

## Interim Financial Statements for the Third Quarter Ended 30 September 2013

## Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

## for the Third Quarter Ended 30 September 2013

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>30/09/2013</u> RM'000	Preceding Year Corresponding Quarter <u>30/09/2012</u> RM'000	Current Year To-Date <u>30/09/2013</u> RM'000	Preceding Year Corresponding Period <u>30/09/2012</u> RM'000
Revenue	145,899	157,002	459,139	491,540
Operating expenses	(144,129)	(156,053)	(456,288)	(490,716)
Other operating income	1,109	1,279	5,153	5,592
Profit from operations	2,879	2,228	8,004	6,416
Finance costs	(1,588)	(1,046)	(4,220)	(3,067)
Profit before taxation	1,291	1,182	3,784	3,349
Taxation	(949)	(587)	(2,408)	(2,049)
<b>Profit after taxation</b>	<b>342</b>	<b>595</b>	<b>1,376</b>	<b>1,300</b>
Other comprehensive income				
<u>Items that may be reclassified</u> <u>subsequently to profit or loss:</u>				
Available-for-sale financial assets	5	(56)	81	(59)
Currency translation differences	6	(3)	5	10
Other comprehensive income, net of tax	11	(59)	86	(49)
<b>Total comprehensive income</b>	<b>353</b>	<b>536</b>	<b>1,462</b>	<b>1,251</b>
Profit for the period attributable to:				
Owners of the parent	293	109	1,151	798
Non-controlling interests	49	486	225	502
	342	595	1,376	1,300
Total comprehensive income for the period attributable to:				
Owners of the parent	304	50	1,237	749
Non-controlling interests	49	486	225	502
	353	536	1,462	1,251
Earnings per share attributable to owners of the parent				
- Basic (sen)	0.40	0.15	1.59	1.10
- Diluted, sen	Not applicable	Not applicable	Not applicable	Not applicable

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

## Interim Financial Statements for the Third Quarter Ended 30 September 2013

## Condensed Consolidated Statements of Financial Position as at 30 September 2013

	AS AT END OF CURRENT QUARTER <u>30/09/2013</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2012</u> Audited RM'000
<b>Non-current Assets</b>		
Property, plant and equipment	37,494	37,392
Investment properties	44,109	44,109
Land held for property development	7,178	-
Investments in associated companies	7	7
Other investments	1,377	1,296
Goodwill	1,170	819
Deferred tax assets	1,094	1,597
	<u>92,429</u>	<u>85,220</u>
<b>Current Assets</b>		
Development Expenditure	12,079	10,360
Inventories	25,656	28,209
Trade and other receivables	231,890	246,345
Taxation recoverable	1,601	1,564
Short term investments	5,223	5,223
Cash and cash equivalents	16,604	15,971
	<u>293,053</u>	<u>307,672</u>
<b>Current Liabilities</b>		
Trade and other payables	110,396	140,598
Overdraft and short term borrowings	99,460	87,945
Taxation	683	1,467
	<u>210,539</u>	<u>230,010</u>
<b>NET CURRENT ASSETS</b>	<u>82,514</u>	<u>77,662</u>
	<u>174,943</u>	<u>162,882</u>
<b>FINANCED BY:</b>		
<b>Total Equity</b>		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	73,420	74,357
Equity attributable to owners of the parent	149,346	150,283
Non-controlling interests	6,453	8,153
	<u>155,799</u>	<u>158,436</u>
<b>Non-current Liabilities</b>		
Term Financing	17,604	3,370
Other deferred liabilities	1,241	763
Deferred tax liabilities	299	313
	<u>19,144</u>	<u>4,446</u>
	<u>174,943</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 Third Quarter Ended 30 September 2013

## Condensed Consolidated Statements of Changes in Equity for the Third Quarter Ended 30 September 2013

(Unaudited)

	← Attributable to Owners of the Parent →				→ Non-Controlling Interests →	Total Equity	
	Share Capital	Non-Distributable Share Premium	Other Reserves	Distributable Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 months ended <u>30 September 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	-	-	-	1,151	1,151	225	1,376
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	81	-	81	-	81
- Foreign currency translation	-	-	5	-	5	-	5
Total comprehensive income for the financial period	-	-	86	1,151	1,237	225	1,462
Additional investment in a subsidiary				-	-	(1,925)	(1,925)
Dividends paid to owners of the Parent	-	-	-	(2,174)	(2,174)	-	(2,174)
At end of the financial period	72,469	3,457	216	73,204	149,346	6,453	155,799
9 months ended <u>30 September 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	-	-	-	798	798	502	1,300
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(59)	-	(59)	-	(59)
- Foreign currency translation	-	-	10	-	10	-	10
Total comprehensive income for the financial period	-	-	(49)	798	749	502	1,251
Dividends paid to owners of the Parent	-	-	-	(1,631)	(1,631)	-	(1,631)
At end of the financial period	72,469	3,457	201	73,456	149,583	7,860	157,443

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 Third Quarter Ended 30 September 2013**

**Condensed Consolidated Statements of Cash Flows for the Third Quarter Ended 30 September 2013**  
(Unaudited)

	1.1.2013 to 30.09.2013 RM'000	1.1.2012 to 30.09.2012 RM'000
Cash flows used in operating activities		
Profit before taxation	3,784	3,349
Adjustments for:-		
Non-cash items	2,138	2,804
Non-operating items	(810)	(609)
Operating profit before working capital changes	<u>5,112</u>	<u>5,544</u>
Net change in current assets	7,777	(24,279)
Net change in current liabilities	(30,090)	23,119
Cash flows from operations	<u>(17,201)</u>	<u>4,384</u>
Taxation paid	<u>(2,742)</u>	<u>(1,844)</u>
Net cash used in operating activities	<u>(19,943)</u>	<u>2,540</u>
Cash flows used in investing activities		
Equity investments	(2,276)	14
Other investments	48	(375)
Net cash used in investing activities	<u>(2,228)</u>	<u>(361)</u>
Cash flows from financing activities		
Transfer from/(to) finance service reserve account	-	451
Dividends paid	(2,174)	(1,631)
Repayment of commercial papers	-	(10,000)
Proceed from term financing-i	17,558	-
Repayment of hire purchase financing	(772)	(932)
Short term bank borrowings	8,731	15,742
Net cash from financing activities	<u>23,343</u>	<u>3,630</u>
Net decrease in cash and cash equivalents	1,172	5,809
Cash and cash equivalents at beginning of financial period	36	5,762
Cash and cash equivalents at end of financial period	<u><u>1,208</u></u>	<u><u>11,571</u></u>
Cash and cash equivalent at the end of the financial period comprise of:		
	30.09.2013 RM'000	30.09.2012 RM'000
Cash and bank balances	16,363	15,573
Bank overdrafts	(15,155)	(4,002)
	<u><u>1,208</u></u>	<u><u>11,571</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 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**

A first and final single tier dividend of 3.0 sen per share on the ordinary shares amounting to RM2,174,085 in respect of the financial year ended 31 December 2012 was paid on 20 August 2013.

**A8. Segmental Reporting**

As at 30 September 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	410,858	41,156	48	5,978	1,099	-	459,139
Profit/(Loss) from Operations	6,874	133	(1,734)	1,875	876	(20)	8,004
Finance costs							(4,220)
Profit before taxation							3,784
Income tax expenses							(2,408)
Profit after taxation							1,376

**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 RM459 million with a pre-tax profit of RM3.8 million for the nine months ended 30 September 2013. Despite a drop in turnover by 6.6%, pre-tax profit rose by 13% compared to the corresponding period last year. The increase in pre-tax profit was mainly due to improved average gross profit margin and higher other operating income.

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

In the quarter under review the Group posted a turnover of RM146 million, a decrease of 9.1% compared to preceding quarter’s turnover of RM160 million. Pre-tax profit was lower by 26.1%, from RM1.7 million in the previous quarter to RM1.3 million due mainly to the decline turnover and higher operating expenses.

**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>30/09/2013</u> RM’000	Cumulative Quarter <u>30/09/2013</u> RM’000
Malaysian income tax:		
Current year tax	503	1,966
Prior year tax	(46)	(46)
Deferred taxation	492	488
Total income tax expense	<u>949</u>	<u>2,408</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 September 2013 are as below:

	<u>RM'000</u>
(i) At cost	7,289
(ii) At carrying value	766
(iii) At market value	766

**B8. Status Of Corporate Proposals**

On 24 July 2013 and 30 September 2013, the Company had entered into a conditional Sale and Purchase Agreement and the Supplementary Agreement respectively, with Maju Holdings Sdn Bhd (“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 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 (“Proposed Acquisition”).

The Proposed Acquisition had been approved by the shareholders of the Company at the Extraordinary General Meeting held on 13 November 2013.

**B9. Group Borrowings And Debt Securities**

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

	<u>RM'000</u>
Secured	15,743
Unsecured	83,717
Total short term borrowings	<u>99,460</u>
Secured long term borrowings	17,604
Total borrowings	<u><u>117,594</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**

No dividend has been recommended by the Board of Directors.

**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>30/09/2013</u>	<u>30/09/2012</u>	<u>30/09/2013</u>	<u>30/09/2012</u>
Profit attributable to owners of the parent (RM'000)	293	109	1,151	798
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	0.40	0.15	1.59	1.10

**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>30/09/2013</u>	<u>31/12/2012</u>
	RM'000	RM'000
Total retained profits		
- realised	61,739	62,274
- unrealised	11,507	11,995
	<u>73,246</u>	<u>74,269</u>
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	-	-
	<u>73,204</u>	<u>74,227</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

26 November 2013