

Company No. 625034 X

**GROMUTUAL BERHAD**  
(Company No. 625034 X)  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**  
**(UNAUDITED)**

This Report is dated 26 February 2016

**GROMUTUAL BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**QUARTERLY REPORT**

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**  
 (The figures have not been audited)

|   | As at<br>31 DEC 2015<br>(Unaudited) | As at<br>31 DEC 2014<br>(Audited) |
|---|-------------------------------------|-----------------------------------|
|   | RM'000                              | RM'000                            |
| <b>Assets</b>                                       |                                     |                                   |
| <b>Non-current assets</b>                           |                                     |                                   |
| Property, plant and equipment                       | 2,318                               | 2,239                             |
| Investment properties                               | 92,301                              | 93,667                            |
| Land held for property development                  | 173,952                             | 157,640                           |
| <b>TOTAL NON-CURRENT ASSETS</b>                     | <u>268,571</u>                      | <u>253,546</u>                    |
| <b>Current Assets</b>                               |                                     |                                   |
| Inventories   | 20,141                              | 9,755                             |
| Land and development expenditure                    | 67,406                              | 56,868                            |
| Receivables   | 19,586                              | 27,634                            |
| Current tax assets                                  | 932                                 | 497                               |
| Cash and bank balances                              | 39,907                              | 40,411                            |
| <b>TOTAL CURRENT ASSETS</b>                         | <u>147,972</u>                      | <u>135,165</u>                    |
| <b>TOTAL ASSETS</b>                                 | <u>416,543</u>                      | <u>388,711</u>                    |
| <b>EQUITY AND LIABILITIES</b>                       |                                     |                                   |
| <b>Equity attributable to owners of the Company</b> |                                     |                                   |
| Share capital                                       | 187,804                             | 187,804                           |
| Retained earnings                                   | 125,876                             | 117,340                           |
| <b>TOTAL EQUITY</b>                                 | <u>313,680</u>                      | <u>305,144</u>                    |
| <b>Non-current liabilities</b>                      |                                     |                                   |
| Borrowings  | 12,292                              | 9,620                             |
| Deferred tax liabilities                            | 5,825                               | 6,145                             |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                | <u>18,117</u>                       | <u>15,765</u>                     |
| <b>Current Liabilities</b>                          |                                     |                                   |
| Payables  | 37,975                              | 30,446                            |
| Borrowings  | 45,227                              | 34,892                            |
| Current tax payables                                | 1,544                               | 2,464                             |
| <b>TOTAL CURRENT LIABILITIES</b>                    | <u>84,746</u>                       | <u>67,802</u>                     |
| <b>TOTAL LIABILITIES</b>                            | <u>102,863</u>                      | <u>83,567</u>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <u>416,543</u>                      | <u>388,711</u>                    |
| Net Assets (NA) per share (RM)                      | <u>0.84</u>                         | <u>0.81</u>                       |

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2015**  
(The figures have not been audited)

|  | INDIVIDUAL QUARTER                            |   | CUMULATIVE QUARTER                    |   |
|--|---|---|---------------------------------------|---|
|  | CURRENT YEAR QUARTER<br>31 DEC 2015<br>RM'000 | PRECEDING YEAR CORRESPONDING QUARTER<br>31 DEC 2014<br>RM'000 | CURRENT YEAR<br>31 DEC 2015<br>RM'000 | PRECEDING YEAR<br>31 DEC 2014<br>RM'000 |
| Revenue  | 18,629  | 25,477  | 71,311                                | 86,396                                  |
| Cost of sales  | (10,424)                                      | (15,262)  | (37,777)                              | (47,609)                                |
| Gross Profit   | 8,205   | 10,215  | 33,534                                | 38,787                                  |
| Investment revenue                                       | 82  | 61  | 517                                   | 333                                     |
| Other income   | 395   | 9,764   | 3,480                                 | 10,316                                  |
| Administrative expenses                                  | (3,863)                                       | (4,471)   | (15,050)                              | (15,744)                                |
| Finance costs  | (107)   | (166)   | (644)                                 | (602)                                   |
| Other expenses   | (18)  | (19)  | (26)                                  | (22)                                    |
| <b>Profit before tax</b>                                 | 4,694   | 15,384  | 21,811                                | 33,068                                  |
| Income tax expense                                       | (1,145)                                       | (2,107)   | (5,763)                               | (7,117)                                 |
| <b>Profit for the year</b>                               | 3,549   | 13,277  | 16,048                                | 25,951                                  |
| <b>Other comprehensive income, net of tax</b>            | -   | -   | -                                     | -                                       |
| <b>Total comprehensive income for the year</b>           | 3,549   | 13,277  | 16,048                                | 25,951                                  |
| <b>Profit attributable to:<br/>Owners of the Company</b> | 3,549   | 13,277  | 16,048                                | 25,951                                  |
| <b>Earnings per share (sen)</b>                          |   |   |                                       |   |
| - Basic  | 0.94  | 3.53  | 4.27                                  | 6.91                                    |
| - Diluted  | N/A   | N/A   | N/A                                   | N/A                                     |

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

**GROMUTUAL BERHAD**  
 (Company No. 625034 X)  
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 DECEMBER 2015**  
 (The figures have not been audited)

|  | ←                          | Attributable to owners of the Company                | →                             |
|--|----------------------------|--|-------------------------------|
|  | Share<br>Capital<br>RM'000 | Distributable Reserve<br>Retained Earnings<br>RM'000 | Total/Net<br>Equity<br>RM'000 |
| Balance as at 1 January 2015                   | 187,804                    | 117,340  | 305,144                       |
| Total comprehensive income for the year        | -                          | 16,048   | 16,048                        |
| Final dividend - Year Ended 31 December 2014   | -                          | (3,756)  | (3,756)                       |
| Interim dividend - Year Ended 31 December 2015 | -                          | (3,756)  | (3,756)                       |
| Balance as at 31 December 2015                 | <u>187,804</u>             | <u>125,876</u>                                       | <u>313,680</u>                |
| Balance as at 1 January 2014                   | 187,804                    | 98,794   | 286,598                       |
| Total comprehensive income for the year        | -                          | 25,951   | 25,951                        |
| Final dividend - Year Ended 31 December 2013   | -                          | (3,756)  | (3,756)                       |
| Interim dividend - Year Ended 31 December 2014 | -                          | (3,756)  | (3,756)                       |
| Reversal of deferred tax liabilities           | -                          | 107  | 107                           |
| Balance as at 31 December 2014                 | <u>187,804</u>             | <u>117,340</u>                                       | <u>305,144</u>                |

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statement.

**GROMUTUAL BERHAD**  
 (Company No. 625034 X)  
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 FOR THE QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

|  | <b>31 DEC 2015<br/>(Unaudited)</b> | <b>31 DEC 2014<br/>(Audited)</b> |
|--|------------------------------------|----------------------------------|
|  | <b>RM'000</b>                      | <b>RM'000</b>                    |
| <b>CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES</b>        |                                    |                                  |
| Receipts from customers                                      | 83,049                             | 100,759                          |
| Payments to suppliers and employees                          | <u>(61,004)</u>                    | <u>(58,378)</u>                  |
| Cash From Operations   | 22,045                             | 42,381                           |
| Finance costs paid   | (2,192)                            | (2,123)                          |
| Taxes paid   | (8,515)                            | (8,610)                          |
| Taxes refund   | <u>353</u>                         | <u>93</u>                        |
| Net Cash From Working Capital                                | 11,691                             | 31,741                           |
| Additions to Land held for property development              | <u>(21,601)</u>                    | <u>(15,130)</u>                  |
| Net Cash (Used In) From Operating Activities                 | <u>(9,910)</u>                     | <u>16,611</u>                    |
| <b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>        |                                    |                                  |
| Proceeds from disposal of investment properties              | 6,580                              | -                                |
| Proceeds from disposal of PPE                                | 60                                 | 259                              |
| Other investments  | 517                                | 333                              |
| Additions to property, plant and equipment                   | (562)                              | (285)                            |
| Additions to investment properties                           | <u>(2,616)</u>                     | <u>(1,156)</u>                   |
| Net Cash From (Used In) Investing Activities                 | <u>3,979</u>                       | <u>(849)</u>                     |
| <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>               |                                    |                                  |
| Proceeds from bank borrowings                                | 16,586                             | -                                |
| Repayment of bank borrowings                                 | (13,317)                           | (11,423)                         |
| Dividend paid  | <u>(7,512)</u>                     | <u>(7,512)</u>                   |
| Net Cash Used In Financing Activities                        | <u>(4,243)</u>                     | <u>(18,935)</u>                  |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>             | <b>(10,174)</b>                    | <b>(3,173)</b>                   |
| <b>CASH AND CASH EQUIVALENTS AS OF<br/>BEGINNING OF YEAR</b> | <u><b>6,649</b></u>                | <u><b>9,822</b></u>              |
| <b>CASH AND CASH EQUIVALENTS AS OF<br/>END OF YEAR</b>       | <u><u><b>(3,525)</b></u></u>       | <u><u><b>6,649</b></u></u>       |
| Cash and cash equivalents comprise of:                       |                                    |                                  |
| Fixed deposits with licenced bank                            | 1,118                              | 886                              |
| Cash and bank balances                                       | 38,789                             | 39,525                           |
| Bank overdraft   | (42,314)                           | (32,876)                         |
| Less : Fixed deposits pledged to banks                       | <u>(1,118)</u>                     | <u>(886)</u>                     |
|  | <u><u><b>(3,525)</b></u></u>       | <u><u><b>6,649</b></u></u>       |

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

**GROMUTUAL BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**UNAUDITED QUARTERLY REPORT**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

**A EXPLANATORY NOTES IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

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

The accounting policies and presentation adopted by the Group in this financial statement are consistent with those adopted in the latest audited financial statements of the Group for the financial year ended 31 December 2014, except for the following revised and amendments to Financial Reporting Standards (“FRSs”) that are effective for annual periods beginning on or after 1 January 2015:

**Adoption of revised and amendments to FRSs**

|                       |   |
|-----------------------|---|
| Amendments to FRS 119 | Defined Benefit Plan: Employee Contributions  |
| Amendments to FRSs    | Annual Improvements to FRSs 2010 – 2012 cycle |
| Amendments to FRSs    | Annual Improvements to FRSs 2011 – 2013 cycle |

The adoption of abovementioned Standards do not have significant financial impact on the financial statements of the Group and of the Company.

**New and Revised FRSs in issue but not yet effective**

The Group and the Company have not adopted the following revised and amendments to FRSs which have been issued but not yet effective:

|   |  | Effective for annual periods beginning on or <u>after</u> |
|---|--|---|
| FRS 9   | Financial Instruments  | 1 January 2018  |
| Amendments to FRS 10, FRS 12 and FRS 128      | Investment Entities: Applying the Consolidation Exception            | 1 January 2016  |
| Amendments to FRS 101                         | Disclosure Initiative  | 1 January 2016  |
| Amendments to FRS 116 and FRS 138             | Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016  |
| Annual Improvements to FRSs 2012 – 2014 cycle |  | 1 January 2016  |

There will have no material impact on the financial statements of the Group and the Company in the period of initial application.

### **Malaysian Financial Reporting Standards**

On 19 November 2011, MASB has 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 shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities (“TEs”).

TEs, 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 MFRS Framework until such time as mandated by MASB. On 2 September 2014, MASB issues the MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants* and announced that TEs which have chosen to continue with FRS Framework is required to adopt the MFRS Framework latest by 1 January 2017. However, following the announcement by MASB on 28 October 2015, the effective date of MFRS 15 is now deferred to annual periods beginning on or after 1 January 2018.

The Group and the Company being TEs have availed themselves of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group and the Company will be required to prepare its first set of MFRS financial statements for the financial year ending 31 December 2018.

The directors anticipate that the adoption of the other MFRSs will have no material impact on the financial statements in the period of initial application except as discussed below:

#### **MFRS 15 Revenue from Contracts with Customers**

The directors of the Group and of the Company anticipate that the application of MFRS 15 in the future may have impact on the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 at this early stage.

#### **A2. Seasonal or Cyclical Factors**

The Group’s operations are not significantly affected by any seasonal or cyclical factors.

#### **A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the current quarter and financial year to date results.

#### **A4. Significant Changes in Accounting Estimates**

There were no changes in estimates that have any material effect on the current quarter and financial year to date results.

#### **A5. Issuance and Repayment of Debts and Equity Securities**

There are no issuance and repayment of debts and equity securities during the current quarter and the financial year to date.



**A6. Dividend Paid**For the financial year ended 31 December 2014

The single tier final dividend of 2%, amounting to RM3,756,080 in respect of the financial year ended 31 December 2014 which was approved by shareholders at the 12<sup>th</sup> Annual General Meeting held on 25 May 2015 had been paid on 9 July 2015 to shareholders whose names appeared in the Record of Depositors at the close of business on 15 June 2015.

For the financial year ended 31 December 2015

At Board of Directors' meeting held on 23 November 2015, the Board of Directors declared an interim single tier dividend of 2%, amounting to RM3,756,079 for the financial year ending 31 December 2015. The dividend had been paid on 23 December 2015 to shareholders whose name appears in the Record of Depositors at the close of business on 8 December 2015.

**A7. Segmental Reporting**

For management purposes, the Group is organised into the following reportable operating segments based on their products and services and same similar economic characteristics:

- Property development (include construction contracts)
- Property management (include rental of properties)
- Others (includes small plantation business and Group-level corporate services and treasury functions)

Segment information in respect of the Group's business segments for the financial year ended 31 December 2015 is as follow:

|                                | <b>Property<br/>development<br/>RM</b> | <b>Property<br/>management<br/>RM</b> | <b>Others<br/>RM</b> | <b>Elimination<br/>RM</b> | <b>Consolidated<br/>RM</b> |
|--------------------------------|--|---------------------------------------|----------------------|---------------------------|----------------------------|
| <b>Revenue</b>                 |  |                                       |                      |                           |                            |
| External sales                 | 60,931,481                             | 9,306,838                             | 1,072,682            | -                         | 71,311,001                 |
| Inter-segment income           | 4,791,491                              | 108,000                               | 14,738,770           | (19,638,261)              | -                          |
| Total revenue                  | <u>65,722,972</u>                      | <u>9,414,838</u>                      | <u>15,811,452</u>    | <u>(19,638,261)</u>       | <u>71,311,001</u>          |
| <b>Results</b>                 |  |                                       |                      |                           |                            |
| Investment revenue             | 486,667                                | 3,073                                 | 26,936               | -                         | 516,676                    |
| Finance costs                  | 70,404                                 | 554,111                               | 19,756               | -                         | 644,271                    |
| Depreciation                   | 255,494                                | 326,385                               | 189,635              | -                         | 771,514                    |
| Unallocated corporate expenses | -                                      | -                                     | 1,237,331            | -                         | 1,237,331                  |
| Profit before tax              | <u>17,347,417</u>                      | <u>7,280,031</u>                      | <u>11,919,870</u>    | <u>(14,736,915)</u>       | <u>21,810,403</u>          |

|   | Property<br>development<br>RM | Property<br>management<br>RM | Others<br>RM | Elimination<br>RM | Consolidated<br>RM |
|---|-------------------------------|------------------------------|--------------|-------------------|--------------------|
| <b>Assets</b>                             |                               |                              |              |                   |                    |
| Addition to investment properties         | -                             | 1,914,798                    | -            | 701,244           | 2,616,042          |
| Addition to property, plant and equipment | 575,017                       | 262,197                      | 25,000       | -                 | 862,214            |
| Segment assets                            | 307,029,776                   | 105,092,727                  | 24,072,703   | (20,544,691)      | 415,650,515        |
| Unallocated corporate assets              |                               |                              |              |                   | 892,537            |
| Consolidated assets                       |                               |                              |              |                   | 416,543,052        |
| <b>Liabilities</b>                        |                               |                              |              |                   |                    |
| Segment liabilities                       | 83,815,879                    | 25,490,633                   | 14,957,523   | (21,688,227)      | 102,575,808        |
| Unallocated liabilities                   |                               |                              |              |                   | 287,500            |
| Consolidated liabilities                  |                               |                              |              |                   | 102,863,308        |

**A8. Subsequent Material Events**

There were no material events subsequent to the end of the current quarter.

**A9. Changes in the Composition of the Group**

There is no change in the composition of the Group for the current quarter and financial year to date.

**A10. Commitment for Expenditure**

There is no outstanding capital commitment as at the end of the current quarter.

**A11. Significant Related Party Transactions**

The Group had the following transactions during the financial year with related parties:

|   | Year to Date<br>31 December 2015<br>RM'000 |
|---|--|
| <u>With a company in which certain directors have substantial interest</u>                  |  |
| Rental income   | 398  |
| <u>With companies in which certain directors and substantial shareholders have interest</u> |  |
| Purchase of properties  | 10,210                                     |
| <u>With directors or persons connected to directors</u>                                     |  |
| Sales of properties   | 3,667                                      |

The above transactions had been entered into in the normal course of business under commercial terms on willing buyer and willing seller basis that are not materially different from those obtainable in transactions with independent parties.

## **B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF THE BURSA SECURITIES**

### **B1. Review of the Performance**

- (a) Performance of the current quarter against the preceding year corresponding quarter

For the current quarter under review, the Group recorded revenue and profit before tax of RM18.629 million and RM4.694 million respectively, representing a 26.9% decline from previous year's corresponding quarter revenue of RM25.477 million and a 69.5% decline in profit before tax from RM15.384 million.

The performance of the Group's operating segments was as follows:

#### Property Development

The property development segment saw a decrease of 30.6% in revenue to RM16.002 million compared to RM23.071 million previously; whilst the segment's profit before tax declined by 28.5% to RM3.820 million, from RM5.344 million previously. The decrease was because of the weak market sentiment in the property sector and the timing of the Group of its new property launches in the year under review.

#### Property Management

The property management segment registered a 9.0% increase in rental revenue at RM2.356 million during the quarter under review, compared to previous corresponding quarter's RM2.161 million. Nevertheless, this segment's profit before tax decreased by 89.1% to RM1.062 million, compared to RM9.746 million previously due to the fair value gain on investment properties of RM9.032 million recognised in previous corresponding quarter.

- (b) Performance of the current year against the preceding year

For the current financial year ended 31 December 2015, the Group recorded a revenue of RM71.311 million and profit before tax of RM21.811 million, versus revenue of RM86.396 million and profit before tax of RM33.068 million of the previous financial year.

#### Property Development

The fewer launches of residential and industrial properties and the weak market sentiment led to the property development segment's revenue to decrease by 20.7% to RM60.932 million from RM76.797 million previously. In tandem with this, profit before tax declined 26.6% to RM15.553 million, compared to previous financial year's RM21.203 million.

#### Property Management

The improved occupancy rate enabled the property management segment to register 10.7% higher rental revenue of RM9.307 million, compared to RM8.404 million of the previous financial year. However, this segment's profit before tax decreased 43.1% from RM12.800 million to RM7.280. The higher overall profit for the previous year was mainly due to the recognition of fair value gain on investment properties of RM9.032 million.

**B2. Comparison with Immediate Preceding Quarter's Results**

Compared to the preceding quarter's results ended 30 September 2015, the Group's revenue recorded 37.4% higher revenue, from RM13.558 million to RM18.629 million, as a result of the faster construction progress of its high-rise project.

The Group recorded 11.4% higher overall profit before tax to RM4.694 million for the current quarter under review, compared to the preceding quarter's RM4.214 million due to a gain on disposal of investment property of RM1.496 million recognised in the immediate preceding quarter.

**B3. Prospects**

The property sector is anticipated to be still challenging for 2016. Nonetheless, the Group will continue to time its launches appropriately and align its property development offerings to market demand.

At the same time, the Group will continue to explore the necessary measures to further enhance the scope of property management services in order to tap into the captive demand.

Overall, the Group is expected to achieve satisfactory performance for the financial year ending 31 December 2016.

**B4. Profit for the year**

|  | <b>Current Quarter<br/>31 December 2015<br/>RM'000</b> | <b>Year to Date<br/>31 December 2015<br/>RM'000</b> |
|--|--|---|
| Profit for the year is arrived at after crediting/(charging):-     |  |   |
| Interest income  | 82   | 517   |
| Other income including investment income                           | 395  | 882   |
| Interest expense   | (107)  | (644)   |
| Depreciation and amortization                                      | (203)  | (772)   |
| Write off of receivable  | (14)   | (14)  |
| Reversal of impairment loss for land held for property development | 63   | 63  |
| Gain on disposal of investment property                            | -  | 2,598   |
|  | <u>-</u>   | <u>2,598</u>  |

Other than the above items, there were no other allowance for impairment and write off of receivables, allowance for impairment and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives for the current quarter and financial year to date.

**B5. Profit forecast or profit guarantee**

No profit forecast or profit guarantee was issued for the financial year.

**B6. Taxation**

|                    | <b>Current Quarter<br/>31 December 2015<br/>RM'000</b> | <b>Year to Date<br/>31 December 2015<br/>RM'000</b> |
|--------------------|--|---|
| Income Tax         |  |   |
| - Current Year     | (1,140)  | (6,083)   |
| Deferred Tax       |  |   |
| - Current Year     | (5)  | 320   |
|                    | <u>(1,145)</u>   | <u>(5,763)</u>                                      |
| Profit Before Tax  | 4,694  | 21,811  |
| Effective tax rate | 24.4%  | 26.4%   |

The effective rate of the Group for the current quarter is lower than the statutory tax rate as certain income of the subsidiary companies are not assessable for tax purposes. Nevertheless, the effective rate of the Group for the financial year is higher than the statutory tax rate as certain expense of the subsidiary companies are not deductible for tax purposes.

**B7. Status of Corporate Proposals**

There is no corporate proposal announced and not completed as of the date of this announcement.

**B8. Borrowings**

The Group's borrowings as of the end of the reporting quarter are as follows:

|            | <b>Secured<br/>RM'000</b> | <b>Unsecured<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------|---------------------------|-----------------------------|-------------------------|
| Short term | 45,227                    | -                           | 45,227                  |
| Long term  | 12,292                    | -                           | 12,292                  |
| Total      | <u>57,519</u>             | <u>-</u>                    | <u>57,519</u>           |

**B9. Material Claims**

The Kuala Lumpur High Court on 27 November 2015 had dismissed the Company's claim against a vendor for specific performance as per the Sales and Purchase Agreement dated 7 June 2011 in respect to the Company's purchase of land. The Company has filed the appeal against the High Court's judgement. The Board of Directors is of the view that the appeal would not have any material financial impact to the Group and the Company other than the fee payable for counsels which would not expect to be material.

**B10. Proposed Dividend**

The Board of Directors do not propose any payment of final dividend in respect of the current financial year.

**B11. Earnings Per Share**

The number of ordinary shares used in the computation of EPS is as follows:

|   | <b>Current Quarter<br/>31 December 2015</b> | <b>Year to Date<br/>31 December 2015</b> |
|---|---|--|
| Profit for the year                                 | RM 3,548,420                                | RM 16,047,879                            |
| Issued and paid up share capital                    | RM 187,803,980                              | RM 187,803,980                           |
| Weighted average number of ordinary shares in issue | 375,607,960                                 | 375,607,960                              |
| Basic earnings per share (sen)                      | 0.94 sen                                    | 4.27 sen                                 |

**B12. Audit Qualification**

The audited financial statements of the Group for the financial year ended 31 December 2014 were not subject to any audit qualifications.

**B13. Retained Earning**

|  | <b>As of<br/>31 December 2015<br/>RM'000</b> | <b>As of<br/>31 December 2014<br/>RM'000</b> |
|--|--|--|
| Realised   | 189,058                                      | 176,921                                      |
| Unrealised   | 32,168                                       | 33,951                                       |
|  | <hr/>  | <hr/>  |
| Consolidation adjustment                                   | 221,226<br>(95,350)                          | 210,872<br>(93,532)                          |
|  | <hr/>  | <hr/>  |
| Total Group retained earnings as per consolidated accounts | <hr/><br>125,876                             | <hr/><br>117,340                             |