

Interim Financial Statements for the First Quarter Ended 31 March 2011

Condensed Consolidated Statements of Comprehensive Income for the First Quarter Ended 31 March 2011

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31/03/2011</u> RM'000	Preceding Year Corresponding Quarter <u>31/03/2010</u> RM'000	Current Year To-Date <u>31/03/2011</u> RM'000	Preceding Year Corresponding Period <u>31/03/2010</u> RM'000
Revenue	178,787	167,826	178,787	167,826
Operating expenses	(179,841)	(167,714)	(179,841)	(167,714)
Other operating income	2,278	1,537	2,278	1,537
Profit from operations	1,224	1,649	1,224	1,649
Finance costs	(822)	(542)	(822)	(542)
Profit before taxation	402	1,107	402	1,107
Taxation	(383)	(830)	(383)	(830)
Profit after taxation	19	277	19	277
Other comprehensive income				
Available-for-sale financial assets	150	117	150	117
Currency translation differences	5	(73)	5	(73)
Other comprehensive income, net of tax	155	44	155	44
Total comprehensive income	174	321	174	321
Profit for the period attributable to:				
Minority interests	(162)	261	(162)	261
Owners of the parent	181	16	181	16
	19	277	19	277
Total comprehensive income for the period attributable to:				
Minority interests	(165)	268	(165)	268
Owners of the parent	339	53	339	53
	174	321	174	321
Earnings per share attributable to owners of the parent				
- Basic (sen)	0.25	0.02	0.25	0.02
- Diluted, sen	Not applicable	Not applicable	Not applicable	Not applicable

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.

Interim Financial Statements for the First Quarter Ended 31 March 2011

Condensed Consolidated Statements of Financial Position as at 31 March 2011

	AS AT END OF CURRENT QUARTER <u>31/03/2011</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2010</u> Audited RM'000
Non-current Assets		
Property, plant and equipment	50,489	51,308
Investment properties	33,286	33,286
Investments in associated companies	7	7
Other investments	1,659	1,510
Goodwill	819	819
Deferred tax assets	1,038	943
	<u>87,298</u>	<u>87,873</u>
Current Assets		
Development Expenditure	7,513	7,513
Inventories	25,010	27,830
Trade and other receivables	210,481	200,996
Taxation recoverable	1,663	1,237
Short term investments	5,223	5,223
Cash and cash equivalents	14,251	21,618
	<u>264,141</u>	<u>264,417</u>
Current Liabilities		
Trade and other payables	116,593	125,920
Overdraft and short term borrowings	80,046	61,540
Taxation	419	371
	<u>197,058</u>	<u>187,831</u>
NET CURRENT ASSETS	<u>67,083</u>	<u>76,586</u>
	<u>154,381</u>	<u>164,459</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	66,911	66,572
Equity attributable to owners of the parent	142,837	142,498
Minority interests	9,950	10,115
	<u>152,787</u>	<u>152,613</u>
Non-current Liabilities		
Commercial Papers	-	10,000
Other deferred liabilities	1,392	1,644
Deferred tax liabilities	202	202
	<u>1,594</u>	<u>11,846</u>
	<u>154,381</u>	<u>164,459</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.

Interim Financial Statements for the First Quarter Ended 31 March 2011

Condensed Consolidated Statements of Changes in Equity for the First Quarter Ended 31 March 2011

(Unaudited)

	← Attributable to Owners of the Parent →				Minority Interest	Total Equity	
	Share Capital	Share Premium	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
3 months ended							
<u>31 March 2011</u>							
Balance at 1 January 2011	72,469	3,457	315	66,257	142,498	10,115	152,613
Effects of adopting FRS 139	-	-	-	-	-	-	-
Balance at 1 January 2011 (restated)	72,469	3,457	315	66,257	142,498	10,115	152,613
Total comprehensive income for the period	-	-	158	181	339	(165)	174
Balance at end of the financial period	72,469	3,457	473	66,438	142,837	9,950	152,787

3 months ended							
<u>31 March 2010</u>							
Balance at 1 January 2010	72,469	3,457	434	63,502	139,862	12,046	151,908
Effects of adopting FRS 139				11	11	6	17
Balance at 1 January 2011 (restated)	72,469	3,457	434	63,513	139,873	12,052	151,925
Total comprehensive income for the period	-	-	37	16	53	268	321
Balance at end of the financial period	72,469	3,457	471	63,529	139,926	12,320	152,246

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.

Interim Financial Statements for the First Quarter Ended 31 March 2011

Condensed Consolidated Statements of Cash Flows for the First Quarter Ended 31 March 2011

(Unaudited)

	1.1.2011 to <u>31.3.2011</u> RM'000	1.1.2010 to <u>31.3.2010</u> RM'000
Cash flows (used in)/from operating activities		
Profit before taxation	402	1,107
Adjustments for:-		
Non-cash items	563	799
Non-operating items	<u>(196)</u>	<u>(223)</u>
Operating profit before working capital changes	769	1,683
Net change in current assets	(6,476)	(9,810)
Net change in current liabilities	<u>(9,261)</u>	<u>14,729</u>
Cash flows (used in)/from operations	(14,968)	6,602
Taxation paid	<u>(856)</u>	<u>(1,023)</u>
Net cash (used in)/from operating activities	<u>(15,824)</u>	<u>5,579</u>
Cash flows from investing activities		
Other investments	<u>271</u>	<u>348</u>
Net cash from investing activities	<u>271</u>	<u>348</u>
Cash flows from/(used in) financing activities		
Transfer to debt service reserve account	(5)	(3)
Repayment of commercial papers	(5,000)	(5,000)
Repayment of term loan	(53)	(50)
Repayment of hire purchase financing	(320)	(272)
Short term bank borrowings	<u>14,271</u>	<u>3,155</u>
Net cash from/(used in) financing activities	<u>8,893</u>	<u>(2,170)</u>
Net (decrease)/increase in cash and cash equivalents	(6,660)	3,757
Cash and cash equivalents at beginning of financial period	15,895	16,983
Cash and cash equivalents at end of financial period	<u><u>9,235</u></u>	<u><u>20,740</u></u>

Cash and cash equivalent at the end of the financial period comprise of:

	<u>As at 31.3.2011</u> RM'000	<u>As at 31.3.2010</u> RM'000
Cash and bank balances	13,809	25,598
Bank overdrafts	<u>(4,574)</u>	<u>(4,858)</u>
	<u><u>9,235</u></u>	<u><u>20,740</u></u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010.

A EXPLANATORY NOTES AS PER FRS 134

A1. Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

The accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent annual financial statements except for the adoption of the following accounting standards, amendments and interpretations issued by the Malaysian Accounting Standards Board (“MASB”) effective for the Group’s financial period beginning on 1 January 2011.

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 3 Business Combinations
- FRS 127 Consolidated and Separate Financial Statements
- Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendments to FRS 1 Additional Exemptions for First-time Adopters
- Amendments to FRS 2 Scope of FRS 2 and FRS 3 (Revised)
- Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 5 Plan to Sell the Controlling Interest in a Subsidiary
- Amendments to FRS 7 Improving Disclosures about Financial Instruments
- Amendments to FRS 138 Consequential Amendments Arising from FRS 3 (Revised)
- Amendments to IC Interpretation 9 Scope of IC Interpretation 9 and FRS 3 (Revised)
- IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners
- IC Interpretation 18 Transfers of Assets from Customers
- Annual Improvements to FRSs (2010)

A2. Accounting Policies (Cont'd)

The adoption of the above mentioned accounting standards, amendments and interpretations does not have any significant impact on the Group results for the period under review except for revised FRS 3 and FRS 127 which will impact the Group's consolidation accounting relating to its future acquisitions and disposals of interests in subsidiaries as follows:

- (i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred.
- (ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent.

A3. Audit Report

The audit report of the most recent annual financial statements was not subject to any qualification.

A4. Seasonal Or Cyclical Factors

There is no major seasonality or cyclicity in the Group's operations.

A5. Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current interim period.

A6. Changes In Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

A7. Debt And Equity Securities

There were no share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current interim period.

A8. Payment Of Dividend

There was no payment of dividend for the quarter under review.

A9. Segmental Reporting

As at 31 March 2011

	Trading	Contract	Manufacture	Property Development	Property and Investment Holding	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	170,168	4,810	3,396	413	-	-	178,787
Profit/(Loss) from Operations	1,824	(853)	(43)	(12)	317	(9)	1,224
Finance costs							(822)
Profit before taxation							402
Income tax expenses							(383)
Profit after taxation							19

A10. Property, Plant And Equipment

Property, plant and equipment, other than freehold land are stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost less any impairment and is not depreciated.

A11. Material Subsequent Events

There are no material events subsequent to the end of the current interim period that have not been reflected in these interim financial statements.

A12. Changes In Composition Of The Group

There were no changes in the composition of the Group for the current interim period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A13. Contingent Liabilities

There are no material changes in contingent liabilities and contingent assets since the last annual balance sheet date.

B. ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B1. Review Of Performance

The Group posted a turnover of RM179 million for the quarter ended 31 March 2011, an increase of 6.5%, compared to the corresponding period last year. Pre-tax profit had however dropped by 64% from last year's result to RM402k due mainly to lower gross margins and higher finance costs.

B2. Comparison With Preceding Quarter's Result

The pre-tax profit of the Group for the quarter under review had dropped by 86% compared to preceding quarter's pre-tax profit of RM2.9 million. This was due mainly to lower gross margins and higher operating expenses. Further, the result in the previous quarter was boosted by the recognition of a negative goodwill of RM2.2 million arising from additional investment in a subsidiary.

B3. Current Year Prospects

Barring any unforeseen circumstances the Group expects its operations to remain stable.

B4. Variances From Profit Forecast And Profit Guarantee

The company did not make a profit forecast and therefore comments on variances with forecast profit are not applicable.

B5. Taxation

Taxation comprises the following:

	Individual Quarter <u>31/03/2011</u> RM'000	Cumulative Quarter <u>31/03/2011</u> RM'000
Malaysian income tax:		
Current year tax	478	478
Deferred taxation	(95)	(95)
Total income tax expense	<u>383</u>	<u>383</u>

B6. Sale Of Investments And Properties

There is no material gain or loss from disposal of investments or properties for the period under review.

B7. Purchase Or Disposal Of Quoted Securities

- a) There is no purchase or disposal of quoted securities for the current interim period.
b) Total investments in quoted shares as at 31 March 2011 are as below:

	<u>RM'000</u>
(i) At cost	7,289
(ii) At carrying value	1,048
(iii) At market value	1,048

B8. Status Of Corporate Proposals

There is no uncompleted corporate announcement as at the date of this report.

B9. Group Borrowings And Debt Securities

The group borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 March 2011 are as below:

	<u>RM'000</u>
Secured	10,538
Unsecured	69,508
Total short term borrowings	<u>80,046</u>
Secured long term borrowings	<u>-</u>
Total borrowings	<u><u>80,046</u></u>

B10. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk as at the date of this report.

B11. Material Litigation

There is no pending material litigation as at the date of this report.

B12. Dividend

The Directors propose a first and final dividend of 3.0 sen per ordinary shares less income tax at 25% for the financial year ended 31 December 2010 (2009: 5.0 sen less income tax at 25%). The proposed dividend is subject to the approval of the shareholders at an Annual General Meeting to be held on a date to be announced later.

B13. Earnings Per Share

The basic earnings per share for the financial period have been calculated by dividing the Group's earnings by the weighted average number of ordinary shares issued.

	Individual Quarter		Cumulative Quarter	
	<u>31/03/2011</u>	<u>31/03/2010</u>	<u>31/03/2011</u>	<u>31/03/2010</u>
Profit attributable to owners of the parent (RM'000)	181	16	181	16
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	0.25	0.02	0.25	0.02

B13. Realised and Unrealised Profits Disclosures

The breakdown of the retained profits of the Group as at the end of the reporting period into realised and unrealised profits/(losses) are as below:

	As at	As at
	<u>31/03/2011</u>	<u>31/12/2010</u>
	RM'000	RM'000
Total retained profits		
- realised	61,388	61,437
- unrealised	5,092	4,862
	<u>66,480</u>	<u>66,299</u>
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	-	-
	<u>66,438</u>	<u>66,257</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

25 May 2011