

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2016 (RM'000)	Corresponding quarter ended 31.12.2015 (RM'000)	Current period-to-date ended 31.12.2016 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 31.12.2015 (RM'000) (AUDITED)
1 Revenue	235,492	18,604	805,370	78,973
2 Cost of sales	(196,201)	(11,982)	(655,598)	(55,324)
3 Gross profit	39,291	6,622	149,772	23,649
4 Other income	3,560	2,069	10,717	3,021
5 Administrative and staffs expenses	(8,153)	(1,628)	(25,645)	(3,943)
6 Profit from operations	34,698	7,063	134,844	22,727
7 Finance cost	(177)	(427)	(1,317)	(427)
8 Profit before tax	34,521	6,636	133,527	22,300
9 Taxation	(8,196)	(1,880)	(33,354)	(6,162)
10 Profit after tax ("PAT") for the period	26,325	4,756	100,173	16,138
<b>Attributable to :</b>				
Owners of the Company	26,216	4,756	99,967	16,138
Non-controlling Interest ("NCI")	109	-	206	-
	26,325	4,756	100,173	16,138
11 Profit per share attributable to owners of the Company:				
(i) Basic earnings per ordinary share ("EPS")(sen)*	5.16	5.20	26.87	17.74
(ii) Diluted earnings per ordinary share (sen)*	4.72	4.61	23.86	15.77

\* Basic and diluted EPS were calculated based on weighted average number of shares issued. For detail calculation, please refer to Note B13.

**(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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2016 (RM'000)	Corresponding quarter ended 31.12.2015 (RM'000)	Current period-to-date ended 31.12.2016 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 31.12.2015 (RM'000) (AUDITED)
1 PAT for the period	26,325	4,756	100,173	16,138
2 Other Comprehensive Expense:				
- Foreign currency translation differences	16	14	13	(1)
3 Total comprehensive income for the period	<u>26,341</u>	<u>4,770</u>	<u>100,186</u>	<u>16,137</u>
<b>Attributable to :</b>				
Owners of the Company	26,232	4,770	99,980	16,137
Non-controlling Interest ("NCI")	109	-	206	-
	<u>26,341</u>	<u>4,770</u>	<u>100,186</u>	<u>16,137</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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 31.12.2016 (RM'000) (UNAUDITED)</b>	<b>As at 31.12.2015 (RM'000) (AUDITED)</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	118,060	6,893
Investment Properties	7,475	3,725
Other Investments	43	43
Intangible Assets	86	31
Goodwill	353,134	-
Trade Debtors	113,319	7,656
	592,117	18,348
<b>Current Assets</b>		
Inventories	55,491	45,915
Trade Debtors	254,076	66,628
Accrued billings due to property development	6,886	9,141
Other Assets, Debtors and Deposits	37,791	6,504
Tax Recoverables	450	73
Fixed Deposits	60,940	-
Cash and Bank Balances	71,490	11,796
	487,124	140,057
<b>TOTAL ASSETS</b>	<b>1,079,241</b>	<b>158,405</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	254,532	45,861
Share Premium	330,009	375
Other Reserves	309	296
Redeemable Convertible Preference Shares ("RCPS")	36,523	-
Accumulated Profit	141,475	61,787
	762,848	108,319
<b>Non-controlling Interest</b>	536	-
<b>Total Equity</b>	<b>763,384</b>	<b>108,319</b>



**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

**Non Current Liabilities**

Trade Payables	66,413	3,218
RCPS	2,105	-
Deferred tax liabilities	7,070	509
	75,588	3,727

**Current Liabilities**

Trade Payables	217,710	28,306
Other Payables, Accruals and Liabilities	13,087	5,216
Borrowings	4,836	11,195
Provision for Taxation	4,636	1,642
	240,269	46,359

**Total Liabilities**

315,857 50,086

**TOTAL EQUITY AND LIABILITIES**

1,079,241 158,405

Net assets per share attributable to owners of the Company (based on ordinary shares of RM0.50 each) (RM)

1.50 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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	Non Controlling Interest RM'000	
<b>12 MONTHS PERIOD ENDED 31 DECEMBER 2016</b>							
Balance as at 1 January 2016	45,861	375	296	-	61,787	-	108,319
Total Comprehensive Income for the period	-	-	13	-	99,967	206	100,186
Dividend paid	-	-	-	-	(20,279)	-	(20,279)
Issuance of shares pursuant to							
- Warrants exercised	1,723	1,309	-	-	-	-	3,032
- Acquisition of subsidiaries	18,448	24,352	-	357,843	-	330	400,973
- Private Placement	50,000	125,200	-	-	-	-	175,200
- Conversion of RCPS	138,500	182,820	-	(321,320)	-	-	-
Share issuance expenses	-	(4,047)	-	-	-	-	(4,047)
Balance as at 31 December 2016	254,532	330,009	309	36,523	141,475	536	763,384
<b>12 MONTHS PERIOD ENDED 31 DECEMBER 2015</b>							
Balance as at 1 January 2015	45,368	-	297	-	48,374	-	94,039
Total Comprehensive Income for the period	-	-	(1)	-	16,138	-	16,137
Dividend paid	-	-	-	-	(2,725)	-	(2,725)
Issuance of shares pursuant to							
-Warrants exercised	493	375	-	-	-	-	868
Balance as at 31 December 2015	45,861	375	296	-	61,787	-	108,319

**(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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**CONSOLIDATED CASHFLOW STATEMENT**

	<b>Current period-to-date ended 31.12.2016 (RM'000) (UNAUDITED)</b>	<b>Corresponding period-to-date ended 31.12.2015 (RM'000) (AUDITED)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	133,527	22,300
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	12,941	1,161
Non-cash items	(2,479)	(1,639)
Operating Profit Before Working Capital Changes	143,989	21,822
Changes in working capital :		
Net change in operating assets	(47,096)	(58,306)
Net change in operating liabilities	8,669	18,164
Net Cash Generated from / (Used in) Operations	105,562	(18,320)
Income tax paid	(30,352)	(5,208)
Interest paid	(813)	(104)
Interest received	3,292	322
Net Cash Generated from/ (Used in) Operating Activities	77,689	(23,310)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipments	(85,357)	(663)
Acquisition of investment properties	-	(2,171)
Acquisition of intangible assets	(80)	(24)
Acquisition of subsidiaries, net of cash acquired (Note 1)	(19,087)	-
Net Cash Used In Investing Activities	(104,524)	(2,858)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	171,153	493
Proceeds from exercise of warrants	3,033	375
Proceeds from issuance of ordinary shares to NCI	330	-
Repayment of short term borrowing	(422)	-
Usage of trust receipts	4,836	-
Dividend paid during the period	(20,279)	(2,725)
Net Cash Generated From/ (Used in) Financing Activities	158,651	(1,857)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	131,816	(28,025)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	13	(1)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	601	28,627
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	132,430	601
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:</b>		
Cash and Bank Balances	71,490	11,796
Fixed Deposits	60,940	-
Less: Bank Overdraft	-	(11,195)
	132,430	601
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD CONSIST OF:</b>		
Cash and Bank Balances	11,796	28,627
Less: Bank Overdraft	(11,195)	-
	601	28,627

(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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31  
DECEMBER 2016**

**CONSOLIDATED CASHFLOW STATEMENT (CONT'D)**

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

	<b>(RM'000)</b>
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	(421)
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>104,866</u>

**Goodwill**

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

	<b>(RM'000)</b>
Total purchase consideration	458,000
Less: value of net identifiable assets	(104,866)
	<u>353,134</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:

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



**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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**INFORMATION REQUIRED BY MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134**

**A1. Corporate Information**

Kerjaya Prospek Group 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 December 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.

**A3. Audit Report**

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





**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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**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 year.

- a) On 22nd January 2016, 36,896,552 of the Company's ordinary shares of RM0.50 each ("KPGB OS") were issued at RM1.16 per share as the result of 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 22nd January 2016, 310,344,828 RCPS were issued at RM1.16 per RCPS as the result of the KPSB Acquisition. The holders of RCPS are entitled to receive dividends. RCPS do not carry the right to vote.
- c) Pursuant to the private placement ("PP") of up to 100 million new shares and the conversion of the RCPS, the Company has issued 377,000,000 KPGB OS during the financial year. The details of the issuance were as follows.
  - (i) On 30th March 2016, the Company has issued 40,000,000 KPGB OS at the issued price of RM1.65 per share to several placees under the PP exercise. Total gross proceeds raised from the placement exercise amounted to RM66,000,000.00. At the same time, 96,000,000 KPGB OS were issued at RM1.16 per share to Egovision Sdn Bhd arising from the conversion of RCPS. The conversion price of RM1.16 per RCPS was deemed settled by way of set-off against the issue price of the RCPS and no additional consideration paid on conversion ("set-off arrangement").
  - (ii) On 30th May 2016, 60,000,000 KPGB OS were issued at RM1.82 per share to several placees. The issuance being the final tranche under the PP exercise. Total gross proceeds raised from the placement exercise amounted to RM109,200,000.00. In addition, 181,000,000 KPGB OS were issued at RM1.16 per share as a result of the conversion of RCPS by the holders. The conversion price of RM1.16 per RCPS was deemed settled by way of set-off arrangement as defined in (c)(i) above.
- d) 3,446,400 KPGB OS were issued pursuant to the conversion of warrants 2007/2017 during the financial year under review at the exercise price of RM0.88 per share.

**A8. Dividends Paid**

On 19 July 2016, the Board of Directors has approved a single-tier interim dividend of 8% per ordinary share (based on ordinary share of RM0.50 each), in respect of the current financial year ending 31 December 2016. The total amount of RM20.279 million has been paid on 18 August 2016.

**NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**A9. Segmental Information**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<b>Construction (RM'000)</b>	<b>Manufacturing (RM'000)</b>	<b>Property Development (RM'000)</b>	<b>Others (RM'000)</b>	<b>Elimination (RM'000)</b>	<b>Total (RM'000)</b>
External Revenue	762,763	10,085	32,290	232	-	805,370
Inter Segment Revenue	(195,729)	(818)	-	(232)	196,779	-
	567,034	9,267	32,290	-	196,779	805,370

**RESULTS**

Segmental Results	94,581	6,211	8,254	22,357	(31,436)	99,967
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**OTHER INFORMATION**

Segmental Assets	713,924	109,570	71,405	618,269	(433,927)	1,079,241
Segmental Liabilities	523,798	111,358	58,797	10,917	(389,013)	315,857

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<b>Construction (RM'000)</b>	<b>Manufacturing (RM'000)</b>	<b>Property Development (RM'000)</b>	<b>Others (RM'000)</b>	<b>Elimination (RM'000)</b>	<b>Total (RM'000)</b>
External Revenue	54,816	13,746	10,411	-	-	78,973
Inter Segment Revenue	20,330	763	-	-	(21,093)	-
	75,146	14,509	-	-	(21,093)	78,973

**RESULTS**

Segmental Results	12,238	1,946	3,894	2,727	(4,667)	16,138
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**OTHER INFORMATION**

Segmental Assets	107,449	99,641	53,505	37,341	(139,531)	158,405
Segmental Liabilities	89,574	71,101	49,151	41,839	(201,579)	50,086

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 YEAR ENDED 31 DECEMBER 2016**

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**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 year ended 31 December 2016 as compared to corresponding preceding year ended 31 December 2015**

**(i) Construction**

The performance of the construction segment has improved significantly following the acquisition of KPSB in January 2016. KPSB has contributed approximately RM733 million external revenue from its on-going projects. Also, included in construction segment is a project on land reclamation which involves dredging works which has recognised its first revenue of approximately RM8 million in the current financial year. The segmental profit correspondingly improved from RM12.24 million in corresponding preceding year to RM93.68 million in current financial year. With the increased revenue base, machineries, manpower and orderbooks on hand, the construction segment is expected to continue delivering positive results and be the main driver of the Group's turnover and profitability moving forward.

**(ii) Manufacturing**

The manufacturing segment achieved a total revenue of RM10.08 million in current financial year, representing a decrease as compared to its preceding financial year of RM13.75 million. The segmental profit has also decreased by approximately RM0.74 million (after eliminated inter-company transactions). Overall, the profitability of the manufacturing segment has impacted by the material price hike as a result of the weakening of currency and overall soften of global economy as compared to prior years performance.

**(iii) Property Development**

The property development segment has recognised a revenue of RM32 million and a profit of RM8.25 million for the current financial year. The was derived from the Group's maiden development project known as Vista Residences @ Genting Highlands that had been soft-launched in January 2016. During the year, the development project has achieved an encouraging take-up rate of approximately 61% and is at approximately 55% of construction stage.

**(iv) Others**

Others refer to investment holding and dormant companies. A segmental loss of RM2.87 million 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 overdraft and revolving credit facilities utilised during the financial year.

**NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**A10. Profit Before Tax**

	<b>Individual Quarter 31.12.2016 (RM'000)</b>	<b>Cumulative Quarter 31.12.2016 (RM'000)</b>
Amortisation and depreciation of property, plant and equipment	6,595	12,941
Interest income	(1,474)	(3,292)
Interest expenses	(47)	813
Realised foreign exchange loss	-	21
Gain on disposal of property, plant and equipment	(449)	(533)
Net fair value loss	329	(533)

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

**A11. Subsequent Events**

There were no material events subsequent to the balance sheet date that affect the results of the Group for the financial year.

**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 on 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 in 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 construction related businesses.
- (iii) On 9th August, 2016, the Company's wholly-owned sub-subsidiary, Kerjaya Machinery & Equipment Sdn Bhd ("KMachinery") (formerly known as Kerjaya Petroleum Sdn Bhd) had issued 299,998 new ordinary shares of RM1.00 each. 10% of the newly issued shares were allotted to Mohammad Nizar Bin Chek, being the minority shareholder. KMachinery is principally engaged in providing repair and maintenance services for heavy machineries.

**NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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**A13. Changes in Contingent Liabilities or Contingent Assets**

(a) Contingent Liabilities	<b>Cumulative Quarter 31.12.2016</b>
Corporate guarantee given to banks for facilities granted to subsidiaries	20,000
Corporate guarantee given to third parties for credit facilities granted to subsidiaries	39,193
	<u>59,193</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 YEAR ENDED 31 DECEMBER 2016**

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of Performance**

For the individual quarter under review, the Group recorded a revenue of RM235.49 million as compared to its corresponding preceding individual quarter of RM18.60 million. Along with the increase in revenue, Profit Before Tax ("PBT") in the current quarter has improved from its preceding quarter of RM6.64 million to RM34.52 million. The significant leap in both revenue and PBT comparing current individual quarter and corresponding preceding individual quarter is mainly attributed to the consolidation of the results derived from the newly acquired Kerjaya Prospek (M) Sdn Bhd and Permatang Bakti Sdn Bhd subsidiaries.

Overall, the Group has delivered a stronger result subsequent to the acquisition exercise where the cumulative revenue and PAT as at 31 December 2016 has increased significantly to RM805.37 million and RM100.17 million respectively. The outstanding performance especially in the construction segment has mitigated the slowdown in the manufacturing segment which was due to completion of existing projects and market competition. With the encouraging take up rate in the Group's property development project, the segment is also expected to contribute positively to the Group's earnings moving forward.

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

	<b>Current Quarter ended 31.12.2016 (RM'000)</b>	<b>Preceding Quarter ended 30.09.2016 (RM'000)</b>
Revenue	235,492	190,467
Profit before tax	34,521	33,791

For the current quarter under review, the Group posted a revenue and PBT of RM235.49 million and RM34.52 million respectively as compared to RM190.47 million and RM33.79 million respectively in its immediate preceding quarter. The quarter to quarter movement is relatively stable as all on going projects were at their planned progression and newly secured construction projects have yet to commence substantial works.

**B3. Current Year Prospects**

Following the completion of the previously announced proposed acquisitions in January 2016, the enlarged group is now equipped with more advanced machineries and skilled manpower that will enable it to participate in the tendering of larger scale projects and further gain access to a wider pool of well-established developers. As an enlarged group, our competitiveness and branding in the industry will be enhanced significantly. We will continue to exercise vigilance and prudence in achieving our objectives whilst expanding our construction activities under the current economic environment.

Despite the Group's objective to expand its core business in construction, it will maintain the manufacturing segment as part of its integrated and complimentary business to the construction segment and continue its property development projects.

Barring any unforeseen circumstances, the Group is cautiously optimistic of its businesses performance moving forward and will continue to sharpen its competitive edge to achieve sustainable growth in the market.

**NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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**B4. Profit Forecast**

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

**B5. Taxation**

	<b>Individual Quarter 31.12.2016 (RM'000)</b>	<b>Cumulative Quarter 31.12.2016 (RM'000)</b>
Malaysia income tax		
- current year	3,939	28,549
- in respect of previous years	-	5
	<u>3,939</u>	<u>28,554</u>
Deferred tax		
- current year	4,257	4,775
- in respect of previous years	-	25
	<u>8,196</u>	<u>33,354</u>

**B6. Quoted Securities**

There were no quoted securities as at the financial year.

**B7. Group Borrowings and Debt Securities**

Borrowings and debts securities have been fully repaid as at the financial year.

**NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**B8. Status of Corporate Proposals Announced**

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

The Company had successfully placed out 40,000,000 and 60,000,000 new KPGB OS on 30th March, 2016 and 30th May, 2016 respectively, pursuant to the PP exercise. Total gross proceeds raised amounted to RM175.20 million. The gross proceeds will be utilised in the following manners:

<b>Purposes</b>	<b>Proposed utilisation (RM'000)</b>	<b>Utilisation as at 31.12.16 (RM'000)</b>	<b>Balance (RM'000)</b>
(a) Repayment of borrowings	55,200	55,200	-
(b) Defray the expenses in relation to Proposals <i>*Proposals, amongst others, refer to KPSB Acquisition, PBSB Acquisition and proposed private placement</i>	9,980	9,980	-
(c) Working Capital	110,020	86,020	24,000
	175,200	151,200	24,000

**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 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, KPSB and LDSB have reached mutual agreement after negotiation being carried out that a total of RM6,386,000 will be the final settlement amount payable by LDSB to KPSB. KPSB has received the full settlement of total RM6,386,000 from LDSB via cheques on 21st July 2016. Upon clearance of the cheques, all the present legal proceedings have been withdrawn with no order as to costs and no liberty to file afresh.



**NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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**B10. Dividend**

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

**B11. Derivatives and Fair Value Changes of Financial Liabilities**

- (a) There were no derivatives as at the current quarter under review.
- (b) The fair value changes arising from discounting future retention sum receivables and retention sum payables to present value for the current quarter under review has been accounted accordingly. The net fair value loss for the financial year amounted to approximately RM367,000.

**B12. 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 YEAR ENDED 31 DECEMBER 2016**

**B13. Earnings Per Share**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
<b>Earnings</b>				
Profit attributable to owners of the Company (RM'000)	26,216	4,756	99,967	16,138
<b>a) Basic</b>				
Weighted average number of ordinary shares ('000)	508,521	91,501	372,032	90,969
<b>Basic Profit per share attributable to equity holders of the Company (Sen)</b>	<u>5.16</u>	<u>5.20</u>	<u>26.87</u>	<u>17.74</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

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
<b>Earnings</b>				
Profit attributable to owners of the Company (RM'000)	26,216	4,756	99,967	16,138
Weighted average number of ordinary shares ('000)	508,521	91,501	372,032	90,969
Effect of dilution of warrants ('000)	13,510	11,586	13,537	11,347
Effect of dilution of RCPS ('000)	33,345	N/A*	33,345	N/A*
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>555,376</u>	<u>103,087</u>	<u>418,914</u>	<u>102,316</u>
<b>Diluted Profit per share attributable to equity holders of the Company (Sen)</b>	<u>4.72</u>	<u>4.61</u>	<u>23.86</u>	<u>15.77</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 YEAR ENDED 31 DECEMBER 2016**

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**B14. 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:

	<b>As at 31.12.2016 (RM'000) UNAUDITED</b>	<b>As at 31.12.2015 (RM'000) AUDITED</b>
Total accumulated profit of the Group:		
- Realised	102,115	(1,284)
- Unrealised	4,339	(1,303)
	<hr/>	<hr/>
	106,454	(2,587)
Less: Consolidated Adjustments	35,021	64,374
Total accumulated profits	<hr/> <hr/>	<hr/> <hr/>
	141,475	61,787

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.