

Interim Financial Statements for the First Quarter Ended 31 March 2014

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the First Quarter Ended 31 March 2014**

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31/03/2014</u> RM'000	Preceding Year Corresponding Quarter <u>31/03/2013</u> RM'000	Current Year To-Date <u>31/03/2014</u> RM'000	Preceding Year Corresponding Period <u>31/03/2013</u> RM'000
Revenue	167,298	152,822	167,298	152,822
Operating expenses	(164,199)	(152,600)	(164,199)	(152,600)
Other operating income	1,728	1,736	1,728	1,736
Profit from operations	4,827	1,958	4,827	1,958
Finance costs	(1,506)	(1,212)	(1,506)	(1,212)
Profit before taxation	3,321	746	3,321	746
Taxation	(953)	(507)	(953)	(507)
Profit after taxation	2,368	239	2,368	239
Other comprehensive income				
<u>Items that may be reclassified</u> subsequently to profit or loss:				
Available-for-sale financial assets	120	(31)	120	(31)
Currency translation differences	(1)	-	(1)	-
Other comprehensive income, net of tax	119	(31)	119	(31)
Total comprehensive income	2,487	208	2,487	208
Profit for the period attributable to:				
Owners of the parent	2,299	89	2,299	89
Non-controlling interests	69	150	69	150
	2,368	239	2,368	239
Total comprehensive income for the period attributable to:				
Owners of the parent	2,418	58	2,418	58
Non-controlling interests	69	150	69	150
	2,487	208	2,487	208
Earnings per share attributable to owners of the parent				
- Basic (sen)	3.17	0.12	3.17	0.12
- 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 2013.

Interim Financial Statements for the First Quarter Ended 31 March 2014

Condensed Consolidated Statements of Financial Position as at 31 March 2014

	AS AT END OF CURRENT QUARTER <u>31/03/2014</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2013</u> Audited RM'000
Non-current Assets		
Property, plant and equipment	36,209	36,695
Investment properties	54,483	54,483
Land held for property development	7,178	7,178
Investments in associated companies	7	7
Other investments	1,435	1,316
Goodwill	819	819
Deferred tax assets	643	694
	<u>100,774</u>	<u>101,192</u>
Current Assets		
Development Expenditure	11,992	11,381
Inventories	28,062	26,856
Trade and other receivables	237,885	225,379
Taxation recoverable	1,449	987
Short term investments	5,223	5,223
Cash and cash equivalents	17,549	21,926
Asset classified as held for sale	1,680	1,680
	<u>303,840</u>	<u>293,432</u>
Current Liabilities		
Trade and other payables	126,942	117,990
Overdraft and short term borrowings	98,933	99,142
Taxation	870	714
	<u>226,745</u>	<u>217,846</u>
NET CURRENT ASSETS	<u>77,095</u>	<u>75,586</u>
	<u>177,869</u>	<u>176,778</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	78,747	76,329
Equity attributable to owners of the parent	154,673	152,255
Non-controlling interests	6,359	6,290
	<u>161,032</u>	<u>158,545</u>
Non-current Liabilities		
Term Financing	14,941	16,194
Other deferred liabilities	965	1,106
Deferred tax liabilities	931	933
	<u>16,837</u>	<u>18,233</u>
	<u>177,869</u>	<u>176,778</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013

Interim Financial Statements for the First Quarter Ended 31 March 2014

Condensed Consolidated Statements of Changes in Equity for the First Quarter Ended 31 March 2014

(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	
3 months ended							
<u>31 March 2014</u>							
At 1 January 2014	72,469	3,457	203	76,126	152,255	6,290	158,545
Profit after taxation for the financial period	-	-	-	2,299	2,299	69	2,368
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	120	-	120	-	120
- Foreign currency translation	-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the financial period	-	-	119	2,299	2,418	69	2,487
At end of the financial period	72,469	3,457	322	78,425	154,673	6,359	161,032
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

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013.

Interim Financial Statements for the First Quarter Ended 31 March 2014

Condensed Consolidated Statements of Cash Flows for the Firth Quarter Ended 31 March 2014

(Unaudited)

	1.1.2014 to <u>31.03.2014</u> RM'000	1.1.2013 to <u>31.03.2013</u> RM'000
Cash flows used in operating activities		
Profit before taxation	3,321	746
Adjustments for:-		
Non-cash items	569	920
Non-operating items	(356)	(215)
Operating profit before working capital changes	<u>3,534</u>	<u>1,451</u>
Net change in current assets	(14,323)	(7,651)
Net change in current liabilities	9,006	(3,059)
Cash flows from operations	<u>(1,783)</u>	<u>(9,259)</u>
Taxation paid	(1,211)	(800)
Net cash used in operating activities	<u>(2,994)</u>	<u>(10,059)</u>
Cash flows used in investing activities		
Equity investments	-	(1,238)
Other investments	272	(96)
Net cash used in investing activities	<u>272</u>	<u>(1,334)</u>
Cash flows from financing activities		
Proceed from term financing-i	(950)	12,533
Repayment of hire purchase financing	(194)	(239)
Short term bank borrowings	24	762
Net cash from financing activities	<u>(1,120)</u>	<u>13,056</u>
Net increase in cash and cash equivalents	(3,842)	1,663
Cash and cash equivalents at beginning of financial period	6,979	36
Cash and cash equivalents at end of financial period	<u><u>3,137</u></u>	<u><u>1,699</u></u>

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

	<u>31.03.2014</u> RM'000	<u>31.03.2013</u> RM'000
Cash and bank balances	17,308	15,688
Bank overdrafts	(14,171)	(13,989)
	<u><u>3,137</u></u>	<u><u>1,699</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 2013.

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 2013.

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.

- Amendments to FRS 10,
FRS 12 and FRS 127 (2011) Investment Entities
- 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

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
- FRS 9 Financial Instruments (Hedge Accounting and Amendments to FRS 7, FRS 9 and FRS 139)
- Amendments to FRS 9 Mandatory Effective Date of FRS 9 and Transition Disclosures and FRS 7
- Amendments to FRS 119 Defined Benefit Plans – Employee Contributions
- Annual Improvements to FRSs 2010 – 2012 Cycle
- Annual Improvements to FRSs 2011 – 2013 Cycle

A2. 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 cyclical 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 31 March 2014

	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	146,086	19,924	-	914	374	-	167,298
Profit/(Loss) from operations	3,892	618	(144)	174	295	(8)	4,827
Finance costs							(1,506)
Profit before taxation							3,321
Income tax expenses							(953)
Profit after taxation							2,368

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

On 19 February 2014, Ipmuda Berhad acquired a 100.00% equity interest in Ipmuda Amanjaya Quarry Sdn Bhd ("Ipmuda Amanjaya Quarry") comprising two (2) ordinary shares of RM1.00 each fully paid at par for a purchase consideration of RM2.00. Ipmuda Amanjaya Quarry was incorporated on 17 February 2014 and is presently dormant.

Save as disclosed above, there were no changes in the composition of the Group for the current financial year to date

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 RM167 million with a pre-tax profit of RM3.32 million for the three months ended 31 March 2014. Compared to the corresponding period last year, turnover rose by 9.5% while pre-tax profit increased by more than four fold. The increase in pre-tax profit was mainly due to higher turnover and improved average gross profit margin.

B2. Comparison With Preceding Quarter's Result

In the quarter under review the Group posted a turnover of RM167 million, a slight decrease of 1.0% compared to preceding quarter's turnover of RM169 million. Pre-tax profit dropped by 46% from RM6.16 million to RM3.32 in the current quarter million. The previous quarter's result was augmented by the 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>31/03/2014</u> RM'000	Cumulative Quarter <u>31/03/2014</u> RM'000
Malaysian income tax:		
Current year tax	904	904
Deferred taxation	49	49
Total income tax expense	<u>953</u>	<u>953</u>

B6. Sale Of Investments And Properties

On 27 January 2014, Control Instruments (M) Sdn Bhd, a partially-owned subsidiary of the Company entered into a Sale and Purchase Agreement to dispose its investment property with carrying value of RM1,850,000 at a purchase consideration of RM1,680,000. The Group had in the previous financial year reclassified the asset as held for resale and accordingly 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 March 2014 are as below:

	<u>RM'000</u>
(i) At cost	7,288
(ii) At carrying value	824
(iii) At market value	824

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. The proposed acquisition is expected to be completed in August 2015 upon the complete development of the Maju Linq project.

B9. Group Borrowings And Debt Securities

The group borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 March 2014 are as below:

	<u>RM'000</u>
Secured	15,839
Unsecured	83,095
Total short term borrowings	<u>98,934</u>
Secured long term borrowings	14,941
Total borrowings	<u>113,875</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.

B13. Dividend

The Directors proposed a first and final single tier dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2013. 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.

B14. 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>31/03/2014</u>	<u>31/03/2013</u>	<u>31/03/2014</u>	<u>31/03/2013</u>
Profit attributable to owners of the parent (RM'000)	2,299	89	2,299	89
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	3.17	0.12	3.17	0.12

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>31/03/2014</u>	As at <u>31/12/2013</u>
	RM'000	RM'000
Total retained profits		
- realised	56,777	54,421
- unrealised	21,690	21,747
	<u>78,467</u>	<u>76,168</u>
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	-	-
	<u>78,425</u>	<u>76,126</u>

BY ORDER OF THE BOARD

Chan Lai Choon
Secretary

Kuala Lumpur
26 May 2014