

21 May 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Mar 2014 RM'000	PRECEEDING YEAR QUARTER 31 Mar 2013 RM'000	CURRENT YEAR TO DATE 31 Mar 2014 RM'000	PRECEEDING YEAR TO DATE 31 Mar 2013 RM'000
Revenue	147,663	83,475	147,663	83,475
Cost of sales	(111,555)	(59,510)	(111,555)	(59,510)
Gross profit	36,108	23,965	36,108	23,965
Other income	579	494	579	494
Operating costs	(10,117)	(9,737)	(10,117)	(9,737)
Finance cost	(1,255)	(845)	(1,255)	(845)
Profit before tax	25,315	13,877	25,315	13,877
Tax expense	(7,203)	(4,215)	(7,203)	(4,215)
Profit for the financial period	18,112	9,662	18,112	9,662
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	18,112	9,662	18,112	9,662
Attributable to:				
Owners of the parent	12,042	7,575	12,042	7,575
Non-controlling interests	6,070	2,087	6,070	2,087
	18,112	9,662	18,112	9,662
Earnings per ordinary share attributable to equity holders of the Company (sen) :				
- Basic	3.39	2.13	3.39	2.13
- Diluted	2.34	2.13	2.34	2.13

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2014**

**21 May 2014**

	<b>(UNAUDITED)</b> <b>AS AT</b> <b>31 Mar 2014</b> <b><u>RM'000</u></b>	<b>(AUDITED)</b> <b>AS AT</b> <b>31 Dec 2013</b> <b><u>RM'000</u></b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,772	18,031
Land held for property development	50,066	47,663
Investment in a joint venture	3	3
Other investments	2	2
Deferred tax assets	6,141	5,649
	<u>76,984</u>	<u>71,348</u>
<b>Current assets</b>		
Property development costs	202,873	202,587
Inventory	1,814	1,814
Trade and other receivables	383,385	321,265
Current tax assets	3,467	3,078
Short term funds	11,260	20,953
Cash and cash equivalents	47,943	42,435
	<u>650,742</u>	<u>592,132</u>
<b>TOTAL ASSETS</b>	<u>727,726</u>	<u>663,480</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	88,880	88,880
Share premium	56,041	56,041
Treasury shares	(1,001)	(344)
Retained earnings	118,699	106,657
	<u>262,619</u>	<u>251,234</u>
<b>Non-controlling interests</b>	<u>16,989</u>	<u>10,919</u>
<b>TOTAL EQUITY</b>	<u>279,608</u>	<u>262,153</u>
<b>Non-current liabilities</b>		
Borrowings	38,398	34,489
Deferred tax liabilities	1,985	2,502
	<u>40,383</u>	<u>36,991</u>
<b>Current liabilities</b>		
Trade and other payables	284,554	251,630
Borrowings	108,774	99,703
Current tax liabilities	14,407	13,003
	<u>407,735</u>	<u>364,336</u>
<b>TOTAL LIABILITIES</b>	<u>448,118</u>	<u>401,327</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>727,726</u>	<u>663,480</u>
Net assets per share attributable to owners of the parent (RM)	0.74	0.71

*The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes.*

**GABUNGAN AQRS BERHAD**  
(Company No. 912527-A)  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2014**

21 May 2014

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----						Total equity RM'000
	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	
Balance as at 1 January 2014	88,880	56,041	(344)	106,657	251,234	10,919	<b>262,153</b>
Profit for the financial period / Total comprehensive income for the period	-	-	-	12,042	12,042	6,070	<b>18,112</b>
Shares repurchased	-	-	(657)	-	(657)	-	<b>(657)</b>
Balance as at 31 March 2014	88,880	56,041	(1,001)	118,699	262,619	16,989	<b>279,608</b>

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----						Total equity RM'000
	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	
Balance as at 1 January 2013	88,880	56,041	-	70,490	215,411	2,149	<b>217,560</b>
Profit for the financial period / Total comprehensive income for the period	-	-	-	7,575	7,575	2,087	<b>9,662</b>
Balance as at 31 March 2013	88,880	56,041	-	78,065	222,986	4,236	<b>227,222</b>

*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 2013 and the accompanying notes.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2014

	Current Period Ended 31 Mar 2014 RM'000	Preceding Period Ended 31 Mar 2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	25,315	13,877
Adjustments for :		
Depreciation of property, plant and equipment	889	601
Interest expense	1,255	845
Interest income	(509)	(492)
Property, plant and equipment written off	1	2
Gain on disposal of property, plant and equipment	-	22
Operating profit before changes in working capital	26,951	14,855
Changes in working capital:		
Property development costs	(286)	(6,251)
Trade and other receivables	(62,120)	1,882
Trade and other payables	32,924	(22,324)
Cash used in operating activities	(2,531)	(11,838)
Interest paid	(1,148)	(783)
Interest received	509	492
Tax paid	(7,197)	(4,155)
Tax refunded	-	142
Net cash used in operating activities	(10,367)	(16,142)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,279)	(486)
Purchase of land held for property development	(2,403)	-
Proceeds from disposals of property, plant and equipment	-	26
Net cash used in investing activities	(5,682)	(460)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repurchase of shares	(657)	-
(Placements)/Withdrawals of fixed deposits pledged	(2,354)	7,330
Repayments to hire purchase creditors	(563)	(281)
Repayments of term loans	(3,972)	(1,221)
Interest paid	(107)	(62)
Net cash (used in)/generated from financing activities	(7,653)	5,766
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(23,702)	(10,836)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	(30,510)	24,817
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	(54,212)	13,981

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

	As at 31 Mar 2014 RM '000	As at 31 Mar 2013 RM '000
Cash and bank balances	10,921	5,601
Fixed deposits with licensed banks	37,021	34,674
Short term funds	10,280	37,319
	58,222	77,594
Less : Bank overdrafts included in borrowings	(75,413)	(28,939)
Fixed deposits pledged	(37,021)	(34,674)
Total cash and cash equivalents	(54,212)	13,981

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes.

**GABUNGAN AQRS BERHAD**  
(Company No: 912527 - A)  
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Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014

**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 2013. 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 2013.

**A2. Changes in Accounting Policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 31 December 2013, except for the adoption of the following new/revised FRSs and amendment to FRSs:

Effective for financial periods beginning or after 1 January 2014:

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities

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

Effective for financial periods beginning on or after 1 July 2014:

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

Annual Improvements to FRSs 2010 - 2012 Cycle

Annual Improvements to FRSs 2011 - 2013 Cycle

Effective for financial periods beginning on or after 1 January 2015:

FRS 9: Financial Instruments

The adoption of the above revised FRSs, IC Interpretation and Amendments do not have any significant financial impact on the Group.

**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.

**A2. Changes in Accounting Policies (cont'd)**

**Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)**

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 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the financial year ending 31 December 2015.

**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 quarter.

**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 quarter.

**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 quarter other than the following:-

During the current quarter, the Company repurchased 593,800 of its own ordinary shares of RM0.25 each from the open market for a total consideration of RM657,056 at an average price of RM1.11 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.

**A8. Dividend Paid**

No dividend has been paid during the current quarter.

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**(Incorporated in Malaysia)**  
**Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014**

**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.

<b>3 months ended 31 March 2014</b>	<b>Construction RM'000</b>	<b>Property Development RM'000</b>	<b>Other RM'000</b>	<b>Total RM'000</b>
<b>Segment Revenue</b>				
Total revenue	116,865	51,544	-	168,409
Inter segment revenue	(20,746)	-	-	(20,746)
Revenue from external customers	96,119	51,544	-	147,663
Interest income	51	370	88	509
Finance cost	(632)	(623)	-	(1,255)
Net finance expense	(581)	(253)	88	(746)
<b>Segment profit/(loss) before taxation</b>	<b>8,982</b>	<b>18,061</b>	<b>(1,290)</b>	<b>25,753</b>
Taxation	(2,476)	(4,727)	-	(7,203)
Other material non-cash item:				
- Depreciation	(716)	(173)	-	(889)
Additions to non-current assets other than financial instruments and deferred tax assets	3,630	2,403	-	6,033
<b>Segment assets</b>	<b>540,886</b>	<b>420,571</b>	<b>152,697</b>	<b>1,114,154</b>
<b>Segment liabilities</b>	<b>382,254</b>	<b>367,757</b>	<b>3,000</b>	<b>753,011</b>

**GABUNGAN AQRS BERHAD**  
**(Company No: 912527 - A)**  
**(Incorporated in Malaysia)**  
**Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014**

**A9. Segmental Information (cont'd)**

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

<b>3 months ended 31 March 2013</b>	<b>Construction RM'000</b>	<b>Property Development RM'000</b>	<b>Other RM'000</b>	<b>Total RM'000</b>
<b>Segment Revenue</b>				
Total revenue	62,928	31,368	-	94,296
Inter segment revenue	(10,821)	-	-	(10,821)
Revenue from external customers	52,107	31,368	-	83,475
Interest income	182	38	272	492
Finance cost	(407)	(438)	-	(845)
Net finance expense	(225)	(400)	272	(353)
<b>Segment profit/(loss) before taxation</b>	<b>7,757</b>	<b>6,756</b>	<b>(714)</b>	<b>13,799</b>
Taxation	(2,307)	(1,908)	-	(4,215)
Other material non-cash item:				
- Depreciation	(464)	(137)	-	(601)
Additions to non-current assets other than financial instruments and deferred tax assets	804	4	-	808
<b>Segment assets</b>	<b>358,914</b>	<b>305,791</b>	<b>147,600</b>	<b>812,305</b>
<b>Segment liabilities</b>	<b>226,207</b>	<b>285,670</b>	<b>745</b>	<b>512,622</b>

Reconciliations of reportable segment revenues and profit or loss to the corresponding amounts of the Group are as follows:

	<b>As at 31 Mar 14 RM'000</b>	<b>As at 31 Mar 13 RM'000</b>
<b>Revenue</b>		
Total revenue for reportable segments	168,409	94,296
Elimination of inter-segmental revenues	(20,746)	(10,821)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	147,663	83,475
<b>Profit for the financial period</b>		
Total profit or loss for reportable segments	25,753	13,799
Elimination of consolidation adjustments	(438)	78
Profit before tax	25,315	13,877
Tax expense	(7,203)	(4,215)
Profit for the financial period of the Group per consolidated statement of profit or loss and other comprehensive income	18,112	9,662



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**(Company No: 912527 - A)**  
**(Incorporated in Malaysia)**  
**Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014**

**A9. Segmental Information (cont'd)**

Reconciliations of reportable segment revenues and profit or loss to the corresponding amounts of the Group are as follows:

	<b>As at 31 Mar 14 RM'000</b>	<b>As at 31 Mar 13 RM'000</b>
<b>Assets</b>		
Total assets for reportable segments	1,114,154	812,305
Elimination of investment in subsidiaries and consolidation adjustments	(74,695)	(70,484)
Elimination on inter-segment balances	(311,733)	(263,922)
Total assets of the Group per consolidated statement of financial position	<u>727,726</u>	<u>477,899</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	753,011	512,622
Elimination of consolidation adjustments	1,794	1,978
Elimination on inter-segment balances	(306,687)	(263,922)
Total liabilities of the Group per consolidated statement of financial position	<u>448,118</u>	<u>250,678</u>

**A10. Valuation of Property, Plant and Equipment**

There is no valuation of property, plant and equipment performed in the current quarter.

**A11. Acquisition/Disposal of Property, Plant and Equipment**

There was no material acquisition or disposal of property, plant and equipment during the current quarter.

**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 on 30 January 2014, the Company acquired the entire issued and paid up share capital of Gabungan AQRS Management Sdn. Bhd. (GBGAM), a company incorporated in Malaysia, for a total cash consideration of RM2.

**GABUNGAN AQRS BERHAD**

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014

**A14. Capital Commitment**

	<b>As at 31 Mar 14 RM'000</b>	<b>As at 31 Dec 13 RM'000</b>
Contracted but not provided for:		
- Share of equity interest in an entity	-	3,469
- Land held for property development	17,822	25,147
- Freehold land held under development	87,000	87,000
- Property, plant and equipment	6,660	6,660
	<u>111,482</u>	<u>122,276</u>

**A15. Contingent Liabilities**

Details of contingent liabilities of the Group are as follows:

	<b>As at 31 Mar 14 RM'000</b>	<b>As at 31 Dec 13 RM'000</b>
Bank guarantees given by financial institutions in respect of construction and property projects	<u>139,816</u>	<u>140,256</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 RM147.66 million and profit after tax and non-controlling interest of RM12.04 million as compared to RM83.48 million and RM7.58 million respectively in preceding quarter ended 31 March 2013.

During the current year to date, construction segment recorded revenue of RM116.87 million (before eliminating inter-segment sales) while the property development segment registered revenue of RM51.54 million. The construction division continues to be the main revenue contributor to the Group, attributing 69.39% 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 projects; **The Avenue** (shop offices located in Kinrara Uptown, Puchong), **The Peak** (Sky Villa serviced apartments located in Jalan Temenggong, Johor Bahru Flagship A of Iskandar Malaysia) and **Permas Centro** (shop offices located in Permas Jaya, Johor Bahru Flagship D of Iskandar Malaysia).

**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 RM147.66 million and RM12.04 million as compared to RM114.12 million and RM5.94 million respectively reported in the immediate preceding quarter.

The Group recorded a higher profit before tax (PBT) of RM25.32 million in the current quarter as compared to the preceding quarter of RM12.94 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 higher profit before tax during the quarter under review as compared to the preceding quarter largely derived from higher work progress from the projects stated above namely, The Avenue, The Peak and Permas Centro.

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 (Incorporated in Malaysia)  
 Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014

**B3. Prospects**

Apart from the on-going projects in the Klang Valley and Southern Region for both the Construction and Property Development Divisions which is expected to contribute positively, the Group is currently exploring business opportunities that would further enhance the Group's performance.

The Property Development Division is currently working on its two property projects for an opportune time for launching sometime in late year 2014:

- i) Serviced apartments to be developed on a 19.0 acre piece of land located on the fringe of Cyberjaya (Putra Perdana District of Sepang) with an exclusive lakefront and vast greenery view; and
- ii) Kicking off the second phase of our Kinrara Uptown Development in high-growth area of Puchong will be serviced apartments offering high accessibility via various highways such as the Bukit Jalil Highway and Maju Expressway.

Both these development projects are in the state of Selangor.

Barring any unforeseen circumstances, the Board expects to achieve satisfactory performance for the current financial year 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 3 months ended	
	31 Mar 14 RM'000	31 Mar 13 RM'000	31 Mar 14 RM'000	31 Mar 13 RM'000
Interest income	509	492	509	492
Other income	70	2	70	2
Interest expense (excluding interest capitalised)	(1,255)	(845)	(1,255)	(845)
Depreciation and amortisation	(889)	(601)	(889)	(601)
Provision for and write off of receivables	*	*	*	*
Provision for and write off of inventories	*	*	*	*
Property, plant and equipment written off	1	2	1	2
Gain on disposal of property, plant and equipment	*	(22)	*	(22)
Gain on disposal of investment property	*	*	*	*
Goodwill written off	*	*	*	*
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.

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Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014

**B6. Taxation**

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 14 RM'000	31 Mar 13 RM'000	31 Mar 14 RM'000	31 Mar 13 RM'000
Current taxation				
- Current year	8,127	4,344	8,127	4,344
- Prior years	-	-	-	-
	<u>8,127</u>	<u>4,344</u>	<u>8,127</u>	<u>4,344</u>
Deferred taxation				
- Current year	(924)	(35)	(924)	(35)
- Prior years	-	(94)	-	(94)
	<u>(924)</u>	<u>(129)</u>	<u>(924)</u>	<u>(129)</u>
	<u>7,203</u>	<u>4,215</u>	<u>7,203</u>	<u>4,215</u>

The Group effective tax rate for the current quarter of 28.45% is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

**B7. Status of Corporate Proposals Announced**

(a) Status of Utilisation of Proceeds

The proceeds arising from the Company's IPO amounted to RM73.160 million and as at 14 May 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)

Notes:-

- (a) 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.
- (b) The unutilised proceeds raised from the Public Issue are placed in short-term deposits with licensed banks.

**GABUNGAN AQRS BERHAD**  
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 (Incorporated in Malaysia)  
 Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014

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

Notes:-

- (c) 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.
- (d) As at 14 May 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**

	<b>As at 31 Mar 14 RM'000</b>	<b>As at 31 Dec 13 RM'000</b>
The Group's borrowings and debt securities are as follows:		
<b>Long term borrowings</b>		
Secured:		
Hire purchase creditors	5,081	5,404
Term loans	33,318	29,085
	<u>38,398</u>	<u>34,489</u>
<b>Short term borrowings</b>		
Secured:		
Bank overdrafts	75,413	58,249
Hire purchase creditors	2,307	2,195
Term loans	30,655	38,859
Revolving credit	400	400
	<u>108,774</u>	<u>99,703</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 RM6,784,482 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 1st Quarter ended 31 March 2014

**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 3 months ended	
	31 Mar 14 RM'000	31 Mar 13 RM'000	31 Mar 14 RM'000	31 Mar 13 RM'000
Profit attributable to equity holders of the Company (RM $\phi$ 00)	12,042	7,575	12,042	7,575
Weighted average number of ordinary shares in issue ( $\pm$ 00)	354,703	355,520	354,703	355,520
<b>Basic earnings per share (sen)</b>	<b>3.39</b>	<b>2.13</b>	<b>3.39</b>	<b>2.13</b>

(b) Diluted

Diluted earnings per share is calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment for the effects of dilutive potential ordinary shares, calculated as follows:

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 14 RM'000	31 Mar 13 RM'000	31 Mar 14 RM'000	31 Mar 13 RM'000
Profit attributable to equity holders of the Company (RM $\phi$ 00)	12,042	7,575	12,042	7,575
No of ordinary shares for basic earnings per share computation	354,703	355,520	354,703	355,520
Effect of dilution - on assumption that all warrants are exercised	159,984	- n/a -	159,984	- n/a -
No of ordinary shares for diluted earnings per share computation	514,687	355,520	514,687	355,520
<b>Diluted earnings per share (sen)</b>	<b>2.34</b>	<b>2.13</b>	<b>2.34</b>	<b>2.13</b>

**GABUNGAN AQRS BERHAD**  
 (Company No: 912527 - A)  
 (Incorporated in Malaysia)  
 Quarterly Unaudited Results of the Group for the 1st Quarter ended 31 March 2014

**B12. Realised and Unrealised Retained Profits**

	<b>As at 31 Mar 14 RM'000</b>	<b>As at 31 Dec 13 RM'000</b>
<b>Total retained earnings for the Group:</b>		
- Realised	203,994	186,452
- Unrealised	<u>2,980</u>	<u>2,080</u>
	206,974	188,532
Less: Consolidated adjustments	<u>(88,275)</u>	<u>(81,875)</u>
Total group retained earnings as per consolidated accounts	<u><u>118,699</u></u>	<u><u>106,657</u></u>

**B13. Authorisation for Issue**

This interim financial report was authorised for issuance by the Board of Directors of the Company on 21 May 2014.