

JMR CONGLOMERATION BHD. (592280-W)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED JUNE 30, 2011**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	As At June 30, 2011 (Unaudited) RM'000	As At March 31, 2011 (Audited) RM'000
Non-current assets		
Property, plant and equipment	16,463	16,529
Investment properties	16,318	21,116
Prepaid lease payments on leasehold land	1,831	1,841
Land held for property development	28,040	22,990
Goodwill	3,715	3,715
Investment in associates	1,626	1,591
Other financial assets	78	78
Trade and other receivables	2,810	2,810
Total non-current assets	70,881	70,670
Current assets		
Inventories	1,976	2,126
Property development costs	6,212	6,083
Trade and other receivables	9,057	7,244
Current tax assets	149	620
Other assets	1,103	1,115
Short-term deposits with licensed banks	8,834	4,762
Cash and bank balances	3,449	7,806
Total current assets	30,780	29,756
Total assets	101,661	100,426
EQUITY AND LIABILITIES		
Share capital	126,784	126,784
Reserves	5	5
Accumulated losses	(36,363)	(37,081)
Total equity attributable to equity holders of the Company	90,426	89,708
Non-controlling interests	136	75
Total equity	90,562	89,783
Non-current liabilities		
Deferred tax liabilities	894	894
Total non-current liabilities	894	894
Current liabilities		
Trade and other payables	9,170	8,294
Borrowings	756	1,221
Current tax liabilities	279	234
Total current liabilities	10,205	9,749
Total liabilities	11,099	10,643
Total equity and liabilities	101,661	100,426
Net Assets per Share (RM)	0.71	0.71

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended March 31, 2011 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED JUNE 30, 2011**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarters	
	3 months ended June 30, 2011 (Unaudited) RM'000	3 months ended June 30, 2010 (Unaudited) RM'000	3 months ended June 30, 2011 (Unaudited) RM'000	3 months ended June 30, 2010 (Unaudited) RM'000
Revenue	8,264	5,867	8,264	5,867
Cost of sales	<u>(5,825)</u>	<u>(4,088)</u>	<u>(5,825)</u>	<u>(4,088)</u>
Gross profit	2,439	1,779	2,439	1,779
Investment revenue	73	49	73	49
Other income	21	17	21	17
Other gains and losses	(1)	140	(1)	140
Distribution costs	(30)	(13)	(30)	(13)
Administrative expenses	(1,257)	(1,108)	(1,257)	(1,108)
Share of profit of associates	35	(110)	35	(110)
Finance costs	(12)	(17)	(12)	(17)
Other expenses	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>(13)</u>
Profit before taxation	1,268	724	1,268	724
Tax expense	<u>(489)</u>	<u>(305)</u>	<u>(489)</u>	<u>(305)</u>
Profit for the period	779	419	779	419
Other comprehensive loss:				
Net fair value loss on available-for-sale financial assets	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(7)</u>
Total comprehensive income for the period	<u>779</u>	<u>412</u>	<u>779</u>	<u>412</u>
Profit attributable to:				
Equity holders of the Company	718	419	718	419
Non-controlling interests	<u>61</u>	<u>-</u>	<u>61</u>	<u>-</u>
	<u>779</u>	<u>419</u>	<u>779</u>	<u>419</u>
Total comprehensive income attributable to:				
Equity holders of the Company	718	412	718	412
Non-controlling interests	<u>61</u>	<u>-</u>	<u>61</u>	<u>-</u>
	<u>779</u>	<u>412</u>	<u>779</u>	<u>412</u>
Earnings per share (sen)				
Basic earnings per ordinary share	<u>0.57</u>	<u>0.33</u>	<u>0.57</u>	<u>0.33</u>
Fully diluted earnings per ordinary share	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended March 31, 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED JUNE 30, 2011**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	<u>Non- Distributable</u> Investment Revaluation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as of April 1, 2010	126,784	-	(37,064)	89,720	881	90,601
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>412</u>	<u>412</u>	<u>-</u>	<u>412</u>
Balance as of June 30, 2010	<u>126,784</u>	<u>-</u>	<u>(36,652)</u>	<u>90,132</u>	<u>881</u>	<u>91,013</u>
Balance as of April 1, 2011	126,784	5	(37,081)	89,708	75	89,783
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>718</u>	<u>718</u>	<u>61</u>	<u>779</u>
Balance as of June 30, 2011	<u>126,784</u>	<u>5</u>	<u>(36,363)</u>	<u>90,426</u>	<u>136</u>	<u>90,562</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended March 31, 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED JUNE 30, 2011**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended June 30, 2011 (Unaudited) RM'000	3 months ended June 30, 2010 (Unaudited) RM'000
Cash flows from operating activities		
Profit for the period	779	412
Adjustments for :		
Non-cash items	158	161
Non-operating items	424	269
Operating profit before working capital changes	1,361	842
Movements in working capital:		
Net changes in current assets	(1,782)	354
Net changes in current liabilities	876	(939)
Cash generated from operations	455	257
Tax paid	(315)	(158)
Tax refunded	342	-
Net cash from operating activities	482	99
Cash flows from investing activities		
Other investments	(292)	(305)
Equity investments	-	-
Net cash used in investing activities	(292)	(305)
Cash flows from financing activities		
Borrowings	(486)	(1,129)
Net cash used in financing activities	(486)	(1,129)
Net decrease in cash and cash equivalents	(296)	(1,335)
Cash & cash equivalents at beginning of period	9,914	9,862
Cash & cash equivalents at end of period	9,618	8,527
Cash & cash equivalents at end of period consist of		
Short-term deposits with licensed banks	6,169	5,400
Cash & bank balances	3,449	4,327
Bank overdrafts	-	(1,200)
	9,618	8,527
	-	-

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended March 31, 2011 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2011**

PART A: REQUIREMENTS OF FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134 Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa”).

This interim financial report include only condensed consolidated financial statements and should be read in conjunction with the audited financial statements for the year ended March 31, 2011, as this interim report focus on events and transactions that are significant to an understanding of the changes in financial position and performance of the Group that have occurred since that report. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Financial Reporting Standards (“FRSs”).

The preparation of an interim financial report in conformity with FRS 134 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The significant accounting policies and method of computation adopted by the Group in this interim financial report are consistent with those of the audited financial statements for the year ended March 31, 2011 except for the adoption of new FRSs, Amendments to FRSs and IC interpretations effective for the financial year beginning on April 1, 2011. However, the adoption of these new standards, amendments and interpretations do not have any material impact on the interim financial report of the Group.

A2 Qualification of Financial Statements

The auditors’ report on the audited financial statements for the financial year ended March 31, 2011 dated July 26, 2011 was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The principal business of the Group was not significantly affected by any significant seasonal or cyclical factors in the current quarter.

A4 Unusual Items

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A5 Changes in Estimates

There were no major changes in estimates which have a material effect in the current financial period ended June 30, 2011.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2011**

PART A: REQUIREMENTS OF FRS 134 INTERIM FINANCIAL REPORTING

A6 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current quarter ended June 30, 2011.

A7 Dividends Paid

There were no dividends paid during the current financial period ended June 30, 2011.

A8 Segment Information

	Revenue		Profit/ (loss) before tax	
	Cumulative Quarters		Cumulative Quarters	
	3 months ended		3 months ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	RM'000	RM'000	RM'000	RM'000
Investment holdings	95	92	(34)	(100)
Manufacturing	7,966	4,775	1,872	496
Construction	203	700	(427)	342
Property Development	-	300	(143)	(14)
	8,264	5,867	1,268	724

Information on geographical segment is not presented as the Group operates predominantly in Malaysia.

A9 Valuation of Property, Plant & Equipment

The carrying amounts of property, plant and equipment have been brought forward from the previous audited financial statements without amendment.

A10 Material Subsequent Events

There were no material events subsequent to the current financial period ended June 30, 2011 up to the date of this announcement.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter ended June 30, 2011.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2011**

PART A: REQUIREMENTS OF FRS 134 INTERIM FINANCIAL REPORTING

A12 Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company are as follows:

	June 30, 2011 RM'000
Unsecured:	
Corporate guarantees given by the Company to local banks and third parties for credit facilities granted to certain subsidiaries	1,824
Secured:	
Properties charged to a local bank for credit facilities granted to a subsidiary	<u>3,676</u>

There were no contingent assets for the Group as at June 30, 2011.

Save as disclosed above, there were no material contingent liabilities or assets as at August 19, 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

A13 Capital Commitments

The amount of capital commitments not provided for in the financial statements as at June 30, 2011 are as follows:

	RM'000
Property, plant and equipment	
Approved and contracted for	<u>1,305</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2011**

**PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1 Review of Performance

During the 3 months period ended June 30, 2011, the Group registered a revenue of RM8.264 million as compared to the preceding year corresponding quarter revenue of RM5.867 million. Revenue has increased by approximately 40.86% mainly due to higher revenue achieved by manufacturing division of the Group for the period under review.

The Group recorded a profit before tax of RM1.268 million for the current quarter as compared to RM0.724 million in the preceding year corresponding quarter. The increase in profit before tax was in tandem with the increase in revenue from the abovementioned division.

B2 Variation of Results Against Immediate Preceding Quarter

The Group's revenue for the quarter ended June 30, 2011 increased by 32.25% to RM8.264 million as compared to the revenue of RM6.249 million in the preceding quarter ended March 31, 2011. The increase in revenue was mainly due to higher revenue recorded by the manufacturing division of the Group for the current quarter.

The Group registered a profit before tax of RM1.268 million in the current quarter as compared to RM0.421 million in the immediate preceding quarter mainly due to higher contribution by the manufacturing division for the current quarter.

B3 Prospects for the current financial year

Barring any unforeseen circumstances, the Board of Directors expects the financial year ending March 31, 2012 to be a challenging year for construction industry.

Nevertheless, the Board of Directors is cautiously optimistic that the Group will remain resilient for the financial year ending March 31, 2012.

B4 Profit Forecast and Profit Guarantee

The Group did not publish any profit forecast or provide any profit guarantee for the financial period ended June 30, 2011.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2011**

**PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B5 Tax Expense

	Individual Quarter		Cumulative Quarters	
	3 months ended		3 months ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
-Current	(489)	(305)	(489)	(305)
-Prior years	-	-	-	-
Deferred tax expense				
-Current	-	-	-	-
-Prior years	-	-	-	-
	(489)	(305)	(489)	(305)
	(489)	(305)	(489)	(305)

The effective tax rate was higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

B6 Profit/ (Loss) on Sale of Unquoted Investments and/ or Properties

There were no disposal of unquoted investments and properties during the current financial period ended June 30, 2011.

B7 Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the current financial period ended June 30, 2011.

Investment in quoted securities as at June 30, 2011 is as follows:

	RM'000
Original acquisition cost	219
Carrying amount	78
Market value	78

B8 Status of Corporate Proposal Announced

There were no corporate proposals as at the date of this announcement.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2011**

**PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B9 Group Borrowings and Debts Securities

	June 30, 2011 RM'000
Current	
Bank overdrafts	-
Bankers' acceptance	756
Hire-purchase payables	-
Term loans	-
	<hr/> 756
Non Current	
Term loans	-
	<hr/> 756

The above borrowings are denominated in Ringgit Malaysia and represents secured short term borrowings, bank overdrafts and term loans.

The borrowings are secured against legal charge/ negative pledge over certain land and buildings of the Group, a lien over the Group's short term deposits and by corporate guarantees from the Company.

B10 Derivative Financial Instruments

The Group has no derivative financial instruments for the current financial period ended June 30, 2011.

B11 Realised and Unrealised Profits/Losses Disclosure

The retained profits or accumulated losses of the Group as at June 30, 2011 and March 31, 2011 are analysed as follows:

	As at June 30, 2011 (Unaudited) RM'000	As at March 31, 2011 (Audited) RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(20,817)	(25,604)
- Unrealised	(197)	(197)
	<hr/> (21,014)	<hr/> (25,801)
Total share of retained profits from associates:		
- Realised	74	78
- Unrealised	103	66
	<hr/> (20,837)	<hr/> (25,657)
Less: consolidation adjustments	(15,526)	(11,424)
Total accumulated losses as per Consolidated Statement of Financial Position	<hr/> (36,363)	<hr/> (37,081)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2011**

**PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B12 Changes in Material Litigation

Save as disclosed below, the Group was not engaged in any material litigation as at August 19, 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report):

On March 25, 2009, the Group announced that authority has been given to directors to engage Legal Advisors or Solicitors in China to handle the financial matters and affairs in connection with the stopping of the withdrawal of the Performance Bond issued by a contractor in China to J.M.R. Construction Sdn. Bhd. ("JMRC"), a wholly-owned subsidiary, in relation to a land reclamation project undertaken by JMRC, when the contractor was unable to fulfill its contractual duty.

There are no further development on this issue as at August 19, 2011 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B13 Dividends

The directors do not recommend the payment of any dividend for the current financial period ended June 30, 2011.

B14 Earnings per Share

	Individual Quarter		Cumulative Quarters	
	3 months ended June 30, 2011	3 months ended June 30, 2010	3 months ended June 30, 2011	3 months ended June 30, 2010
Net profit attributable to shareholders (RM'000)	718	419	718	419
Weighted average number of ordinary shares in issue ('000)	126,784	126,784	126,784	126,784
Basic earnings per ordinary share (sen)	<u>0.57</u>	<u>0.33</u>	<u>0.57</u>	<u>0.33</u>

BY ORDER OF THE BOARD

ONG TEIK HOE (MACS 00085)

Secretary

Penang

August 25, 2011