

AYS VENTURES BERHAD (Company No.925171-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012
(The figures have not been audited)**

	Individual quarter		Cumulative quarter	
	30-Sep-12 RM'000	30-Sep-11 RM'000	30-Sep-12 RM'000	30-Sep-11 RM'000
Revenue	161,961	NA	308,519	NA
Operating expenses	(155,571)	NA	(298,010)	NA
Impairment losses on goodwill	-	NA	(5,803)	NA
Transaction costs related to the restructuring scheme	(32)	NA	(1,805)	NA
Other income	887	NA	3,370	NA
Operating profit/(Loss)	7,245	NA	6,271	NA
Interest expenses	(1,880)	NA	(3,791)	NA
Profit/(Loss) before tax	5,365	NA	2,480	NA
Tax expenses	(1,487)	NA	(2,663)	NA
Profit / (Loss) for the period	3,878	NA	(183)	NA
Other comprehensive income, net of tax	-	NA	-	NA
Total comprehensive income/(loss) for the period	3,878	NA	(183)	NA
Profit/(Loss) attributable to:				
- Owners of the parent	3,885	NA	(186)	NA
- Non-controlling interests	(7)	NA	3	NA
Profit for the period	3,878	NA	(183)	NA
Total comprehensive income/(loss) attributable to:				
- Owners of the parent	3,885	NA	(186)	NA
- Non-controlling interests	(7)	NA	3	NA
Total comprehensive income/(loss) for the period	3,878	NA	(183)	NA
Earnings/(Loss) per share:				
- Basic (sen)	1.05	NA	(0.05)	NA
- Diluted (sen)	NA	NA	NA	NA

NOTES :

- NA denotes not applicable.
- No comparative figures are presented as this is the first year interim financial report on consolidated basis being prepared and announced after the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 09 May 2012.
- The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the proforma consolidated financial statements for the financial year ended 31 March 2011 as disclosed in the Explanatory Statement-cum-Circular to Shareholders of NV Multi Corporation Berhad ("NV Multi") dated 10 February 2012 (which was announced by NV Multi on 10 February 2012) and the Prospectus of the Company dated 08 May 2012 and the accompanying notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

	Unaudited As at 30-Sep-12 RM'000	Audited As at 31-Mar-12 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	38,271	
Investment properties	4,398	
Other investment	5	
Goodwill on consolidation	4,460	
Total non-current assets	<u>47,134</u>	<u>-</u>
Current assets		
Inventories	125,197	
Receivables	162,845	1,498
Fixed deposits	39,052	
Cash & bank balances	17,998	
Total current assets	<u>345,092</u>	<u>1,498</u>
TOTAL ASSETS	<u>392,226</u>	<u>1,498</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	190,209	*Note 1
Retained profits	119,021	(26)
Merger Deficit	(153,706)	
Capital reserve	3,595	
	<u>159,119</u>	<u>(26)</u>
Non-controlling interests	731	
Total equity	<u>159,850</u>	<u>(26)</u>
LIABILITIES		
Non-current liabilities		
Long term borrowings	5,668	
Deferred tax liabilities	311	
Total non-current liabilities	<u>5,979</u>	<u>-</u>
Current liabilities		
Payables	29,162	1,524
Short term borrowings	195,977	
Taxation	1,258	
Total current liabilities	<u>226,397</u>	<u>1,524</u>
Total liabilities	<u>232,376</u>	<u>1,524</u>
TOTAL EQUITY AND LIABILITIES	<u>392,226</u>	<u>1,498</u>
Net assets per share attributable to owners of the parent (RM)	0.43	NA

NOTES :

- The audited figures as at 31 March 2012 refer to AYS Ventures Berhad company level prior to the Restructuring Scheme.
- No comparative figures are presented as this is the first year interim financial report on consolidated basis being prepared and announced after the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 09 May 2012.
- The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the proforma consolidated financial statements for the financial year ended 31 March 2011 as disclosed in the Explanatory Statement-cum-Circular to Shareholders of NV Multi Corporation Berhad ("NV Multi") dated 10 February 2012 (which was announced by NV Multi on 10 February 2012) and the Prospectus of the Company dated 08 May 2012 and the accompanying notes attached to this interim financial report.

*Note 1 : Share capital of RM4.00.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012**
(The figures have not been audited)

	6 months ended	
	30-Sep-12 RM'000	30-Sep-11 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	2,480	N/A
Adjustments for:		
Non-cash items	5,810	N/A
Interest expense	3,791	N/A
Interest income	(940)	N/A
Operating profit before working capital changes	<u>11,141</u>	<u>N/A</u>
Changes in working capital:		
Payables	(33,963)	N/A
Inventories	3,779	N/A
Receivables	(16,744)	N/A
Cash used in operations	<u>(35,787)</u>	<u>N/A</u>
Tax paid	(2,558)	N/A
Net cash (used in)/generated from operations	<u>(38,345)</u>	<u>N/A</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Sales proceeds from disposal of property, plant and equipment	1,930	N/A
Purchase of property, plant and equipment	(977)	N/A
Interest received	940	N/A
Net cash flow in acquired of subsidiaries	11,988	N/A
Net cash generated from/(used in) investing activities	<u>13,881</u>	<u>N/A</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(3,791)	N/A
Fixed deposits	3,121	N/A
Borrowings	38,755	N/A
Proceeds from issue of shares	9,000	N/A
Net cash generated from/(used in) financing activities	<u>47,085</u>	<u>N/A</u>
CASH AND CASH EQUIVALENTS		
Net changes	22,621	N/A
At beginning of financial year	-	N/A
At end of financial period	<u>22,621</u>	<u>N/A</u>
Cash and cash equivalents comprise the following :		
Cash and bank balances	17,998	N/A
Fixed deposits	39,052	N/A
Less: Bank overdrafts	(1,071)	N/A
	<u>55,979</u>	<u>N/A</u>
Less: Fixed deposits pledged	(33,358)	N/A
	<u>22,621</u>	<u>N/A</u>

NOTES :

- NA denotes not applicable.
- No comparative figures are presented as this is the first year interim financial report on consolidated basis being prepared and announced after the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 09 May 2012.
- The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the proforma consolidated financial statements for the financial year ended 31 March 2011 as disclosed in the Explanatory Statement-cum-Circular to Shareholders of NV Multi Corporation Berhad ("NV Multi") dated 10 February 2012 (which was announced by NV Multi on 10 February 2012) and the Prospectus of the Company dated 08 May 2012 and the accompanying notes attached to this interim financial report.

AYS VENTURES BERHAD (Company No.925171-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012

(The figures have not been audited)

	Attributable to owners of parent						Total equity RM'000
	Non-distributable			Distributable		Non-controlling interests RM'000	
	Share capital RM'000	Capital reserve RM'000	Merger deficit RM'000	Retained profits RM'000	Total RM'000		
At 1 April 2012			*Note 1	(26)	(26)		(26)
Arising from the restructuring scheme	190,209	3,595	(153,706)	119,233	159,331	728	160,059
Total comprehensive income/(loss) for the financial period				(186)	(186)	3	(183)
At 30 September 2012	190,209	3,595	(153,706)	119,021	159,119	731	159,850

a. The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the proforma consolidated financial statements for the financial year ended 31 March 2011 as disclosed in the Explanatory Statement-cum-Circular to Shareholders of NV Multi Corporation Berhad ("NV Multi") dated 10 February 2012 (which was announced by NV Multi on 10 February 2012) and the Prospectus of the Company dated 08 May 2012 and the accompanying notes attached to this interim financial report.

*Note 1 : Share capital of RM4.00.

AYS VENTURES BERHAD (925171-T)
(Incorporated in Malaysia)

INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

EXPLANATORY NOTES

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS"), MFRS134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Bhd ("Bursa Securities").

This is the first year interim financial report on consolidated basis being prepared and announced by the Company in compliance with the Listing Requirements, as such, there is no comparative figure for the preceding year's corresponding quarter and period.

The interim financial statements should be read in conjunction with the proforma consolidated financial statements for the nine (9) months period ended 31 December 2011 as disclosed in the Prospectus of the Company dated 08 May 2012 and the accompanying notes attached to this interim financial report. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

The audited financial statements of the Group for the financial year ended 31 March 2012 were prepared in accordance with Financial Reporting standards ("FRS"). The Group has adopted the MFRS Framework issued by the Malaysian Accounting Standards Board effective 1st April 2012 in order to fully converge Malaysia's existing FRS Framework with the International Financial Reporting Standards ("IFRS") Framework issued by the International Accounting Standards Board ("IASB").

These interim financial statements are the Group's first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The adoption of the relevant MFRSs has no significant impact on the financial statements of the Group.

Below are the lists of MFRSs, Amendments to MFRSs and IC Interpretations ("IC Int") issued but not yet effective and have not been early adopted by the Company:-

Effective for financial periods beginning on or after 1 July 2012

Amendments to MFRS 101

Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013

Amendments to MFRS 7

Disclosures - Offsetting Financial Assets and Financial Liabilities

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 132
Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2015

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)

3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no audit qualification on the audit report of the preceding reports and financial statements.

4. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

Except for the major festive seasons when activities slow down, the pace of the Company's business generally moves in tandem with the performance of the economy.

5. NATURE AND AMOUNT OF UNUSUAL ITEMS

There were no items of unusual nature, size or incidence which affect the assets, liabilities, equity, net income or cash flows during the current quarter under review.

6. NATURE AND AMOUNT OF CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect on the current quarter results.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the current quarter under review.

8. DIVIDEND PAID

There were no dividends paid during the financial period-to-date.

9. SEGMENTAL INFORMATION

The segment revenue, segment results and segment assets for the financial period ended 30 September 2012 were as follows:

	Trading RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External sales	282,363	26,156	-	-	308,519
Inter-company transactions	2,778	1,208	-	(3,986)	-
Total Sales	<u>285,141</u>	<u>27,364</u>	<u>-</u>	<u>(3,986)</u>	<u>308,519</u>
RESULTS					
Segment results	11,350	2,118	(529)	-	12,939
Less:					
Impairment of goodwill					5,803
Cost related to the restructuring scheme					1,805
Finance cost					3,791
Interest income					(940)
Taxation					2,663
Profit/(Loss) for the period					<u>(183)</u>
ASSETS	<u>344,773</u>	<u>52,004</u>	<u>22,386</u>	<u>(32,888)</u>	<u>386,275</u>
LIABILITIES	<u>241,383</u>	<u>20,530</u>	<u>917</u>	<u>(32,023)</u>	<u>230,807</u>

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT, PREPAID LEASE, PAYMENT AND INVESTMENT PROPERTIES

The costs of property, plant and equipment, prepaid lease payments and investment properties have been brought forward without amendments from the previous reports and financial statements.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There has not arisen in the interval between the end of the current quarter under review and the date of this report, any item, transaction or event of a material and unusual nature likely in the opinion of the Board of Directors, to affect substantially the results of the operations of the Group for the current quarter.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current quarter under review.

13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last reports and financial statements.

14. CAPITAL COMMITMENTS

The capital commitments as at 30 September 2012 were as follows:

Commitments in respect of capital expenditure	RM'000
(a) Contracted but not provided for	1,805
(b) Approved but not contracted for	20,598

15. COMMENTARY ON FINANCIAL PERFORMANCE

For the second quarter period ended 30 September 2012, the Group recorded revenue of RM161.961 million which was mainly derived from trading and manufacturing divisions of RM148.606 million and RM13.355 million respectively. For the first half of financial year ended 2013, the Group's revenue was RM308.519 million which was mainly derived from trading and manufacturing divisions of RM282.363 million and RM26.156 million respectively. The improved revenue in the current quarter under review was mainly due to higher sales volume contributed by both trading and manufacturing divisions despite lower steel prices experienced due to competition with a weak global steel market experienced during the quarter.

The Group recorded a profit before tax ("PBT") of RM5.365 million for the current quarter mainly contributed by PBT of the trading and manufacturing divisions of RM4.869 million and RM0.839 million respectively. On a year-to-date basis, the Group recorded a PBT of RM2.480 million after incorporating the one-off impairment losses on goodwill of RM5.803 million and the recognition of the transaction costs relating to the restructuring scheme of RM1.805 million during the first quarter. Excluding these one-off expenses, the Group would registered an operational year-to-date PBT of RM10.088 million mainly contributed by PBT of the trading and manufacturing divisions of RM8.437 million and RM2.126 million respectively.

16. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	3 months ended	
	30/09/2012	30/06/2012
	RM'000	RM'000
Revenue	161,961	146,558
PBT/(LBT)	5,365	(2,885)

The Group recorded revenue of RM161.961 million in the current quarter which was RM15.403 million or 10.51% higher than the revenue of RM146.558 million for the preceding quarter mainly attributable to higher sales volume contributed from the trading and manufacturing division. The Group registered a PBT of RM5.365 million in the current quarter compared to a loss before tax ("LBT") of RM2.885 million in the preceding quarter mainly attributable to the one-off impairment losses on goodwill of RM5.803 million and the recognition of the transaction costs relating to the restructuring scheme of RM1.773 million in the preceding quarter. Excluding these one-off expenses, the Group current quarter's operational PBT of RM5.397 million would be RM0.706 million higher compared to that of RM4.691 million in the preceding quarter mainly attributable to higher sales volume of steel products from both the trading and manufacturing divisions despite lower selling prices.

17. PROSPECTS

The domestic macro economy outlook remains stable despite the global economy is experiencing slow growth. The domestic demand especially for the engineering steels continue to show resilience, particularly derived demand from major infrastructure projects and encouraging private consumption and investments. However with the weaker international steel prices experienced due to the slow growth and thus demand globally, for the remaining quarters of the year the Group is expected to experience higher level of competition which may impact on the Group's ability to achieve its internal revenue growth target of 30%. After considering all factors, the Group has revised downward its internal growth target for its current year's revenue to 20% from that of the proforma performance of the last financial year. Despite this revision of internal growth target, barring unforeseen circumstances the Group is expected to maintain a satisfactory performance in the second half of the financial year.

18. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The Group did not issue any profit forecast or profit guarantee for the financial year ended 31 March 2013.

19. TAXATION

The tax figures comprise of:

	6 months ended
	30-Sep-12
	RM'000
Income tax	
- Current year taxation	2,721
Deferred tax	(58)
	<u>2,663</u>

The Group's effective tax rate for the current quarter and year-to-date under review are higher compared to statutory tax rate of 25% mainly due to certain expenses which are not deductible for tax purposes. The non-deductible expenses mainly included the impairment losses on goodwill and the recognition of the transaction costs relating to the restructuring scheme.

20. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the latest practical date from the issuance of this report.

(a) Utilisation of Proceeds from Proposed Restricted Issue

The gross proceeds of RM9.000 million from the Proposed Restricted Issue has been utilised in the following manner:-

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation RM'000	Explanation
(i)	Working capital	7,000	7,000	Within 3 months from the receipt of proceeds	-	N/A
(ii)	Defraying estimated expenses of the Restructuring Scheme	2,000	2,319	Within 3 months from the receipt of proceeds	319	The deviation has been funded by internal generated funds

21. BORROWINGS

The Group's borrowings as at 30 September 2012 are as follows:

	30.09.2012
	RM'000
<u>Short Term borrowings</u>	
Secured	195,977
<u>Long Term borrowings</u>	
Secured	5,668
Total borrowings	<u><u>201,645</u></u>

The Group's borrowings are denominated in Ringgit Malaysia except for approximately RM56.247 million (USD18.345 million) of the above borrowings which are denominated in United States Dollars.

22. MATERIAL LITIGATION

There was no material litigation for the quarter under review.

23. DIVIDEND

The Board of Directors does not recommend any dividend for the current quarter under review.

24. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the number of weighted average number of ordinary shares of the Company in issue for the respective period as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Profit/(Loss) attributable to owners of the parent (RM'000)	3,885	NA	(186)	NA
Weighted average number of ordinary shares in issue ('000)	370,583	NA	370,583	NA
Basic earnings/(loss) per share (sen)	1.05	NA	(0.05)	NA

Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the current quarter/period-to-date as there are no potential ordinary shares to be issued.

25. REALISED AND UNREALISED PROFIT/(LOSS)

	6 months ended
	30.09.2012
	RM'000
Total retained profits of the Group:	
- Realised	118,918
- Unrealised profit /(loss)	103
Less: Consolidation adjustments	-
Total Group retained profits as per condensed consolidated statements of financial position	119,021

26. INCLUDED IN THE TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ARE THE FOLLOWINGS:

	3 months ended 30.09.2012 RM'000	Cumulative 6 months ended 30.09.2012 RM'000
Interest Income	310	940
Other Income including Investment Income	636	1,096
Interest Expenses	1,880	3,791
Depreciation & Amortisation	612	1,163
Provision for/Write off of Receivables	172	319
Provision for/Write off of Inventories	N/A	N/A
Gain/(Loss) on disposal of Quoted and Unquoted Investment or Properties	29	1,095
Impairment of Assets	N/A	N/A
Gain/(Loss) on Foreign Exchange		
- Realised	507	(76)
- Unrealised	597	103
Gain/(Loss) on Derivatives	N/A	N/A
Impairment of Goodwill	0	5,803
Transaction costs relating to the restructuring scheme	32	1,805

27. AUTHORISATION FOR ISSUE

The Interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 28th November 2012.

By Order of the Board
 Leong Oi Wah (MAICSA 7023802)
 Company Secretary
 28th November 2012
 Selangor Darul Ehsan