

## Interim Financial Statements for the Second Quarter Ended 30 June 2016

## Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

## for the Second Quarter Ended 30 June 2016

(Unaudited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter <u>30/06/2016</u> RM'000	Preceding Year Corresponding Quarter <u>30/06/2015</u> RM'000	Current Year To-Date <u>30/06/2016</u> RM'000	Preceding Year Corresponding Period <u>30/06/2015</u> RM'000
Revenue	130,566	136,600	252,343	302,328
Operating expenses	(131,082)	(138,501)	(253,223)	(302,614)
Other operating income	1,902	2,390	3,666	10,117
Profit from operations	1,386	489	2,786	9,831
Finance costs	(1,321)	(1,446)	(2,672)	(2,881)
Profit before taxation	65	(957)	114	6,950
Taxation	(665)	(736)	(1,341)	(1,711)
<b>(Loss)/Profit after taxation</b>	<b>(600)</b>	<b>(1,693)</b>	<b>(1,227)</b>	<b>5,239</b>
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Available-for-sale financial assets	18	(3)	(22)	20
Currency translation differences	35	33	(17)	45
Other comprehensive income, net of tax	53	30	(39)	65
<b>Total comprehensive (expense)/income</b>	<b>(547)</b>	<b>(1,663)</b>	<b>(1,266)</b>	<b>5,304</b>
(Loss)/Profit for the period attributable to:				
Owners of the parent	(684)	(1,733)	(1,448)	3,640
Non-controlling interests	84	40	221	1,599
	(600)	(1,693)	(1,227)	5,239
Total comprehensive (expense)/income for the period attributable to:				
Owners of the parent	(630)	(1,703)	(1,487)	3,705
Non-controlling interests	83	40	221	1,599
	(547)	(1,663)	(1,266)	5,304
Earnings per share attributable to owners of the parent				
- Basic (sen)	(0.94)	(2.39)	(2.00)	5.02
- 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 Second Quarter Ended 30 June 2016

## Condensed Consolidated Statements of Financial Position as at 30 June 2016

	AS AT END OF CURRENT QUARTER <u>30/06/2016</u> Unaudited RM'000	AS AT PRECEDING FINANCIAL YEAR END <u>31/12/2015</u> Audited RM'000
<b>Non-current Assets</b>		
Property, plant and equipment	39,590	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	737	758
Goodwill	99	99
Deferred tax assets	237	244
	<u>102,470</u>	<u>102,686</u>
<b>Current Assets</b>		
Development Expenditure	14,327	15,638
Inventories	21,263	20,980
Trade and other receivables	229,082	210,600
Taxation recoverable	1,319	988
Short term investments	759	759
Cash and cash equivalents	11,420	19,714
	<u>278,170</u>	<u>268,679</u>
<b>Current Liabilities</b>		
Trade and other payables	107,587	93,787
Overdraft and short term borrowings	91,700	93,989
Taxation	624	697
	<u>199,911</u>	<u>188,473</u>
<b>NET CURRENT ASSETS</b>	<u>78,259</u>	<u>80,206</u>
	<u>180,729</u>	<u>182,892</u>
<b>FINANCED BY:</b>		
<b>Total Equity</b>		
Share capital	72,469	72,469
Share premium	3,457	3,457
Reserves	88,912	90,399
Equity attributable to owners of the parent	164,838	166,325
Non-controlling interests	8,281	8,060
	<u>173,119</u>	<u>174,385</u>
<b>Non-current Liabilities</b>		
Term Financing/Loan	5,240	6,199
Other deferred liabilities	1,062	998
Deferred tax liabilities	1,308	1,310
	<u>7,610</u>	<u>8,507</u>
	<u>180,729</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 Second Quarter Ended 30 June 2016

## Condensed Consolidated Statements of Changes in Equity for the Second Quarter Ended 30 June 2016

(Unaudited)

	← Attributable to Owners of the Parent →				Total	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Distributable Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended							
<u>30 June 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	-	-	-	(1,448)	(1,448)	221	(1,227)
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	(22)	-	(22)	-	(22)
- Foreign currency translation	-	-	(17)	-	(17)	-	(17)
Total comprehensive income for the financial period	-	-	(39)	(1,448)	(1,487)	221	(1,266)
At end of the financial period	72,469	3,457	747	88,165	164,838	8,281	173,119
6 months ended							
<u>30 June 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	-	-	-	3,640	3,640	1,599	5,239
Other comprehensive income for the financial period, net of tax							
- Fair value changes of available-for-sale financial assets	-	-	20	-	20	-	20
- Foreign currency translation	-	-	45	-	45	-	45
Total comprehensive income for the financial period	-	-	65	3,640	3,705	1,599	5,304
Disposal of subsidiaries	-	-	-	-	-	(187)	(187)
At end of the financial period	72,469	3,457	621	91,467	168,014	7,703	175,717

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 Second Quarter Ended 30 June 2016

Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2016

(Unaudited)

	1.1.2016 to 30.6.2016 RM'000	1.1.2015 to 30.6.2015 RM'000
Cash flows for operating activities		
Profit before taxation	114	6,950
Adjustments for:-		
Non-cash items	1,387	(572)
Non-operating items	(309)	(391)
Operating profit before working capital changes	<u>1,192</u>	<u>5,987</u>
Net change in current assets	(17,830)	(9,374)
Net change in current liabilities	13,757	(4,658)
Cash flows from operations	<u>(2,881)</u>	<u>(8,045)</u>
Taxation paid	<u>(1,741)</u>	<u>(906)</u>
Net cash for operating activities	<u>(4,622)</u>	<u>(8,951)</u>
Cash flows from investing activities		
Equity investments	1	2,434
Other investments	(125)	6,351
Net cash (for)/from investing activities	<u>(124)</u>	<u>8,785</u>
Cash flows for financing activities		
Deposits pledged with a licensed bank	-	(340)
Term financing-i/loan	(2,606)	(7,288)
Hire purchase financing	(300)	(374)
Short term bank borrowings	(4,178)	7,049
Net cash for financing activities	<u>(7,084)</u>	<u>(953)</u>
Net decrease in cash and cash equivalents	(11,830)	(1,119)
Cash and cash equivalents at beginning of financial period	3,580	(1,200)
Cash and cash equivalents at end of financial period	<u>(8,250)</u>	<u>(2,319)</u>

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

	30.6.2016 RM'000	30.6.2015 RM'000
Cash and bank balances	11,179	14,048
Bank overdrafts	(19,429)	(16,367)
	<u>(8,250)</u>	<u>(2,319)</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 cyclical 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**

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 2015 was paid on 12 August 2016.

**A8. Segmental Reporting**

As at 30 June 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	221,921	26,683	-	3,591	148	-	252,343
Profit/(Loss) from Operations	1,223	1,137	(110)	539	18	(21)	2,786
Finance costs							(2,672)
Profit before taxation							114
Income tax expenses							(1,341)
Loss after taxation							(1,227)

**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 RM252 million with a pre-tax profit of RM114k for the financial period ended 30 June 2016. In comparison to the corresponding period of last year, turnover and pre-tax profit fell by 17% and 98% respectively. 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 of RM131 million was higher by 7.2% compared to the preceding quarter's RM122 million. Aggregate gross profit margin was better but the pre-tax profit was about the same marginal level at RM65k due to higher operating expenses.

**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>30/06/2016</u> RM'000	Cumulative Quarter <u>30/06/2016</u> RM'000
Malaysian income tax:		
Current year tax	641	1,336
Deferred taxation	26	7
Prior years	(2)	(2)
Total income tax expense	<u>665</u>	<u>1,341</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 2016 are as below:

	<u>RM'000</u>
(i) At cost	2,699
(ii) At carrying value	269
(iii) At market value	269

**B8. Status Of Corporate Proposals**

- a) On 24 July 2013, the Company announced that it has entered into a conditional Sale and Purchase Agreement ("SPA") 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, the Company had agreed with MHSB to mutually terminate the SPA ("the Termination"). MHSB 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 of RM11,224,300 together with the negotiated interest of RM1,986,105 and agreed cost and expense of RM200,000 incurred by the Company for entering into the SPA was settled by MHSB on 24 August 2016.

With this final payment, the SPA in relation to the Proposed Acquisition shall be rendered null and void and both MHSB and the Company shall have no further claim or claims against each other arising from the SPA.

- b) On 4 June 2015, the Company announced that it proposed to undertake a Private Placement of up to 7,246,950 new ordinary shares of RM1.00 each in the Company representing up to 10.0% of the issued and paid up share capital of the Company (“Proposed Private Placement”). Bursa Malaysia Securities Berhad (“Bursa Securities”) had on 15 June 2015 approved the listing and quotation of up to 7,246,950 Placement Shares to be issued pursuant to the Proposed Private Placement subject to certain conditions (“Private Placement”).

On 30 November 2015, the Company applied to Bursa Securities for an extension of time to implement the Private Placement and Bursa Securities, vide its letter dated 9 December 2015, approved the application for an extension of time for another six (6) months from 15 December 2015 until 14 June 2016 for the Company to complete the Private Placement.

The Company applied for another extension of time to implement the Private Placement on 31 May 2016 and Bursa Securities on 7 June 2016 further grant the Company an extension of time for another six (6) months from 15 June 2016 until 14 December 2016 to complete the Private Placement.

As to date, the Private Placement has not been completed.

#### **B9. Group Borrowings And Debt Securities**

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

	<u>RM'000</u>
Secured	15,848
Unsecured	<u>75,852</u>
Total short term borrowings	91,700
Secured long term borrowings	<u>5,240</u>
Total borrowings	<u>96,940</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>30/06/2016</u>	<u>30/06/2015</u>	<u>30/06/2016</u>	<u>30/06/2015</u>
(Loss)/Profit attributable to owners of the parent (RM'000)	(684)	(1,733)	(1,448)	3,640
Weighted average number of shares outstanding ('000)	72,469	72,469	72,469	72,469
Basic earnings per share (sen)	(0.94)	(2.39)	(2.00)	5.02

**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	As at
	<u>30/06/2016</u>	<u>31/12/2015</u>
	RM'000	RM'000
Total retained profits		
- realised	62,100	63,396
- unrealised	26,107	26,259
	<u>88,207</u>	<u>89,655</u>
Total share of accumulated losses of associate		
- realised	(42)	(42)
- unrealised	-	-
	<u>88,165</u>	<u>89,613</u>

BY ORDER OF THE BOARD

Chan Lai Choon

Secretary

Kuala Lumpur

29 August 2016