

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2016 (RM'000)	Corresponding quarter ended 31.03.2015 (RM'000)	Current period-to-date ended 31.03.2016 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 31.03.2015 (RM'000) (UNAUDITED)
1 Revenue	185,930	15,448	185,930	15,448
2 Cost of sales	(148,295)	(10,211)	(148,295)	(10,211)
3 Gross profit	37,635	5,237	37,635	5,237
4 Other income	3,762	338	3,762	338
5 Administrative and staffs expenses	(7,479)	(615)	(7,479)	(615)
6 Profit from operations	33,918	4,960	33,918	4,960
7 Finance cost	(1,877)	-	(1,877)	-
8 Profit before tax	32,041	4,960	32,041	4,960
9 Taxation	(8,364)	(1,288)	(8,364)	(1,288)
10 Profit for the period	23,677	3,672	23,677	3,672
Attributable to :				
Equity holders of the Company	23,677	3,672	23,677	3,672
11 Profit per share attributable to equity holders of the Company:				
(i) Basic earnings per ordinary shares (sen)	19.48	4.05	19.48	4.05
(ii) Diluted earnings per ordinary shares (sen)	6.80	N/A*	6.80	N/A*

* fully diluted EPS is not calculated as the impact is anti-dilutive

(The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.03.2016 (RM'000)	Corresponding quarter ended 31.03.2015 (RM'000)	Current period-to-date ended 31.03.2016 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 31.03.2015 (RM'000) (UNAUDITED)
1 Profit for the period	23,677	3,672	23,677	3,672
2 Other Comprehensive Expense:				
- Foreign currency translation differences	(22)	(2)	(22)	(2)
3 Total comprehensive income for the period	<u>23,655</u>	<u>3,670</u>	<u>23,655</u>	<u>3,670</u>
Attributable to :				
Equity holders of the Company	<u>23,655</u>	<u>3,670</u>	<u>23,655</u>	<u>3,670</u>

(The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2016 (RM'000) (UNAUDITED)	As at 31.12.2015 (RM'000) (AUDITED)
ASSETS		
Non Current Assets		
Property, Plant and Equipment	59,466	6,893
Investment Properties	5,920	3,725
Other Investments	43	43
Intangible Assets	28	31
Goodwill	353,135	-
Trade Debtors	4,681	7,656
Deferred tax assets	1,891	-
	425,164	18,348
Current Assets		
Inventories	45,437	45,916
Trade Debtors	252,105	66,627
Accrued billings due to property development	11,684	9,141
Other Debtors, Deposits and Prepayments	20,819	6,504
Tax Recoverables	43	73
Fixed Deposits	30,506	-
Cash and Bank Balances	106,158	11,796
	466,752	140,057
TOTAL ASSETS	891,916	158,405
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	132,707	45,861
Redeemable Convertible Preference Shares ("RCPS")	234,776	-
Share Premium	133,824	375
Other Reserves	274	296
Accumulated Profit	85,464	61,787
	587,045	108,319
Non Current Liabilities		
Trade Payables	2,648	3,218
RCPS	13,530	-
Deferred tax liabilities	4,763	509
	20,941	3,727
Current Liabilities		
Trade Payables	186,007	28,306
Other Payables, Accruals and Liabilities	15,431	5,216
Borrowings	74,193	11,195
Provision for Taxation	8,299	1,642
	283,930	46,359
Total Liabilities	304,871	50,086
TOTAL EQUITY AND LIABILITIES	891,916	158,405
Net Assets Per Share (based on ordinary shares of RM0.50 each) (RM)	2.21	1.19

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company					Total Equity RM'000
	<----- Non-Distributable ----->					
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	RCPS RM'000	Accumulated Profits RM'000	
3 MONTHS PERIOD ENDED 31 MARCH 2016						
Balance as at 1 January 2016	45,861	375	296	-	61,787	108,319
Total Comprehensive Income for the year	-	-	(22)	-	23,677	23,655
Issuance of shares pursuant to						
- Warrants exercised	398	302	-	-	-	700
- Acquisition of subsidiaries	18,448	24,352	-	339,927	-	382,727
- Private Placement	20,000	46,000	-	-	-	66,000
- Conversion of RCPS	48,000	63,360	-	(105,151)	-	6,209
Share issuance expenses	-	(565)	-	-	-	(565)
Balance as at 31 March 2016	132,707	133,824	274	234,776	85,464	587,045
3 MONTHS PERIOD ENDED 31 MARCH 2015						
Balance as at 1 January 2015	45,368	-	298	-	48,374	94,040
Total Comprehensive Income for the period	-	-	(2)	-	3,672	3,670
Balance as at 31 March 2015	45,368	-	296	-	52,046	97,710

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

CONSOLIDATED CASHFLOW STATEMENT

	Current period-to-date ended 31.03.2016 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 31.03.2015 (RM'000) (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	32,041	4,960
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	1,937	297
Non-cash items	(1,934)	(182)
Operating Profit Before Working Capital Changes	<u>32,044</u>	<u>5,075</u>
Changes in working capital :		
Net change in operating assets	82,293	(9,972)
Net change in operating liabilities	(89,609)	219
Net Cash Generated from /(Used in) Operations	<u>24,728</u>	<u>(4,678)</u>
Income tax paid	(5,798)	(877)
Income tax refunded	29	-
Interest paid	(481)	-
Interest received	666	181
Net Cash Generated from/(Used in) Operating Activities	<u>19,144</u>	<u>(5,374)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipments	(1,684)	(626)
Acquisition of investment properties	(2,194)	(256)
Acquisition of subsidiaries, net of cash acquired (Note 1)	(19,087)	-
Net Cash Used In Investing Activities	<u>(22,965)</u>	<u>(882)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	65,435	-
Proceeds from exercise of warrants	700	-
Drawdown of short term borrowing	55,490	-
Net repayment of short term borrowing	(39)	-
Net Cash Generated From Financing Activities	<u>121,586</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	117,765	(6,256)
EFFECT OF EXCHANGE RATE CHANGES	(22)	(2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	601	28,627
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>118,344</u>	<u>22,369</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD CONSIST OF:		
Cash and Bank Balances	106,158	22,369
Fixed Deposits	30,506	-
Less: Bank overdraft	(18,320)	-
	<u>118,344</u>	<u>22,369</u>

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2015 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

CONSOLIDATED CASHFLOW STATEMENT (CONT'D)

Fair value for identifiable assets acquired and liabilities assumed as follows:

	(RM'000)
Fixed Assets	52,823
Deferred Tax Assets	1,719
Cash and equivalents	36,113
Trade Receivables	241,105
Other Receivables and Prepayment	30,150
Other assets	12
Short-term Borrowings	(422)
Trade Payable and accrued	(114,807)
Other payables & accruals	(15,103)
Income Tax Payable	(4,360)
Other liabilities	(118,885)
Deferred Tax	(3,480)
Total net identifiable assets	<u>104,865</u>

Goodwill

Goodwill was recognised as a result of the acquisitions as follow:

	(RM'000)
Total purchase consideration	458,000
Less: value of net identifiable assets	<u>(104,865)</u>
	<u>353,135</u>

The goodwill is attributable mainly to the skills and technical talent of the acquiree's work force and the synergies expected to be achieved from integrating the companies into the Group's existing construction business.

Note 1

The cash outflow on the acquisition is as follow:

	(RM'000)
Purchase consideration satisfied by cash	55,200
Cash and cash equivalents of subsidiaries acquired	<u>(36,113)</u>
Net cash outflow of the group	<u>19,087</u>



UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

INFORMATION REQUIRED BY MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134

A1. Corporate Information

Kerjaya Prospek Group Berhad (formerly known as Fututech Berhad) is a public limited company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office is located at No. 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor. The principal place of business is located at No.1, 2nd Floor, Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

A2. Malaysian Financial Reporting Standards ("MFRS")

These consolidated financial statements for the financial year ended 31 March 2016 have been prepared in accordance with Malaysia Financial Reporting Standards (MFRS) and the requirements of the Companies Act, 1965 in Malaysia.

These consolidated financial statements have been prepared by applying accounting policies and method of computation consistent with those used in the preparation of the audited financial statements of the Group as at 31 December 2015, except for the adoption of the following new and revised Standards and Amendments.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRSs contained in the document entitled Annual Improvements 2012 - 2014 Cycle	1st January 2016
MFRS 14, Regulatory Deferral Accounts	1st January 2016
Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operation	1st January 2016
Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture; Bearer Plants	1st January 2016
Amendments to MFRS 101, Presentation of Financial Statements - Disclosure initiative	1st January 2016
Amendments to MFRS 10, 12, 127 and 128	1st January 2016

The adoption of abovementioned Standards and Amendments will have no material impact to the financial statements of the Group and of the Company except for more extensive disclosures in the financial statements.



UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

A3. Audit Report

The audited financial statements for the preceding financial year ended 31 December 2015 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items in the current quarter under review that affecting the assets, liabilities, equity, net income or cashflow of the Group.

A6. Changes in Estimates

There were no significant changes in estimates that have a material effect to the current quarter under review.

A7. Debt and Equity Securities

Save as disclosed below, there were no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares by the Group during the financial period.

- a) On 21st January, 2016, 36,896,552 ordinary shares of RM0.50 each were issued at RM1.16 per share as partial consideration for the acquisition of the entire equity interest in Kerjaya Prospek (M) Sdn Bhd ("KPSB") for a purchase consideration of RM438 million ("KPSB Acquisition").
- b) On 21st January, 2016, 310,344,828 RCPS were issued at RM1.16 per RCPS as as partial consideration for the KPSB Acquisition.
- c) On 30th March, 2016, the Company has issued 136,000,000 new ordinary shares of RM0.50 each pursuant to the followings:
 - (i) 40,000,000 new ordinary shares of RM0.50 each were issued at RM1.65 per share to several placees arising from the private placement of up to 100 million new ordinary shares of RM0.50 each ("Placement Shares")("Private Placement"). Total gross proceeds raised from the placement of the 40,000,000 Placement Shares amounted to RM66,000,000.00; and
 - (ii) 96,000,000 new ordinary shares of RM0.50 each were issued at RM1.16 per share to Egovision Sdn Bhd arising from the conversion of RCPS. The conversion price of RM1.16 per share was deemed settled by way of set-off against the issue price of the RCPS and no additional consideration paid on conversion.
- d) 795,200 new ordinary shares of RM0.50 each were issued pursuant to the conversion of warrants 2007/2017 during the financial period under review at the exercise price of RM0.88 per share.

A8. Dividends Paid

No dividend has been paid during the quarter under review.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

A9. Segmental Information

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	178,765	4,145	3,020	-	-	185,930
Inter Company Revenue	67,059	-	-	-	(67,059)	-
	245,824	4,145	3,020	-	(67,059)	185,930

RESULTS

Segmental Results	24,634	886	1,130	(2,451)	(522)	23,677
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OTHER INFORMATION

Segmental Assets	502,852	97,927	55,312	559,332	(323,507)	891,916
Segmental Liabilities	357,913	65,360	49,828	111,211	(279,441)	304,871

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	12,584	2,864	-	-	-	15,448
Inter Segment Revenue	6,142	-	-	-	(6,142)	-
	18,726	2,864	-	-	(6,142)	15,448

RESULTS

Segmental Results	2,944	760	(6)	(26)	-	3,672
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OTHER INFORMATION

Segmental Assets	65,134	87,469	30,242	36,401	(99,579)	119,667
Segmental Liabilities	49,665	62,938	29,788	40,747	(161,181)	21,957

As the business of the Group is engaged entirely in Malaysia, no reporting by geographical location of operation is presented.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

A9. Segmental Information (contd.)

For management purposes, the Group is organised into business units based on their products and services, and has four (4) reportable operating segments as follow:

- (i) Construction - Main building construction works, supply and installation of interior fixtures, fittings, lightings, cabinetry and related products, provision of contract workmanship and other related services.
- (ii) Manufacturing - Manufacture, assemble, installation and sale of light fittings, furniture, kitchen cabinetry and related products.
- (iii) Property Development - Development of residential and/or commercial properties.
- (iv) Others - Investment holding and dormant companies.

Segment performance for the financial period ended 31 March 2016 as compared to corresponding preceding period ended 31 March 2015

(i) Construction

The performance of the construction segment has improved significantly following the completion of the acquisition of two (2) subsidiaries that specialise in construction activities in January 2016. The newly acquired subsidiary, KPSB, has contributed approximately RM165 million in revenue from its on-going projects, after eliminated the inter-company projects revenue. The segmental profit was further enhanced from RM2.94 million in corresponding preceding period to RM24.6 million in current financial quarter. With the enlarged orderbook, the construction segment is expected to continue to deliver positive results and improve the Group's overall turnover and profitability moving forward.

(ii) Manufacturing

The manufacturing segment has achieved a total revenue of RM4.15 million in current financial quarter, representing an increase of approximately 44.7% as compared to its preceding financial quarter of RM2.86 million. Along with the increase of revenue, the segmental profit has marginally increase from RM760 thousand to RM886 thousand. The overall profit margin for projects secured in the preceding year was lower as compared to the previous years due to competition and material price hike as a result of the weakening of currency. However, the higher volume from these projects subsequently had contributed to higher revenue in this division. There are currently two (2) on-going projects that are nearing their completion stage in current financial quarter.

(iii) Property Development

The property development division continues to recognise its revenues of RM3.02 million and a profit of RM1.13 million for the current financial quarter as a result of more sale and purchase agreements were being executed as our project Vista Residences @ Genting Highlands progresses.

(iv) Others

Others refer to investment holding and dormant companies. A segmental loss of RM2.45 million after the elimination entries recorded was mainly due to stamp duty paid on the shares transferred in relation to the acquisition of two (2) subsidiaries, processing fee incurred for securing bank facilities and interest expenses arising from the revolving credit utilised during the financial quarter.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

A10. Profit Before Tax

	Individual Quarter 31.03.2016 (RM'000)	Cumulative Quarter 31.03.2016 (RM'000)
Amortisation and depreciation of property, plant and equipment	1,937	1,937
Interest income	666	666
Interest expenses	481	481
Net fair value gain	1,747	1,747

Other than the above items, there were no exceptional items that affecting the assets, liabilities, equity, net income or cashflow of the Group during the financial quarter under review.

A11. Subsequent Events

Saved as disclosed below, there were no material events subsequent to the balance sheet date that affect the results of the Group for the financial period.

On 20th May 2016, the Company has resolved to fix the issue price for the private placement comprising up to 60,000,000 new ordinary shares of RM0.50 each ("2nd tranche Placement Shares") at RM1.82 per share. The Company further announced that the bookbuilding for the 2nd tranche Placement Shares has been closed with an oversubscription rate of 135%.

A12. Changes in Composition of the Group

Saved as disclosed below, there were no changes in the composition of the Group during the financial quarter under review.

- (i) On 20th January 2016, the shareholders of the Company had in the Extraordinary General Meeting unanimously approved, amongst others, the KPSB Acquisition and the proposed acquisition of the entire equity interest in Permatang Bakti Sdn Bhd ("PBSB") for a purchase consideration of RM20.0 million ("PBSB Acquisition"). Subsequently, the KPSB Acquisition and PBSB Acquisition have been completed on 21st January, 2016 in accordance to the respective terms of the share sales agreements. Accordingly, KPSB and PBSB are now wholly-owned subsidiaries of the Company.
- (ii) On 7th March 2016, the Company's wholly-owned subsidiary KPSB acquired a 70% equity interest in a company known as Future Rock Sdn. Bhd. ("Future Rock") represented by 70 ordinary shares of RM1.00 each for a total cash consideration of RM70.00. The remaining 30% equity interest is held by Sierra Hallmark Sdn. Bhd. Future Rock was incorporated on 3rd February, 2016. Future Rock is principally engaged in dredging and land reclamation work and construction related businesses.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Contingent Liabilities	Cumulative Quarter 31.03.2016
Corporate guarantee given to banks for facilities granted to subsidiaries	20,000
Corporate guarantee given to third parties for credit facilities granted to subsidiaries	6,020
	<u>26,020</u>

(b) Contingent Assets

As at the date of this report, there were no contingent assets.

A14. Capital Commitments

As at the date of this report, the Group has no material capital commitments.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

For the financial quarter under review, the Group posted a revenue of RM185.93 million as compared to its corresponding preceding financial quarter of RM15.45 million. With the increase in revenue, Profit Before Tax ("PBT") in the current quarter jumped to RM32.04 million, representing an increase of 27.08 million from its corresponding preceding quarter of RM4.96 million.

Overall, the increase in revenue and PBT were mainly attributed to the group consolidation of the newly acquired subsidiary; KPSB, which currently has a large orderbook comprising of projects awarded by blue chip property developers in Malaysia. With the encouraging take up rate in the Group's property development project, property development segment is further expected to contribute positively to the Group's earnings moving forward.

B2. Change in Results of Current Quarter Compared to Preceding Quarter

	Current Quarter ended 31.03.2016 (RM'000)	Preceding Quarter ended 31.12.2015 (RM'000)
Revenue	185,930	18,604
Profit before tax	32,041	6,636

For the current quarter under review, the Group recorded a revenue and PBT of RM185.93 million and RM32.04 million respectively as compared to RM18.61 million and RM6.64 million respectively in its immediate preceding quarter. The significant leap in both revenue and PBT in current financial quarter were mainly attributed to the consolidation of the results derived from two (2) active companies, KPSB and PBSB, upon they becoming the wholly-owned subsidiaries of the Group.

B3. Current Year Prospects

Following the completion of the previously announced proposed acquisition in January 2016, the enlarged group is expected to participate in substantially larger projects, further gain access to first tier developers, equipped with an established track record, enhance resources and competitiveness and develop an overall market branding in the construction industry. The Group will continue to exercise vigilance and prudence in achieving our objectives whilst expanding in view of the current global and local economic environments.

Notwithstanding the Group's objective to expand its core business in construction, it will maintain the manufacturing segment as part of its integrated business objective and strategy and complete the existing property development project.

Barring any unforeseen circumstances, the Group is cautiously optimistic on its overall businesses moving forward.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

B4. Profit Forecast

There were no profit forecast prepared or profit guarantee made by the Group.

B5. Taxation

	Individual Quarter 31.03.2016 (RM'000)	Cumulative Quarter 31.03.2016 (RM'000)
Malaysia income tax		
- current year	8,091	8,091
- in respect of previous years	5	5
	<u>8,096</u>	<u>8,096</u>
Deferred tax		
- current year	243	243
- in respect of previous years	25	25
	<u>8,364</u>	<u>8,364</u>

The effective tax rate of the Group for income tax in the current financial year is higher than the statutory tax rate of 25% due mainly to certain expenses not deductible.

B6. Quoted Securities

There were no quoted securities as at the financial quarter.

B7. Group Borrowings and Debt Securities

Details of the group borrowings as at 31st March, 2016 were as follows:

	Cumulative Quarter 31.03.2016 (RM'000)
<u>Unsecured</u>	
(i) Bank Overdraft	18,320
(ii) Revolving Credit	55,490
(iii) Term Loan	383
	<u>74,193</u>

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

B8. Status of Corporate Proposals Announced

Saved as disclosed below, there were no other corporate proposals announced but pending completion as at the date of this report.

On 20th January 2016, the shareholders of the Company have approved the Private Placement.

The Company had successfully placed out 40,000,000 Placement Shares on 30th March 2016 pursuant to the Private Placement which raised cumulative gross proceeds of RM66 million. The status of utilisation of the gross proceeds is set out below:

Purposes	Proposed utilisation (RM'000)	Utilisation as at 31.03.16 (RM'000)	Balance (RM'000)
(a) KPSB Acquisition and PBSB Acquisition*	55,200	-	55,200
(b) Defray of the expenses in relation to the KPSB Acquisition, PBSB Acquisition and Private Placement	6,020	3,370	2,650
(c) Working Capital	4,780	-	4,780
	<u>66,000</u>	<u>3,370</u>	<u>62,630</u>

* The Company has obtained bank borrowing to finance the settlement of the amount. The said bank borrowing was pending for repayment as at this financial quarter from proceeds from the Private Placement.

On 9th May 2016, Bursa Malaysia Securities Berhad ("Bursa Securities") has approved the Company's application for an extension of time until 18th December, 2016 to complete the Private Placement.

B9. Changes in Material Litigation

Saved as disclosed below, there were no pending material litigations for the Group as at the date of this report.

KPSB claimed against Lembaman Development Sdn. Bhd ("LDSB") for an outstanding contract sum of RM6,346,246.10 due and owing by LDSB to KPSB, for work done and completed by KPSB in relation to a project known as "Proposed Mixed Development (Tower A, B, C, D and Block W, X, Y) on Lots 3254, 3255 and 7722, Lebuhraya Thean Teik, Mukim 13, D.T.L. Penang. LDSB in return had filed a counterclaim against KPSB claiming for, inter alia, the amount of RM2,340,000.00 as liquidated and ascertained damages, total costs (to be assessed) incurred for making good defects, general damages and costs ("Counter Claim").

KPSB has on 16th April 2015 filed an Order 14 application (i.e. summary judgement) with the Court against LDSB, claiming for, inter alia, a sum of RM6,346,246.10, together with interest and costs. The hearing for the matter which was fixed on 28th October 2015 has been adjourned to 15th January 2016 whereby the court has fixed 15th January 2016 as case management pending settlement in view that the parties are in the midst of negotiations towards settlement.

On 4th May 2016 solicitor of KPSB has written a letter to solicitor of LDSB to propose a total of RM6,386,000 as final settlement amount for LDSB to pay KPSB after the negotiation being carried out and mutual agreement reached. As at the date of this report, LDSB is yet to reply as final confirmation and acceptance pursuant to the letter from KPSB dated 4th May 2016.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

B10. Dividend

No interim dividend has been declared for the current quarter under review.

B11. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties as at current quarter under review.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

B12. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Earnings				
Profit attributable to equity holders of the Company (RM'000)	23,677	3,672	23,677	3,672
a) Basic				
Weighted average number of ordinary shares ('000)	121,550	90,737	121,550	90,737
Basic Profit per share attributable to equity holders of the Company (Sen)	<u>19.48</u>	<u>4.05</u>	<u>19.48</u>	<u>4.05</u>

b) Diluted

For the purpose of calculating diluted earnings per share, the profit attributable to the equity holders of the Company and the weighted average number of ordinary shares issued during the year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. exercise of warrants and conversion of RCPS.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Earnings				
Profit attributable to equity holders of the Company (RM'000)	23,677	3,672	23,677	3,672
Weighted average number of ordinary shares ('000)	121,550	90,737	121,550	90,737
Effect of dilution of warrants ('000)	12,313	N/A*	12,313	N/A*
Effect of dilution of RCPS ('000)	214,345	-	214,345	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>348,208</u>	<u>90,737</u>	<u>348,208</u>	<u>90,737</u>
Diluted Profit per share attributable to equity holders of the Company (Sen)	<u>6.80</u>	<u>N/A*</u>	<u>6.80</u>	<u>N/A*</u>

* The outstanding warrants have been excluded from the computation of fully diluted earnings per shares as the exercise of warrants to ordinary shares would be anti-dilutive. There were no other transactions involving the potential dilution of ordinary shares outstanding.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

B13. Realised and Unrealised Profit / Losses Disclosure

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Securities”) had issued directives to all listed issuers pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into unrealised profits or losses.

Bursa Securities, had on 20 December 2010 further issued guidance on the disclosure and the prescribed format of presentation.

Pursuant to the directives issued, the disclosure of the Group's realised and unrealised profit / losses is as follows:

	As at 31.03.2016 (RM'000) UNAUDITED	As at 31.12.2015 (RM'000) AUDITED
Total accumulated losses of the Group:		
- Realised	53,183	(1,284)
- Unrealised	(1,733)	(1,303)
	<u>51,450</u>	<u>(2,587)</u>
Less: Consolidated Adjustments	34,014	64,374
Total accumulated profits	<u>85,464</u>	<u>61,787</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1 “Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements”, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profit is solely for the purpose of complying with the disclosure requirements stipulated in the directives of Bursa Securities and not to be applied for any other purposes.