

## Interim Financial Statements for the Second Quarter Ended 30 June 2012

## Condensed Consolidated Statements of Comprehensive Income for the Second Quarter Ended 30 June 2012

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>30/06/2012</u> RM'000	Preceding Year Corresponding Quarter <u>30/06/2011</u> RM'000	Current Year To-Date <u>30/06/2012</u> RM'000	Preceding Year Corresponding Period <u>30/06/2011</u> RM'000
Revenue	179,071	155,033	334,537	333,820
Operating expenses	(178,833)	(155,566)	(334,663)	(335,407)
Other operating income	2,300	2,728	4,313	5,006
<b>Profit from operations</b>	<b>2,538</b>	<b>2,195</b>	<b>4,187</b>	<b>3,419</b>
Finance costs	(1,029)	(901)	(2,021)	(1,723)
Profit before taxation	1,509	1,294	2,166	1,696
Taxation	(971)	(779)	(1,462)	(1,162)
<b>Profit after taxation</b>	<b>538</b>	<b>515</b>	<b>704</b>	<b>534</b>
Other comprehensive income				
Available-for-sale financial assets	51	(145)	(3)	5
Currency translation differences	14	16	12	21
Other comprehensive income, net of tax	65	(129)	9	26
<b>Total comprehensive income</b>	<b>603</b>	<b>386</b>	<b>713</b>	<b>560</b>
Profit for the period attributable to:				
Owners of the parent	485	442	689	623
Non-controlling interests	53	73	15	(89)
	<b>538</b>	<b>515</b>	<b>704</b>	<b>534</b>
Total comprehensive income for the period attributable to:				
Owners of the parent	550	315	698	654
Non-controlling interests	53	71	15	(94)
	<b>603</b>	<b>386</b>	<b>713</b>	<b>560</b>
Earnings per share attributable to owners of the parent				
- Basic (sen)	0.67	0.61	0.95	0.86
- 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 Second Quarter Ended 30 June 2012

## Condensed Consolidated Statements of Financial Position as at 30 June 2012

	AS AT END OF CURRENT QUARTER <u>30/06/2012</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2011</u> Audited RM'000
<b>Non-current Assets</b>		
Property, plant and equipment	37,740	38,845
Investment properties	46,680	46,505
Land held for property development	682	-
Investments in associated companies	7	7
Other investments	1,543	1,421
Goodwill	819	819
Deferred tax assets	1,420	1,372
	<u>88,891</u>	<u>88,969</u>
<b>Current Assets</b>		
Development Expenditure	10,095	7,720
Inventories	28,827	31,507
Trade and other receivables	236,557	214,065
Taxation recoverable	1,752	1,708
Short term investments	5,223	5,223
Cash and cash equivalents	11,809	11,354
	<u>294,263</u>	<u>271,577</u>
<b>Current Liabilities</b>		
Trade and other payables	137,938	121,648
Overdraft and short term borrowings	84,671	69,103
Commercial papers	-	10,000
Taxation	895	387
	<u>223,504</u>	<u>201,138</u>
<b>NET CURRENT ASSETS</b>	<u>70,759</u>	<u>70,439</u>
	<u>159,650</u>	<u>159,408</u>
<b>FINANCED BY:</b>		
<b>Total Equity</b>		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	75,237	74,539
Equity attributable to owners of the parent	151,163	150,465
Non-controlling interests	7,373	7,358
	<u>158,536</u>	<u>157,823</u>
<b>Non-current Liabilities</b>		
Other deferred liabilities	803	1,299
Deferred tax liabilities	311	286
	<u>1,114</u>	<u>1,585</u>
	<u>159,650</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 Second Quarter Ended 30 June 2012

## Condensed Consolidated Statements of Changes in Equity for the Second Quarter Ended 30 June 2012

(Unaudited)

	← Attributable to Owners of the Parent →				Non-Controlling Interests	Total Equity	
	← Non-Distributable		▶ Distributable				
	Share Capital	Share Premium	Other Reserves	Retained Profits			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
6 months ended							
<u>30 June 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	-	-	-	689	689	15	704
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(3)	-	(3)	-	(3)
- Foreign currency translation	-	-	12	-	12	-	12
Total comprehensive income for the financial period	-	-	9	689	698	15	713
At end of the financial period	72,469	3,457	259	74,978	151,163	7,373	158,536
6 months ended							
<u>30 June 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	-	-	-	623	623	(89)	534
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	10	-	10	(5)	5
- Foreign currency translation	-	-	21	-	21	-	21
Total comprehensive income for the financial period	-	-	31	623	654	(94)	560
At end of the financial period	72,469	3,457	346	66,880	143,152	10,021	153,173

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 Second Quarter Ended 30 June 2012**

**Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2012**

(Unaudited)

	1.1.2012 to <u>30.06.2012</u> RM'000	1.1.2011 to <u>30.06.2011</u> RM'000
Cash flows (used in)/from operating activities		
Profit before taxation	2,166	1,696
Adjustments for:-		
Non-cash items	2,022	1,054
Non-operating items	(399)	(394)
Operating profit before working capital changes	<u>3,789</u>	<u>2,356</u>
Net change in current assets	(22,574)	(19,923)
Net change in current liabilities	<u>16,362</u>	<u>(4,839)</u>
Cash flows used in operations	(2,423)	(22,406)
Taxation paid	<u>(1,021)</u>	<u>(1,686)</u>
Net cash used in operating activities	<u>(3,444)</u>	<u>(24,092)</u>
Cash flows from/(used in) investing activities		
Equity investments	(122)	3
Other investments	<u>(862)</u>	<u>(91)</u>
Net cash used in investing activities	<u>(984)</u>	<u>(88)</u>
Cash flows from/(used in) financing activities		
Transfer from/(to) debt service reserve account	451	(5)
Repayment of commercial papers	(10,000)	(5,000)
Repayment of term loan	-	(106)
Repayment of hire purchase financing	(685)	(532)
Short term bank borrowings	<u>13,022</u>	<u>20,687</u>
Net cash from financing activities	<u>2,788</u>	<u>15,044</u>
Net decrease in cash and cash equivalents	(1,640)	(9,136)
Cash and cash equivalents at beginning of financial period	5,762	15,895
Cash and cash equivalents at end of financial period	<u><u>4,122</u></u>	<u><u>6,759</u></u>

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

	<u>30.06.2012</u> RM'000	<u>As at 30.06.2011</u> RM'000
Cash and bank balances	11,809	12,655
Bank overdrafts	<u>(7,687)</u>	<u>(5,896)</u>
	<u><u>4,122</u></u>	<u><u>6,759</u></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 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 2011.

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 30 June 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	310,726	23,412	-	-	399	-	334,537
Profit/(Loss) from Operations	4,715	179	(711)	(171)	195	(20)	4,187
Finance costs							(2,021)
Profit before taxation							2,166
Income tax expenses							(1,462)
Profit after taxation							704

**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 recorded a turnover of RM335 million and a pre-tax profit of RM2.2 million for the six months ended 30 June 2012. Compared to the corresponding period last year, turnover and pre-tax profit rose by 0.2% and 27.7% respectively. The increase in pre-tax profit was mainly due to higher margins on a slightly increased turnover.

**B2. Comparison With Preceding Quarter's Result**

The pre-tax profit of the Group for the quarter under review of RM1.5 million was more than double the preceding quarter's result of RM658k due mainly to higher turnover and increased in other operating income.

**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>30/06/2012</u> RM'000	Cumulative Quarter <u>30/06/2012</u> RM'000
Malaysian income tax:		
Current year tax	894	1,391
Prior year tax	94	94
Deferred taxation	(17)	(23)
Total income tax expense	<u>971</u>	<u>1,462</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) The total purchases of quoted securities for the current interim period are as follow;

	<u>RM'000</u>
Purchase of quoted shares	250
Share swap	<u>3</u>
Total increase in quoted securities, at cost	<u><u>253</u></u>

b) The disposal of quoted securities for the current interim period are as follows;

	<u>RM'000</u>
Proceeds from the disposal of quoted securities	131
Carrying value of quoted securities disposed	<u>126</u>
Gain from the disposal of quoted securities	<u><u>5</u></u>

c) Total investments in quoted shares as at 30 June 2012 are as below:

	<u>RM'000</u>
(i) At cost	7,414
(ii) At carrying value	932
(iii) At market value	932

**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 30 June 2012 are as below:

	<u>RM'000</u>
Secured	364
Unsecured	<u>84,307</u>
Total short term borrowings	84,671
Secured long term borrowings	<u>-</u>
Total borrowings	<u><u>84,671</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 proposed 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 (2010: 3.0 sen less income tax at 25%). The proposed dividend was approved by the shareholders at the 37<sup>th</sup> Annual General Meeting held on 21 June 2012 and will be paid on 17 August 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>30/06/2012</u>	<u>30/06/2011</u>	<u>30/06/2012</u>	<u>30/06/2011</u>
Profit attributable to owners of the parent (RM'000)	485	442	689	623
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	0.67	0.61	0.95	0.86

**B14. 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 <u>30/06/2012</u> RM'000	As at <u>31/12/2011</u> RM'000
Total retained profits		
- realised	63,130	62,728
- unrealised	11,890	11,603
	<u>75,020</u>	<u>74,331</u>
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	-	-
	<u>74,978</u>	<u>74,289</u>

**IPMUDA BERHAD** (22146-T)

**Interim Financial Statements for the Second Quarter Ended 30 June 2012**

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BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

17 August 2012