

Interim Financial Statements for the Second Quarter Ended 30 June 2014

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the Second Quarter Ended 30 June 2014**

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>30/06/2014</u> RM'000	Preceding Year Corresponding Quarter <u>30/06/2013</u> RM'000	Current Year To-Date <u>30/06/2014</u> RM'000	Preceding Year Corresponding Period <u>30/06/2013</u> RM'000
Revenue	169,247	160,418	336,545	313,240
Operating expenses	(165,569)	(159,559)	(329,769)	(312,159)
Other operating income	2,009	2,308	3,737	4,044
Profit from operations	5,687	3,167	10,513	5,125
Finance costs	(1,466)	(1,420)	(2,971)	(2,632)
Profit before taxation	4,221	1,747	7,542	2,493
Taxation	(1,076)	(952)	(2,029)	(1,459)
Profit after taxation	3,145	795	5,513	1,034
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Available-for-sale financial assets	613	107	733	76
Currency translation differences	(3)	-	(4)	(1)
Other comprehensive income, net of tax	610	107	729	75
Total comprehensive income	3,755	902	6,242	1,109
Profit for the period attributable to:				
Owners of the parent	2,859	769	5,158	858
Non-controlling interests	286	26	355	176
	3,145	795	5,513	1,034
Total comprehensive income for the period attributable to:				
Owners of the parent	3,469	876	5,887	933
Non-controlling interests	286	26	355	176
	3,755	902	6,242	1,109
Earnings per share attributable to owners of the parent				
- Basic (sen)	3.95	1.06	7.12	1.18
- 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 Second Quarter Ended 30 June 2014

Condensed Consolidated Statements of Financial Position as at 30 June 2014

	AS AT END OF CURRENT QUARTER <u>30/06/2014</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	42,925	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	2,048	1,316
Goodwill	819	819
Deferred tax assets	637	694
	<u>108,097</u>	<u>101,192</u>
Current Assets		
Development Expenditure	12,046	11,381
Inventories	26,976	26,856
Trade and other receivables	241,628	225,379
Taxation recoverable	1,638	987
Short term investments	5,223	5,223
Cash and cash equivalents	19,305	21,926
Asset classified as held for sale	1,680	1,680
	<u>308,496</u>	<u>293,432</u>
Current Liabilities		
Trade and other payables	135,972	117,990
Overdraft and short term borrowings	94,133	99,142
Taxation	1,291	714
	<u>231,396</u>	<u>217,846</u>
NET CURRENT ASSETS	<u>77,100</u>	<u>75,586</u>
	<u>185,197</u>	<u>176,778</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	82,216	76,329
Equity attributable to owners of the parent	158,142	152,255
Non-controlling interests	6,645	6,290
	<u>164,787</u>	<u>158,545</u>
Non-current Liabilities		
Term Financing/Loan	18,583	16,194
Other deferred liabilities	885	1,106
Deferred tax liabilities	942	933
	<u>20,410</u>	<u>18,233</u>
	<u>185,197</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 Second Quarter Ended 30 June 2014

Condensed Consolidated Statements of Changes in Equity for the Second Quarter Ended 30 June 2014

(Unaudited)

	← Attributable to Owners of the Parent →				Non-Controlling Interests	Total Equity	
	← Non-Distributable Share Capital	Share Premium	→ Other Reserves	Distributable Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
6 months ended							
<u>30 June 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	-	-	-	5,158	5,158	355	5,513
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	733	-	733	-	733
- Foreign currency translation	-	-	(4)	-	(4)	-	(4)
Total comprehensive income for the financial period	-	-	729	5,158	5,887	355	6,242
At end of the financial period	72,469	3,457	932	81,284	158,142	6,645	164,787
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

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 Second Quarter Ended 30 June 2014

Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2014

(Unaudited)

	1.1.2014 to 30.06.2014 RM'000	1.1.2013 to 30.06.2013 RM'000
Cash flows from/(for) operating activities		
Profit before taxation	7,542	2,493
Adjustments for:-		
Non-cash items	1,185	1,544
Non-operating items	(742)	(514)
Operating profit before working capital changes	<u>7,985</u>	<u>3,523</u>
Net change in current assets	(17,034)	(14,940)
Net change in current liabilities	18,025	(12,885)
Cash flows from operations	<u>8,976</u>	<u>(24,302)</u>
Taxation paid	<u>(2,038)</u>	<u>(1,000)</u>
Net cash from/(for) operating activities	<u>6,938</u>	<u>(25,302)</u>
Cash flows for investing activities		
Equity investments	-	(1,757)
Other investments	(6,566)	(154)
Net cash for investing activities	<u>(6,566)</u>	<u>(1,911)</u>
Cash flows (for)/from financing activities		
Net proceeds from term financing-i/loan	3,281	18,482
Repayment of hire purchase financing	(373)	(504)
Short term bank borrowings	(8,826)	8,654
Net cash (for)/from financing activities	<u>(5,918)</u>	<u>26,632</u>
Net decrease in cash and cash equivalents	(5,546)	(581)
Cash and cash equivalents at beginning of financial period	6,979	36
Cash and cash equivalents at end of financial period	<u>1,433</u>	<u>(545)</u>

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

	30.06.2014 RM'000	30.06.2013 RM'000
Cash and bank balances	19,064	14,292
Bank overdrafts	(17,631)	(14,837)
	<u>1,433</u>	<u>(545)</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

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 2013 was paid on 20 August 2014.

A9. Segmental Reporting

As at 30 June 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	292,181	41,651	3	1,960	750	-	336,545
Profit/(Loss) from Operations	8,153	1,862	(495)	438	572	(17)	10,513
Finance costs							(2,971)
Profit before taxation							7,542
Income tax expenses							(2,029)
Profit after taxation							5,513

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

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.

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 RM337 million with a pre-tax profit of RM7.54 million for the six months ended 30 June 2014. Compared to the corresponding period last year, turnover rose by 7.4% while pre-tax profit increased by more than three fold. An elevated average gross margin from a sales composition of higher margin products on the back of higher turnover brought about this better pre-tax profit.

B2. Comparison With Preceding Quarter's Result

In the quarter under review the Group posted a turnover of RM169 million, a slight increase of 1.2% compared to preceding quarter's turnover of RM167 million. Pre-tax profit improved by 27.1% from RM3.3 million in the preceding quarter to RM4.2 million as a result of increased turnover, improved gross profit margin and higher other 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>30/06/2014</u> RM'000	Cumulative Quarter <u>30/06/2014</u> RM'000
Malaysian income tax:		
Current year tax	1,060	1,964
Deferred taxation	16	65
Total income tax expense	<u>1,076</u>	<u>2,029</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 2014 are as below:

	<u>RM'000</u>
(i) At cost	7,288
(ii) At carrying value	1,437
(iii) At market value	1,437

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 30 June 2014 are as below:

	<u>RM'000</u>
Secured	16,691
Unsecured	77,442
Total short term borrowings	<u>94,133</u>
Secured long term borrowings	18,583
Total borrowings	<u><u>112,716</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.

B13. Dividend

No dividend has been recommended by the Board of Directors.

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>30/06/2014</u>	<u>30/06/2013</u>	<u>30/06/2014</u>	<u>30/06/2013</u>
Profit attributable to owners of the parent (RM'000)	2,859	769	5,158	858
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	3.95	1.06	7.12	1.18

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>30/06/2014</u>	As at <u>31/12/2013</u>
	RM'000	RM'000
Total retained profits		
- realised	59,691	54,421
- unrealised	21,635	21,747
	<u>81,326</u>	<u>76,168</u>
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	-	-
	<u>81,284</u>	<u>76,126</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

27 August 2014