

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

|  | INDIVIDUAL QUARTER                    |   | CUMULATIVE QUARTER   |  |
|--|---------------------------------------|---|--|--|
|  | CURRENT PERIOD<br>31-Mac-12<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>31-Mac-11<br>RM'000 | 3 MONTHS<br>CURRENT YEAR<br>TO DATE<br>31-Mac-12<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>31-Mac-11<br>RM'000 |
| Revenue  | 82,235                                | N/A   | 82,235   | N/A  |
| Cost of sales  | (65,948)                              | N/A   | (65,948)   | N/A  |
| Gross profit   | 16,287                                | N/A   | 16,287   | N/A  |
| Other income   | 319                                   | N/A   | 319  | N/A  |
| Operating costs  | (6,528)                               | N/A   | (6,528)  | N/A  |
| Finance cost   | (967)                                 | N/A   | (967)  | N/A  |
| Profit before taxation   | 9,111                                 | N/A   | 9,111  | N/A  |
| Taxation   | (3,098)                               | N/A   | (3,098)  | N/A  |
| Profit for the financial period  | 6,013                                 | N/A   | 6,013  | N/A  |
| Other comprehensive income   | -                                     | N/A   | -  | N/A  |
| Total comprehensive income for the financial period                            | 6,013                                 | N/A   | 6,013  | N/A  |
| Attributable to:   |                                       |   |  |  |
| Owners of the parent   | 5,637                                 | N/A   | 5,637  | N/A  |
| Non-controlling interest   | 376                                   | N/A   | 376  | N/A  |
|  | 6,013                                 | N/A   | 6,013  | N/A  |
| Earnings per ordinary share attributable to owners of<br>of the parent (sen) : |                                       |   |  |  |
| - Basic  | 1.92                                  | N/A   | 1.92   | N/A  |
| - Diluted  | 1.92                                  | N/A   | 1.92   | N/A  |

Notes :

- The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 29 June 2012 and the accompanying notes attached to this interim financial report.*
- No comparative figures for the preceding year's corresponding period are available as this is the first interim financial report on the consolidated results of Gabungan AQRS Berhad ("Company") and its subsidiaries ("Group") announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Group was formed on 8 August 2011. Accordingly, the first audited consolidated results of the Group is for the financial period commencing 8 August 2011 to 31 December 2011.*

**GABUNGAN AQRS BERHAD**  
**(Company No. 912527-A)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

24 July 2012

|  | (UNAUDITED)<br>AS AT<br>31-Mar-12 | (AUDITED)<br>AS AT<br>31-DIS-11 |
|--|-----------------------------------|---------------------------------|
|  | <u>RM'000</u>                     | <u>RM'000</u>                   |
| <b>ASSETS</b>  |                                   |                                 |
| <b>Non-current assets</b>                                      |                                   |                                 |
| Property, plant and equipment                                  | 8,102                             | 8,485                           |
| Land held for property development                             | 31,598                            | 31,582                          |
| Other investments  | 2                                 | 2                               |
| Deferred tax assets  | 872                               | -                               |
|  | <u>40,574</u>                     | <u>40,069</u>                   |
| <b>Current assets</b>  |                                   |                                 |
| Property development costs                                     | 127,135                           | 113,215                         |
| Trade and other receivables                                    | 187,132                           | 204,225                         |
| Cash and cash equivalents                                      | 47,525                            | 50,955                          |
|  | <u>361,792</u>                    | <u>368,395</u>                  |
| <b>TOTAL ASSETS</b>  | <u>402,366</u>                    | <u>408,464</u>                  |
| <b>EQUITY AND LIABILITIES</b>                                  |                                   |                                 |
| <b>Equity attributable to owners of the parent</b>             |                                   |                                 |
| Share capital  | 73,380                            | 73,380                          |
| Retained earnings  | 54,514                            | 48,877                          |
|  | 127,894                           | 122,257                         |
| <b>Non-controlling interest</b>                                | 1,828                             | 1,452                           |
| <b>TOTAL EQUITY</b>  | <u>129,722</u>                    | <u>123,709</u>                  |
| <b>Non-current liabilities</b>                                 |                                   |                                 |
| Borrowings   | 47,361                            | 28,999                          |
| Deferred tax liabilities                                       | 2,259                             | 2,241                           |
|  | 49,620                            | 31,240                          |
| <b>Current liabilities</b>                                     |                                   |                                 |
| Trade and other payables                                       | 195,592                           | 197,782                         |
| Borrowings   | 9,377                             | 38,749                          |
| Current tax liabilities  | 18,055                            | 16,984                          |
|  | <u>223,024</u>                    | <u>253,515</u>                  |
| <b>TOTAL LIABILITIES</b>                                       | <u>272,644</u>                    | <u>284,755</u>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            | <u>402,366</u>                    | <u>408,464</u>                  |
| Net assets per share attributable to owners of the parent (RM) | 0.44                              | 0.42                            |

**Notes:**

- The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 29 June 2012 and the accompanying notes attached to this interim financial report.*
- No comparative figures for the preceding year's corresponding period are available as this is the first interim financial report on the consolidated results of the Group announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities. The Group was formed on 8 August 2011. Accordingly, the first audited consolidated results of the Group is for the financial period commencing 8 August 2011 to 31 December 2011.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2012

24 July 2012

| I--ATTRIBUTABLE TO OWNERS OF THE PARENT--I                                    |   |   |                 |  |                           |
|---|---|---|-----------------|--|---------------------------|
|   | Non-distributable<br>Share<br>capital<br>RM'000 | Distributable<br>Retained<br>earnings<br>RM'000 | Total<br>RM'000 | Non-<br>controlling-<br>interest<br>RM'000 | Total<br>equity<br>RM'000 |
| Balance as at 1 January 2012  | 73,380  | 48,877  | 122,257         | 1,452                                      | 123,709                   |
| Profit for the financial period/<br>Total comprehensive income for the period | -   | 5,637   | 5,637           | 376  | 6,013                     |
| Balance as at 31 March 2012   | 73,380  | 54,514  | 127,894         | 1,828                                      | 129,722                   |

Notes :

- 1 The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 29 June 2012 and the accompanying notes attached to this interim financial report.
- 2 No comparative figures for the preceding year's corresponding period are available as this is the first interim financial report on the consolidated results of the Group announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities. The Group was formed on 8 August 2011. Accordingly, the first audited consolidated results of the Group is for the financial period commencing 8 August 2011 to 31 December 2011.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2012**

|   | <b>Current<br/>Period<br/>Ended<br/>31-Mar-12<br/>RM'000</b> | <b>Preceding<br/>Period<br/>Ended<br/>31-Mar-11<br/>RM'000</b> |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |  |  |
| Profit before tax   | 9,111  | N/A  |
| Adjustments for :   |  |  |
| Depreciation of property, plant and equipment                         | 429  | N/A  |
| Impairment loss on goodwill   | 3  | N/A  |
| Interest expense  | 827  | N/A  |
| Interest income   | (124)  | N/A  |
| Gain on disposal of property, plant and equipment                     | (194)  | N/A  |
| Operating profit before changes in working capital                    | 10,052   | N/A  |
| Changes in working capital:   |  |  |
| Land held for property development                                    | (16)   | N/A  |
| Property development costs  | (13,920)   | N/A  |
| Trade and other receivables   | 17,092   | N/A  |
| Trade and other payables  | (2,193)  | N/A  |
| Cash generated from operating activities                              | 11,015   | N/A  |
| Interest paid   | (767)  | N/A  |
| Interest received   | 124  | N/A  |
| Tax paid  | (2,880)  | N/A  |
| Net cash from operating activities                                    | 7,492  | N/A  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                           |  |  |
| Purchase of property, plant and equipment                             | (129)  | N/A  |
| Proceeds from disposals of property, plant and equipment              | 363  | N/A  |
| Net cash from investing activities                                    | 234  | N/A  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |  |  |
| Placements of fixed deposits pledged                                  | (1,588)  | N/A  |
| Repayment to hire purchase creditors                                  | (186)  | N/A  |
| Repayment of bridging loan  | (375)  | N/A  |
| Repayment of term loans   | (1,773)  | N/A  |
| Interest paid   | (60)   | N/A  |
| Net cash used in financing activities                                 | (3,982)  | N/A  |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                      | 3,744  | N/A  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING<br/>OF FINANCIAL PERIOD</b> | 7,609  | N/A  |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL<br/>PERIOD</b>       | 11,353   | N/A  |

Cash and cash equivalents at the end of the financial period comprise the following:

|  | <b>As at<br/>31-Mar-12<br/>RM '000</b> | <b>As at<br/>31-Mar-11<br/>RM '000</b> |
|--|--|--|
| Deposits, bank and cash balances                                   | 47,525                                 | N/A                                    |
| Bank overdrafts (included within short term borrowings in Note 23) | (3,349)                                | N/A                                    |
| Less : Fixed deposits pledged as security                          | 44,176                                 | N/A                                    |
|  | (32,823)                               | N/A                                    |
| Total cash and cash equivalents                                    | 11,353                                 | N/A                                    |

**Notes**

- The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 29 June 2012 and the accompanying notes attached to this interim financial report.*
- No comparative figures for the preceding year's corresponding period are available as this is the first interim financial report on the consolidated results of the Group announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities. The Group was formed on 8 August 2011. Accordingly, the first audited consolidated results of the Group is for the financial period commencing 8 August 2011 to 31 December 2011.*

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirement of FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B Part A of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), and should be read in conjunction with the audited financial statements of the Company for the financial period ended 31 December 2011.

The interim financial report should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2011 as disclosed in the Prospectus of the Company dated 29 June 2012.

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 period ended 31 December 2011.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial period ended 31 December 2011.

**2. Changes in Accounting Policies**

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities, inter alia that are within the scope of IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

The Group falls within the scope of Transitioning Entities. Transitioning Entities are allowed to defer the adoption of the new MFRS Framework for an additional year. Consequently adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. The Group is currently in the process of assessing the impact of implementing the MFRS framework and expects to be in a position to fully comply with its requirements once effective for the financial year ending 31 December 2014. For the financial years ending 31 December 2012 and 2013, the Group will continue to prepare financial statements using applicable approved Financial Reporting Standards ("FRS") in Malaysia.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial period ended 31 December 2011, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs ("Amendments") and Issues Committee ("IC") Interpretations effective for the financial period commencing on 1 January 2012:

|                                    |  |
|------------------------------------|--|
| FRS 124                            | Related Party Disclosures  |
| Amendments to FRS 1                | Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters |
| Amendments to FRS 7                | Disclosures - Transfers of Financial Assets                              |
| Amendments to FRS 112              | Deferred Tax - Recovery of Underlying Assets                             |
| Amendments to IC Interpretation 14 | Prepayments of a Minimum Funding Requirement                             |
| IC Interpretation 19               | Extinguishing Financial Liabilities and Equity Instruments               |

The adoption of the above FRSs, Amendments and IC Interpretations do not have any material impact on the financial statements of the Group.

**3. Qualification of Financial Statements**

The auditors' report of the preceding audited financial statements was not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The Group's operations were not materially affected by any seasonal or cyclical factors.

**5. Nature and Amount of Unusual Items**

There were no unusual items for the current financial quarter under review.

**6. Nature and Amount of Changes in Estimates**

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current financial quarter under review.

**7. Issuance and Repayment of Debt and Equity Securities**

There was no issuance or repayment of debt and equity securities, share cancellations and resale of treasury shares during the current quarter under review.

**8. Dividends**

No dividend has been declared or paid during the current quarter under review.

9.

**Segmental Information**

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

- (i) Construction  
Securing and carrying out construction contracts.
- (ii) Property development  
Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

|  | Construction<br>RM'000 | Property<br>Development<br>RM'000 | Others<br>RM'000 | Total/Group<br>RM'000 |
|--|------------------------|-----------------------------------|------------------|-----------------------|
| <b>SEGMENT REVENUE</b>                       |                        |                                   |                  |                       |
| Total revenue                                | 88,099                 | 4,953                             | -                | 93,052                |
| Inter-segment sales                          | (10,817)               | -                                 | -                | (10,817)              |
| Revenue from external customers              | 77,282                 | 4,953                             | -                | 82,235                |
| Interest income                              | 81                     | 43                                | -                | 124                   |
| Finance costs                                | (93)                   | (874)                             | -                | (967)                 |
| Net finance expenses                         | (12)                   | (831)                             | -                | (843)                 |
| Depreciation                                 | (324)                  | (105)                             | -                | (429)                 |
| <b>Segment profit/(loss) before taxation</b> | 13,650                 | (4,308)                           | (231)            | 9,111                 |
| Taxation                                     | (3,766)                | 668                               | -                | (3,098)               |
| <b>Segment profit/(loss) for the period</b>  | 9,908                  | (3,664)                           | (231)            | 6,013                 |
| <b>Segment assets</b>                        | 182,052                | 219,017                           | 1,297            | 402,366               |
| <b>Segment liabilities</b>                   | 185,802                | 86,725                            | 117              | 272,644               |

**10. Valuation of Property, Plant and Equipment**

There is no valuation of property, plant and equipment performed in the current financial quarter.

**11. Acquisition/Disposal of Property, Plant and Equipment**

There was no material acquisition or disposal of property, plant and equipment during the current quarter under review.

**12. Material Subsequent Events**

Save as disclosed below, there were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group:

(a) On 16 April 2012, AQRS The Building Company Sdn. Bhd ("AQRS"), a subsidiary of the Company entered into a sale and purchase agreement to acquire a parcel of leasehold land ("Stylo Land") from two directors of our Company. Details of the acquisition are stated in Section 2.8 of our Prospectus dated 29 June 2012.

(b) On 29 June 2012, the Company issued its Prospectus in conjunction with its listing on the Main Market of Bursa Securities for:

- (i) Public Issue of
  - 18,000,000 ordinary shares of RM0.25 each in the Company ("Shares") for application by the Malaysian public (via balloting)
  - 32,000,000 Shares to selected investors via private placement
  - 6,000,000 Shares to Bumiputera investors via private placement
  - 6,000,000 Shares offered to Eligible Directors and employees of our Group and/or persons who have contributed to the success of our Group

(ii) Offer for Sale of 30,000,000 Shares to Bumiputera Investors

at an issue price of RM1.18 per Share and all have been subscribed.

The entire enlarged issued and paid-up share capital of the Company of 355,520,000 Shares is expected to be listed and quoted on the Main Market of Bursa Securities on 31 July 2012. As at the date of this report, the Company has yet to receive its listing proceeds.

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

There was no material change in the composition of the Group for the current financial quarter except for the following which was disclosed in Section 1.1 and Section 4.1.1 of our Prospectus dated 29 June 2012:

On 16 January 2012, the Group acquired the entire equity interest of Broad Virtual Sdn. Bhd. ("Broad Virtual"), a company incorporated in Malaysia. Broad Virtual is currently dormant and its intended principal activity is to provide facility management services and maintain the MSC status of the office towers in a subsidiary's development project known as "The Altium".

**GABUNGAN AQRS BERHAD**  
 (Company No: 912527 - A)  
 (Incorporated in Malaysia)

24 JULY 2012

**14. Capital Commitment**

31-Mar-2012  
 RM'000

Contracted but not provided for:

|                                      |            |
|--------------------------------------|------------|
| - Purchase of shares in a subsidiary | 340        |
| - Land held for property development | 164,278    |
| - Property, plant and equipment      | 433        |
|                                      | <u>433</u> |

**15. Contingent Liabilities**

Save as disclosed in Section 10.4.6 of our Prospectus dated 29 June 2012, the Directors of the Company are not aware of any material contingent liabilities or contingent assets that may impact the financial performance of the Group.

Details of contingent liabilities of the Group as at the date of issue of this report are as follows:

31-Mar-2012  
 RM'000

**Guarantees**

|   |                |
|---|----------------|
| Corporate guarantees given to financial institutions for credit facilities granted to third parties | 5,202          |
| Corporate guarantee given to a financial institution for credit facilities granted to a subsidiary  | 75,000         |
| Bank guarantees given by financial institutions in respect of construction and property projects    | 27,114         |
|   | <u>107,316</u> |

**16. Review of Performance**

For the current quarter under review, the Group recorded revenue of RM82.24 million and profit before taxation of RM9.11 million.

The Group's operating results and performance for the 3-month period was mainly contributed by its core construction business. The construction division contributed 95% of the Group's total revenue and the Group's entire profits. The results of the construction division for the current quarter are mainly due to additional billings in respect of major construction projects of the Group such as the proposed enhancement works along Lebuhraya Damansara-Puchong (Package C1) – Petaling Jaya Toll Plaza – Bandar Puchong Jaya and the Rebuilding Police Training Centre (PULAPOL) in Jempol, Negeri Sembilan.

During the quarter, the property development division recorded a loss before taxation of RM4.33 million mainly due to slower sales in its residential property development projects. Slower construction works done on these property projects also contributed to the low revenue and losses in the property development segment.

**17. Material Changes in the Result for the Current Quarter Compared With the Results for the Preceding Quarter**

No comparative figures are presented for the immediate preceding quarter as this is the first interim financial report on the consolidated results of the Group announced by the Company in compliance with the Main Market Listing Requirements Bursa Securities.

**18. Current Year Prospects**

The current financial year's performance will continue to be driven by the Group's core business in construction complemented by the property development division.

The first quarter results may not be reflective representation of the Group's financial results for the entire year as revenue and profit contributions from projects procured in the beginning of the financial year may not yet be significant. The revenue and profit contributions from these projects are expected to be greater in subsequent quarters of the financial year ending 31 December 2012.

The Board is optimistic that the Group remains on track to meet its targets.

**19. Profit Forecast and Profit Estimate**

The Group did not issue any profit forecast or profit estimate in any public document.

**20. Items included in the Statements of Comprehensive Income include:**

|  | <b>Individual<br/>Quarter<br/>31-Mac-12<br/>RM'000</b> | <b>Cumulative<br/>Quarter<br/>31-Mac-12<br/>RM'000</b> |
|--|--|--|
| Interest income  | 124  | 124  |
| Other income   | 1  | 1  |
| Interest expense (excluding interest capitalised)                        | (608)  | (608)  |
| Depreciation and amortization  | (429)  | (429)  |
| Provision for and write off of receivables                               | *  | *  |
| Provision for and write off of inventories                               | *  | *  |
| Gain on disposal of property, plant and equipment                        | 194  | 194  |
| Gain or loss on disposal of quoted or unquoted investments or properties | *  | *  |
| Impairment of assets-goodwill  | (3)  | (3)  |
| Foreign exchange gain or loss  | *  | *  |
| Gain or loss on derivatives  | *  | *  |
| Exceptional items  | *  | *  |

\* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

**21. Taxation**

The effective tax rate for the current quarter is 34.0%. The higher effective tax rate for the current financial quarter and period as compared to the statutory tax rate is mainly due to the losses incurred by the property development division.

|                                 | <b>Individual<br/>Quarter<br/>31-Mac-12<br/><u>RM'000</u></b> | <b>Cumulative<br/>Quarter<br/>31-Mac-12<br/><u>RM'000</u></b> |
|---------------------------------|---|---|
| Current taxation – Current year | 3,952   | 3,952   |
| Deferred taxation               |   |   |
| - Current year                  | (968)   | (968)   |
| - Prior years                   | 114   | 114   |
|                                 | <u>3,098</u>  | <u>3,098</u>  |

**22. Status of Corporate Proposals Announced**

Save for the IPO exercise as disclosed in Note 12 above and the proposed acquisition of Stylo Land as stated in Section 2.8.1 of our Prospectus dated 29 June 2012, there were no other corporate proposals announced but not completed as of 20 July 2012, being a date not earlier than 7 days from the date of this report.

**23. Group Borrowings and Debt Securities**

The Group's borrowings and debt securities as at 31 March 2012 are as follows:

|                              | <b>RM'000</b> |
|------------------------------|---------------|
| <b>Long term borrowings</b>  |               |
| Secured:                     |               |
| Hire purchase creditors      | 2,760         |
| Term loans                   | 34,068        |
| Bridging loan                | <u>10,533</u> |
|                              | <u>47,361</u> |
| <b>Short term borrowings</b> |               |
| Secured:                     |               |
| Bank Overdraft               | 3,349         |
| Hire purchase creditors      | 760           |
| Term loans                   | 4,794         |
| Bridging loan                | 74            |
| Revolving credit             | <u>400</u>    |
|                              | <u>9,377</u>  |

**24. Material Litigation**

Except for the following claim, there is no other material litigation pending as at 20 July 2012, being a date not earlier than 7 days from the date of this report.

On 22 August 2011, AQRS, a subsidiary of the Company, was served with a Writ of Summons and Statement of Claim dated 5 August 2011 by Morning Valley Sdn. Bhd. The Plaintiff is alleging for breach of the terms in the sale and purchase agreement dated 13 June 2008 ("SPA") in respect of the land held for the development known as "The Contours" as a result of refusal or failure to refund the deposit of RM3,000,000 which was paid by Morning Valley Sdn. Bhd. to AQRS.

The Plaintiff is claiming RM3,000,000 being the deposit payment, interests, costs and other reliefs. The Defendant then filed a Striking-Out Application on 9 September 2011. The Court then fixed 28 October 2011 for a further case management to exhaust all the parties' affidavits.

The Court however dismissed the Defendant's Striking-Out Application with costs to be taxed on 21 March 2012. The Court then fixed 9 April 2012 for case management and instructed the Defendant to file its defence on or before 23 April 2012 and the Plaintiff to file its reply to the defence on or before 7 May 2012. The Court then subsequently fixed a case management on 7 May 2012. As at 20 July 2012, the case is currently pending the Plaintiff's filing of its statement of reply and the Court fixing a case management date for full-trial.

The solicitor for the Defendant is of the opinion that there is a high likelihood of success in defending the case based on the documentary evidence provided by the Defendant. The estimated maximum exposure to liabilities is RM3,000,000 together with pre-judgment interest and post-judgment interest of 4% as well as legal costs, which are to be decided by the Court.

**25. Dividend**

No dividend has been proposed by the Board of Directors for the current financial quarter ended 31 March 2012.

**26. Earnings Per Share**

|   | <b>Individual<br/>Quarter</b> | <b>Cumulative<br/>Quarter</b> |
|---|-------------------------------|-------------------------------|
|   | <b>31-Mac-12</b>              | <b>31-Mac-12</b>              |
| Profit attributable to equity holders of the Company (RM'000) | 5,637                         | 5,637                         |
| Weighted average number of ordinary shares in issue ('000)    | 293,520                       | 293,520                       |
| <b>Basic earnings per share (sen)</b>                         | <b>1.92</b>                   | <b>1.92</b>                   |

There are no diluted earnings per share as the Company does not have any potential dilutive ordinary shares at the end of the current quarter under review.

**27. Realised and Unrealised Retained Profits**

|  | <b>As at<br/>31-Mar-12<br/>RM'000</b> | <b>As at<br/>31-Dec-11<br/>RM'000</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Total retained earnings for the Group:</b>              |                                       |                                       |
| - Realised   | 130,071                               | N/A                                   |
| - Unrealised   | (1,387)                               | N/A                                   |
|  | <hr/>                                 | <hr/>                                 |
|  | 128,684                               | N/A                                   |
| Less: Consolidated adjustments                             | (74,170)                              | N/A                                   |
|  | <hr/>                                 | <hr/>                                 |
| Total group retained earnings as per consolidated accounts | 54,514                                | N/A                                   |

No comparative figures are presented as this is the first interim financial report on the consolidated results of the Group announced by the Company in compliance with the Main Market Listing Requirements Bursa Securities.

**28. Authorisation for Issue**

This interim financial report was authorised for issuance by the Board of Directors of the Company on 23 July 2012.