



GLOBALTEC FORMATION BERHAD

(Incorporated in Malaysia)

Company No: 953031-A

SECOND QUARTERLY REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2015

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Condensed unaudited consolidated statement of profit or loss and other comprehensive income for the financial period ended 31 December 2014

	Current quarter 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current period 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Revenue	83,445	97,920	171,373	192,798
Cost of sales	(69,337)	(80,278)	(144,418)	(161,311)
Gross profit	14,108	17,642	26,955	31,487
Other operating expenses	(18,918)	(16,298)	(32,212)	(29,352)
Other operating income	11,836	1,494	12,697	2,547
Results from operating activities	7,026	2,838	7,440	4,682
Finance income	231	164	432	325
Finance costs	(1,168)	(1,150)	(2,256)	(2,396)
Profit from operations	6,089	1,852	5,616	2,611
Share of result of equity accounted investees, net of tax	-	-	-	-
Profit before tax	6,089	1,852	5,616	2,611
Tax expense	(1,615)	(1,172)	(2,367)	(1,887)
Profit for the period	4,474	680	3,249	724
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	1,637	(467)	1,979	(2,019)
Total comprehensive income/(loss) for the period	6,111	213	5,228	(1,295)
Profit/(Loss) attributable to:				
Owners of the Company	4,481	585	3,407	486
Non-controlling interests	(7)	95	(158)	238
Profit for the period	4,474	680	3,249	724
Total comprehensive income/(loss) attributable to:				
Owners of the Company	5,793	22	4,878	(1,827)
Non-controlling interests	318	191	350	532
Total comprehensive income/(loss) for the period	6,111	213	5,228	(1,295)
Basic earnings per ordinary share (sen)	0.083	0.011	0.063	0.009
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

(The condensed unaudited consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014)



Condensed unaudited consolidated statement of financial position as at 31 December 2014

	As at 31.12.2014 RM'000	Audited 30.6.2014 RM'000
Non-current assets		
Property, plant and equipment	173,009	177,253
Biological assets	39,919	39,919
Exploration and evaluation	84,050	-
Other investment	43	-
Deposits	3,468	-
Investment property	11,045	11,045
Intangible assets	81,303	86,964
Investment in associate	7,023	7,021
Total non-current assets	<u>399,860</u>	<u>322,202</u>
Current assets		
Receivables, deposits and prepayments	74,996	79,436
Inventories	48,303	50,265
Other investments	1,472	1,834
Current tax assets	3,862	3,165
Cash and cash equivalents	69,088	43,204
Total current assets	<u>197,721</u>	<u>177,904</u>
TOTAL ASSETS	<u>597,581</u>	<u>500,106</u>
Equity attributable to owners of the Company		
Share capital	538,174	538,174
Share premium	105,473	105,473
Business combination deficit	(157,064)	(157,064)
Reserves	(132,955)	(137,833)
	<u>353,628</u>	<u>348,750</u>
Non-controlling interests	79,628	21,275
Total equity	<u>433,256</u>	<u>370,025</u>
Long term and deferred liabilities		
Borrowings	22,489	22,845
Deferred tax liabilities	18,566	10,419
Total long term and deferred liabilities	<u>41,055</u>	<u>33,264</u>
Current liabilities		
Payables and accruals	90,068	60,303
Government grant	7	10
Tax liabilities	2,378	1,581
Provision for warranties	1,798	1,746
Borrowings	29,019	33,177
Total current liabilities	<u>123,270</u>	<u>96,817</u>
Total liabilities	<u>164,325</u>	<u>130,081</u>
TOTAL EQUITY AND LIABILITIES	<u>597,581</u>	<u>500,106</u>
Net assets per share attributable to owners of the Company (RM)	0.066	0.065

(The condensed unaudited consolidated statement of financial position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014)

**Condensed unaudited consolidated statement of changes in equity for the financial period ended 31 December 2014**

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Business combination deficit	Accumulated losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2014	538,174	105,473	6,041	(3,366)	(44,479)	(157,064)	(96,029)	348,750	21,275	370,025
Total comprehensive income for the period	-	-	-	1,471	-	-	3,407	4,878	350	5,228
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(1,800)	(1,800)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	59,803	59,803
At 31 December 2014	538,174	105,473	6,041	(1,895)	(44,479)	(157,064)	(92,622)	353,628	79,628	433,256

	← Attributable to owners of the Company →							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Business combination deficit	Accumulated losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2013	527,365	105,473	6,041	(678)	(40,155)	(157,064)	(58,671)	382,311	22,192	404,503
Total comprehensive (loss)/income for the year	-	-	-	(2,313)	-	-	486	(1,827)	532	(1,295)
Contingent consideration paid on acquisition of a subsidiary	10,809	-	-	-	(4,324)	-	-	6,485	-	6,485
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(600)	(600)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	(172)	(172)	(157)	(329)
At 31 December 2013	538,174	105,473	6,041	(2,991)	(44,479)	(157,064)	(58,357)	386,797	21,967	408,764

(The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014)

**Condensed unaudited consolidated statement of cash flows for the financial period ended 31 December 2014**

	Current period 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Cash flows from operating activities		
Profit before tax:	5,616	2,611
Adjustments for:		
Amortisation of customer relationships	829	-
Amortisation of development costs	205	164
Amortisation of government grant	(3)	(10)
Changes in fair value of contingent consideration payable	-	(482)
Changes in fair value of other investment	80	(17)
Depreciation	8,775	12,715
Finance costs	2,256	2,396
Finance income	(432)	(325)
(Gain)/Loss on disposal of property, plant and equipment	(15)	15
Impairment loss on goodwill	5,000	-
Impairment loss on receivables (net)	80	-
Negative goodwill	(10,429)	-
Property, plant and equipment written off	8	-
Provision for warranties (net)	435	956
Unrealised foreign exchange (gain)/loss	(497)	1,884
Operating profit before working capital changes	11,908	19,908
Changes in working capital:		
Inventories	2,345	1,956
Receivables, deposits and prepayments	5,758	(6,478)
Payables and accruals	25,274	8,079
Cash generated from operations	45,285	23,464
Warranties paid	(385)	(2,142)
Taxation paid (net)	(2,399)	(536)
Net cash generated from operating activities	42,501	20,786
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,812)	(7,663)
Development costs paid	(121)	(479)
Proceeds from upliftment of other investments	281	-
Interest received	432	325
Proceeds from disposal of property, plant and equipment	16	81
Profit guarantee shortfall compensation received	-	1,663
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(6,601)	-
Acquisition of minority interest in a subsidiary	-	(220)
Net cash used in investing activities	(7,805)	(6,293)

**Condensed unaudited consolidated statement of cash flows for the financial period ended 31 December 2014**
(continued)

	Current period 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Cash flows from financing activities		
Interest paid	(2,256)	(2,396)
Increase in deposits pledged	(60)	-
Dividends paid to non-controlling interest	(1,800)	(600)
Redemption of preference shares in a subsidiary	-	(55)
Repayment of bank borrowings – net	(5,112)	(3,954)
Net cash used in financing activities	(9,228)	(7,005)
Net increase in cash and cash equivalents	25,468	7,488
Effect of foreign exchange fluctuation on cash and cash equivalents	216	(535)
Cash and cash equivalents at beginning of period	29,335	25,260
Cash and cash equivalents at end of period	55,019	32,213
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	50,113	30,956
Deposits with licensed banks	18,975	16,025
	69,088	46,981
Less:		
Bank overdrafts	(10,035)	(10,740)
Deposits pledged as security	(4,034)	(4,028)
	55,019	32,213

(The condensed unaudited consolidated statement of cash flows should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014)

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

This interim financial report of Globaltec Formation Berhad (“GFB” or the “Company”) and its subsidiaries (“Group”) is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) (“Listing Requirements”).

A2. Significant Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2014.

The Group has not adopted the following standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 116 and MFRS 138, *Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116 and MFRS 141, *Agriculture: Bearer Plants*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

The Group plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 July 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for MFRS 14 which is not applicable to the Group.
- from the annual period beginning on 1 July 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2017.

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfer of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 15.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost. It is expected that the Group's investment in unquoted shares will be measured at fair value through other comprehensive income.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 9.

A3. Qualified audit report

The preceding annual audited financial statements of the Group were reported on without any qualification.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period to-date.

A5. Seasonal and cyclical factors

There were no material seasonal or cyclical factors affecting the income and performance of the Group.

A6. Changes in estimates

There were no changes in the estimates of amounts which give a material effect for the financial period ended 31 December 2014.

A7. Dividends

The Board does not recommend any dividend for the financial period ended 31 December 2014.

A8. Valuation of property, plant and equipment

The Group measures and records its land and buildings at cost and does not revalue them.

A9. Material events subsequent to the period end

There were no material events subsequent to the financial period end.

A10. Changes in composition of the Group

Save as disclosed below, there were no changes in the Group structure for the financial period and up to the date of this report.

- i) On 4 August 2014, the Company had acquired the entire equity interest, comprising 2 ordinary shares of RM1 each in JCM Auto Components Sdn Bhd (*now known as Globaltec Energy Resources Sdn Bhd*) (“GER”), a shelf company, for a cash consideration of RM2. There is no material effect on the acquisition of GER to be disclosed.
- ii) On 8 August 2014, GER has subscribed for a 60% equity interest, comprising 300 shares of USD1.00 each, in New Century Energy Resources Limited (“NCE”) and New Century Energy Services Limited (“NCES”) for a cash consideration of USD100,000 each.

The effects on the acquisition of NCE and NCES are as follows:

	RM’000	RM’000
Purchase consideration		639
Fair value of net identifiable assets	<u>645</u>	
Share of fair value of net identifiable assets acquired		<u>387</u>
Goodwill arising		<u>252</u>

The cash effect on acquisition of NCE and NCES is as follows:

	RM’000
Purchase consideration satisfied by cash	639
Cash and cash equivalents of subsidiaries acquired	<u>639</u>
Net cash effect to the Group	<u>-</u>

- iii) On 21 August 2014, GER and NCE had completed the subscription of 83.3 million shares in NuEnergy Gas Limited (“NGY”) (“NGY Shares”) for a total cash subscription of A\$2.5 million. Subsequently on 19 December 2014, GER and NCE had completed the second and final subscription of 333.33 million NGY Shares for a total cash subscription of A\$10 million. Consequently, the Group has a total of 55.4% direct equity interest in NGY with GER and NCE each having an equity interest of 27.7% each in NGY. NGY, listed on the Australian Securities Exchange, is principally a gas and ancillary power generation development company with an immediate focus on establishing unconventional gas exploration and production in Indonesia.

The effects on the acquisition of NGY is as follows:

	RM’000	RM’000
Subscription consideration		36,366
Fair value of net identifiable assets	<u>106,341</u>	
Share of fair value of net identifiable assets acquired		<u>46,795</u>
Negative goodwill arising		<u>(10,429)</u>

The cash effect on acquisition of NGY is as follows:

	RM'000
Subscription consideration satisfied by cash	36,366
Cash and cash equivalents of subsidiary acquired	<u>29,765</u>
Net cash outflow to the Group	<u>(6,601)</u>

- iv) On 24 October 2014, NCES acquired the entire equity interest, comprising 100 shares of USD1.00 each, in Star Mine Global Ltd, a shelf company for a cash consideration of USD100. There is no material effect on acquisition of Star Mine Global Ltd to be disclosed.

The fair values of the identifiable assets and liabilities of the subsidiaries acquired are currently being determined via an ongoing purchase price allocation exercise. The above provisional goodwill and negative goodwill are subject to the completion of the said purchase price allocation exercise.

Pursuant to items (i) to (iv), the GER group of companies ("GER Group"), which is also termed as the "Energy Segment" have contributed the following total results to the Group:

	Current quarter 31.12.2014 RM'000	Financial period 31.12.2014 RM'000
Revenue	-	-
Net loss	<u>230</u>	<u>374</u>

- v) Autoventure Coat Sdn Bhd, a wholly owned dormant subsidiary of the Group, has on 29 October 2014 been deregistered from the Register of Companies under Section 308 of the Companies Act, 1965. There is no material effects on deregistration of Autoventure Coat Sdn Bhd to be disclosed.
- vi) On 8 December 2014, the Company had announced an internal reorganisation, whereby Jotech Metal Fabrication Industries Sdn Bhd, a wholly owned subsidiary, had on 8 December 2014 transferred its entire 100% equity interest in Yee Heng Precision Stamping Sdn Bhd to Jotech Holdings Sdn Bhd, a wholly owned subsidiary, for a cash consideration of RM178,000.

A11. Capital commitments

Capital commitments as at 31 December 2014 were as follows:

	RM'000
Purchase of plant and equipment:	
- Approved and contracted for	1,785
Lease agreement [^]	<u>2,533</u>
Total	<u>4,318</u>

Note:

- [^] Based on the remaining lease obligation of a subsidiary with CIMB Islamic Trustee Berhad (As Trustee for the Amanah Raya Real Estate Investment Trust) ("CIMB Trustee") to lease certain leasehold land and buildings from CIMB Trustee.

A12. Segmental information

Analysis by business segments being the primary basis of the Group's segmental reporting for the financial period ended 31 December 2014 is as follows:

	Integrated manufacturing services RM'000	Energy RM'000	Resources RM'000	Investment holding RM'000	Consolidation adjustments RM'000	Consolidated RM'000
Segment revenue						
Revenue from external	167,866	-	3,507	-	-	171,373
Inter-segment revenue	-	-	-	2,240	(2,240)	-
Total revenue	167,866	-	3,507	2,240	-	171,373
Segment profit/(loss)	1,680	(585)	75	4,442	4	5,616
Segment assets	321,363	118,831	76,358	96,488	(95,637)	517,404
Customer relationships						29,012
Goodwill on consolidation						51,165
Consolidated total assets						597,581

A13. Contingent liabilities/assets

As at 31 December 2014, the Company had executed corporate guarantees in favour of licensed financial institutions of up to a limit of RM104.3 million for credit facilities granted to subsidiaries and a jointly controlled entity. Out of the total banking facilities secured by corporate guarantees by the Company, a total of RM45.7 million was outstanding at the period end.

The corporate guarantee of RM5.0 million to the jointly controlled entity, together with advances amounting to RM0.8 million as at 31 December 2014 by the Group to the jointly controlled entity, represents a form of provision of financial assistance by the Company in accordance to paragraph 8.23(1)(ii) of the Listing Requirements. Out of the total banking facilities granted to the jointly controlled entity and secured by a corporate guarantee by the Company, a total of RM2.4 million was outstanding at the period end.

A14. Debt and equity securities

There were no issuances, cancellations, share splits, repurchases and repayments of the Company's debt or equity securities for the financial period ended 31 December 2014.

OTHER NOTES PURSUANT TO BURSA MALAYSIA'S MAIN MARKET LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A

B1. Review of performance

The Integrated Manufacturing Services (“IMS”) segment comprises the following divisions:

- i) precision machining, stamping and tooling (“PMST”);
- ii) semiconductor; and
- iii) automotive components design and manufacturing (“Automotive”).

The Resources segment is principally involved in the harvesting and selling of fresh fruit bunches of oil palm (“FFB”) whereas the Energy segment is principally involved in the exploration and production of oil and gas but has not commenced commercial production yet.

The Group’s revenue for the current quarter decreased from RM97.9 million for the preceding year corresponding quarter to RM83.4 million for the current quarter. This was due to the IMS segment registering a decline of RM14.3 million in its revenue contribution. Within the IMS segment, all the divisions recorded declines in their revenues, except for the PMST division which showed an improvement of RM0.3 million. The Automotive division registered the steepest decline of RM11.9 million. The decline in revenue experienced by the IMS segment was mainly due to overall weak demand. The Resources segment also registered a decrease in its revenue from RM2.1 million to RM1.8 million due mainly to a decrease in FFB average selling prices.

Included in the preceding year corresponding quarter was a fair value loss on contingent consideration payable of RM1.68 million booked by the Investment Holding segment. In the current quarter, the Investment Holding segment registered a negative goodwill and an impairment loss on goodwill of RM10.4 million and RM5 million respectively. Excluding these exceptional items, in tandem with the decrease in revenue, the Group’s net profit reduced from RM2.3 million for the preceding year corresponding quarter to a net loss of RM0.9 million for the current quarter. This was due to all the segments registering a decrease in their results.

The decline in the IMS segment’s results were due to decrease in the Automotive division’s results. Nevertheless, it is worth noting the other divisions of the IMS segment registered improvements in their results. This was due higher revenue earned by the PMST division and better cost models put in place by the semiconductor division.

B2. Material changes from the preceding quarter

Comparing quarter on quarter, the Group’s revenue declined by RM4.5 million from RM87.9 million for the preceding quarter to RM83.4 million for the current quarter. This decline was attributable to a decrease in the revenue contribution from the IMS segment. The IMS’s revenue fell from RM86.3 million to RM81.6 million quarter on quarter, due mainly to the Automotive division registering a decline of RM4.4 million in its revenue. The Resources segment, however recorded an increase in its revenue from RM1.7 million in the previous quarter to RM1.8 million for the current quarter due mainly to an increase in FFB production.

Excluding the negative goodwill and impairment loss on goodwill mentioned above, for the current quarter, the Group, despite the drop in revenue, recorded a lower net loss of RM0.9 million for the current quarter vis-à-vis a net loss of RM1.1 million for the previous quarter. This was achieved on the back of both the IMS and Resources segments registering an improvement in their results. Within the IMS segment, save for the Automotive division, all the divisions churned out better results quarter on quarter.

B3. Prospects

The uncertainty of the global economy growth and lacklustre local business environment continues to pose a challenging outlook for the Group's businesses in the IMS segment.

In view of the above, the Board is hopeful with the new venture into the oil and gas exploration, production and services (in particular the unconventional oil and gas), the Group is able to diversify its risks and reduce its reliance on the manufacturing business and Resources segment and also improve the long term revenue, profits and cash flows to the Group. Nevertheless, this new venture will take time before the Group can reap the returns from it.

B4. Profit Forecast and Profit Guarantee

Not applicable as no profit forecast was published and no outstanding profit guarantee that has been given or received during the financial period and up to the date of this report.

B5. Corporate proposals

Save as disclosed below, there were no other corporate proposals announced but not completed within 7 days from the date of issue of this report.

On 12 September 2014, the Company announced that it had on the same date entered into a conditional sale and purchase agreement and a share subscription agreement with Wibawa Serantau Sdn Bhd and Empangan Sejati Sdn Bhd ("ESSB") respectively, to acquire a total of 490 ordinary shares of RM1.00 each in ESSB, representing a 49% equity interest in ESSB for a total cash consideration of RM2.74 million ("Proposed Acquisition of ESSB"). ESSB has an indirect interest in Manifest Frontier Sdn Bhd, which represents a joint venture with Perak Hydro Renewable Energy Corporation Sdn Bhd to jointly build, operate and own a small hydroelectric power plant with an installed capacity of up to 15 megawatt in Perak. The Proposed Acquisition of ESSB is pending completion as at the date of this report.

B6. Taxation

The tax expense for the current quarter and financial period are as follows:

	Current quarter	Financial period
	31.12.2014	31.12.2014
	RM'000	RM'000
Tax expense		
Malaysia -current year	1,217	1,862
Overseas – current	422	553
Deferred tax expense		
Malaysia - current year	(24)	(48)
Total income tax expense	<u>1,615</u>	<u>2,367</u>

The effective tax rate for the current quarter and current period is higher than the statutory tax rate principally due mainly to losses incurred by the Automotive division.

B7. Borrowings

The Group's borrowings as at 31 December 2014, which were all secured, were as follows:

	RM'000
Current	29,019
Non-current	22,489
Total Group Borrowings	51,508

The borrowings denominated in foreign currencies and RM as at 31 December 2014 was as follows:

	RM'000
Foreign Currencies:	
- ⁽¹⁾ RMB4,800,000 @ RM0.5634/RMB1	2,704
- ⁽²⁾ IDR17,434,114,214@ RM0.0282/IDR100	4,916
RM	43,888
Total Group Borrowings	51,508

Foreign currencies:

- ⁽¹⁾ RMB Renminbi of The People's Republic of China
⁽²⁾ IDR Indonesian Rupiah of Indonesia

B8. Material litigation

There is no material litigation as at the date of this report.

B9. Notes to the statement of profit or loss and other comprehensive income

Other than interest income and finance costs, included in the statement of profit or loss and other comprehensive income are the following credits/(charges):

	Current quarter 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current period 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Amortisation of customer relationships	(415)	-	(829)	-
Amortisation of development costs	(112)	(75)	(205)	(164)
Amortisation of government grant	1	5	3	10
Changes in fair value of contingent consideration payable	-	(1,680)	-	482
Changes in fair value of other investment	(106)	3	(80)	17
Depreciation	(3,123)	(6,310)	(8,775)	(12,715)
Foreign exchange gain/(loss)	1,072	(2,145)	977	(2,426)
Gain/(Loss) on disposal of property plant and equipment	-	(3)	15	(15)
Impairment loss on goodwill	(5,000)	-	(5,000)	-
Impairment loss on receivables (net)	-	-	(80)	-
Negative goodwill	10,429	-	10,429	-
Property, plant and equipment written off	(8)	-	(8)	-
Provision for warranties (net)	(228)	(479)	(435)	(956)
Rental income	3	3	6	6

B10. Realised and unrealised losses

The breakdown of accumulated losses of the Group into realised and unrealised losses are as follows:

	As at 31.12.2014 RM'000	As at 30.6.2014 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(57,741)	(78,355)
- Unrealised	(22,524)	(14,662)
	<u>(80,265)</u>	<u>(93,017)</u>
The share of accumulated losses from a jointly controlled entity:		
- Realised	(1,764)	(1,763)
The share of accumulated losses from an associate:		
- Realised	(194)	(220)
Consolidation adjustments	(10,399)	(1,029)
Total accumulated losses	<u>(92,622)</u>	<u>(96,029)</u>

B11. Earnings per share
Basic earnings per share

The basic earnings per share of the Group was computed as follows:

	Current quarter 31.12.2014	Preceding year corresponding quarter 31.12.2013	Current period 31.12.2014	Preceding year corresponding period 31.12.2013
Profit attributable to owners of the Company (RM'000)	4,481	585	3,407	486
Weighted average number of ordinary shares ('000)	5,381,738	5,381,738	5,381,738	5,287,158
Basis earnings per share (sen)	<u>0.083</u>	<u>0.011</u>	<u>0.063</u>	<u>0.009</u>

Diluted earnings per share

Diluted earnings per share for the current quarter and period are not applicable as there are no dilutive instruments as at period end.