



**Interim Financial Report on  
Unaudited Consolidated Results for the  
Fourth Quarter Ended  
31 December 2015**

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# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 December 2015.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014 RM'000	CURRENT YEAR TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31/12/2014 RM'000
<b>CONTINUING OPERATIONS</b>				
Revenue	128,868	149,371	465,503	676,387
Operating expenses	(139,828)	(157,411)	(497,613)	(680,703)
Other operating income	18,574	7,682	39,166	13,109
<b>Results from operating activities</b>	<b>7,614</b>	<b>(358)</b>	<b>7,056</b>	<b>8,793</b>
Finance income	726	1,055	2,465	2,630
Finance costs	(574)	(980)	(2,486)	(5,049)
Share of profit of associates	2,992	284	9,552	6,752
<b>Profit / (loss) before tax</b>	<b>10,758</b>	<b>1</b>	<b>16,587</b>	<b>13,126</b>
Income tax expense	(3,843)	(3,283)	(7,477)	(8,695)
<b>Profit / (loss) for the period from continuing operations</b>	<b>6,915</b>	<b>(3,282)</b>	<b>9,110</b>	<b>4,431</b>
<b>DISCONTINUED OPERATIONS</b>				
Loss for the period from discontinued operations	-	44	-	44
<b>Profit / (loss) for the period</b>	<b>6,915</b>	<b>(3,238)</b>	<b>9,110</b>	<b>4,475</b>
Other comprehensive income:				
Net gain / (loss) on available-for-sale financial assets	1,191	(1,328)	1,185	(2,673)
Foreign currency translation	(572)	62	(432)	34
<b>Total comprehensive income / (loss) for the period</b>	<b>7,534</b>	<b>(4,504)</b>	<b>9,863</b>	<b>1,836</b>
Owners of the parent				
- from continuing operations	6,532	(3,456)	7,864	2,250
- from discontinued operations	-	44	-	44
	6,532	(3,412)	7,864	2,294
Non-controlling interest				
	383	174	1,246	2,181
	6,915	(3,238)	9,110	4,475
<b>Total comprehensive income / (loss) attributable to:</b>				
Owners of the parent	7,151	(4,678)	8,617	(345)
Non-controlling interest	383	174	1,246	2,181
	7,534	(4,504)	9,863	1,836
<b>Earnings / (Loss) per share attributable to owners of the parent (sen) :</b>				
Basic and diluted				
- from continuing operations	1.17	(0.62)	1.41	0.40
- from discontinued operations	-	0.01	-	0.01
	1.17	(0.61)	1.41	0.41

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2014.

# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2015 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2014 RM'000
<b>Assets</b>		
Property, plant and equipment	180,203	152,544
Land held for property development	4,612	4,610
Plantation development expenditure	50,902	48,218
Investment properties	11,369	8,183
Investment in associates	28,294	23,116
Other investments	4,466	4,451
Intangible assets	818	545
Deferred tax assets	4,142	9,469
<b>Total non-current assets</b>	<b>284,806</b>	<b>251,136</b>
Inventories	12,675	15,367
Trade and other receivables	63,414	102,067
Tax recoverable	419	699
Cash and bank balances	105,155	125,061
<b>Total current assets</b>	<b>181,663</b>	<b>243,194</b>
Non-current assets held for sale	-	24,864
Assets of disposal group classified as held for sale	-	975
<b>Total Assets</b>	<b>466,469</b>	<b>520,169</b>
<b>Equity</b>		
Share capital	222,586	222,586
Reserves	53,088	44,087
Retained earnings	2,659	3,043
<b>Total equity attributable to owners of the parent</b>	<b>278,333</b>	<b>269,716</b>
Non-controlling interest	11,485	10,379
<b>Total equity</b>	<b>289,818</b>	<b>280,095</b>
<b>Liabilities</b>		
Borrowings	46,736	39,933
Deferred Tax Liabilities	13,349	13,695
<b>Total non-current liabilities</b>	<b>60,085</b>	<b>53,628</b>
Trade and other payables	103,208	164,333
Provision for tax	3,163	2,945
Borrowings	10,174	19,147
Derivative financial liability	21	7
<b>Total current liabilities</b>	<b>116,566</b>	<b>186,432</b>
Liabilities of disposal group classified as held for sale	-	14
<b>Total liabilities</b>	<b>176,651</b>	<b>240,074</b>
<b>Total equity and liabilities</b>	<b>466,469</b>	<b>520,169</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.50</b>	<b>0.48</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2014

# KUB MALAYSIA BERHAD

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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners		Attributable to owners of the parent				Non-distributable reserves						Non-controlling interests
	Equity, total	Equity of the parent total	Share capital	Share premium	Retained earnings	Other Reserves, total	Capital reserve	Capital redemption reserve	Fair value adjustment reserve	Premium paid on acquisition non-controlling interests	Translation reserve	Merger reserve	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2015</b>	<b>280,095</b>	<b>269,716</b>	<b>222,586</b>	<b>5,965</b>	<b>3,043</b>	<b>38,122</b>	<b>34,016</b>	<b>312</b>	<b>2,294</b>	<b>(10,079)</b>	<b>432</b>	<b>11,147</b>	<b>10,379</b>
Profit for the period	9,110	7,864	-	-	7,864	-	-	-	-	-	-	-	1,246
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	753	753	-	-	-	753	-	-	1,185	-	(432)	-	-
<b>Total comprehensive income / (loss)</b>	<b>9,863</b>	<b>8,617</b>	<b>-</b>	<b>-</b>	<b>7,864</b>	<b>753</b>	<b>-</b>	<b>-</b>	<b>1,185</b>	<b>-</b>	<b>(432)</b>	<b>-</b>	<b>1,246</b>
<b>Transaction with owner</b>													
Disposal of subsidiaries	-	-	-	-	(8,248)	8,248	-	-	-	8,248	-	-	-
Dividend paid to minority interest at subsidiary	(140)	-	-	-	-	-	-	-	-	-	-	-	(140)
<b>At 31 December 2015</b>	<b>289,818</b>	<b>278,333</b>	<b>222,586</b>	<b>5,965</b>	<b>2,659</b>	<b>47,123</b>	<b>34,016</b>	<b>312</b>	<b>3,479</b>	<b>(1,831)</b>	<b>-</b>	<b>11,147</b>	<b>11,485</b>
<b>At 1 January 2014</b>	<b>286,578</b>	<b>273,331</b>	<b>222,586</b>	<b>5,965</b>	<b>959</b>	<b>43,821</b>	<b>34,016</b>	<b>312</b>	<b>4,967</b>	<b>(7,019)</b>	<b>398</b>	<b>11,147</b>	<b>13,247</b>
Profit for the period	4,475	2,294	-	-	2,294	-	-	-	-	-	-	-	2,181
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	(2,639)	(2,639)	-	-	-	(2,639)	-	-	(2,673)	-	34	-	-
<b>Total comprehensive income / (loss)</b>	<b>1,836</b>	<b>(345)</b>	<b>-</b>	<b>-</b>	<b>2,294</b>	<b>(2,639)</b>	<b>-</b>	<b>-</b>	<b>(2,673)</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>2,181</b>
<b>Transaction with owner</b>													
Acquisition of non controlling interest	(7,659)	(3,270)	-	-	(210)	(3,060)	-	-	-	(3,060)	-	-	(4,389)
Dividend paid to minority interest at subsidiary	(660)	-	-	-	-	-	-	-	-	-	-	-	(660)
<b>At 31 December 2014</b>	<b>280,095</b>	<b>269,716</b>	<b>222,586</b>	<b>5,965</b>	<b>3,043</b>	<b>38,122</b>	<b>34,016</b>	<b>312</b>	<b>2,294</b>	<b>(10,079)</b>	<b>432</b>	<b>11,147</b>	<b>10,379</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2014.

# KUB MALAYSIA BERHAD

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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR YEAR TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
Profit before taxation		
- Continuing Operation	16,587	13,126
- Discontinued Operation	-	44
Adjustments for :		
Depreciation of property, plant and equipment	13,020	14,290
Depreciation of investment properties	482	911
Amortisation of plantation development expenditure	2,368	2,439
Amortisation of intangible assets	181	109
Gain on disposal of property, plant and equipment	(203)	(248)
Gain on disposal of assets held for sale	(8,845)	(2,569)
Provision of liquidated ascertained damages	2,039	-
Reversal Allowance for doubtful debts	(103)	(263)
Property, plant and equipment written off	-	754
Allowance for impairment loss on receivables	11,989	232
Impairment loss on inventories	1,007	-
Share of profit of associates	(9,552)	(6,752)
Others	(511)	(81)
Operating profit before working capital changes	28,459	21,992
Changes in working capital:		
Inventories	3,699	2,874
Payables	(60,138)	(68,518)
Receivables	50,642	120,278
	(5,797)	54,634
Tax paid	(6,101)	(8,665)
<b>Net cash generated from operating activities</b>	<b>16,561</b>	<b>67,961</b>
Acquisition of property, plant and equipment	(40,132)	(30,076)
Acquisition of non-controlling interest	-	(7,650)
Acquisition of intangible assets	(273)	-
Disposal of property, plant and equipment, net of cash disposed	179	432
Disposal of Assets Held for Sale, net of cash disposed	29,000	7,625
Dividend received	228	282
Increase in plantation development expenditure	(5,234)	(4,978)
Interest received	2,465	2,630
Subsequent expenditure of land held for property development	-	(1)
<b>Net cash used in investing activities</b>	<b>(13,767)</b>	<b>(31,736)</b>
Changes in deposit pledged with licensed banks	644	(224)
Interest paid	(2,486)	(5,049)
Net drawdown/(repayment) of term loan	6,514	(28,709)
Net (repayment)/drawdown of short term borrowings	(5,180)	(3,158)
Other financing activities	(3,667)	(1,731)
<b>Net cash used in financing activities</b>	<b>(4,175)</b>	<b>(38,871)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,381)</b>	<b>(2,646)</b>
<b>Effect in exchange rate fluctuations on cash held</b>	<b>(38)</b>	<b>22</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>76,584</b>	<b>80,183</b>
<b>Cash and cash equivalents classified as assets held for sale</b>	<b>-</b>	<b>(975)</b>
<b>Cash and cash equivalents at end of period</b>	<b>75,165</b>	<b>76,584</b>
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :		
Cash in hand and at banks	30,476	36,643
Deposits with licensed bank	74,679	88,418
Cash and cash equivalents (as per consolidated statement of financial position)	105,155	125,061
Bank overdrafts	(3,974)	(9,760)
Deposits pledged with licensed banks	(26,016)	(38,717)
	75,165	76,584

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2014.

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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

### EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

#### 1. Basis of preparation and accounting policies

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2014.

The accounting policies and methods of computation adopted by the Group for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2014, except for the mandatory adoption of the following new/revised FRSs and amendments to FRSs :

##### a) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2015, the Group adopted the following new and amended FRSs and IC Interpretations:

	<b>Effective for annual period beginning on or after</b>
Amendments to FRS 119 Defined Benefit Plans : Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014

The adoption of the above FRSs, Amendments to FRS and Interpretations do not have significant impact on the financial statements of the Group for the current financial period.

##### b) Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of this announcement are disclosed below:

	<b>Effective for annual period beginning on or after</b>
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 11: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 15: Revenue from Contracts with Customers	1 January 2018
FRS 9: Financial Instruments	1 January 2018

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The adoption of these standards is not expected to have material impact to the financial statements of the Group upon their initial application, other than for FRS 9 Financial Instruments and FRS 15 Revenue from Contracts with Customers.

## **Malaysian Financial Reporting Standards**

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”), a fully-IFRS compliant framework. Entities other than private entities should apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB

The Malaysian Accounting Standards Board (MASB) has, on 8th September 2015, confirmed that the effective date of MFRS 15, Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018, following the recent press release by the International Accounting Standard Board (IASB) confirming a one-year deferral of IFRS 15, Revenue from Contract with Customers.

The Group falls within the scope definition of Transitioning Entities and has availed itself of this transitional arrangement and will continue to apply FRSS in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in its financial statements for the financial year ending 31 December 2018, being the first set of financial statements prepared in accordance with the new MFRS Framework.

### **2. Audit report of the preceding annual financial statements**

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the year ended 31 December 2014.

### **3. Seasonal or cyclicity of operations**

The Group's operations are not materially affected by seasonal or cyclical factors except for Agro business which is influenced by both CPO prices and FFB crop production which may be affected by weather and cropping patterns. The cyclical swing in FFB crop production is generally at its lowest in the first half of the year, with gradual increase to peak production towards the second half.

The remainder of the Group's operations are not materially affected by any seasonal or cyclical events.

### **4. Items of unusual nature, size or incidence**

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

### **5. Changes in estimates**

There were no major changes in estimates that have had a material effect on the financial statements of the current quarter and financial year-to-date.

### **6. Debt and equity structure**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

### **7. Dividends paid**

There was no dividend paid in the current quarter and financial year-to-date.

## 8. Segment reporting

Effective 1 June 2015, the Board has approved the new corporate organisation structure which gives effect to a new composition of business segment. The Group's primary format for reporting segment information is business segments based on the Group's management and internal reporting structure and organised into Information Technology ("IT"), Energy, Agro Business ("Agro"), Food Business ("Food"), Engineering & Construction ("EC"), Properties ("Properties"), and Power / Oil & Gas ("Power / O&G").

Segment information for the current financial period ended 31 December 2015 is as follows:

### Continuing Operations

	IT	Energy	Agro	Food	EC	Properties	Power/ O&G	Others	Eliminations	Total
<i>RM'000</i>										
<b>Revenue</b>										
External sales	36,583	305,590	39,132	60,101	18,177	2,461	3,231	228	-	465,503
Inter-segment sales	238	-	-	92	1,304			19,374	(21,008)	-
Total revenue	36,821	305,590	39,132	60,193	19,481	2,461	3,231	19,602	(21,008)	465,503
<b>Results</b>										
Profit / (loss) from operations	7,171	11,463	11,852	6,480	(18,695)	(152)	(21,583)	10,520	-	7,056
Interest income	319	941	598	-	86	13	121	387	-	2,465
Finance costs	(254)	(85)	(308)	(38)	(1,034)	(2)	(144)	(621)	-	(2,486)
Share of profit of associates	-	-	-	-	-	-	-	9,552	-	9,552
<b>Profit / (loss) before tax</b>	<b>7,236</b>	<b>12,319</b>	<b>12,142</b>	<b>6,442</b>	<b>(19,643)</b>	<b>(141)</b>	<b>(21,606)</b>	<b>19,838</b>	<b>-</b>	<b>16,587</b>
Income tax expense	(1,617)	(3,060)	(2,538)	(13)	-	(280)	60	(29)	-	(7,477)
<b>Profit / (loss) for the period</b>	<b>5,619</b>	<b>9,259</b>	<b>9,604</b>	<b>6,429</b>	<b>(19,643)</b>	<b>(421)</b>	<b>(21,546)</b>	<b>19,809</b>	<b>-</b>	<b>9,110</b>



## 8. Segment reporting (cont'd)

Segment information for the preceding year corresponding period ended 31 December 2015 is as follows:

### Continuing Operations

	IT	Energy	Agro	Food	EC	Properties	Power/ O&G	Others	Eliminations	Total
<b>RM'000</b>										
<b>Revenue</b>										
External sales	29,957	484,786	40,657	53,463	61,248	2,461	3,533	282	-	676,387
Inter-segment sales	340	-	-	90	8,388	-	-	26,710	(35,528)	-
<b>Total revenue</b>	<b>30,297</b>	<b>484,786</b>	<b>40,657</b>	<b>53,553</b>	<b>69,636</b>	<b>2,461</b>	<b>3,533</b>	<b>26,992</b>	<b>(35,528)</b>	<b>676,387</b>
<b>Results</b>										
Profit / (loss) from operations	3,108	6,437	15,585	93	(1,652)	(158)	(3,496)	(11,124)	-	8,793
Interest income	386	875	783	-	85	15	132	354	-	2,630
Finance costs	(115)	(86)	(567)	(17)	(1,363)	(5)	(858)	(2,038)	-	(5,049)
Share of results of associates	-	-	-	-	-	-	-	6,752	-	6,752
<b>Profit / (loss) before tax</b>	<b>3,379</b>	<b>7,226</b>	<b>15,801</b>	<b>76</b>	<b>(2,930)</b>	<b>(148)</b>	<b>(4,222)</b>	<b>(6,056)</b>	<b>-</b>	<b>13,126</b>
Income tax expense	(1,203)	(1,863)	(3,747)	38	(1,848)	31	9	(112)	-	(8,695)
<b>Profit / (loss) for the period</b>	<b>2,176</b>	<b>5,363</b>	<b>12,054</b>	<b>114</b>	<b>(4,778)</b>	<b>(117)</b>	<b>(4,213)</b>	<b>(6,168)</b>	<b>-</b>	<b>4,431</b>
<b>Discontinued Operations*</b>										
<b>Profit / (loss) for the period</b>	-	-	-	-	-	-	-	44	-	44
<b>Total</b>	<b>2,176</b>	<b>5,363</b>	<b>12,054</b>	<b>114</b>	<b>(4,778)</b>	<b>(117)</b>	<b>(4,213)</b>	<b>(6,124)</b>	<b>-</b>	<b>4,475</b>

\* (a subsidiary which was liquidated in Year 2015)

Below are the segmental review as compared to previous year corresponding period:

**IT Sector** : The sector recorded more than a 100% increase in terms of pre-tax profit i.e. RM7.2 million as compared to RM3.4 million in the corresponding period last year. The improvement was due to higher margin from maintenance projects and the reversal of certain provisions which are no longer applicable.

**Energy Sector** : The sector remained profitable despite experiencing a significant drop in revenue by 37%. The reduction in revenue was mainly due to the lower average contract price (CP) and sales volume for the liquefied petroleum gas (LPG) as compared to the preceding year. However, a higher profit (from RM7.2 million to RM12.3 million in the current year) was achieved as a result of the upward revision in the APM structure which improved the overall profit margin as well as the write back of cylinder deposits from dealers and doubtful debts (amounting to RM0.79 million) and realised foreign exchange gain of RM2 million.

**Agro Sector** : The sector experienced a decline in revenue and pre-tax profits for the current year due to the drop in the average CPO price despite recording higher FFB production volumes.

**Food Sector** : The sector's current year pre-tax profit improved significantly as compared to the previous year due to the gain on disposal of RM6.3 million derived from the sale of A&W Restaurant (Thailand) Co. Ltd. by Restoran Kualiti Sdn. Bhd.

**Engineering & Construction ("EC") Sector** : The sector incurred higher losses in the current period as compared to preceding year due to the significant drop in revenue as minimal projects were undertaken.

**Properties Sector** : The sector remained stagnant in the current period and recorded a loss before tax of RM141,000 compared to a loss before tax recorded in preceding year of RM148,000.

**Power / O&G Sector** : The sector continued to incur losses in the current period as it was unable to secure new contracts resulting in minimal revenue being generated.

## 9. Notes to profit/(loss) before tax

	12 months ended 31/12/2015 RM'000	12 months ended 31/12/2014 RM'000
Profit/(loss) before tax is arrived after crediting/(charging):		
Interest income	2,465	2,630
Other income including investment income	21,330	8,401
Interest expense	(2,486)	(5,049)
Depreciation and amortisation	(16,051)	(17,749)
Allowance for impairment on receivables	(11,989)	(232)
Provision / write off of inventories	(1,007)	(47)
Write off of assets	-	(754)
Gain on disposal of property, plant and equipment	203	248
Gain on disposal of assets held for sale	8,845	2,569
Foreign exchange gain/(loss) - realised	2,097	1,898
- unrealised	(1,038)	(1)
Gain on disposal of subsidiaries	6,705	-
Gain / (loss) on derivatives	(14)	(7)

Save as disclosed above, other items as required to be disclosed under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

## 10. Carrying amount of revalued assets

There is no revaluation of property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

## 11. Subsequent events

There are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2015 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 December 2015 that have not been reflected in the condensed financial statements.

## 12. Changes in the composition of the group

There were no changes in the composition of the group as at the date of this announcement since the preceding financial year ended 31 December 2014 except the followings:

- 1 The Company had on 7 December entered into a Share Sale Agreement ("Agreement") with Dynacorp Asset Management (M) Sdn. Bhd. for the disposal of 30,000,000 units ordinary shares of RM1.00 each representing 100% of the issued and paid up capital of KUB Builders Sdn. Bhd. ("KUBB") at a consideration of RM2.00. Upon the completion of the disposal which was on the same date, KUBB ceased to be a subsidiary of the Company.
- 2 The Company's wholly-owned subsidiary, Restoran Kualiti Sdn. Bhd. ("RKSB") and A&W (Malaysia) Sdn. Bhd. ("AWM"), a wholly-owned subsidiary of RKSB had on 4 December 2015 entered into a Share Purchase Agreement with Miss Kulpavee Chalermmeeateewong for the transfer of 618,000 units of shares (inclusive of preference shares held by individual shareholders) representing 88.29% of the issued and paid up capital of A&W Restaurant (Thailand) Co. Ltd ("AWT") at a total consideration of RM3,687,500. Upon the completion of the disposal on 21 December 2015, AWT ceased to be a subsidiary of the Company.

## 13. Capital commitments

There are no capital commitments except as disclosed below:

	12 months ended 31/12/2015 RM'000
Capital expenditure:	
Property, plant and equipment	
Approved and contracted for	49,751
Approved but not contracted for	13,365
	<hr/>

## 14. Contingent liabilities

There were no material changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2014.

## 15. Tax

	3 months ended		12 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current tax	5,341	3,553	9,197	6,280
(Over) / under provision in prior year	(414)	(2,695)	(636)	186
	<hr/> 4,927	<hr/> 858	<hr/> 8,561	<hr/> 6,466
Deferred tax:				
Current	-	2,855	-	2,659
Under/(over) provision in prior year	(1,084)	(286)	(1,084)	(286)
	<hr/> (1,084)	<hr/> 2,569	<hr/> (1,084)	<hr/> 2,373
Foreign income tax	-	(144)	-	(144)
	<hr/> 3,843	<hr/> 3,283	<hr/> 7,477	<hr/> 8,695

The effective tax rate for the current financial year under review is higher than the statutory tax rate as certain expenses are not deductible for tax purpose and profits of certain subsidiaries cannot be offset against losses of other subsidiaries for income tax purposes.

## 16. Status of corporate proposals

As at the date of this report, there were no corporate proposals announced by the Group but yet to be completed.

## 17. Group borrowings and debt securities

As at end of  
current quarter  
31/12/2015  
RM'000

<u>Non-current</u>		
Term loans	- secured	45,714
Finance leases		819
		<hr/> 46,533
<u>Current</u>		
Term loans	- secured	4,878
Bank overdrafts	- secured	3,974
Bankers' acceptances / Trust receipts	- secured	1,007
Finance leases		354
		<hr/> 10,213

## 18. Material litigation

The Group does not have any material litigation which would have a material effect on the financial position of the Group.

## 19. Profit before tax for the current quarter compared to the immediate preceding quarter

During the current quarter, the Group recorded a profit before tax of RM10.8 million as compared to a loss before tax of RM2.7 million in the immediate preceding quarter. This was due to better performance from ICT, Energy and Food sectors.

## 20. Review of performance for the current interim financial period compared to the corresponding period in the preceding year

For the current financial period ended 31 December 2015, the Group recorded a revenue of RM465.5 million and a profit before tax of RM16.6 million as compared to the revenue of RM676.4 million and a profit before tax of RM13.1 million in the previous corresponding period. Despite its lower turnover, the Group still managed to be profitable due to the cost optimisation exercise implemented. The other main contributors were other income earned from the receipt of settlement for early release of a lease for a sum of RM9.0 million, gain on disposal of the assets held for sale of RM8.8 million and gain on disposal of subsidiaries of RM6.7 million.

## 21. Prospects

In 2016, the Group's business segments are expected to continue operating in a challenging environment. The Group has taken steps to weather the challenging times such as streamlining its operations, seeking new markets, redistributing its resources for increased efficiency and close monitoring of expenses. The Group is cautiously optimistic that it will be resilient and meeting its target.

## 22. Profit forecast / profit guarantee

The Group has neither made any profit forecast nor issued any profit guarantee during the current quarter and financial year to-date.

## 23. Dividends

No dividend was declared and paid during the quarter under review.

## 24. Realised and Unrealised Profit/(Losses)

The breakdown of the Group's retained earnings / (loss) as at reporting dates, into realised and unrealised is as follows:

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Total accumulated loss of the Company and its subsidiaries		
- Realised	(522,994)	(519,133)
- Unrealised	(8,655)	(5,812)
Total share of retained earnings / (loss) from associated companies		
- Realised	31,282	25,799
- Unrealised	(2,988)	(2,683)
	(503,355)	(501,829)
Group consolidation adjustments	506,014	504,872
Total Group retained earnings / (loss) as per consolidated financial statements	<u>2,659</u>	<u>3,043</u>

## 25. Earnings / (loss) per share

### (a) Basic earnings / (loss) per share

The basic earnings / (loss) per share is calculated by dividing the profit for the period attributable to ordinary owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

	3 months ended		9 months ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Earnings / (Loss) for the period attributable to owners of the parent	RM'000	RM'000	RM'000	RM'000
- From continuing operations	6,532	(3,456)	7,864	2,250
- From discontinued operations	-	44	-	44
Weighted average number of ordinary shares in issue	556,465	556,465	556,465	556,465
	('000)			
Basic earnings / (loss) per share				
- From continuing operations	(sen) 1.17	(0.62)	1.41	0.40
- From discontinued operations	(sen) -	0.01	-	0.01

### (b) Diluted earnings / (loss) per share

The Group has no dilution in its earnings or loss per ordinary share in the quarter under review and financial year to-date.

## 26. Related Party Transactions

As at the end of the current period under review, the Group has entered into related party transactions :

	As at end of current quarter 31/12/2015 RM'000	12 months ended 31/12/2015 RM'000
<b>a. Transactions with Zul Rafique &amp; Partners, a firm which YM Tunku Alizan Raja Muhammad Alias is a partner.</b>		
- Provision of legal services.	159	159
<b>b. Transactions with Putrade Property Management Sdn. Bhd., a company which Datuk Mohd Hafarizam Harun is a common Director.</b>		
- Rental of venue and provision of food and beverages.	93	93

By Order of the Board

**Sharina Saidon**  
Company Secretary