

Interim Financial Statements for the First Quarter Ended 31 March 2012

Condensed Consolidated Statements of Comprehensive Income for the First Quarter Ended 31 March 2012

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31/03/2012</u> RM'000	Preceding Year Corresponding Quarter <u>31/03/2011</u> RM'000	Current Year To-Date <u>31/03/2012</u> RM'000	Preceding Year Corresponding Period <u>31/03/2011</u> RM'000
Revenue	155,466	178,787	155,466	178,787
Operating expenses	(155,829)	(179,841)	(155,829)	(179,841)
Other operating income	2,013	2,278	2,013	2,278
Profit from operations	1,650	1,224	1,650	1,224
Finance costs	(992)	(822)	(992)	(822)
Profit before taxation	658	402	658	402
Taxation	(491)	(383)	(491)	(383)
Profit after taxation	167	19	167	19
Other comprehensive income				
Available-for-sale financial assets	(55)	150	(55)	150
Currency translation differences	(2)	5	(2)	5
Other comprehensive income, net of tax	(57)	155	(57)	155
Total comprehensive income	110	174	110	174
Profit for the period attributable to:				
Owners of the parent	205	181	205	181
Non-controlling interests	(38)	(162)	(38)	(162)
	167	19	167	19
Total comprehensive income for the period attributable to:				
Owners of the parent	148	339	147	339
Non-controlling interests	(38)	(165)	(37)	(165)
	110	174	110	174
Earnings per share attributable to owners of the parent				
- Basic (sen)	0.28	0.25	0.28	0.25
- Diluted, sen	Not applicable	Not applicable	Not applicable	Not applicable

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011.

Interim Financial Statements for the First Quarter Ended 31 March 2012

Condensed Consolidated Statements of Financial Position as at 31 March 2012

	AS AT END OF CURRENT QUARTER <u>31/03/2012</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2011</u> Audited RM'000
Non-current Assets		
Property, plant and equipment	37,842	38,845
Investment properties	46,680	46,505
Investments in associated companies	7	7
Other investments	1,366	1,421
Goodwill	819	819
Deferred tax assets	1,404	1,372
	<u>88,118</u>	<u>88,969</u>
Current Assets		
Development Expenditure	7,774	7,720
Inventories	31,308	31,507
Trade and other receivables	223,574	214,065
Taxation recoverable	1,935	1,708
Short term investments	5,223	5,223
Cash and cash equivalents	20,939	11,354
	<u>290,753</u>	<u>271,577</u>
Current Liabilities		
Trade and other payables	137,484	121,648
Overdraft and short term borrowings	81,573	69,103
Commercial papers	-	10,000
Taxation	627	387
	<u>219,684</u>	<u>201,138</u>
NET CURRENT ASSETS	<u>71,069</u>	<u>70,439</u>
	<u>159,187</u>	<u>159,408</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	74,687	74,539
Equity attributable to owners of the parent	150,613	150,465
Non-controlling interests	7,320	7,358
	<u>157,933</u>	<u>157,823</u>
Non-current Liabilities		
Other deferred liabilities	943	1,299
Deferred tax liabilities	311	286
	<u>1,254</u>	<u>1,585</u>
	<u>159,187</u>	<u>159,408</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011.

Interim Financial Statements for the First Quarter Ended 31 March 2012

Condensed Consolidated Statements of Changes in Equity for the First Quarter Ended 31 March 2012

(Unaudited)

	← Attributable to Owners of the Parent →				Total	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended							
<u>31 March 2012</u>							
At 1 January 2012	72,469	3,457	250	74,289	150,465	7,358	157,823
Profit after taxation for the financial period	-	-	-	205	205	(38)	167
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(55)	-	(55)	-	(55)
- Foreign currency translation	-	-	(2)	-	(2)	-	(2)
Total comprehensive income for the financial period	-	-	(57)	205	148	(38)	110
At end of the financial period	72,469	3,457	193	74,494	150,613	7,320	157,933
3 months ended							
<u>31 March 2011</u>							
At 1 January 2011	72,469	3,457	315	66,257	142,498	10,115	152,613
Profit after taxation for the financial period	-	-	-	181	181	(162)	19
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	153	-	153	(3)	150
- Foreign currency translation	-	-	5	-	5	-	5
Total comprehensive income for the financial period	-	-	158	181	339	(165)	174
At end of the financial period	72,469	3,457	473	66,438	142,837	9,950	152,787

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011.

Interim Financial Statements for the First Quarter Ended 31 March 2012

Condensed Consolidated Statements of Cash Flows for the First Quarter Ended 31 March 2012

(Unaudited)

	1.1.2012 to 31.03.2012 RM'000	1.1.2011 to 31.03.2011 RM'000
Cash flows (used in)/from operating activities		
Profit before taxation	658	402
Adjustments for:-		
Non-cash items	1,252	563
Non-operating items	(192)	(196)
Operating profit before working capital changes	<u>1,718</u>	<u>769</u>
Net change in current assets	(9,724)	(6,476)
Net change in current liabilities	15,889	(9,261)
Cash flows (used in)/from operations	<u>7,883</u>	<u>(14,968)</u>
Taxation paid	(485)	(856)
Net cash (used in)/from operating activities	<u>7,398</u>	<u>(15,824)</u>
Cash flows from investing activities		
Other investments	126	271
Net cash from investing activities	<u>126</u>	<u>271</u>
Cash flows from/(used in) financing activities		
Transfer to debt service reserve account	(2)	(5)
Repayment of commercial papers	(10,000)	(5,000)
Repayment of term loan	-	(53)
Repayment of hire purchase financing	(409)	(320)
Short term bank borrowings	11,912	14,271
Net cash from/(used in) financing activities	<u>1,501</u>	<u>8,893</u>
Net (decrease)/increase in cash and cash equivalents	9,025	(6,660)
Cash and cash equivalents at beginning of financial period	5,762	15,895
Cash and cash equivalents at end of financial period	<u>14,787</u>	<u>9,235</u>
Cash and cash equivalent at the end of the financial period comprise of:		
	<u>31.03.2012</u> RM'000	<u>As at 31.03.2011</u> RM'000
Cash and bank balances	20,486	13,809
Bank overdrafts	(5,699)	(4,574)
	<u>14,787</u>	<u>9,235</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011.

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 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 2011.

The Group has adopted the Malaysian Financial Reporting Standard (“MFRS”) issued by Malaysian Accounting Standards Board (“MASB”) that will also comply with International Financial Reporting Standards in the preparation of its financial statements with effect from 1 January 2012. These interim financial statements are the Group’s first MFRS condensed interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards has therefore been applied.

The adoption of the MFRS framework did not result in any substantial change to the Group’s accounting policies nor any significant impact on its financial statements, as the accounting policies adopted by the Group under the previous FRS framework are consistent with those of the MFRS framework.

A2. Audit Report

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

A3. Seasonal Or Cyclical Factors

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

A4. 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.

A5. 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.

A6. 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.

A7. Payment Of Dividend

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

A8. Segmental Reporting

As at 31 March 2012

	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	142,723	12,519	-	-	224	-	155,466
Profit/(Loss) from Operations	1,617	369	(361)	(81)	102	4	1,650
Finance costs							(992)
Profit before taxation							658
Income tax expenses							(491)
Profit after taxation							167

A9. 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.

A10. 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.

A11. 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.

A12. 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 RM155 million for the quarter ended 31 March 2012, a decrease of 13%, compared to the corresponding period last year. Pre-tax profit had however improved by 64% from last year's result to RM658k due mainly to better average gross margins derived from a sales mix that consist of higher margin products.

B2. Comparison With Preceding Quarter's Result

The pre-tax profit of the Group for the quarter under review had dropped by 88% compared to preceding quarter's pre-tax profit of RM5.5 million. In the preceding quarter there was substantial recognition of increase in fair value of the Group's investment properties.

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>31/03/2012</u> RM'000	Cumulative Quarter <u>31/03/2012</u> RM'000
Malaysian income tax:		
Current year tax	497	497
Deferred taxation	(6)	(6)
Total income tax expense	<u>491</u>	<u>491</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 2012 are as below:

	<u>RM'000</u>
(i) At cost	7,289
(ii) At carrying value	755
(iii) At market value	755

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 2012 are as below:

	<u>RM'000</u>
Secured	168
Unsecured	81,405
Total short term borrowings	<u>81,573</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 2011 (2011: 3.0 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 21 June 2012.

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>31/03/2012</u>	<u>31/03/2011</u>	<u>31/03/2012</u>	<u>31/03/2011</u>
Profit attributable to owners of the parent (RM'000)	205	181	205	181
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	0.28	0.25	0.28	0.25

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
	31/03/2012	31/12/2011
	RM'000	RM'000
Total retained profits		
- realised	62,876	62,728
- unrealised	11,660	11,603
	<u>74,536</u>	<u>74,331</u>
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	-	-
	<u>74,494</u>	<u>74,289</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

29 May 2012