

Interim Financial Statements for the Third Quarter Ended 30 September 2014

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

for the Third Quarter Ended 30 September 2014

(Unaudited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|--|
| | Current Year Quarter <u>30/09/2014</u> RM'000 | Preceding Year Corresponding Quarter <u>30/09/2013</u> RM'000 | Current Year To-Date <u>30/09/2014</u> RM'000 | Preceding Year Corresponding Period <u>30/09/2013</u> RM'000 |
| Revenue | 142,140 | 145,899 | 478,685 | 459,139 |
| Operating expenses | (140,555) | (144,129) | (470,324) | (456,288) |
| Other operating income | 2,641 | 1,109 | 6,378 | 5,153 |
| Profit from operations | 4,226 | 2,879 | 14,739 | 8,004 |
| Finance costs | (1,319) | (1,588) | (4,290) | (4,220) |
| Profit before taxation | 2,907 | 1,291 | 10,449 | 3,784 |
| Taxation | (988) | (949) | (3,017) | (2,408) |
| Profit after taxation | 1,919 | 342 | 7,432 | 1,376 |
| Other comprehensive income | | | | |
| <u>Items that may be reclassified</u> <u>subsequently to profit or loss:</u> | | | | |
| Available-for-sale financial assets | (607) | 5 | 126 | 81 |
| Currency translation differences | 2 | 6 | (2) | 5 |
| Other comprehensive income, net of tax | (605) | 11 | 124 | 86 |
| Total comprehensive income | 1,314 | 353 | 7,556 | 1,462 |
| Profit for the period attributable to: | | | | |
| Owners of the parent | 1,795 | 293 | 6,953 | 1,151 |
| Non-controlling interests | 124 | 49 | 479 | 225 |
| | 1,919 | 342 | 7,432 | 1,376 |
| Total comprehensive income for the period attributable to: | | | | |
| Owners of the parent | 1,190 | 304 | 7,078 | 1,236 |
| Non-controlling interests | 124 | 49 | 479 | 225 |
| | 1,314 | 353 | 7,557 | 1,461 |
| Earnings per share attributable to owners of the parent | | | | |
| - Basic (sen) | 2.48 | 0.40 | 9.59 | 1.59 |
| - 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 Third Quarter Ended 30 September 2014

Condensed Consolidated Statements of Financial Position as at 30 September 2014

| | AS AT END OF CURRENT QUARTER <u>30/09/2014</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 | 42,749 | 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 | 900 | 1,316 |
| Goodwill | 819 | 819 |
| Deferred tax assets | 1,131 | 694 |
| | <u>107,267</u> | <u>101,192</u> |
| Current Assets | | |
| Development Expenditure | 12,264 | 11,381 |
| Inventories | 26,750 | 26,856 |
| Trade and other receivables | 234,524 | 225,379 |
| Taxation recoverable | 1,307 | 987 |
| Short term investments | 5,223 | 5,223 |
| Cash and cash equivalents | 12,626 | 21,926 |
| Asset classified as held for sale | - | 1,680 |
| | <u>292,694</u> | <u>293,432</u> |
| Current Liabilities | | |
| Trade and other payables | 129,558 | 117,990 |
| Overdraft and short term borrowings | 85,971 | 99,142 |
| Taxation | 1,099 | 714 |
| | <u>216,628</u> | <u>217,846</u> |
| NET CURRENT ASSETS | <u>76,066</u> | <u>75,586</u> |
| | <u>183,333</u> | <u>176,778</u> |
| FINANCED BY: | | |
| Total Equity | | |
| Share capital | 72,469 | 72,469 |
| Share premium | 3,457 | 3,457 |
| Reserves | 81,549 | 76,329 |
| Equity attributable to owners of the parent | 157,475 | 152,255 |
| Non-controlling interests | 6,769 | 6,290 |
| | <u>164,244</u> | <u>158,545</u> |
| Non-current Liabilities | | |
| Term Financing/Loan | 17,151 | 16,194 |
| Other deferred liabilities | 988 | 1,106 |
| Deferred tax liabilities | 950 | 933 |
| | <u>19,089</u> | <u>18,233</u> |
| | <u>183,333</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 Third Quarter Ended 30 September 2014

Condensed Consolidated Statements of Changes in Equity for the Third Quarter Ended 30 September 2014

(Unaudited)

| | ← Attributable to Owners of the Parent → | | | | Total | Non-Controlling Interests | Total Equity |
|---|--|---------------|----------------|------------------|---------|---------------------------|--------------|
| | Share Capital | Share Premium | Other Reserves | Retained Profits | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 9 months ended <u>30 September 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 | - | - | - | 6,953 | 6,953 | 479 | 7,432 |
| 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 | - | - | (2) | - | (2) | - | (2) |
| Total comprehensive income for the financial period | - | - | 124 | 6,953 | 7,077 | 479 | 7,556 |
| Dividends paid to owners of the Parent | - | - | - | (2,174) | (2,174) | - | (2,174) |
| Reclassification adjustment to profit or loss on disposal | - | - | 317 | - | 317 | - | 317 |
| At end of the financial period | 72,469 | 3,457 | 644 | 80,905 | 157,475 | 6,769 | 164,244 |
| 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 |

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 Third Quarter Ended 30 September 2014

Condensed Consolidated Statements of Cash Flows for the Third Quarter Ended 30 September 2014
(Unaudited)

| | 1.1.2014 to 30.09.2014 RM'000 | 1.1.2013 to 30.09.2013 RM'000 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from/(for) operating activities | | |
| Profit before taxation | 10,449 | 3,784 |
| Adjustments for:- | | |
| Non-cash items | 2,238 | 2,138 |
| Non-operating items | (1,022) | (810) |
| Operating profit before working capital changes | <u>11,665</u> | <u>5,112</u> |
| Net change in current assets | (10,658) | 7,777 |
| Net change in current liabilities | 11,565 | (30,090) |
| Cash flows from operations | <u>12,572</u> | <u>(17,201)</u> |
| Taxation paid | (3,372) | (2,742) |
| Net cash from/(for) operating activities | <u>9,200</u> | <u>(19,943)</u> |
| Cash flows for investing activities | | |
| Equity investments | 1,189 | (2,276) |
| Other investments | (4,778) | 48 |
| Net cash for investing activities | <u>(3,589)</u> | <u>(2,228)</u> |
| Cash flows (for)/from financing activities | | |
| Dividends paid | (2,174) | (2,174) |
| Net proceeds from term financing-i/loan | 1,947 | 17,558 |
| Repayment of hire purchase financing | (523) | (772) |
| Short term bank borrowings | (13,388) | 8,731 |
| Net cash (for)/from financing activities | <u>(14,138)</u> | <u>23,343</u> |
| Net decrease in cash and cash equivalents | (8,527) | 1,172 |
| Cash and cash equivalents at beginning of financial period | 6,979 | 36 |
| Cash and cash equivalents at end of financial period | <u>(1,548)</u> | <u>1,208</u> |

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

| | 30.09.2014 RM'000 | 30.09.2013 RM'000 |
|------------------------|----------------------|----------------------|
| Cash and bank balances | 12,385 | 16,363 |
| Bank overdrafts | (13,933) | (15,155) |
| | <u>(1,548)</u> | <u>1,208</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 September 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 | 416,773 | 55,907 | 6 | 4,907 | 1,092 | - | 478,685 |
| Profit/(Loss) from Operations | 9,968 | 2,542 | (762) | 1,427 | 1,589 | (25) | 14,739 |
| Finance costs | | | | | | | (4,290) |
| Profit before taxation | | | | | | | 10,449 |
| Income tax expenses | | | | | | | (3,017) |
| Profit after taxation | | | | | | | 7,432 |

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 RM479 million with a pre-tax profit of RM10.45 million for the nine months ended 30 September 2014. Compared to the corresponding period last year, turnover improved by 4.3% while pre-tax profit increased by almost three fold. An elevated average gross margin from a sales composition of products with higher margin 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 RM142 million, a decrease of 16% compared to preceding quarter's turnover of RM169 million. Consequently, pre-tax profit dropped by 31% from RM4.2 million in the preceding quarter to RM2.9 million.

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>30/09/2014</u> RM'000 | Cumulative Quarter <u>30/09/2014</u> RM'000 |
|--------------------------|--|--|
| Malaysian income tax: | | |
| Current year tax | 955 | 2,918 |
| Prior year tax | 518 | 518 |
| Deferred taxation | (485) | (419) |
| Total income tax expense | <u>988</u> | <u>3,017</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) The disposal of quoted securities for the current interim period are as follows;

| | <u>RM'000</u> |
|---|---------------|
| Proceeds from the disposal of quoted securities | 1,188 |
| Carrying value of quoted securities disposed | (541) |
| Reclassification adjustment from fair value reserve on disposal | (317) |
| Gain from the disposal of quoted securities | <u>330</u> |

- b) Total investments in quoted shares as at 30 September 2014 are as below:

| | <u>RM'000</u> |
|------------------------|---------------|
| (i) At cost | 2,699 |
| (ii) At carrying value | 289 |
| (iii) At market value | 289 |

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 September 2014 are as below:

| | <u>RM'000</u> |
|------------------------------|----------------|
| Secured | 14,621 |
| Unsecured | 71,350 |
| Total short term borrowings | <u>85,971</u> |
| Secured long term borrowings | 17,151 |
| Total borrowings | <u>103,122</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>30/09/2014</u> | <u>30/09/2013</u> | <u>30/09/2014</u> | <u>30/09/2013</u> |
| Profit attributable to owners of the parent (RM'000) | 1,795 | 293 | 6,953 | 1,151 |
| Weighted average number of shares outstanding ('000) | 72,469 | 72,469 | 72,469 | 72,469 |
| Basic earnings per share (sen) | 2.48 | 0.40 | 9.59 | 1.59 |

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>30/09/2014</u> RM'000 | As at <u>31/12/2013</u> RM'000 |
|--|--------------------------------------|--------------------------------------|
| Total retained profits | | |
| - realised | 58,828 | 54,421 |
| - unrealised | 22,119 | 21,747 |
| | <u>80,947</u> | <u>76,168</u> |
| Total share of accumulated losses of associate | | |
| - realised | (42) | (42) |
| - unrealised | - | - |
| | <u>80,905</u> | <u>76,126</u> |

BY ORDER OF THE BOARD

Chan Lai Choon
Secretary

Kuala Lumpur
25 November 2014