

Interim Financial Statements for the First Quarter Ended 31 March 2016

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the First Quarter Ended 31 March 2016**

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>31/03/2016</u> RM'000	Preceding Year Corresponding Quarter <u>31/03/2015</u> RM'000	Current Year To-Date <u>31/03/2016</u> RM'000	Preceding Year Corresponding Period <u>31/03/2015</u> RM'000
Revenue	121,777	165,728	121,777	165,728
Operating expenses	(122,139)	(164,066)	(122,139)	(164,066)
Other operating income	1,763	7,679	1,763	7,679
Profit from operations	1,401	9,341	1,401	9,341
Finance costs	(1,352)	(1,435)	(1,352)	(1,435)
Profit before taxation	49	7,906	49	7,906
Taxation	(675)	(974)	(675)	(974)
(Loss)/Profit after taxation	(626)	6,932	(626)	6,932
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Available-for-sale financial assets	(39)	23	(39)	23
Currency translation differences	(53)	12	(53)	12
Other comprehensive income, net of tax	(92)	35	(92)	35
Total comprehensive (expense)/income	(718)	6,967	(718)	6,967
(Loss)/Profit for the period attributable to:				
Owners of the parent	(764)	5,373	(764)	5,373
Non-controlling interests	138	1,559	138	1,559
	(626)	6,932	(626)	6,932
Total comprehensive (expense)/income for the period attributable to:				
Owners of the parent	(856)	5,408	(856)	5,408
Non-controlling interests	138	1,559	138	1,559
	(718)	6,967	(718)	6,967
Earnings per share attributable to owners of the parent				
- Basic (sen)	(1.05)	7.41	(1.05)	7.41
- 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 2015.

Interim Financial Statements for the First Quarter Ended 31 March 2016

Condensed Consolidated Statements of Financial Position as at 31 March 2016

	AS AT END OF CURRENT QUARTER <u>31/03/2016</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2015</u> Audited RM'000
Non-current Assets		
Property, plant and equipment	39,496	39,778
Investment properties	54,622	54,622
Land held for property development	7,178	7,178
Investments in associated companies	7	7
Other investments	719	758
Goodwill	99	99
Deferred tax assets	258	244
	<u>102,379</u>	<u>102,686</u>
Current Assets		
Development Expenditure	14,808	15,638
Inventories	22,841	20,980
Trade and other receivables	222,912	210,600
Taxation recoverable	1,089	988
Short term investments	759	759
Cash and cash equivalents	12,214	19,714
	<u>274,623</u>	<u>268,679</u>
Current Liabilities		
Trade and other payables	103,412	93,787
Overdraft and short term borrowings	91,617	93,989
Taxation	595	697
	<u>195,624</u>	<u>188,473</u>
NET CURRENT ASSETS	<u>78,999</u>	<u>80,206</u>
	<u>181,378</u>	<u>182,892</u>
FINANCED BY:		
Total Equity		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	89,543	90,399
Equity attributable to owners of the parent	165,469	166,325
Non-controlling interests	8,198	8,060
	<u>173,667</u>	<u>174,385</u>
Non-current Liabilities		
Term Financing/Loan	5,442	6,199
Other deferred liabilities	965	998
Deferred tax liabilities	1,304	1,310
	<u>7,711</u>	<u>8,507</u>
	<u>181,378</u>	<u>182,892</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

Interim Financial Statements for the First Quarter Ended 31 March 2016

Condensed Consolidated Statements of Changes in Equity for the First Quarter Ended 31 March 2016

(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
3 months ended							
<u>31 March 2016</u>							
At 1 January 2016	72,469	3,457	786	89,613	166,325	8,060	174,385
Profit after taxation for the financial period	-	-	-	(764)	(764)	138	(626)
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(39)	-	(39)	-	(39)
- Foreign currency translation	-	-	(53)	-	(53)	-	(53)
Total comprehensive income for the financial period	-	-	(92)	(764)	(856)	138	(718)
At end of the financial period	72,469	3,457	694	88,849	165,469	8,198	173,667
3 months ended							
<u>31 March 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	-	-	-	5,373	5,373	1,559	6,932
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	23	-	23	-	23
- Foreign currency translation	-	-	12	-	12	-	12
Total comprehensive income for the financial period	-	-	35	5,373	5,408	1,559	6,967
At end of the financial period	72,469	3,457	591	93,200	169,717	7,850	177,567

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

Interim Financial Statements for the First Quarter Ended 31 March 2016

Condensed Consolidated Statements of Cash Flows for the First Quarter Ended 31 March 2016

(Unaudited)

	1.1.2016 to 31.3.2016 RM'000	1.1.2015 to 31.3.2015 RM'000
Cash flows for operating activities		
Profit before taxation	49	7,906
Adjustments for:-		
Non-cash items	659	(4,654)
Non-operating items	(179)	(203)
Operating profit before working capital changes	<u>529</u>	<u>3,049</u>
Net change in current assets	(13,531)	(16,562)
Net change in current liabilities	9,625	5,975
Cash flows from operations	<u>(3,377)</u>	<u>(7,538)</u>
Taxation paid	<u>(899)</u>	<u>(353)</u>
Net cash for operating activities	<u>(4,276)</u>	<u>(7,891)</u>
Cash flows from investing activities		
Equity investments	1	-
Other investments	56	6,231
Net cash from investing activities	<u>57</u>	<u>6,231</u>
Cash flows for financing activities		
Deposits pledged with a licensed bank	-	(340)
Term financing-i/loan	(1,297)	(6,032)
Hire purchase financing	(152)	(178)
Short term bank borrowings	(1,501)	5,986
Net cash for financing activities	<u>(2,950)</u>	<u>(564)</u>
Net decrease in cash and cash equivalents	(7,169)	(2,224)
Cash and cash equivalents at beginning of financial period	3,580	(1,199)
Cash and cash equivalents at end of financial period	<u>(3,589)</u>	<u>(3,423)</u>

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

	31.3.2016 RM'000	31.3.2015 RM'000
Cash and bank balances	11,973	10,694
Bank overdrafts	(15,562)	(14,117)
	<u>(3,589)</u>	<u>(3,423)</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015.

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 2015.

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.

- FRS 14 Regulatory Deferral Accounts
- 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 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 107 : Disclosure Initiative
- Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

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 31 March 2016

	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	103,411	15,735	-	2,558	73	-	121,777
Profit/(Loss) from Operations	432	703	(121)	297	101	(11)	1,401
Finance costs							(1,352)
Profit before taxation							49
Income tax expenses							(675)
Loss after taxation							(626)

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

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 RM122 million with a pre-tax profit of RM49k for the financial period ended 31 March 2016. Turnover and pre-tax profit declined by 26% and 99% respectively compared to the corresponding period of last year. The decline in pre-tax profit was mainly due to lower turnover.

B2. Comparison With Preceding Quarter's Result

In the quarter under review, the Group's turnover is a slight increase compared to the preceding quarter turnover of RM121million. Pre-tax profit of RM49k was however lower due to a drop in average gross profit margin.

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>31/03/2016</u> RM'000	Cumulative Quarter <u>31/03/2016</u> RM'000
Malaysian income tax:		
Current year tax	695	695
Deferred taxation	(20)	(20)
Total income tax expense	<u>675</u>	<u>675</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 31 March 2016 are as below:

	<u>RM'000</u>
(i) At cost	2,699
(ii) At carrying value	251
(iii) At market value	251

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 was expected to be completed in August 2015 upon the complete development of the Maju Linq 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.

Subsequently on 22 April 2016, as per provided in the SPA, Maju Holdings and the Company had mutually terminated the SPA ("the Termination"). Maju Holdings has settled RM6,000,000 in cash upon the Termination and had further settled RM6,000,000 on 29 April 2016. The balance outstanding sum would be settled by 24 August 2016.

B9. Group Borrowings And Debt Securities

The Group borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 March 2016 are as below:

	<u>RM'000</u>
Secured	17,722
Unsecured	<u>73,895</u>
Total short term borrowings	91,617
Secured long term borrowings	<u>5,442</u>
Total borrowings	<u><u>97,059</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 proposed a first and final single tier dividend of 3.0 sen per ordinary shares for the financial year ended 31 December 2015 (2014: NIL). The proposed dividend was approved by the shareholders at the 41st Annual General Meeting held on 23 May 2016 and will be paid on 12 August 2016.

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>31/03/2016</u>	<u>31/03/2015</u>	<u>31/03/2016</u>	<u>31/03/2015</u>
(Loss)/Profit attributable to owners of the parent (RM'000)	(764)	5,373	(764)	5,373
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	(1.05)	7.41	(1.05)	7.41

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>31/03/2016</u> RM'000	As at <u>31/12/2015</u> RM'000
Total retained profits		
- realised	62,762	63,396
- unrealised	<u>26,129</u>	<u>26,259</u>
	88,891	89,655
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	<u>-</u>	<u>-</u>
	<u>88,849</u>	<u>89,613</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

31 May 2016