

20 August 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 June 2015 RM'000	PRECEEDING YEAR QUARTER 30 June 2014 RM'000	CURRENT YEAR TO DATE 30 June 2015 RM'000	PRECEEDING YEAR TO DATE 30 June 2014 RM'000
Revenue	85,877	131,162	191,271	278,825
Cost of sales	(65,898)	(93,598)	(149,312)	(205,153)
Gross profit	19,979	37,564	41,959	73,672
Other income	1,151	696	1,698	1,275
Operating costs	(11,046)	(10,393)	(23,053)	(20,510)
Finance cost	(2,529)	(1,281)	(5,244)	(2,536)
Share of loss of a joint venture	(4)	-	(5)	-
Share of profit of an associate	111	21	169	21
Profit before tax	7,662	26,607	15,524	51,922
Tax expense	(2,820)	(7,718)	(5,595)	(14,921)
Profit for the financial period	4,842	18,889	9,929	37,001
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	4,842	18,889	9,929	37,001
Attributable to:				
Owners of the parent	5,435	14,056	11,542	26,098
Non-controlling interests	(593)	4,833	(1,613)	10,903
	4,842	18,889	9,929	37,001
Earnings per ordinary share attributable to equity holders of the Company (sen) :				
- Basic	1.40	3.96	2.98	7.36
- Diluted	1.40	3.96	2.98	7.36

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

20 August 2015

	(UNAUDITED) AS AT 30 June 2015 RM'000	(AUDITED) AS AT 31 Dec 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	54,993	54,526
Land held for property development	95,642	87,579
Investment property	21,862	-
Investment in a joint venture	246	251
Investment in an associate	3,671	3,502
Deferred tax assets	8,683	7,098
	185,097	152,956
Current assets		
Property development costs	197,124	185,587
Inventories	35,016	34,410
Trade and other receivables	496,712	412,504
Current tax assets	2,024	1,890
Short term funds	799	1,501
Cash and bank balances	38,294	46,847
	769,969	682,739
TOTAL ASSETS	955,066	835,695
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	97,730	97,730
Share premium	85,545	85,545
Treasury shares	(136)	(3,008)
Retained earnings	159,536	152,835
	342,675	333,102
Non-controlling interests	6,143	7,752
TOTAL EQUITY	348,818	340,854
Non-current liabilities		
Borrowings	64,117	12,628
Deferred tax liabilities	3,494	3,571
	67,611	16,199
Current liabilities		
Trade and other payables	340,497	299,389
Borrowings	181,468	160,777
Current tax liabilities	16,672	18,476
	538,637	478,642
TOTAL LIABILITIES	606,248	494,841
TOTAL EQUITY AND LIABILITIES	955,066	835,695
Net assets per share attributable to owners of the parent (RM)	0.89	0.86

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015

20 August 2015

	-----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 2015	97,730	85,545	(3,008)	152,835	333,102	7,752	340,854
Profit for the financial period / Total comprehensive income for the period	-	-	-	11,542	11,542	(1,613)	9,929
Acquisition of subsidiary	-	-	-	(4)	(4)	4	-
Dividend	-	-	4,837	(4,837)	-	-	-
Shares repurchased	-	-	(1,965)	-	(1,965)	-	(1,965)
Balance as at 30 June 2015	97,730	85,545	(136)	159,536	342,675	6,143	348,818
-----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 2014	88,880	56,041	(344)	106,657	251,234	10,919	262,153
Profit for the financial period / Total comprehensive income for the period	-	-	-	26,098	26,098	10,903	37,001
Dividend	-	-	-	(6,771)	(6,771)	-	(6,771)
Shares repurchased	-	-	(770)	-	(770)	-	(770)
Balance as at 30 June 2014	88,880	56,041	(1,114)	125,984	269,791	21,822	291,613

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 2014 and the accompanying notes.

20 August 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2015

	Current Period Ended 30 June 2015 RM'000	Preceding Period Ended 30 June 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,524	51,922
Adjustments for :		
Depreciation of property, plant and equipment	5,417	2,195
Interest expense	5,244	2,536
Interest income	(505)	(1,001)
Property, plant and equipment written off	3	8
Gain on disposal of property, plant and equipment	(172)	-
Share of loss of a joint venture	5	-
Share of profit of an associate	(169)	(21)
Operating profit before changes in working capital	25,347	55,639
Changes in working capital:		
Inventories	(606)	-
Property development costs	(11,537)	(6,115)
Trade and other receivables	(84,208)	(25,905)
Trade and other payables	19,246	8,052
Cash (used in)/generated from operating activities	(51,758)	31,671
Interest paid	(4,641)	(2,255)
Interest received	505	1,001
Tax paid	(9,568)	(12,943)
Tax refunded	373	-
Net cash (used in)/generated from operating activities	(65,089)	17,474
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in an associate	-	(3,322)
Purchase of property, plant and equipment	(3,999)	(8,682)
Purchase of land held for property development	(8,063)	(26,209)
Proceeds from disposals of property, plant and equipment	160	-
Withdrawals/(Placements) of fixed deposits pledged	4,744	(4,671)
Net cash used in investing activities	(7,158)	(42,884)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(603)	(281)
Repurchase of shares	(1,965)	(770)
Repayments to hire purchase creditors	(706)	(1,471)
Drawdowns of term loans	90,790	-
Repayments of term loans	(3,035)	(8,358)
Net cash generated from/(used in) financing activities	84,481	(10,880)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,234	(36,290)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(85,660)	(30,510)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(73,426)	(66,800)

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

	As at 30 June 2015 RM'000	As at 30 June 2014 RM'000
Cash and bank balances	7,745	8,858
Fixed deposits with licensed banks	30,549	39,339
Short term funds	799	8,021
	39,093	56,218
Less : Bank overdrafts included in borrowings	(81,970)	(83,679)
Fixed deposits pledged	(30,549)	(39,339)
Total cash and cash equivalents	(73,426)	(66,800)

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying notes.

GABUNGAN AQRS BERHAD
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Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2015

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 2014. 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 2014.

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 2014, except for the adoption of the following new/revised FRSs and amendment to FRSs:

On 1 January 2015, the Group adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2015.

1 July 2014

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

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

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

1 January 2016

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to FRSs	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 101	Disclosure Initiative
Amendment to FRS 119	Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendment to FRS 134	Annual Improvements to FRSs 2012-2014 Cycle

1 January 2018

FRS 9	Financial Instruments
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A2. Changes in Accounting Policies (Cont'd)

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 2 September 2014, MASB has announced that Transitioning Entities shall be required to apply MFRS Framework for annual periods beginning on or after 1 January 2017.

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 2017. 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.

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.

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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:-

On 25 June 2015, the shareholders of the Company approved the renewal authority for the Company's plan to repurchase its own shares. During the current quarter, the Company repurchased 855,000 of its own ordinary shares of RM0.25 each from the open market for a total consideration of RM1,158,569 at an average price of RM1.35 per ordinary share. During the quarter to date, a total of 3,979,900 shares purchased back were held as treasury shares with a total cost of RM 4,972,845. 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.

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.

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A9. Segmental Information (Cont'd)

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

6 months ended 30 June 2015	Construction RM'000	Property Development RM'000	Other RM'000	Total RM'000
Segment Revenue				
Total revenue	184,321	56,464	2,205	242,990
Inter segment revenue	(49,514)	-	(2,205)	(51,719)
Revenue from external customers	134,807	56,464	-	191,271
Interest income	399	59	47	505
Finance cost	(2,172)	(3,072)	-	(5,244)
Net finance expense	(1,773)	(3,013)	47	(4,739)
Segment profit/(loss) before taxation	3,356	16,012	(1,718)	17,650
Share of profit of an associate, net of tax	169	-	-	169
Share of loss of a joint venture, net of tax	-	-	(5)	(5)
Taxation	(1,071)	(4,821)	297	(5,595)
Other material non-cash item:				
- Depreciation	(4,939)	(278)	(200)	(5,417)
Additions to non-current assets other than financial instruments and deferred tax assets	5,683	8,152	118	13,953
Segment assets	637,471	587,185	243,211	1,467,867
Segment liabilities	454,745	538,549	41,836	1,035,130

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A9. Segmental Information (Cont'd)

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

6 months ended 30 June 2014	Construction RM'000	Property Development RM'000	Other RM'000	Total RM'000
Segment Revenue				
Total revenue	217,340	107,738	-	325,078
Inter segment revenue	(46,253)	-	-	(46,253)
Revenue from external customers	171,087	107,738	-	278,825
Interest income	347	493	161	1,001
Finance cost	(1,419)	(1,117)	-	(2,536)
Net finance expense	(1,072)	(624)	161	(1,535)
Segment profit/(loss) before taxation	19,165	36,186	(2,914)	52,437
Share of profit of an associate, net of tax	21	-	-	21
Taxation	(5,611)	(9,342)	32	(14,921)
Other material non-cash item:				
- Depreciation	(1,874)	(299)	(22)	(2,195)
Additions to non-current assets other than financial instruments and deferred tax assets	14,422	51	-	14,473
Segment assets	540,390	443,146	152,680	1,136,216
Segment liabilities	374,719	376,822	9,460	761,001

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

	As at 30 June 15 RM'000	As at 30 June 14 RM'000
Revenue		
Total revenue for reportable segments	242,990	325,078
Elimination of inter-segmental revenues	(51,719)	(46,253)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	<u>191,271</u>	<u>278,825</u>
Profit for the financial period		
Total profit or loss for reportable segments	17,650	52,437
Share of profit of an accosiate, net of tax	169	21
Share of loss of a joint venture, net of tax	(5)	-
Elimination of consolidation adjustments	(2,290)	(536)
Profit before tax	15,524	51,922
Tax expense	(5,595)	(14,921)
Profit for the financial period of the Group per consolidated statement of profit or loss and other comprehensive income	<u>9,929</u>	<u>37,001</u>

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A9. Segmental Information (Cont'd)

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

	As at 30 June 15 RM'000	As at 30 June 14 RM'000
Assets		
Total assets for reportable segments	1,467,867	1,136,216
Elimination of investment in subsidiaries and consolidation adjustments	(77,359)	(76,644)
Elimination on inter-segment balances	(435,442)	(325,933)
Total assets of the Group per consolidated statement of financial position	<u>955,066</u>	<u>733,639</u>
Liabilities		
Total liabilities for reportable segments	1,035,130	761,001
Elimination of consolidation adjustments	1,794	1,794
Elimination on inter-segment balances	(430,676)	(320,769)
Total liabilities of the Group per consolidated statement of financial position	<u>606,248</u>	<u>442,026</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 quarter, except on 9 April 2015, the Company acquired two (2) ordinary shares of RM1.00 each, representing 100% equity interest in the share capital of GBG Properties (Sabah) Sdn Bhd (Company No. 1127983-D) ("GBGPS") for a total consideration of RM2.00. The acquisition did not have any material financial effect to the Group.

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A14. Capital Commitment

	As at 30 June 15 RM'000	As at 31 Dec 14 RM'000
Contracted but not provided for:		
- Land held for property development	13,498	17,154
- Freehold land held under development	<u>71,500</u>	<u>77,000</u>
	<u>84,998</u>	<u>94,154</u>

A15. Contingent Liabilities

Details of contingent liabilities of the Group are as follows:

	As at 30 June 15 RM'000	As at 31 Dec 14 RM'000
Bank guarantees given by financial institutions in respect of construction and property projects	<u>103,325</u>	<u>135,796</u>

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Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2015

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 RM85.88 million and profit after tax and non-controlling interests of RM5.44 million as compared to RM131.16 million and RM14.06 million respectively in preceding quarter ended 30 June 2014.

During the current quarter to date, construction segment recorded revenue of RM184.32 million (before eliminating inter-segment sales) while the property development segment registered revenue of RM56.46 million. The construction division continues to be the main revenue contributor to the Group, attributing 74.48% of the current quarter's revenue (before eliminating inter-segment sales).

The reduction in construction revenue is primarily due to the Klang Valley Mass Rapid Transit (KVMRT) Line 1 works that has been substantially completed as at the end of the current quarter under review. The lower revenue correspondingly resulted in lower overall performance for the construction division.

The contribution from property development division decreased in the current quarter under review as compared to the previous year's corresponding quarter. In the comparative period, the Group's property development division had 3 on-going developments, namely, The Peak (serviced apartments in Jalan Temenggong, Johor Bahru), Permas Centro (shop offices in Permas Jaya, Johor Bahru) and 'The Avenue' (shop offices located in Kinrara Uptown, Puchong). 'The Avenue' was completed in November 2014 thus it no longer contribute to the current quarter's performance.

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 interests of RM85.88 million and RM5.44 million as compared to RM105.39 million and RM6.11 million respectively reported in the immediate preceding quarter.

The Group profit before tax ("PBT") of RM7.66 million in the current quarter is marginally lower as compared to the preceding quarter of RM7.86 million, mainly due lower revenue recorded for the current quarter from both divisions.

B3. Prospects

The Board of Directors is confident that the prospect of the Group in the second half of the financial year remains positive.

On 16 March 2015, the Group entered into a Joint Venture Agreement with Suria Capital Holdings Berhad ("Suria Capital") for a mixed development in Kota Kinabalu, Sabah known as One Jesselton Waterfront. This land is part of the new Kota Kinabalu waterfront and is now one of the most prime land in Kota Kinabalu. The Group has agreed with Suria Capital that the development will have a minimum Net Sales Value (NSV) of RM1.1 billion but both parties will use their best endeavors to increase the NSV to RM1.8 billion. This project, will contribute both revenue and profits to both its Construction and Property Development division.

The Group is pleased to update that this project is progressing according to schedule and construction activities for this project is expected to commence in first half of Financial Year 2016.

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B3. Prospects (Cont'd)

The other project that the Group is currently embarking on, the Provision of Accommodation on Base-Camp Concept complete with necessary facilities for Petronas Chemicals Fertiliser Sabah Sdn Bhd in Sipitang, Sabah is also progressing on schedule. This project is expected to provide the Group with recurring income commencing in Financial Year 2016.

On the Property Development front, the Group expects to complete the Permas Centro (shop offices in Permas Jaya, Johor Bahru) by the end of this year. Sales have been encouraging with 80% of the units sold to date. Upcoming project launches include The Altium, located in the fast-growing area of Damansara Perdana which is targeted to be launched in the first half of Financial Year 2016.

On another note, an associate company of the Group, Kreatif Sinar Gabungan Sdn Bhd is now awaiting for the Letter of Award to undertake from the State Government of Pahang for the Proposed Development of Pusat Pentadbiran Sultan Ahmad Shah (PPSAS) in Kuantan. The Group is expected to undertake a significant portion of the construction works for PPSAS once the project has been awarded by the State Government of Pahang.

With the upcoming construction contracts as well as exciting new property launches, the Group is optimistic that its transformation plan coupled with added focus on improving efficiency and cost structure will result in stronger performance in the future.

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		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June 15	30 June 14	30 June 15	30 June 14
	RM'000	RM'000	RM'000	RM'000
Interest income	386	492	505	1,001
Other income	716	204	1,001	274
Interest expense (excluding interest capitalised)	(2,529)	(1,281)	(5,244)	(2,536)
Depreciation and amortisation	(2,614)	(1,306)	(5,417)	(2,195)
Provision for and write off of receivables	*	*	*	*
Provision for and write off of inventories	*	*	*	*
Property, plant and equipment written off	-	(7)	(3)	(8)
Gain on disposal of property, plant and equipment	32	*	172	*
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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B6. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 15 RM'000	30 June 14 RM'000	30 June 15 RM'000	30 June 14 RM'000
Current taxation				
- Current year	3,413	7,465	6,979	15,592
- Prior years	(335)	165	(335)	165
	<u>3,078</u>	<u>7,630</u>	<u>6,644</u>	<u>15,757</u>
Deferred taxation				
- Current year	140	(415)	(696)	(1,339)
- Prior years	(398)	503	(353)	503
	<u>(258)</u>	<u>88</u>	<u>(1,049)</u>	<u>(836)</u>
	<u>2,820</u>	<u>7,718</u>	<u>5,595</u>	<u>14,921</u>

The Group effective tax rate for the current quarter and cumulative quarter of 36.81% and 36.04% is higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

B7. Status of Corporate Proposals Announced

There were no corporate proposals previously announced but not completed as at 13 August 2015, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report.

B8. Group Borrowings and Debt Securities

	As at 30 June 15 RM'000	As at 31 Dec 14 RM'000
The Group's borrowings and debt securities are as follows:		
Long term borrowings		
Secured:		
Hire purchase creditors	10,148	11,765
Term loans	53,969	863
	<u>64,117</u>	<u>12,628</u>
Short term borrowings		
Secured:		
Bank overdrafts	81,970	98,716
Hire purchase creditors	9,683	6,896
Term loans	80,936	49,765
Revolving credit	8,879	5,400
	<u>181,468</u>	<u>160,777</u>

B9. Material Litigation

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

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B10. Dividend

At the 5th Annual General Meeting, the shareholders have approved a final single tier Share Dividend via a distribution of Treasury Shares on the basis of 1 Treasury Share for every 100 existing ordinary shares of RM0.25 each held in the Company, in respect of the financial year ended 31 December 2014. Any fractions arising from the distribution of Share Dividend will be disregarded.

The entitlement date of the Share Dividend was on 15 July 2015. A total of 3,869,398 treasury shares have been distributed to the entitled shareholders in relation to the Share Dividend and has been subsequently credited into the entitled depositors' securities accounts on 3 August 2015.

Other than the above Share Dividend, there was no dividend proposed for the quarter under review.

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 6 months ended	
	30 June 15 RM'000	30 June 14 RM'000	30 June 15 RM'000	30 June 14 RM'000
Profit attributable to equity holders of the Company (RM'000)	5,435	14,056	11,542	26,098
Number of shares at the beginning of the year ('000)	388,445	354,643	388,445	354,643
Effect of Share Buy Back	(1,188)	-	(1,188)	-
Weighted average number of ordinary shares in issue ('000)	387,257	354,643	387,257	354,643
Basic earnings per share (sen)	1.40	3.96	2.98	7.36

(b) Diluted

Diluted earnings per ordinary share are the same as basic earnings per ordinary share as there were no dilutive potential ordinary shares.

The Company has warrants in issue for quarter under review. However, the diluted earnings per ordinary 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 exercise price of the warrants exceeded the average market price of the ordinary shares during the period (i.e. they were 'out of the money').

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B12. Realised and Unrealised Retained Profits

	As at 30 June 15 RM'000	As at 31 Dec 14 RM'000
Total retained earnings for the Group:		
- Realised	238,349	227,786
- Unrealised	<u>3,786</u>	<u>2,748</u>
	242,135	230,534
Less: Consolidated adjustments	<u>(82,599)</u>	<u>(77,699)</u>
Total group retained earnings as per consolidated accounts	<u>159,536</u>	<u>152,835</u>

B13. Authorisation for Issue

This interim financial report was authorised for issuance by the Board of Directors of the Company on 20 August 2015.