

Interim Financial Statements for the Fourth Quarter Ended 31 December 2013

Condensed Consolidated Statements of Comprehensive Income for the Fourth Quarter Ended 31 December 2013

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31/12/2013</u> RM'000	Preceding Year Corresponding Quarter <u>31/12/2012</u> RM'000	Current Year To-Date <u>31/12/2013</u> RM'000	Preceding Year Corresponding Period <u>31/12/2012</u> RM'000
Revenue	168,910	165,616	628,049	657,156
Operating expenses	(175,599)	(164,235)	(631,887)	(654,951)
Other operating income	14,521	2,330	19,674	7,922
Profit from operations	7,832	3,711	15,836	10,127
Finance costs	(1,505)	(1,073)	(5,725)	(4,140)
Profit before taxation	6,327	2,638	10,111	5,987
Taxation	(2,451)	(1,574)	(4,859)	(3,623)
Profit after taxation from continuing operations	3,876	1,064	5,252	2,364
Remeasurement of asset classified as held for sale	(170)	-	(170)	-
Profit after taxation	3,706	1,064	5,082	2,364
Other comprehensive income				
Available-for-sale financial assets	(62)	(67)	19	(126)
Currency translation differences	1	(4)	6	6
Other comprehensive income, net of tax	(61)	(71)	25	(120)
Total comprehensive income	3,645	993	5,107	2,244
Profit for the period attributable to:				
Owners of the parent	3,421	771	4,572	1,569
Non-controlling interests	285	293	510	795
	3,706	1,064	5,082	2,364
Total comprehensive income for the period attributable to:				
Owners of the parent	3,360	700	4,597	1,449
Non-controlling interests	285	293	510	795
	3,645	993	5,107	2,244
Earnings per share attributable to owners of the parent				
- Basic (sen)	4.72	1.06	6.31	2.17
- 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 Fourth Quarter Ended 31 December 2013

Condensed Consolidated Statements of Financial Position as at 31 December 2013

	AS AT END OF CURRENT QUARTER <u>31/12/2013</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	36,695	37,392
Investment properties	54,483	44,109
Land held for property development	7,178	-
Investments in associated companies	7	7
Other investments	1,315	1,296
Goodwill	1,238	819
Deferred tax assets	694	1,597
	<u>101,610</u>	<u>85,220</u>
Current Assets		
Development Expenditure	11,381	10,360
Inventories	26,856	28,209
Trade and other receivables	226,007	246,345
Taxation recoverable	987	1,564
Short term investments	5,223	5,223
Cash and cash equivalents	21,474	15,971
	<u>291,928</u>	<u>307,672</u>
Asset reclassified as held for sale	1,680	-
	<u>293,608</u>	<u>307,672</u>
Current Liabilities		
Trade and other payables	118,148	140,598
Overdraft and short term borrowings	99,162	87,945
Taxation	714	1,467
	<u>218,024</u>	<u>230,010</u>
NET CURRENT ASSETS	<u>75,584</u>	<u>77,662</u>
	<u>177,194</u>	<u>162,882</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	76,828	74,357
Equity attributable to owners of the parent	<u>152,754</u>	<u>150,283</u>
Non-controlling interests	6,287	8,153
	<u>159,041</u>	<u>158,436</u>
Non-current Liabilities		
Term Financing	16,194	3,370
Other deferred liabilities	1,104	763
Deferred tax liabilities	855	313
	<u>18,153</u>	<u>4,446</u>
	<u>177,194</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 Fourth Quarter Ended 31 December 2013

Condensed Consolidated Statements of Changes in Equity for the Fourth Quarter Ended 31 December 2013

(Unaudited)

	← Attributable to Owners of the Parent →				Non-Controlling Interests	Total Equity	
	Share Capital	Share Premium	Other Reserves	Distributable Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
12 months ended <u>31 December 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	-	-	-	4,572	4,572	510	5,082
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	19	-	19	-	19
- Foreign currency translation differences	-	-	6	-	6	-	6
Total comprehensive income for the financial period	-	-	25	4,572	4,597	510	5,107
Foreign currency translation differences reclassified to profit or loss			48		48		48
Additional investment in a subsidiary				-	-	(2,376)	(2,376)
Dividends paid to owners of the Parent	-	-	-	(2,174)	(2,174)	-	(2,174)
At end of the financial period	72,469	3,457	203	76,625	152,754	6,287	159,041
12 months ended <u>31 December 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	-	-	-	1,569	1,569	795	2,364
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(126)		(126)	-	(126)
- Foreign currency translation differences	-	-	6		6	-	6
Total comprehensive income for the financial period	-	-	(120)	1,569	1,449	795	2,244
Dividends paid to owners of the Parent	-	-	-	(1,631)	(1,631)	-	(1,631)
At end of the financial period	72,469	3,457	130	74,227	150,283	8,153	158,436

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 Fourth Quarter Ended 31 December 2013

Condensed Consolidated Statements of Cash Flows for the Fourth Quarter Ended 31 December 2013
 (Unaudited)

	1.1.2013 to 31.12.2013 RM'000	1.1.2012 to 31.12.2012 RM'000
Cash flows used in operating activities		
Profit before taxation	10,111	5,987
Adjustments for:-		
Non-cash items	(8,090)	6,192
Non-operating items	(1,059)	(867)
Operating profit before working capital changes	962	11,312
Net change in current assets	12,243	(33,465)
Net change in current liabilities	(22,259)	19,069
Cash flows from operations	(9,054)	(3,084)
Taxation paid	(3,591)	(2,597)
Net cash used in operating activities	(12,645)	(5,681)
Cash flows used in investing activities		
Equity investments	(2,795)	14
Other investments	64	1,074
Net cash used in investing activities	(2,731)	1,088
Cash flows from financing activities		
Transfer from finance service reserve account	-	210
Dividends paid	(2,174)	(1,631)
Repayment of commercial papers	-	(10,000)
Proceed from term financing-i	16,621	4,117
Repayment of hire purchase financing	(988)	(1,370)
Short term bank borrowings	7,843	7,541
Net cash from financing activities	21,302	(1,133)
Net increase in cash and cash equivalents	5,926	(5,726)
Cash and cash equivalents at beginning of financial period	36	5,762
Cash and cash equivalents at end of financial period	5,962	36
Cash and cash equivalent at the end of the financial period comprise of:		
	31.12.2013 RM'000	31.12.2012 RM'000
Cash and bank balances	21,233	15,730
Bank overdrafts	(15,271)	(15,694)
	5,962	36

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 (2012)

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 (2009) Financial Instruments
- FRS 9 (2010) Financial Instruments
- Amendments to FRS 9 and FRS 7 Mandatory Effective Date of FRS 9 and Transition Disclosures
- Amendments to FRS 10, FRS 12 and FRS 127 (2011) Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities

A1. Accounting Policies (Cont'd)

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: (cont'd)

- Amendments to FRS 132 Offsetting of Financial Assets and Financial Liabilities
- Amendments to FRS 136 Recoverable Amount Disclosures for Non-financial Assets
- Amendments to FRS 139 Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

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 December 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	551,367	63,935	87	11,187	1,473	-	628,049
Profit/(Loss) from operations	2,393	3,548	(2,121)	3,857	8,236	(77)	15,836
Finance costs							(5,725)
Profit before taxation							10,111
Income tax expenses							(4,859)
Profit after taxation from continuing operation							5,252
Remeasurement of assets classified as held for sale							(170)
Profit after taxation							5,082

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 RM628 million with an operating pre-tax profit of RM9.9 million for the financial year ended 31 December 2013. Despite a drop in turnover by 4.4%, operating pre-tax profit rose by 69% compared to last year. The improvement in operating pre-tax profit was mainly due to higher average gross profit margin as well as higher contribution from contracting and property development activities. There was an allowance for impairment losses on trade receivables of RM16.5 million but with an increase in fair value of the Group's investment properties of RM11.95 million, the profit after tax of the Group improved to RM5.1 million, more than double the previous year's result of RM2.4 million.

B2. Comparison With Preceding Quarter's Result

In the quarter under review the Group posted a turnover of RM169 million, an increase of 15.8% compared to preceding quarter's turnover of RM146 million. Despite the impairment losses of RM16.5 million, pre-tax profit from continuing operations was significantly higher at RM6.3 million due mainly to higher turnover, higher average gross profit margin as well as 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>31/12/2013</u> RM'000	Cumulative Quarter <u>31/12/2013</u> RM'000
Malaysian income tax:		
Current year tax	1,489	3,454
Prior year tax	6	(40)
Deferred taxation	956	1,445
Total income tax expense	<u>2,451</u>	<u>4,859</u>

B6. Sale Of Investments And Properties

During the quarter under review, Control Instruments (M) Sdn Bhd, a partially-owned subsidiary actively sought to dispose off its investment property with carrying value of RM1,850,000 million. Subsequently the company entered into a Sale and Purchase Agreement on 27 January 2014 to disposed the said property at a purchase consideration of RM1,680,000. Accordingly the Group has reclassified the asset as held for resale and recognised the loss on remeasurement of the asset of RM170,000.

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 December 2013 are as below:

	<u>RM'000</u>
(i) At cost	7,289
(ii) At carrying value	704
(iii) At market value	704

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 Sdn Bhd (“MHSB”) for the acquisition of 24 units of office lots located on levels 2 to 7 within Tower 3 of Maju Linq currently under development in Bandar Tasik Selatan, Kuala Lumpur (“Property”) for an aggregate purchase consideration of RM25,675,200 (“Proposed Acquisition”). 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. At the Extraordinary General Meeting on 13 November 2013, the shareholders approved the Proposed Acquisition.

B9. Group Borrowings And Debt Securities

The group borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 December 2013 are as below:

	<u>RM'000</u>
Secured	15,452
Unsecured	83,710
Total short term borrowings	<u>99,162</u>
Secured long term borrowings	16,194
Total borrowings	<u><u>115,356</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 have proposed a first and final single tier dividend for the financial year ended 31 December 2013. The Company will announce the quantum of the proposed dividend at a later date once it been determined.

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>31/12/2013</u>	<u>31/12/2012</u>	<u>31/12/2013</u>	<u>31/12/2012</u>
Profit attributable to owners of the parent (RM'000)	3,421	771	4,572	1,569
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	4.72	1.06	6.31	2.17

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>31/12/2013</u>	As at <u>31/12/2012</u>
	RM'000	RM'000
Total retained profits		
- realised	56,018	62,274
- unrealised	<u>20,649</u>	<u>11,995</u>
	76,667	74,269
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	<u>-</u>	<u>-</u>
	<u>76,625</u>	<u>74,227</u>

IPMUDA BERHAD (22146-T)

Interim Financial Statements for the Fourth Quarter Ended 31 December 2013

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

26 February 2014