

Interim Financial Statements for the First Quarter Ended 31 March 2013

Condensed Consolidated Statements of Comprehensive Income for the First Quarter Ended 31 March 2013

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31/03/2013</u> RM'000	Preceding Year Corresponding Quarter <u>31/03/2012</u> RM'000	Current Year To-Date <u>31/03/2013</u> RM'000	Preceding Year Corresponding Period <u>31/03/2012</u> RM'000
Revenue	152,822	155,466	152,822	155,466
Operating expenses	(152,600)	(155,829)	(152,600)	(155,829)
Other operating income	1,736	2,013	1,736	2,013
Profit from operations	1,958	1,650	1,958	1,650
Finance costs	(1,212)	(992)	(1,212)	(992)
Profit before taxation	746	658	746	658
Taxation	(507)	(491)	(507)	(491)
Profit after taxation	239	167	239	167
Other comprehensive income				
Available-for-sale financial assets	(31)	(55)	(31)	(55)
Currency translation differences	-	(2)	-	(2)
Other comprehensive income, net of tax	(31)	(57)	(31)	(57)
Total comprehensive income	208	110	208	110
Profit for the period attributable to:				
Owners of the parent	89	205	89	205
Non-controlling interests	150	(38)	150	(38)
	239	167	239	167
Total comprehensive income for the period attributable to:				
Owners of the parent	58	148	58	148
Non-controlling interests	150	(38)	150	(38)
	208	110	208	110
Earnings per share attributable to owners of the parent				
- Basic (sen)	0.12	0.28	0.12	0.28
- 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 2012.

Interim Financial Statements for the First Quarter Ended 31 March 2013

Condensed Consolidated Statements of Financial Position as at 31 March 2013

	AS AT END OF CURRENT QUARTER <u>31/03/2013</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2012</u> Audited RM'000
Non-current Assets		
Property, plant and equipment	37,727	37,392
Investment properties	44,109	44,109
Investments in associated companies	7	7
Other investments	1,265	1,296
Goodwill	1,026	819
Deferred tax assets	1,605	1,597
	<u>85,739</u>	<u>85,220</u>
Current Assets		
Development Expenditure	10,473	10,360
Inventories	26,386	28,209
Trade and other receivables	255,411	246,345
Taxation recoverable	1,533	1,564
Short term investments	5,223	5,223
Cash and cash equivalents	15,929	15,971
	<u>314,955</u>	<u>307,672</u>
Current Liabilities		
Trade and other payables	137,556	140,598
Overdraft and short term borrowings	89,411	87,945
Taxation	1,154	1,467
	<u>228,121</u>	<u>230,010</u>
NET CURRENT ASSETS	<u>86,834</u>	<u>77,662</u>
	<u>172,573</u>	<u>162,882</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	74,415	74,357
Equity attributable to owners of the parent	150,341	150,283
Non-controlling interests	7,272	8,153
	<u>157,613</u>	<u>158,436</u>
Non-current Liabilities		
Term Financing-I	13,493	3,370
Other deferred liabilities	1,156	763
Deferred tax liabilities	311	313
	<u>14,960</u>	<u>4,446</u>
	<u>172,573</u>	<u>162,882</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

Interim Financial Statements for the First Quarter Ended 31 March 2013

Condensed Consolidated Statements of Changes in Equity for the First Quarter Ended 31 March 2013

(Unaudited)

	← Attributable to Owners of the Parent →				Total	Non-Controlling Interests	Total Equity
	← Non-Distributable		→ Distributable				
	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 2013</u>							
At 1 January 2013	72,469	3,457	130	74,227	150,283	8,153	158,436
Profit after taxation for the financial period	-	-	-	89	89	150	239
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(31)	-	(31)	-	(31)
- Foreign currency translation	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	(31)	89	58	150	208
Additional investment in a subsidiary				-	-	(1,031)	(1,031)
At end of the financial period	72,469	3,457	99	74,316	150,341	7,272	157,613

3 months ended

31 March 2012

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

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

Interim Financial Statements for the First Quarter Ended 31 March 2013

Condensed Consolidated Statements of Cash Flows for the First Quarter Ended 31 March 2013

(Unaudited)

	1.1.2013 to 31.03.2013 RM'000	1.1.2012 to 31.03.2012 RM'000
Cash flows (used in)/from operating activities		
Profit before taxation	746	658
Adjustments for:-		
Non-cash items	920	1,252
Non-operating items	(215)	(192)
Operating profit before working capital changes	<u>1,451</u>	<u>1,718</u>
Net change in current assets	(7,651)	(9,724)
Net change in current liabilities	(3,059)	15,889
Cash flows from operations	<u>(9,259)</u>	<u>7,883</u>
Taxation paid	(800)	(485)
Net cash from/(used in) operating activities	<u>(10,059)</u>	<u>7,398</u>
Cash flows used in investing activities		
Equity investments	(1,238)	-
Other investments	(96)	126
Net cash used in investing activities	<u>(1,334)</u>	<u>126</u>
Cash flows used in financing activities		
Transfer from/(to) finance service reserve account	-	(2)
Repayment of commercial papers	-	(10,000)
Proceed from term financing-i	12,533	-
Repayment of hire purchase financing	(239)	(409)
Short term bank borrowings	762	11,912
Net cash used in financing activities	<u>13,056</u>	<u>1,501</u>
Net increase/(decrease) in cash and cash equivalents	1,663	9,025
Cash and cash equivalents at beginning of financial period	36	5,762
Cash and cash equivalents at end of financial period	<u>1,699</u>	<u>14,787</u>

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

	<u>31.03.2013</u> RM'000	<u>As at 31.03.2012</u> RM'000
Cash and bank balances	15,688	20,486
Bank overdrafts	(13,989)	(5,699)
	<u>1,699</u>	<u>14,787</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

A EXPLANATORY NOTES AS PER FRS 134

A1. Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with 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 2012.

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 and amendments issued by the Malaysian Accounting Standards Board (“MASB”) effective for the Group’s current financial period. The adoption of these standards and amendments has no material impacts on the financial statements of the Group upon its initial application.

- FRS 10 Consolidated Financial Statements
- FRS 11 Joint Arrangements
- FRS 12 Disclosure of Interests in Other Entities
- FRS 13 Fair Value Measurement
- FRS 119 Employee Benefits (Revised)
- FRS 127 (2011) Separate Financial Statements
- FRS 128 (2011) Investments in Associates and Joint Ventures
- Amendments to FRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 10, FRS 11 and FRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
- Amendments to FRS 101 Presentation of Items of Other Comprehensive Income (Revised)
- Annual Improvements to FRSs 2009 – 2011 Cycle

The Group has not applied in advance the following accounting standards and consequential amendments that have been issued by the MASB but are not yet effective for the Group’s current financial period:

- FRS 9 Financial Instruments
- Amendments to FRS 9 Mandatory Effective Date of FRS 9 and Transition Disclosures
- Amendments to FRS 10, FRS 12 and FRS 127 Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities
- Amendments to FRS 132 Offsetting of Financial Assets and Financial Liabilities

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 2013

	Trading RM'000	Contract RM'000	Manufacture RM'000	Property Development RM'000	Property and Investment Holding RM'000	Others RM'000	Total RM'000
Revenue	139,298	12,368	-	802	354	-	152,822
Profit/(Loss) from Operations	1,678	499	(672)	178	284	(9)	1,958
Finance costs							(1,212)
Profit before taxation							746
Income tax expenses							(507)
Profit after taxation							239

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 recorded a turnover of RM153 million with a pre-tax profit of RM746,000 for the three months ended 31 March 2013. Compare to the corresponding period last year, turnover dropped by 1.7% while pre-tax profit rose by 13.4%. The increase in pre-tax profit was mainly due to better average gross profit margin.

B2. Comparison With Preceding Quarter's Result

In the quarter under review the Group posted a turnover of RM153 million, a decrease of 7.7% compared to preceding quarter's turnover of RM166 million. Pre-tax profit dropped by 72%, from RM2.64 million in the previous quarter to RM746,000 due mainly to decreased turnover, lower average gross profit margin and higher finance costs.

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>31/03/2013</u> RM'000	Cumulative Quarter <u>31/03/2013</u> RM'000
Malaysian income tax:		
Current year tax	516	516
Deferred taxation	(9)	(9)
Total income tax expense	<u>507</u>	<u>507</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 2013 are as below:

	<u>RM'000</u>
(i) At cost	7,289
(ii) At carrying value	654
(iii) At market value	654

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 2013 are as below:

	<u>RM'000</u>
Secured	14,259
Unsecured	75,152
Total short term borrowings	<u>89,411</u>
Secured long term borrowings	<u>13,493</u>
Total borrowings	<u><u>102,904</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 single tier dividend of 3.0 sen per ordinary shares for the financial year ended 31 December 2012 (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 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>31/03/2013</u>	<u>31/03/2012</u>	<u>31/03/2013</u>	<u>31/03/2012</u>
Profit attributable to owners of the parent (RM'000)	89	205	89	205
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	0.12	0.28	0.12	0.28

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	As at
	<u>31/03/2013</u>	<u>31/12/2012</u>
	RM'000	RM'000
Total retained profits		
- realised	62,326	62,336
- unrealised	12,033	11,932
	<u>74,359</u>	<u>74,268</u>
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	-	-
	<u>74,317</u>	<u>74,226</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

23 May 2013