

28 February 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Dec 2013 RM'000	PRECEEDING YEAR QUARTER 31 Dec 2012 RM'000	CURRENT YEAR TO DATE 31 Dec 2013 RM'000	PRECEEDING YEAR TO DATE 31 Dec 2012 RM'000
Revenue	114,123	65,253	406,308	319,527
Cost of sales	(84,836)	(47,560)	(301,584)	(248,934)
Gross profit	29,287	17,693	104,724	70,593
Other income	1,664	1,024	21,516	2,987
Operating costs	(16,756)	(12,835)	(49,713)	(36,788)
Finance cost	(1,447)	(1,450)	(4,218)	(4,900)
Profit before tax	12,748	4,432	72,309	31,892
Tax expense	(5,588)	(1,452)	(21,100)	(9,582)
Profit for the financial period	7,160	2,980	51,209	22,310
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	7,160	2,980	51,209	22,310
Attributable to:				
Owners of the parent	5,787	2,996	42,692	21,613
Non-controlling interests	1,373	(16)	8,517	697
	7,160	2,980	51,209	22,310
Earnings per ordinary share attributable to equity holders of the Company (sen) :				
- Basic	1.63	0.94	12.01	6.75
- Diluted	1.63	0.94	12.01	6.75

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying notes.

GABUNGAN AQRS BERHAD
(Company No. 912527-A)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

28 February 2014

	(UNAUDITED) AS AT 31 Dec 2013 <u>RM'000</u>	(AUDITED) AS AT 31 Dec 2012 <u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	18,031	11,168
Land held for property development	47,663	-
Investment property	-	32,378
Investment in a joint venture	3	-
Other investments	2	2
Deferred tax assets	5,719	2,728
	<u>71,418</u>	<u>46,276</u>
Current assets		
Inventory	1,814	-
Property development costs	202,587	156,460
Trade and other receivables	321,265	189,995
Current tax assets	3,078	3,303
Cash and cash equivalents	63,471	90,001
	<u>592,215</u>	<u>439,759</u>
TOTAL ASSETS	<u>663,633</u>	<u>486,035</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	88,880	88,880
Share premium	56,041	56,041
Treasury shares	(344)	-
Retained earnings	106,510	70,490
	<u>251,087</u>	<u>215,411</u>
Non-controlling interests	<u>10,919</u>	<u>2,149</u>
TOTAL EQUITY	<u>262,006</u>	<u>217,560</u>
Non-current liabilities		
Borrowings	34,221	14,664
Deferred tax liabilities	2,502	2,393
	<u>36,723</u>	<u>17,057</u>
Current liabilities		
Trade and other payables	249,910	197,271
Borrowings	101,970	49,290
Current tax liabilities	13,024	4,857
	<u>364,904</u>	<u>251,418</u>
TOTAL LIABILITIES	<u>401,627</u>	<u>268,475</u>
TOTAL EQUITY AND LIABILITIES	<u>663,633</u>	<u>486,035</u>
Net assets per share attributable to owners of the parent (RM)	0.71	0.67

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying notes.

GABUNGAN AQRS BERHAD
(Company No. 912527-A)
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2013**

28 February 2014

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----						
	Share capital RM'000	Non-distributable Share premium RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling-interests RM'000	Total equity RM'000
Balance as at 1 January 2013	88,880	56,041	-	70,490	215,411	2,149	217,560
Profit for the financial period / Total comprehensive income for the period	-	-	-	42,692	42,692	8,517	51,209
Shares repurchased	-	-	(344)	-	(344)	-	(344)
Dividend paid	-	-	-	(5,546)	(5,546)	-	(5,546)
Dilution arising from change in stake	-	-	-	(873)	(873)	-	(873)
Changes in onwership interests in a subsidiary	-	-	-	(253)	(253)	253	-
Balance as at 31 December 2013	88,880	56,041	(344)	106,510	251,087	10,919	262,006

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----						
	Share capital RM'000	Non-distributable Share premium RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling-interests RM'000	Total equity RM'000
Balance as at 1 January 2012	73,380	-	-	48,877	122,257	1,452	123,709
Public issue	15,500	57,660	-	-	73,160	-	73,160
Share issue expenses	-	(1,619)	-	-	(1,619)	-	(1,619)
Profit for the financial period / Total comprehensive income for the period	-	-	-	21,613	21,613	697	22,310
Balance as at 31 December 2012	88,880	56,041	-	70,490	215,411	2,149	217,560

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2013

	Current Period Ended 31 Dec 2013 RM'000	Preceding Period Ended 31 Dec 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	72,309	31,892
Adjustments for :		
Depreciation of property, plant and equipment	2,704	1,944
Reversal of impairment loss on land	-	(1,208)
Impairment of trade and other receivables	320	40
Interest expense	4,218	3,464
Interest income	(2,380)	(1,621)
Deposit written off	-	25
Development expenditure written off	-	413
Property, plant and equipment written off	40	-
Goodwill written off	7	-
Gain on disposal of investment property	(17,622)	-
Gain on disposal of property, plant and equipment	(189)	(210)
Operating profit before changes in working capital	59,407	34,739
Changes in working capital:		
Inventory	(1,814)	-
Property development costs	(46,127)	(43,245)
Trade and other receivables	(132,461)	14,165
Trade and other payables	52,630	(512)
Cash (used in)/generated from operating activities	(68,365)	5,147
Interest paid	(3,922)	(3,279)
Interest received	2,380	1,621
Tax paid	(19,873)	(27,603)
Tax refunded	4,283	16
Net cash used in operating activities	(85,497)	(24,098)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in a joint venture	(3)	-
Purchase of property, plant and equipment	(5,591)	(2,504)
Purchase of land held for property development	(47,663)	-
Proceeds from disposals of investment property	50,000	-
Proceeds from disposals of property, plant and equipment	552	463
Net cash used in investing activities	(2,705)	(2,041)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of shares	(344)	-
Dividend paid	(5,546)	-
Proceeds from public issue	-	73,160
Payment of share issue expenses	-	(1,619)
Withdrawals/(Placements) of fixed deposits pledged	7,252	(10,770)
Repayments to hire purchase creditors	(1,864)	(914)
Repayments of bridging loan	-	(10,982)
Drawdown/(Repayments) of term loans	32,653	(5,343)
Interest paid	(296)	(185)
Net cash generated from financing activities	31,855	43,347
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(56,347)	17,208
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	24,817	7,609
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(31,530)	24,817

Cash and cash equivalents at the end of the financial period comprise the following

	As at 31 Dec 2013 RM '000	As at 31 Dec 2012 RM '000
Deposits, bank and cash balances	63,471	90,001
Bank overdrafts (included within short term borrowings in Note B8)	(60,249)	(23,180)
	3,222	66,821
Less : Fixed deposits pledged as security	(34,752)	(42,004)
Total cash and cash equivalents	(31,530)	24,817

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying notes.

GABUNGAN AQRS BERHAD
 (Company No: 912527 - A)
 (Incorporated in Malaysia)
 Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2013

A Explanatory Notes in compliance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. These explanatory notes attached to the interim 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 year ended 31 December 2012.

A2. Changes in Accounting Policies

The significant accounting policies and method of computation adopted by the Group in this interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2012, except as follows:

On 1 January 2013, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
FRS 10	Consolidated Financial Statements
Amendments to FRS 10,	Consolidated Financial Statements, Joint Arrangements and
FRS 11 and FRS 12	Disclosure of Interests in Other Entities: Transition Guidance
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
Amendments to FRS 101	Presentation of items of Other Comprehensive Income
Amendments to FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits (2011)
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRSs Improvements to FRSs (2012)	
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

A2. Changes in Accounting Policies (cont'd)

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

1 January 2014

Amendments to FRS 10 Consolidated Financial Statements: Investment Entities
Amendments to FRS 12 Disclosure of Interest in Other Entities: Investment Entities
Amendments to FRS 127 Separate Financial Statements (2011): Investment Entities
Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136 Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139 Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

1 January 2015

Mandatory Effective Date of FRS 9 and Transition Disclosures
FRS 9 Financial Instruments (2009)
FRS 9 Financial Instruments (2010)

Malaysian Financial Reporting Standards (MFRS Framework)

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 that 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").

On 7 August 2013, the MASB issued another announcement that Transitioning Entities would only be required to adopt the MFRS framework for the annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Frameworks. Accordingly, the Group will be required to prepare financial statement using MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. 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.

A3. Qualification of Financial Statements

The auditors report for the preceding audited financial statements was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any seasonal or cyclical factors.

A5. Nature and Amount of Unusual Items

There were no unusual items for the current financial quarter and financial year-to-date.

A6. Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current financial quarter and financial year-to-date.

A7. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter and financial year to date, except as follows:-

- (i) bonus issue of 159,984,000 free warrants in the Company on the basis of nine (9) warrants for every twenty (20) existing ordinary shares of RM0.25 each in the Company;
- (ii) increase in the authorised share capital of the Company from RM100,000,000 to RM500,000,000; and
- (iii) during the financial year-to-date, the Company repurchased 311,500 of its own ordinary shares of RM0.25 each from the open market for a total consideration of RM344,308 at an average price of RM1.105 per ordinary share. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965 in Malaysia. None of the treasury shares held were re-sold or cancelled during the financial year-to-date.

A8. Dividend Paid

On 29 July 2013, the Company paid a first and final single tier dividend of 1.56 sen per ordinary share, amounting to RM5,546,112 in respect of the financial year ended 31 December 2012.

A9. Segmental Information

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

- (i) Construction
Securing and carrying out construction contracts.
- (ii) Property development
Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.

GABUNGAN AQRS BERHAD
(Company No: 912527 - A)
(Incorporated in Malaysia)
Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2013

A9. Segmental Information (cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

12 months ended 31 December 2013	Construction RM'000	Property Development RM'000	Other RM'000	Total/Group RM'000
Segment Revenue				
Total revenue	369,028	122,642	-	491,670
Inter-segment sales	(85,362)	-	-	(85,362)
Revenue from external customers	283,666	122,642	-	406,308
Interest income	897	481	1,002	2,380
Finance costs	(2,144)	(2,074)	-	(4,218)
Net finance expense	(1,247)	(1,593)	1,002	(1,838)
Depreciation	(2,122)	(582)	-	(2,704)
Segment profit/(loss) before taxation	41,607	34,740	(4,038)	72,309
Taxation	(13,565)	(7,662)	127	(21,100)
Segment profit/(loss) for the period	28,042	27,078	(3,911)	51,209
Segment assets	238,942	398,549	26,142	663,633
Segment liabilities	266,334	134,473	820	401,627
12 months ended 31 December 2012	Construction RM'000	Property Development RM'000	Other RM'000	Total/Group RM'000
Segment Revenue				
Total revenue	312,499	49,707	-	362,206
Inter-segment sales	(42,679)	-	-	(42,679)
Revenue from external customers	269,820	49,707	-	319,527
Interest income	935	148	538	1,621
Finance costs	(1,147)	(3,753)	-	(4,900)
Net finance expense	(212)	(3,605)	538	(3,279)
Depreciation	(1,476)	(468)	-	(1,944)
Segment profit/(loss) before tax	34,581	1,830	(4,519)	31,892
Tax expense	(8,654)	(922)	(6)	(9,582)
Segment profit/(loss) for the period	25,927	908	(4,525)	22,310
Segment assets	176,149	271,465	38,421	486,035
Segment liabilities	178,601	88,867	1,007	268,475

GABUNGAN AQRS BERHAD
 (Company No: 912527 - A)
 (Incorporated in Malaysia)
 Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2013

A10. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment performed in the current financial quarter and financial year-to-date.

A11. Acquisition/Disposal of Property, Plant and Equipment

There was no material acquisition or disposal of property, plant and equipment during the current quarter and financial year-to-date.

A12. Material Subsequent Event

There were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13. Changes in the Composition of the Group

There were no changes to the composition of the Group for the current financial year to date, except as follows:

- (a) On 5 March 2013, the Company acquired the entire issued and paid up share capital of Sinajasa Sdn. Bhd. (~~₹~~Sinajasa), a company incorporated in Malaysia, for a cash consideration of RM2.
- (b) On 15 July 2013, Bright Reach Sdn. Bhd. (~~₹~~BRSB), a wholly-owned subsidiary of AQRS The Building Company Sdn. Bhd. (~~₹~~AQRS), which in turn is a wholly-owned subsidiary of the Company, has acquired 1,775 ordinary shares of RM1.00 each, representing 35.5% of the total issued and paid-up share capital of Crystal Aspect Sdn. Bhd. (~~₹~~CASB) for a total consideration of RM1,775. Accordingly, CASB became a wholly-owned subsidiary of BRSB.
- (c) On 4 September 2013, the Company subscribed for 3,000 ordinary shares of RM1.00 each at par value in the share capital of Kreatif Sinar Gabungan Sdn. Bhd. (~~₹~~KSGSB), representing 30% of the total issued and paid-up share capital of KSGSB.
- (d) On 9 December 2013, the Company acquired two (2) ordinary shares of RM1.00 each, representing 100% equity interest in the share capital of Gabungan AQRS Properties Sdn Bhd (*formerly known as Seni Lumayan Sdn. Bhd.*) (~~₹~~GBGAP) for a cash consideration of RM2.00.

A14. Capital Commitment

	As at 31 Dec 13 RM'000	As at 31 Dec 12 RM'000
Contracted but not provided for:		
- Land held for property development	112,147	182,647
- Property, plant and equipment	6,660	-

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2013

A15. Contingent Liabilities

Details of contingent liabilities of the Group are as follows:

	As at 31 Dec 13 RM'000	As at 31 Dec 12 RM'000
Corporate guarantees given to financial institutions for credit facilities granted to third parties	-	5,202
Bank guarantees given by financial institutions in respect of construction and property projects	<u>135,456</u>	<u>127,363</u>
	<u>135,456</u>	<u>132,565</u>

B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia

B1. Review of Performance

Performance of current quarter against the preceding year corresponding quarter

For the current quarter under review, the Group recorded revenue of RM114.12 million and profit after tax and non-controlling interest of RM5.79 million as compared to RM65.25 million and RM3.00 million respectively in preceding quarter ended 31 December 2012.

For the 12 months-to-date, the group achieved a higher turnover of RM406.31 million and profit after taxation and non-controlling interest of RM42.69 million compared to RM319.53 million and RM21.61 million respectively in the corresponding period to date last year.

During the current year to date, construction segment recorded revenue of RM369.03 million (before eliminating inter-segment sales) while the property development segment registered revenue of RM122.64 million. The construction division continues to be the main revenue contributor to the Group, attributing 75.06% of the current quarter's revenue (before eliminating inter-segment sales).

The contribution from the construction division increased marginally in the current quarter under review as compared to the previous year's corresponding quarter due to higher progress work done for on-going projects.

The contribution from property development division increased in the current quarter under review as compared to the previous year's corresponding quarter due to revenue recognition from higher work progress achieved notably from the Kinrara Uptown project.

B2. Material Changes in the Result for the Current Quarter Compared With the Results for the Preceding Quarter

For the current quarter under review, the Group recorded revenue and profit after taxation and non-controlling interest of RM114.12 million and RM5.79 million as compared to RM105.46 million and RM6.29 million respectively reported in the immediate preceding quarter.

The Group recorded a higher profit before tax (PBT) of RM12.75 million in the current quarter as compared to the preceding quarter of RM12.01 million. During the current quarter under review, the increase in PBT for the construction division was resulted from higher work progress from the Package V1: MRT Project and the enhancement works along Jalan Rantau/Sungai Gadut, Negeri Sembilan.

The property development division registered a loss before tax during the quarter under review largely due to substantial non-recurring operating expenses. These expenses include bank facility fees and its related legal documentation charges and real estate commission fees for the property development projects.

Further, the loss after tax attributable from the property development division for the current quarter under review is mainly due to higher tax expense arising from non-deductible items that are initial expense in nature and the non-recognition of the deferred tax asset.

GABUNGAN AQRS BERHAD
(Company No: 912527 - A)
(Incorporated in Malaysia)
Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2013

B3. Prospects

Going forward, the Group will concentrate on its on-going projects and place emphasis on the commencement of projects in the pipeline, while still actively tendering for both private and the public sector projects.

At the same time, the property development arm will focus on 2 of its upcoming property launches; one of which is serviced apartments to be developed on our recently acquired parcel of residential land fronting a lake and situated in Taman Putra Perdana, District of Sepang. The other upcoming project is a mixed commercial development comprising serviced apartments and a neighbourhood mall, in Taman Lestari Perdana, Kinrara Uptown. Both these development projects are in the state of Selangor.

Barring any unforeseen circumstances, the Board expects performance from both divisions of the Group to continue to deliver satisfactory financial results for 2014.

B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate in any public document.

B5. Items included in the Statements of Comprehensive Income include:

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 13 RM'000	31 Dec 12 RM'000	31 Dec 13 RM'000	31 Dec 12 RM'000
Interest income	641	1,067	2,380	1,621
Other income	1,010	4	1,303	10
Interest expense (excluding interest capitalised)	(1,446)	(926)	(4,218)	(3,082)
Depreciation and amortisation	(768)	(593)	(2,704)	(1,944)
Provision for and write off of receivables	(320)	(40)	(320)	(40)
Provision for and write off of inventories	*	*	*	*
Gain on disposal of property, plant and equipment	13	16	189	210
Gain on disposal of investment property	*	*	17,622	*
Goodwill written off	(7)	*	(7)	*
Foreign exchange gain or loss	*	*	*	*
Gain or loss on derivatives	*	*	*	*
Exceptional items	*	*	*	*

* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2013

B6. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 13 RM'000	31 Dec 12 RM'000	31 Dec 13 RM'000	31 Dec 12 RM'000
Current taxation				
- Current year	5,166	2,062	19,249	12,464
- Prior years	1,334	40	1,267	(306)
	<u>6,500</u>	<u>2,102</u>	<u>20,516</u>	<u>12,158</u>
Deferred taxation				
- Current year	(1,001)	(549)	(2,161)	(2,611)
- Prior years	390	(101)	476	35
	<u>(611)</u>	<u>(650)</u>	<u>(1,685)</u>	<u>(2,576)</u>
Real property gains tax	(301)	-	2,269	-
	<u>5,588</u>	<u>1,452</u>	<u>21,100</u>	<u>9,582</u>

The Group effective tax rate for the current quarter and cumulative quarter of 43.84% and 29.18% is higher than the statutory tax rate mainly due to huge under provision of tax in prior years and certain expenses not deductible for tax purposes.

B7. Status of Corporate Proposals Announced

(a) Stylo Land

The proposed acquisition of Stylo Land as stated in Section 2.8.1 of our Prospectus dated 29 June 2012 did not materialise as certain Conditions Precedent as set out in the SPA were not fulfilled as at the Extended Conditions Precedent Fulfilment Date. On November 2013, the Company, has announced not to proceed with the Proposed Acquisition by electing to terminate the SPA to avoid any future unascertained liabilities from being realised.

(b) Status of Utilisation of Proceeds

The proceeds arising from the Company's IPO amounted to RM73.160 million and as at 21 February 2014, the details of the utilisation of proceeds are as follows:-

Purpose of utilisation	Estimated time frame for utilisation from date of listing	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation		Explanations*
				Amount RM'000	%	
i. Acquisition of land bank	Within 36 months	25,000	23,360	1,640	6.6	(a)&(b)
ii. Acquisition of new corporate headquarters	Within 36 months	12,000	3,758	8,242	68.7	(a)&(b)
iii. Working capital	Within 24 months	30,460	30,460	-	-	
iv. Estimated listing expenses	Within 6 months	5,700	4,418	1,282	22.5	(c)

GABUNGAN AQRS BERHAD
 (Company No: 912527 - A)
 (Incorporated in Malaysia)
 Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2013

B7. Status of Corporate Proposals Announced (Cont'd)

Notes:-

- * A total sum of RM1.716 million being underwriting commission, brokerage commission, issuing house fees and out of pocket expenses has been proportionately reduced from the respective utilisation categories above.
- (a) The unutilised proceeds raised from the Public Issue are placed in short-term deposits with licensed banks.
- (b) The proceeds from the Public Issue are to be utilised within the estimated timeframe. The Group does not expect any material deviation as at the date of this quarterly report.
- (c) As at 21 February 2014, the total listing expenses is RM4.418 million. The excess of RM1.282 million in the utilisation for the listing expenses has been allocated for working capital purposes as stated in the Prospectus dated 29 June 2012.

B8. Group Borrowings and Debt Securities

	As at 31 Dec 13 RM'000	As at 31 Dec 12 RM'000
The Group's borrowings and debt securities are as follows:		
Long term borrowings		
Secured:		
Hire purchase creditors	5,136	3,946
Term loans	29,085	10,718
	<u>34,221</u>	<u>14,664</u>
Short term borrowings		
Secured:		
Bank overdrafts	60,249	23,180
Hire purchase creditors	2,462	1,137
Term loans	38,859	24,573
Revolving credit	400	400
	<u>101,970</u>	<u>49,290</u>

B9. Material Litigation

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

B10. Dividend

The Board has recommended a final single tier dividend of 1.91 sen per share amounting to a dividend payable of RM6,800,000 for the financial year ended 31 December 2013. The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date to the final dividend shall be determined by the Board at a subsequent stage.

GABUNGAN AQRS BERHAD
 (Company No: 912527 - A)
 (Incorporated in Malaysia)
 Quarterly Unaudited Results of the Group for the 4th Quarter ended 31 December 2013

B11. Earnings Per Share

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 13 RM'000	31 Dec 12 RM'000	31 Dec 13 RM'000	31 Dec 12 RM'000
Profit attributable to equity holders of the Company (RM'000)	5,787	2,996	42,692	21,613
Weighted average number of ordinary shares in issue (±000)	355,503	320,358	355,503	320,358
Basic earnings per share (sen)	1.63	0.94	12.01	6.75

(b) Diluted

The Company has warrants in issue for the current quarter under review. However, the diluted earnings per share for the Group would be the same as basic earnings per share as there were no conversion from the exercise of the warrants as the market price of the share price was below the warrant exercise price.

B12. Realised and Unrealised Retained Profits

	As at 31 Dec 13 RM'000	As at 31 Dec 12 RM'000
Total retained earnings for the Group:		
- Realised	185,671	143,184
- Unrealised	3,216	335
	<u>188,887</u>	<u>143,519</u>
Less: Consolidated adjustments	<u>(82,377)</u>	<u>(73,029)</u>
Total group retained earnings as per consolidated accounts	<u>106,510</u>	<u>70,490</u>

B13. Authorisation for Issue

This interim financial report was authorised for issuance by the Board of Directors of the Company on 28 February 2014.