

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2012

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|---------------------------------------|---|--|--|
| | CURRENT PERIOD 30-Jun-12 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-11 RM'000 | 6 MONTHS CURRENT YEAR TO DATE 30-Jun-12 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-11 RM'000 |
| Revenue | 61,574 | N/A | 143,809 | N/A |
| Cost of sales | (40,433) | N/A | (106,381) | N/A |
| Gross profit | 21,141 | N/A | 37,428 | N/A |
| Other income | 10 | N/A | 329 | N/A |
| Operating costs | (7,274) | N/A | (13,802) | N/A |
| Finance cost | (1,022) | N/A | (1,989) | N/A |
| Profit before taxation | 12,855 | N/A | 21,966 | N/A |
| Taxation | (3,486) | N/A | (6,584) | N/A |
| Profit for the financial period | 9,369 | N/A | 15,382 | N/A |
| Other comprehensive income | - | N/A | - | N/A |
| Total comprehensive income for the financial period | 9,369 | N/A | 15,382 | N/A |
| Attributable to: | | | | |
| Owners of the parent | 9,043 | N/A | 14,680 | N/A |
| Non-controlling interest | 326 | N/A | 702 | N/A |
| | 9,369 | N/A | 15,382 | N/A |
| Earnings per ordinary share attributable to owners of the parent (sen) : | | | | |
| - Basic | 3.08 | N/A | 5.00 | N/A |
| - Diluted | 3.08 | N/A | 5.00 | N/A |

Notes :

- 1 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.
- 2 No comparative figures for the preceding year's corresponding period are available as this is the second 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 30 JUNE 2012

27 August 2012

| | (UNAUDITED) AS AT 30-Jun-12 <u>RM'000</u> | (AUDITED) AS AT 31-Dec-11 <u>RM'000</u> |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 8,539 | 8,485 |
| Land held for property development | 31,598 | 31,582 |
| Other investments | 2 | 2 |
| Deferred tax assets | 689 | - |
| | <u>40,828</u> | <u>40,069</u> |
| Current assets | | |
| Property development costs | 128,786 | 113,215 |
| Trade and other receivables | 185,204 | 204,225 |
| Cash and cash equivalents | 49,817 | 50,955 |
| | <u>363,807</u> | <u>368,395</u> |
| TOTAL ASSETS | <u>404,635</u> | <u>408,464</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 73,380 | 73,380 |
| Retained earnings | 63,557 | 48,877 |
| | 136,937 | 122,257 |
| Non-controlling interest | <u>2,154</u> | <u>1,452</u> |
| TOTAL EQUITY | <u>139,091</u> | <u>123,709</u> |
| Non-current liabilities | | |
| Borrowings | 21,322 | 28,999 |
| Deferred tax liabilities | 2,883 | 2,241 |
| | 24,205 | 31,240 |
| Current liabilities | | |
| Trade and other payables | 189,949 | 197,782 |
| Borrowings | 33,567 | 38,749 |
| Current tax liabilities | 17,823 | 16,984 |
| | <u>241,339</u> | <u>253,515</u> |
| TOTAL LIABILITIES | <u>265,544</u> | <u>284,755</u> |
| TOTAL EQUITY AND LIABILITIES | <u>404,635</u> | <u>408,464</u> |
| Net assets per share attributable to owners of the parent (RM) | 0.47 | 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 second 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 30 JUNE 2012

27 August 2012

I--ATTRIBUTABLE TO OWNERS OF THE PARENT--I

| | Non-distributable Share capital RM'000 | Distributable Retained earnings RM'000 | Total RM'000 | Non- controlling- interest RM'000 | Total equity RM'000 |
|---|---|---|-----------------|--|---------------------------|
| Balance as at 1 January 2012 | 73,380 | 48,877 | 122,257 | 1,452 | 123,709 |
| Profit for the financial period/ Total comprehensive income for the period | - | 14,680 | 14,680 | 702 | 15,382 |
| Balance as at 30 June 2012 | 73,380 | 63,557 | 136,937 | 2,154 | 139,091 |

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 second 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 30 JUNE 2012**

| | Current Period Ended 30-Jun-12 RM'000 | Preceding Period Ended 30-Jun-11 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 21,966 | N/A |
| Adjustments for : | | |
| Depreciation of property, plant and equipment | 866 | N/A |
| Impairment loss on goodwill | 3 | N/A |
| Interest expense | 1,195 | N/A |
| Interest income | (184) | N/A |
| Gain on disposal of property, plant and equipment | (194) | N/A |
| Operating profit before changes in working capital | 23,652 | N/A |
| Changes in working capital: | | |
| Land held for property development | (16) | N/A |
| Property development costs | (15,572) | N/A |
| Trade and other receivables | 19,021 | N/A |
| Trade and other payables | (7,835) | N/A |
| Cash generated from operating activities | 19,250 | N/A |
| Interest paid | (1,103) | N/A |
| Interest received | 184 | N/A |
| Tax paid | (5,792) | N/A |
| Net cash from operating activities | 12,539 | N/A |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (1,091) | N/A |
| Proceeds from disposals of property, plant and equipment | 363 | N/A |
| Net cash used in investing activities | (728) | N/A |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Withdrawals)/Placements of fixed deposits pledged | (3,157) | N/A |
| Repayment to hire purchase creditors | (287) | N/A |
| Repayment of bridging loan | (7,109) | N/A |
| Repayment of term loans | (3,807) | N/A |
| Interest paid | (92) | N/A |
| Net cash used in financing activities | (14,452) | N/A |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (2,641) | N/A |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | 7,609 | N/A |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | 4,968 | N/A |

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

| | As at 30-Jun-12 RM '000 | As at 30-Jun-11 RM '000 |
|--|--|--|
| Deposits, bank and cash balances | 49,817 | N/A |
| Bank overdrafts (included within short term borrowings in Note B8) | (10,458) | N/A |
| Less : Fixed deposits pledged as security | 39,359 | N/A |
| | (34,391) | N/A |
| Total cash and cash equivalents | 4,968 | 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 second 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.

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

A Explanatory Notes in compliance with Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting

A1. 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.

A2. 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:

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

A2. Changes in Accounting Policies (Cont'd)

| | |
|------------------------------------|--|
| 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.

A3. Qualification of Financial Statements

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

A4. Seasonal or Cyclical Factors

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

A5. Nature and Amount of Unusual Items

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

A6. 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.

A7. 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.

A8. Dividends

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

GABUNGAN AQRS BERTHAD
 (Company No: 912527 - A)
 (Incorporated in Malaysia)
Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

A9.

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 for the 6 months period ended 30 June 2012:

| | Construction RM'000 | Property Development RM'000 | Others RM'000 | Total/Group RM'000 |
|--|------------------------|-----------------------------------|------------------|-----------------------|
| SEGMENT REVENUE | | | | |
| Total revenue | 154,753 | 21,250 | - | 176,003 |
| Inter-segment sales | (32,194) | - | - | (32,194) |
| Revenue from external customers | 122,559 | 21,250 | - | 143,809 |
| Interest income | 104 | 80 | - | 184 |
| Finance costs | (199) | (1,790) | - | (1,989) |
| Net finance expenses | (95) | (1,710) | - | (1,805) |
| Depreciation | (654) | (212) | - | (866) |
| Segment profit/(loss) before taxation | 24,694 | (1,794) | (934) | 21,966 |
| Taxation | (6,596) | 12 | - | (6,584) |
| Segment profit/(loss) for the period | 18,098 | (1,782) | (934) | 15,382 |
| Segment assets | 175,892 | 228,658 | 85 | 404,635 |
| Segment liabilities | 176,619 | 88,508 | 417 | 265,544 |

GABUNGAN AQRS BERHAD
(Company No: 912527 - A)
(Incorporated in Malaysia)
Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

A10. Valuation of Property, Plant and Equipment

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

A11. 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.

A12. 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:

Initial Public Offering (“IPO”)

On 17 July 2012, the Company had completed its IPO exercise in conjunction with the listing on the Main Market of Bursa Malaysia Securities Berhad comprising the following:

- (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

each at an issue price of RM1.18 per Share.

A total of 3,454 applications for 27.2 million Shares with a value of RM32.2 million were received from the Malaysian public for the 18,000,000 new Shares made available for public subscription, which represents an overall oversubscription rate of 0.51 times.

Gabungan AQRS was listed on the Main Market of Bursa Securities on 31 July 2012.

A13. Changes in the Composition of the Group

There was no material change in the composition of the Group for the current financial quarter.

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

A14. Capital Commitment

| | 30-June-2012 RM'000 |
|--------------------------------------|--------------------------------------|
| Contracted but not provided for: | |
| - Purchase of shares in a subsidiary | 340 |
| - Land held for property development | 164,278 |

A15. Contingent Liabilities

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

| | 30-June-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 | 94,373 |
| | <u>174,575</u> |

B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia**B1. Review of Performance**

For the current quarter under review, the Group recorded revenue of RM61.57 million and profit after taxation and non-controlling interest of RM9.04 million.

For the current year to date, The Group recorded revenue of RM143.81m and profit after taxation and non-controlling interest of RM14.68 million.

For the current year to date, construction segment recorded revenue of RM 154.75 million (before eliminating inter-segment sales) while the property development segment registered revenue of RM21.25 million. The construction division continues to be the main revenue contributor to the Group, attributing 80.3% of the current quarter's revenue (before eliminating inter-segment sales).

B2. Material Changes in the Result for the Current Quarter Compared With the Results for the Preceding Quarter

For the current quarter under review, the Group recorded revenue and profit after taxation and non-controlling interest of RM61.57 million and RM9.98 million as compared to RM82.24 million and RM5.64 million reported in the immediate preceding quarter.

The Group's overall improvement in its profit after taxation and non-controlling interest was partly due to the slight improvement in its sales for the development project – "Contours" in Taman Melawati for which development costs for the sold units had already previously been incurred.

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

B2. Material Changes in the Result for the Current Quarter Compared With the Results for the Preceding Quarter (Cont'd)

Contribution for 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 construction of 9 schools using IBS construction method in Wilayah Persekutuan, Perak Darul Ridzuan and Kedah Darul Aman as well as the Rebuilding Police Training Centre (PULAPOL) in Jempol, Negeri Sembilan.

B3. 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 Group anticipates both revenue and profit contributions from current on-going projects and a new project recently procured, the proposed enhancement works along Jalan Rantau/Sungai Gadut, Negeri Sembilan to contribute more significantly 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.

B4. Profit Forecast and Profit Estimate

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

B5. Items included in the Statements of Comprehensive Income include:

| | Individual Quarter 30-June-12 RM'000 | Cumulative Quarter 30-June-12 RM'000 |
|--|---|---|
| Interest income | 60 | 184 |
| Other income | 3 | 4 |
| Interest expense (excluding interest capitalised) | (587) | (1,195) |
| Depreciation and amortization | (437) | (866) |
| Provision for and write off of receivables | * | * |
| Provision for and write off of inventories | * | * |
| Gain on disposal of property, plant and equipment | - | 194 |
| Gain or loss on disposal of quoted or unquoted investments or properties | * | * |
| Impairment of assets-goodwill | - | (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.

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

B6. Taxation

The effective tax rate for the current quarter under review is 27.1%.

| | Individual Quarter 30-June-12 RM'000 | Cumulative Quarter 30-June-12 RM'000 |
|---------------------------------|---|---|
| Current taxation – Current year | 2,680 | 6,632 |
| Deferred taxation | | |
| - Current year | 805 | (163) |
| - Prior years | 1 | 115 |
| | <u>3,486</u> | <u>6,584</u> |

B7. Status of Corporate Proposals Announced

(a) Initial Public Offering ("IPO") and Stylo Land

Save for the IPO exercise as disclosed in Note A12 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 23 August 2012, being a date not earlier than 7 days from the date of this report.

(b) Status of Utilisation of Proceeds

The proceeds arising from the Company's IPO amounted to RM73.160 million and as at 23 August 2012, the details of the utilisation of proceeds are as follows:-

| Purpose of utilisation | Estimated time frame for utilisation from date of listing | Proposed utilisation RM'000 | Actual utilisation RM'000 | Deviation | | Explanations* |
|---|---|-----------------------------|---------------------------|---------------|------|---------------|
| | | | | Amount RM'000 | % | |
| i. Acquisition of land bank | Within 36 months | 25,000 | 412 | 24,588 | 98.4 | (a)&(b) |
| ii. Acquisition of new corporate headquarters | Within 36 months | 12,000 | 321 | 11,679 | 97.3 | (a)&(b) |
| iii. Working capital | Within 24 months | 30,460 | 20,945 | 9,515 | 31.2 | (b) |
| iv. Estimated listing expenses | Within 6 months | 5,700 | 3,752 | 1,948 | 34.2 | (c) |

Notes:-

- * A total sum of RM1.701 million being underwriting commission, brokerage commission issuing house fees and out of pocket expenses has been proportionately reduced from the respective utilisation categories above.

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

B7. Status of Corporate Proposals Announced (Cont'd)

- (a) The unutilised proceeds raised from the Public Issue are placed in short-term deposits with licensed banks.
- (b) The proceeds from the Public Issue should be utilised within the estimated timeframe. The Group does not expect any material deviation as at the date of this quarterly report.
- (c) The excess/(deficit) in the utilisation for the listing expenses will be adjusted to the amount allocated for working capital.

B8. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 30 June 2012 are as follows:

| | RM'000 |
|------------------------------|---------------|
| Long term borrowings | |
| Secured: | |
| Hire purchase creditors | 1,954 |
| Term loans | 19,368 |
| Bridging loan | - |
| | <hr/> |
| | 21,322 |
| | <hr/> |
| Short term borrowings | |
| Secured: | |
| Bank overdraft | 10,458 |
| Hire purchase creditors | 1,378 |
| Term loans | 17,859 |
| Bridging loan | 3,472 |
| Revolving credit | 400 |
| | <hr/> |
| | 33,567 |
| | <hr/> |

B9. Material Litigation

Except for the following claim, there is no other material litigation pending as at 23 August 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 23 August 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.

GABUNGAN AQRS BERHAD

(Company No: 912527 - A)

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the 2nd Quarter ended 30 June 2012

B9. Material Litigation (Cont'd)

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.

B10. Dividend

No dividend has been proposed by the Board of Directors for the current financial quarter ended 30 June 2012.

B11. Earnings Per Share

| | Individual Quarter 30-June-12 | Cumulative Quarter 30-June-12 |
|---|--|--|
| Profit attributable to equity holders of the Company (RM'000) | 9,043 | 14,680 |
| Weighted average number of ordinary shares in issue ('000) | 293,520 | 293,520 |
| Basic earnings per share (sen) | 3.08 | 5.00 |

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.

B12. Realised and Unrealised Retained Profits

| | As at 30-June-12 RM'000 | As at 31-Dec-11 RM'000 |
|--|--|---------------------------------------|
| Total retained earnings for the Group: | | |
| - Realised | 136,869 | N/A |
| - Unrealised | (2,194) | N/A |
| | <hr/> | |
| Less: Consolidated adjustments | 134,675 | N/A |
| | (71,118) | N/A |
| | <hr/> | |
| Total group retained earnings as per consolidated accounts | 63,557 | N/A |
| | <hr/> | |

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.

B13. Authorisation for Issue

This interim financial report was authorised for issuance by the Board of Directors of the Company on 27 August 2012.