

INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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.

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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.

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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 31 December 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 year ended 31 December 2015.

6. Changes in estimates

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

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7. Segmental Information

	REVENUE		PROFIT BEFORE TAX	
	3 months ended	12 months ended	3 months ended	12 months ended
	31.12.2015	31.12.2015	31.12.2015	31.12.2015
OPERATING SEGMENTS	RM'000	RM'000	RM'000	RM'000
Maintenance	270,520	676,214	26,331	89,479
Construction	70,870	256,258	3,491	16,198
Property Development	39,368	120,468	2,916	12,780
Engineering Services	11,076	63,541	2,717	5,872
Trading & Manufacturing	57,914	155,207	841	2,840
Education	18,359	60,810	1,132	1,427
Others & Eliminations	(12,217)	(43,135)	(1,124)	1,535
GROUP	455,890	1,289,363	36,304	130,131

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 19 February 2016, 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 20,200 ordinary shares of RM0.50 each pursuant to the exercise of the Company's Employees Share Scheme.
- (ii) HCM Engineering Sdn Bhd, a wholly owned subsidiary of the Company, had acquired a shelf company known as Teras Pancar Sdn Bhd ("TPSB") at a cash consideration of RM1,795, for purpose of investment holding.

TPSB was incorporated on 8 December 2015 with a paid up capital of RM2 and an authorised share capital of RM400,000. TPSB is currently a dormant company.

10. Changes in Composition of the Group

There was no material changes in the composition of the Group during the financial year ended 31 December 2015, except for, the deregistration of a foreign subsidiary by the Companies Registry in Hong Kong. Ximax Communications Company Limited which was incorporated in Hong Kong and wholly owned by a subsidiary company, Ximax Communications Sdn Bhd, had been deregistered following an application for deregistration by its holding company.

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11. Contingent Liabilities

The changes in contingent liabilities are as follows:

	As at 31.12.2015 <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	349,705	179,769
Corporate guarantees given to suppliers for credit facilities granted to subsidiary companies	21,850	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>31.12.2015</u> RM'000
Approved and contracted for	434
Approved but not contracted for	<u>237</u>
	<u><u>671</u></u>

13. Dividend

- (i) In respect of the financial year ended 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) An interim dividend of 4 sen net per ordinary shares amounted to RM13.437 million was paid on 12 January 2016.
- (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 15 January 2015.

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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 year ended 31 December 2015, the Group recorded RM1.29 billion of revenue, an improvement of 21.5% over the preceding year corresponding quarter of RM1.06 billion. 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 RM46.4 million to profit of RM66.2 million. The improvement was mainly due to the impairment loss provided on the investment of PT Anglo Slavic Indonesia and deposits paid for trading in coals during the last preceding year. However, taking aside the impairment, the Group registered a growth of 16.0% as compared to the same period in the last preceding year, mainly from the contribution of the construction segments.

Analysis of segmental results is as follows:

i) Maintenance

	Qtr ended 31.12.2015 RM'000	Qtr ended 31.12.2014 RM'000	Y-T-D ended 31.12.2015 RM'000	Y-T-D ended 31.12.2014 RM'000
Revenue	270,520	147,703	676,214	553,397
Profit Before Tax ("PBT")	26,331	34,180	89,479	97,328

Road maintenance segment recorded an increase in annual revenue by 22% due to the additional emergency maintenance works awarded in the beginning of the financial year, resulting from the natural disaster in the east coast of Malaysia. The PBT, however, decrease by 8% as emergency works give lower margin and also due to higher operating cost incurred.

ii) Construction

	Qtr ended 31.12.2015 RM'000	Qtr ended 31.12.2014 RM'000	Y-T-D ended 31.12.2015 RM'000	Y-T-D ended 31.12.2014 RM'000
Revenue	70,870	14,966	256,258	141,971
Profit Before Tax ("PBT")	3,491	2,912	16,198	8,124

Construction annual revenue and PBT increase by 80% and 99% mainly due to the contribution from 'Perumahan Penjawat Awam 1Malaysia' (PPA1M) project.

As at the current quarter, PPA1M project was 52% completed.

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iii) Property Development

	Qtr ended 31.12.2015 RM'000	Qtr ended 31.12.2014 RM'000	Y-T-D ended 31.12.2015 RM'000	Y-T-D ended 31.12.2014 RM'000
Revenue	39,368	2,796	120,468	83,896
Profit Before Tax ("PBT")	2,916	2,136	12,780	12,000

The Group's mix development projects, De Centrum Phase 1 and Phase 2A, have contributed to the increase in annual revenue and PBT for property development segment by 44% and 7% respectively.

As at end of the financial year, Phase 1 was 89% completed and Phase 2A was 50% completed.

iv) Engineering Services

	Qtr ended 31.12.2015 RM'000	Qtr ended 31.12.2014 RM'000	Y-T-D ended 31.12.2015 RM'000	Y-T-D ended 31.12.2014 RM'000
Revenue	11,076	36,999	63,541	89,464
Profit Before Tax ("PBT")	2,717	5,713	5,872	8,868

The annual revenue and PBT decrease by 29% and 34% respectively due to lesser geotechnical works awarded in the current year and higher operating costs incurred.

v) Trading and Manufacturing

	Qtr ended 31.12.2015 RM'000	Qtr ended 31.12.2014 RM'000	Y-T-D ended 31.12.2015 RM'000	Y-T-D ended 31.12.2014 RM'000
Revenue	57,914	58,640	155,207	155,932
Profit Before Tax ("PBT")	841	1,673	2,840	3,672

The annual turnover and PBT for this segment decline by 0.5% and 23% respectively as compared to the preceding year due to lower demand for bitumen products and pavement materials and higher operating cost.

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vi) Education

	Qtr ended 31.12.2015 RM'000	Qtr ended 31.12.2014 RM'000	Y-T-D ended 31.12.2015 RM'000	Y-T-D ended 31.12.2014 RM'000
Revenue	18,359	9,407	60,810	51,858
Profit Before Tax	1,132	(1,027)	1,427	(732)

Infrastructure University Kuala Lumpur (IUKL) managed to turn around into profits in 2015 with an improvement of 17% in its revenue.

The students population as at the end of the financial year stood at 4,007.

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

Moving forward, 2016 is expected to be a challenging year with low commodity prices and weak consumer demand and as such, we foresee that the construction and property development industries to experience slowdown. The Board of Directors anticipate that the Group's earnings will remain sustainable with the contribution from four segments, namely Maintenance, Construction, Property Development and Engineering Services.

However, the Maintenance segment will continue to give steady income to the Group, whilst the Construction segment's contribution is expected to grow with the award of Phase 2 of Perumahan Penjawat Awam 1Malaysia (PPA1M) project.

Contribution by the Property Development segment will be from its existing De Centrum Phase 2A and the in-coming De Centrum Phase 2B projects. The recent signing of Master Services Agreement will enable the Engineering segment to contribute significantly to the Group's earnings.

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

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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>31.12.2015</u> RM'000	<u>Corresponding</u> <u>Year To Date</u> <u>31.12.2014</u> RM'000
Profit for the financial year is arrived at after (crediting) / charging:		
Bad debts written off	535	318
Depreciation of property, plant and equipment	15,842	14,279
Impairment losses on :-		
- receivables	2,037	110,026
- investment in associates	-	1
Interest expense	10,678	3,607
Gain on foreign exchange	(412)	(444)
Property, plant and equipment written off	2,767	-
Gain on disposal of property, plant and equipment	(1,371)	(678)
Interest income	(2,960)	(2,187)

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20. Corporate Proposals

Save for the following, there was no other corporate proposal announced but not completed in the current quarter up to 19 February 2016, being the last practicable date from the date of the issue of this report :-

New Issue of Securities

On 24 November 2015, AmInvestment Bank Berhad on behalf of the Board of the Directors of Protasco Berhad ("PB") announced that PB has proposed to undertake a proposed private placement of new ordinary shares of RM0.50 each of up to ten percent (10%) of the issued and paid up share capital of PB ("Proposed Private Placement").

On 7 December 2015, Bursa Malaysia Securities Berhad has granted its approval for the listing of and quotation for up to 34,069,409 new ordinary shares of RM0.50 each pursuant to the Proposed Private Placement.

21. Borrowings and Debt Securities

	<u>As at 31.12.2015</u>	<u>As at 31.12.2014</u>
	RM'000	RM'000
Secured :		
Short term borrowings	54,061	75,081
Long term borrowings	268,397	92,732
Bank overdrafts	14,345	19,235
Total borrowings	<u>336,803</u>	<u>187,048</u>

There is no borrowing denominated in foreign currency.

22. Share Capital

	As at 31.12.2015	
	Number of Shares '000	RM'000
Issued and fully paid up:		
At 01.01.2015	335,272	167,636
Issue of shares pursuant to:		
- Employees Shares Scheme Shares	1,084	542
- Employees Shares Scheme Options	1,019	510
As at 31 December 2015	<u>337,375</u>	<u>168,688</u>

During the financial year, the issued and paid up share capital increased from 335,272,090 to 337,375,290 pursuant to the Employees' Share Scheme.

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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 31 December 2015		<u>2,360</u>

24. Cash and Bank Balances

Included in cash and bank balances of the Group is a sum of RM12.6 million (2014: RM2.47 million) held under a Housing Development Account pursuant to Section 7A of the Housing Developer (Control & Licensing) Act 1966.

25. Off Balance Sheet Financial Instruments

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

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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 ("1st Defendant"), Tey Por Yee ("2nd Defendant") and Ooi Kok Aun ("3rd 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.

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26. Material Litigations (Cont'd)

- (i) *Protasco Berhad v PT Anglo Slavic Utama ("1st Defendant"), Tey Por Yee ("2nd Defendant") and Ooi Kok Aun ("3rd 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 2nd Defendant and the 3rd Defendant to enter appearance by 16 October 2014 and to file their Statement of Defence by 30 October 2014. The 2nd Defendant and the 3rd Defendant had, on 28th October filed their Statement of Defence. The 1st Defendant has entered its appearance on 10 October 2014.

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26. Material Litigations (Cont'd)

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

As an update:

Stay of Proceeding

The 1st Defendant's application for a stay of proceeding pending arbitration has been dismissed on 11 August 2015. The 1st Defendant has filed an appeal at the Court of Appeal and has been fixed for Hearing on 25 February 2016.

In the meantime, the 1st 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. It has been fixed for Case Management on 3 March 2016.

Contempt Proceeding

PB has filed an application for Contempt of Court against the 2nd and 3rd Defendant and one Mr. Gideon Tan from Messrs. Gideon Tan Razali Zaini, Advocates & Solicitors, the previous Solicitor for the 2nd and 3rd 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 3 March 2016.

Bank Account Discovery Proceeding

PB will file a fresh application for discovery (to inspect and make copies) of the bank account records of the 2nd and 3rd 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. It has been fixed for Case Management on 3 March 2016.

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.

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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 7th 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.
- iii. Leave to Appeal at Federal Court – Kingdom Seekers has filed a notice of motion dated 20 November 2015 seeking leave to appeal to the Federal Court ("Motion") against the decision of the Court of Appeal dated 21 October 2015. The Motion has been fixed for Hearing on 28 April 2016.

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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:

Stay of Proceeding

Goldchild and Ooi Kock Aun had filed an application to stay this legal proceedings pending arbitration. The said application has been allowed. PTSB had filed Notice of Appeal against the High Court decision at the Court of Appeal. The case has been fixed for Case Management on 8 March 2016.

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.

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27. Earnings Per Share

	<u>3 months</u> <u>ended</u> 31.12.2015	<u>12 months</u> <u>ended</u> 31.12.2015
Net profit attributable to ordinary shareholders (RM'000)	20,016	66,238
Weighted average number of ordinary shares in issue less Treasury Shares ('000)	335,675	334,990
Basic earnings per share (sen)	<u>5.96</u>	<u>19.77</u>

28. Realised and unrealised retained profit

	Unaudited As at 31.12.2015 RM'000	Audited As at 31.12.2014 RM'000
Total retained profits		
- Realised	241,293	205,770
- Unrealised	<u>(9,284)</u>	<u>(9,598)</u>
	232,009	196,172
Total share of retained profits of associates	(86)	(64)
Less : Consolidation adjustments	<u>(98,326)</u>	<u>(101,938)</u>
Total Group Retained Profits	<u><u>133,597</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 February 2016.