

Interim Financial Statements for the Second Quarter Ended 30 June 2013

Condensed Consolidated Statements of Comprehensive Income for the Second Quarter Ended 30 June 2013

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>30/06/2013</u> RM'000	Preceding Year Corresponding Quarter <u>30/06/2012</u> RM'000	Current Year To-Date <u>30/06/2013</u> RM'000	Preceding Year Corresponding Period <u>30/06/2012</u> RM'000
Revenue	160,418	179,071	313,240	334,537
Operating expenses	(159,559)	(178,833)	(312,159)	(334,663)
Other operating income	2,308	2,300	4,044	4,313
Profit from operations	3,167	2,538	5,125	4,187
Finance costs	(1,420)	(1,029)	(2,632)	(2,021)
Profit before taxation	1,747	1,509	2,493	2,166
Taxation	(952)	(971)	(1,459)	(1,462)
Profit after taxation	795	538	1,034	704
Other comprehensive income				
Available-for-sale financial assets	107	51	76	(3)
Currency translation differences	-	14	(1)	12
Other comprehensive income, net of tax	107	65	75	9
Total comprehensive income	902	603	1,109	713
Profit for the period attributable to:				
Owners of the parent	769	485	858	689
Non-controlling interests	26	53	176	15
	795	538	1,034	704
Total comprehensive income for the period attributable to:				
Owners of the parent	876	550	933	698
Non-controlling interests	26	53	176	15
	902	603	1,109	713
Earnings per share attributable to owners of the parent				
- Basic (sen)	1.06	0.67	1.18	0.95
- 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 Second Quarter Ended 30 June 2013

Condensed Consolidated Statements of Financial Position as at 30 June 2013

	AS AT END OF CURRENT QUARTER <u>30/06/2013</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	37,710	37,392
Investment properties	44,109	44,109
Land held for property development	7,229	-
Investments in associated companies	7	7
Other investments	1,372	1,296
Goodwill	1,104	819
Deferred tax assets	1,596	1,597
	<u>93,127</u>	<u>85,220</u>
Current Assets		
Development Expenditure	11,856	10,360
Inventories	26,011	28,209
Trade and other receivables	254,431	246,345
Taxation recoverable	1,075	1,564
Short term investments	5,223	5,223
Cash and cash equivalents	14,533	15,971
	<u>313,129</u>	<u>307,672</u>
Current Liabilities		
Trade and other payables	127,669	140,598
Overdraft and short term borrowings	98,767	87,945
Taxation	1,441	1,467
	<u>227,877</u>	<u>230,010</u>
NET CURRENT ASSETS	<u>85,252</u>	<u>77,662</u>
	<u>178,379</u>	<u>162,882</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	75,290	74,357
Equity attributable to owners of the parent	151,216	150,283
Non-controlling interests	6,857	8,153
	<u>158,073</u>	<u>158,436</u>
Non-current Liabilities		
Term Financing	18,827	3,370
Other deferred liabilities	1,170	763
Deferred tax liabilities	309	313
	<u>20,306</u>	<u>4,446</u>
	<u>178,379</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 Second Quarter Ended 30 June 2013

Condensed Consolidated Statements of Changes in Equity for the Second Quarter Ended 30 June 2013

(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 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	-	-	-	858	858	176	1,034
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	76	-	76	-	76
- Foreign currency translation	-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the financial period	-	-	75	858	933	176	1,109
Additional investment in a subsidiary				-	-	(1,472)	(1,472)
At end of the financial period	72,469	3,457	205	75,085	151,216	6,857	158,073
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

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 Second Quarter Ended 30 June 2013

Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2013

(Unaudited)

	1.1.2013 to 30.06.2013 RM'000	1.1.2012 to 30.06.2012 RM'000
Cash flows used in operating activities		
Profit before taxation	2,493	2,166
Adjustments for:-		
Non-cash items	1,544	2,022
Non-operating items	(514)	(399)
Operating profit before working capital changes	<u>3,523</u>	<u>3,789</u>
Net change in current assets	(14,940)	(22,574)
Net change in current liabilities	(12,885)	16,362
Cash flows from operations	<u>(24,302)</u>	<u>(2,423)</u>
Taxation paid	<u>(1,000)</u>	<u>(1,021)</u>
Net cash used in operating activities	<u>(25,302)</u>	<u>(3,444)</u>
Cash flows used in investing activities		
Equity investments	(1,757)	(122)
Other investments	(154)	(862)
Net cash used in investing activities	<u>(1,911)</u>	<u>(984)</u>
Cash flows from financing activities		
Transfer from/(to) finance service reserve account	-	451
Repayment of commercial papers	-	(10,000)
Proceed from term financing-i	18,482	-
Repayment of hire purchase financing	(504)	(685)
Short term bank borrowings	8,654	13,022
Net cash from financing activities	<u>26,632</u>	<u>2,788</u>
Net decrease in cash and cash equivalents	(581)	(1,640)
Cash and cash equivalents at beginning of financial period	36	5,762
Cash and cash equivalents at end of financial period	<u>(545)</u>	<u>4,122</u>

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

	<u>30.06.2013</u> RM'000	<u>31.03.2012</u> RM'000
Cash and bank balances	14,292	11,809
Bank overdrafts	(14,837)	(7,687)
	<u>(545)</u>	<u>4,122</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 30 June 2013

	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	285,629	25,191	-	1,696	724	-	313,240
Profit/(Loss) from Operations	5,238	194	(1,281)	412	580	(18)	5,125
Finance costs							(2,632)
Profit before taxation							2,493
Income tax expenses							(1,459)
Profit after taxation							1,034

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 RM313 million with a pre-tax profit of RM2.5 million for the six months ended 30 June 2013. Despite a drop in turnover by 6.4%, pre-tax profit rose by 15.1% compared to the corresponding period last year. The increase in pre-tax profit was mainly due to better average gross profit margin and higher recovery of bad debts.

B2. Comparison With Preceding Quarter's Result

In the quarter under review the Group posted a turnover of RM160 million, an increase of 5.0% compared to preceding quarter's turnover of RM153 million. Pre-tax profit was higher by 134%, increased from RM746,000 in the previous quarter to RM1.7 million as a result of 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>30/06/2013</u> RM'000	Cumulative Quarter <u>30/06/2013</u> RM'000
Malaysian income tax:		
Current year tax	947	1,462
Deferred taxation	5	(3)
Total income tax expense	<u>952</u>	<u>1,459</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 30 June 2013 are as below:

	<u>RM'000</u>
(i) At cost	7,289
(ii) At carrying value	761
(iii) At market value	761

B8. Status Of Corporate Proposals

On 24 July 2013, the Company announced that it has entered into a conditional Sale and Purchase Agreement with Maju Holdings SdnBhd (“MHSB”) for the acquisition of 24 units of office lots located on levels 2 to 7 within Tower 3 of MajuLinq currently under development in Bandar Tasik Selatan, Kuala Lumpur (“Property”) for a total consideration of RM25,675,200 (“Purchase Consideration”). The Purchase Consideration will substantially be satisfied by way of settlement of the debts owed by MHSB and its subsidiaries to the Company and its subsidiaries.

In compliance with Paragraph 10.04 (3) of the Listing Requirements, the Company had on 2 August 2013, submitted the valuation reports of the Property to Bursa Malaysia Securities Berhad.

B9. Group Borrowings And Debt Securities

The group borrowings and debt securities which are denominated in Ringgit Malaysia as at 30 June 2013 are as below:

	<u>RM'000</u>
Secured	14,413
Unsecured	84,354
Total short term borrowings	<u>98,767</u>
Secured long term borrowings	18,827
Total borrowings	<u>117,594</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 was approved by the shareholders at the 38th Annual General Meeting held on 20 June 2013 and will be paid on 20 August 2013.

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>30/06/2013</u>	<u>30/06/2012</u>	<u>30/06/2013</u>	<u>30/06/2012</u>
Profit attributable to owners of the parent (RM'000)	769	485	858	689
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	1.06	0.67	1.18	0.95

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>30/06/2013</u>	As at <u>31/12/2012</u>
	RM'000	RM'000
Total retained profits		
- realised	63,119	62,274
- unrealised	<u>12,008</u>	<u>11,995</u>
	75,127	74,269
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	<u>-</u>	<u>-</u>
	<u>75,085</u>	<u>74,227</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

28 August 2013