

## Interim Financial Statements for the Third Quarter Ended 30 September 2015

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income  
for the Third Quarter Ended 30 September 2015**

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>30/09/2015</u> RM'000	Preceding Year Corresponding Quarter <u>30/09/2014</u> RM'000	Current Year To-Date <u>30/09/2015</u> RM'000	Preceding Year Corresponding Period <u>30/09/2014</u> RM'000
Revenue	133,294	142,140	435,622	478,685
Operating expenses	(134,205)	(140,555)	(436,819)	(470,324)
Other operating income	1,460	2,641	11,577	6,378
Profit from operations	549	4,226	10,380	14,739
Finance costs	(1,491)	(1,319)	(4,372)	(4,290)
(Loss)/Profit before taxation	(942)	2,907	6,008	10,449
Taxation	(289)	(988)	(2,000)	(3,017)
<b>(Loss)/Profit after taxation</b>	<b>(1,231)</b>	<b>1,919</b>	<b>4,008</b>	<b>7,432</b>
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Available-for-sale financial assets	9	(607)	29	126
Currency translation differences	92	2	137	(2)
Other comprehensive income, net of tax	101	(605)	166	124
<b>Total comprehensive (expense)/income</b>	<b>(1,130)</b>	<b>1,314</b>	<b>4,174</b>	<b>7,556</b>
(Loss)/Profit for the period attributable to:				
Owners of the parent	(1,492)	1,795	2,148	6,953
Non-controlling interests	261	124	1,860	479
	<b>(1,231)</b>	<b>1,919</b>	<b>4,008</b>	<b>7,432</b>
Total comprehensive (expense)/income for the period attributable to:				
Owners of the parent	(1,391)	1,190	2,314	7,077
Non-controlling interests	261	124	1,860	479
	<b>(1,130)</b>	<b>1,314</b>	<b>4,174</b>	<b>7,556</b>
Earnings per share attributable to owners of the parent				
- Basic (sen)	(2.06)	2.48	2.96	9.59
- 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 2014.

## Interim Financial Statements for the Third Quarter Ended 30 September 2015

## Condensed Consolidated Statements of Financial Position as at 30 September 2015

	AS AT END OF CURRENT QUARTER <u>30/09/2015</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2014</u> Audited RM'000
<b>Non-current Assets</b>		
Property, plant and equipment	40,036	41,139
Investment properties	57,880	60,780
Land held for property development	7,178	7,178
Investments in associated companies	7	7
Other investments	678	711
Goodwill	99	819
Deferred tax assets	186	189
	<u>106,064</u>	<u>110,823</u>
<b>Current Assets</b>		
Development Expenditure	15,462	12,716
Inventories	22,715	25,121
Trade and other receivables	225,244	231,821
Taxation recoverable	1,186	1,281
Short term investments	5,223	5,223
Cash and cash equivalents	17,032	15,660
Asset classified as held for sale	-	940
	<u>286,862</u>	<u>292,762</u>
<b>Current Liabilities</b>		
Trade and other payables	107,161	121,229
Overdraft and short term borrowings	100,429	97,208
Taxation	699	1,067
	<u>208,289</u>	<u>219,504</u>
<b>NET CURRENT ASSETS</b>	<u>78,573</u>	<u>73,258</u>
	<u>184,637</u>	<u>184,081</u>
<b>FINANCED BY:</b>		
<b>Total Equity</b>		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	90,697	88,383
Equity attributable to owners of the parent	166,623	164,309
Non-controlling interests	7,964	6,291
	<u>174,587</u>	<u>170,600</u>
<b>Non-current Liabilities</b>		
Term Financing/Loan	7,534	11,116
Other deferred liabilities	1,154	879
Deferred tax liabilities	1,362	1,486
	<u>10,050</u>	<u>13,481</u>
	<u>184,637</u>	<u>184,081</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014

Interim Financial Statements for the Third Quarter Ended 30 September 2015

Condensed Consolidated Statements of Changes in Equity for the Third Quarter Ended 30 September 2015

(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 2015</u>							
At 1 January 2015	72,469	3,457	556	87,827	164,309	6,291	170,600
Profit after taxation for the financial period	-	-	-	2,148	2,148	1,860	4,008
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	29	-	29	-	29
- Foreign currency translation	-	-	137	-	137	-	137
Total comprehensive income for the financial period	-	-	166	2,148	2,314	1,860	4,174
Disposal of subsidiaries	-	-	-	-	-	(187)	(187)
At end of the financial period	72,469	3,457	722	89,975	166,623	7,964	174,587
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

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014.

## Interim Financial Statements for the Third Quarter Ended 30 September 2015

**Condensed Consolidated Statements of Cash Flows for the Third Quarter Ended 30 September 2015**  
(Unaudited)

	1.1.2015 to <u>30.9.2015</u> RM'000	1.1.2014 to <u>30.9.2014</u> RM'000
Cash flows (for)/from operating activities		
Profit before taxation	6,008	10,449
Adjustments for:-		
Non-cash items	(1,020)	766
Non-operating items	(573)	(1,022)
Operating profit before working capital changes	<u>4,415</u>	<u>10,193</u>
Net change in current assets	(8,693)	(9,186)
Net change in current liabilities	1,326	11,565
Cash flows from operations	<u>(2,952)</u>	<u>12,572</u>
Taxation paid	<u>(2,614)</u>	<u>(3,372)</u>
Net cash (for)/from operating activities	<u>(5,566)</u>	<u>9,200</u>
Cash flows from/(for) investing activities		
Equity investments	2,434	1,189
Other investments	6,128	(4,778)
Net cash from/(for) investing activities	<u>8,562</u>	<u>(3,589)</u>
Cash flows for financing activities		
Deposits pledged with a licensed bank	(340)	-
Dividends paid	-	(2,174)
Term financing-i/Term loan	(8,557)	1,947
Hire purchase financing	(546)	(523)
Short term bank borrowings	7,347	(13,388)
Net cash for financing activities	<u>(2,096)</u>	<u>(14,138)</u>
Net increase/(decrease) in cash and cash equivalents	900	(8,527)
Cash and cash equivalents at beginning of financial period	(1,200)	6,979
Cash and cash equivalents at end of financial period	<u>(300)</u>	<u>(1,548)</u>

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

	<u>30.9.2015</u> RM'000	<u>30.9.2014</u> RM'000
Cash and bank balances	16,791	12,385
Bank overdrafts	(17,091)	(13,933)
	<u>(300)</u>	<u>(1,548)</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014.

**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 2014.

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 their initial application.

- Amendments to FRS 119: Defined benefits Plan – Employee Contributions
- Annual Improvements to FRSs 2010 – 2012 Cycle
- Annual Improvements to FRSs 2011 – 2013 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 (IFRS 9 issued by IASB in July 2014)
- Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 10, FRS 12 and FRS 128 (2011): Investment Entities – Applying the Consolidation Exception
- Amendments to FRS 101: Presentation of Financial Statements – Disclosure Initiative
- Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements
- Annual Improvements to FRSs 2012 – 2014 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial statements of the Group upon their initial application.

**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 30 September 2015

	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	379,140	50,555	60	5,137	730	-	435,622
Profit/(Loss) from Operations	7,504	1,381	(849)	(495)	(2,352)	5,191	10,380
Finance costs							(4,372)
Profit before taxation							6,008
Income tax expenses							(2,000)
Profit after taxation							4,008

**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 losses 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**

On 30 April 2015, Modular Equity Sdn Bhd (“ME”), a wholly-owned subsidiary of the Company entered into a Share Sales Agreement with Sunwell Engineering Sdn Bhd for the disposal of its entire shareholding interest of 100% in the capital of Johnson Fluid Engineering Sdn Bhd (“JFE”) at a total consideration of RM450,000.00. Upon the completion of this disposal, JFE ceased to be a subsidiary of ME.

On 5 June 2015, the Company entered into a Share Sales Agreement with Best Goodwill Sdn Bhd for the disposal of 525,000 ordinary shares of RM1.00 each in the capital of Ipmuda Bina Sdn Bhd (“Bina”) representing its 70% shareholding interest in the capital of Bina at a total consideration of RM250,000.00. Upon the completion of this disposal, Bina ceased to be a subsidiary of the Company.

The Group recognised a total loss of RM2.8 million upon the disposal of the above two subsidiaries in the previous quarter.

**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 RM436 million with a pre-tax profit of RM6.0 million for the nine months ended 30 September 2015, lower than the corresponding period last year by 9% and 43% respectively. The decline in pre-tax profit was mainly due to lower turnover, drop in average gross profit margin and the losses incurred on disposal of two of the Company's subsidiaries as disclosed in Note A11 above.

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

In the quarter under review the Group registered a turnover of RM133 million, a drop of 2.4% compared to the preceding quarter. Lower average gross profit margin and lesser other operating income resulted in another pre-tax loss of RM941k after a loss of RM957k in the previous quarter which was mainly caused by the loss from divestment of subsidiaries as disclosed in Note A11 above.

**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>30/9/2015</u> RM'000	Cumulative Quarter <u>30/9/2015</u> RM'000
Malaysian income tax:		
Current year tax	273	2,347
Deferred taxation	(4)	(12)
Prior years	20	(335)
Total income tax expense	<u>289</u>	<u>2,000</u>



**B6. Sale Of Investments And Properties**

On 1 October 2014, Control Instruments (M) Sdn Bhd, a partially-owned subsidiary of the Company entered into a Sale and Purchase Agreement and a Supplemental Agreement for the disposal of its factory on leasehold land and the related renovation and extension carried out to the factory at a total consideration of RM5,000,000 and RM1,600,000 respectively. The Group had in the previous financial year reclassified the asset as held for sale at a carrying value of RM940,104. The disposal was completed in the first quarter of 2015 and after netting of all expenses and taxes paid in relation to the disposal, the subsidiary recognised a net gain of RM5,230,758.

**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 2015 are as below:

	<u>RM'000</u>
(i) At cost	2,699
(ii) At carrying value	210
(iii) At market value	210

**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 SdnBhd (“MHSB”) for the acquisition of 24 units of office lots located on levels 2 to 7 within Tower 3 of Maju Ling 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 was expected to be completed in August 2015 upon the complete development of the Maju Ling project.

On 27 August 2015, the Company announced that it has agreed to MHSB’s request for an extension of time of 12 months for MHSB to comply and fulfil the Conditions Precedent as set out in the conditional Sale and Purchase Agreement subject to certain terms.

**B9. Group Borrowings And Debt Securities**

The group borrowings and debt securities which are denominated in Ringgit Malaysia as at 30 September 2016 are as below:

	<u>RM'000</u>
Secured	17,584
Unsecured	<u>82,845</u>
Total short term borrowings	100,429
Secured long term borrowings	<u>7,534</u>
Total borrowings	<u><u>107,963</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>30/09/2015</u>	<u>30/09/2014</u>	<u>30/09/2015</u>	<u>30/09/2014</u>
(Loss)/Profit attributable to owners of the parent (RM'000)	(1,492)	1,795	2,148	6,953
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	(2.06)	2.48	2.96	9.59

**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>30/09/2015</u> RM'000	As at <u>31/12/2014</u> RM'000
Total retained profits		
- realised	64,406	62,382
- unrealised	<u>25,611</u>	<u>25,487</u>
	90,017	87,869
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	<u>-</u>	<u>-</u>
	<u>89,975</u>	<u>87,827</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

26 November 2015