 RM'000	<b>Audited</b> As at 31.12.2014 RM'000
Total retained profits		
- Realised	234,853	205,770
- Unrealised	<u>(9,282)</u>	<u>(9,598)</u>
	225,571	196,172
Total share of retained profits of associates	(64)	(64)
Less : Consolidation adjustments	<u>(98,488)</u>	<u>(101,938)</u>
Total Group Retained Profits	<u><u>127,019</u></u>	<u><u>94,170</u></u>

**29. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the directors on 24 November 2015.