

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED JUNE 30, 2012**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	As At June 30, 2012 (Unaudited) RM'000	As At Mar 31, 2012 (Audited) RM'000
Non-current assets		
Property, plant and equipment	16,326	16,464
Investment properties	17,288	17,317
Prepaid lease payments on leasehold land	1,787	1,798
Land held for property development	28,086	28,069
Goodwill	3,715	3,715
Investment in associates	1,246	1,517
Other financial assets	74	74
Total non-current assets	68,522	68,954
Current assets		
Inventories	1,773	1,727
Property development costs	12,639	12,432
Gross amount due from customer on contract	1,258	335
Trade and other receivables	8,112	7,224
Current tax assets	424	391
Other assets	1,151	1,140
Short-term deposits with licensed banks	3,999	7,282
Cash and bank balances	7,710	4,948
Total current assets	37,066	35,479
Total assets	105,588	104,433
EQUITY AND LIABILITIES		
Share capital	126,784	126,784
Reserves	2	2
Accumulated losses	(36,592)	(37,484)
Total equity attributable to equity holders of the Company	90,194	89,302
Non-controlling interests	136	136
Total equity	90,330	89,438
Non-current liabilities		
Borrowings	198	198
Deferred tax liabilities	974	974
Total non-current liabilities	1,172	1,172
Current liabilities		
Trade and other payables	10,748	10,167
Borrowings	2,437	3,068
Current tax liabilities	901	588
Total current liabilities	14,086	13,823
Total liabilities	15,258	14,995
Total equity and liabilities	105,588	104,433

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended March 31, 2012 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED JUNE 30, 2012**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	3 months ended June 30, 2012 (Unaudited) RM'000	3 months ended June 30, 2011 (Unaudited) RM'000	3 months ended June 30, 2012 (Unaudited) RM'000	3 months ended June 30, 2011 (Unaudited) RM'000
Revenue	9,176	8,264	9,176	8,264
Cost of sales	(6,370)	(5,825)	(6,370)	(5,825)
Gross profit	2,806	2,439	2,806	2,439
Investment revenue	33	73	33	73
Other income	52	21	52	21
Other gains and losses	17	(1)	17	(1)
Distribution costs	(32)	(30)	(32)	(30)
Administrative expenses	(1,191)	(1,257)	(1,191)	(1,257)
Share of profit/(loss) of associates	(271)	35	(271)	35
Finance costs	(28)	(12)	(28)	(12)
Profit before taxation	1,386	1,268	1,386	1,268
Tax expense	(494)	(489)	(494)	(489)
Profit for the period	892	779	892	779
Other comprehensive income/(loss):				
Net fair value income/(loss) on available-for-sale financial assets	-	-	-	-
Total comprehensive income for the period	892	779	892	779
Profit attributable to:				
Equity holders of the Company	892	718	892	718
Non-controlling interests	-	61	-	61
	892	779	892	779
Total comprehensive income attributable to:				
Equity holders of the Company	892	718	892	718
Non-controlling interests	-	61	-	61
	892	779	892	779
Earnings per share (sen)				
Basic earnings per ordinary share	0.70	0.57	0.70	0.57
Fully diluted earnings per ordinary share	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended March 31, 2012 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, 2012**

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, 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>
Balance as of April 1, 2012	126,784	2	(37,484)	89,302	136	89,438
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>892</u>	<u>892</u>	<u>-</u>	<u>892</u>
Balance as of June 30, 2012	<u>126,784</u>	<u>2</u>	<u>(36,592)</u>	<u>90,194</u>	<u>136</u>	<u>90,330</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, 2012 and the accompanying explanatory notes attached to the interim financial statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED JUNE 30, 2012**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended June 30, 2012 (Unaudited) RM'000	3 months ended June 30, 2011 (Unaudited) RM'000
Cash flows from operating activities		
Profit for the period	892	779
Adjustments for :		
Non-cash items	180	160
Non-operating items	753	424
Operating profit before working capital changes	1,825	1,363
Movements in working capital:		
Net changes in current assets	(2,075)	(1,364)
Net changes in current liabilities	581	456
Cash generated from operations	331	455
Tax paid	(265)	(315)
Tax refunded	51	342
Net cash generated from operating activities	117	482
Cash flows from investing activities		
Other investments	21	(292)
Net cash generated from/ (used in) investing activities	21	(292)
Cash flows from financing activities		
Borrowings	(659)	(486)
Net cash used in financing activities	(659)	(486)
Net decrease in cash and cash equivalents	(521)	(296)
Cash & cash equivalents at beginning of period	11,412	9,914
Cash & cash equivalents at end of period	10,891	9,618
Cash & cash equivalents at end of period consist of		
Short-term deposits with licensed banks	3,181	6,169
Cash & bank balances	7,710	3,449
	10,891	9,618

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended March 31, 2012 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2012**

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, 2012, 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, 2012.

Malaysian Accounting Standard Board (“MASB”) Approval Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs (“MFRSs Framework”) for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRSs 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate (“Transitioning Entities”). The Transitioning Entities are given an option to defer adoption of the MFRSs framework for an additional one year. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group which is Transitioning Entities has chosen to defer the adoption of the MFRSs framework for an additional one year. The Group is currently assessing the impact of the adoption of the MFRS framework and will prepare its first MFRSs financial statements using the MFRSs framework for the financial year ending 31 March 2014.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2012**

PART A: REQUIREMENTS OF FRS 134 INTERIM FINANCIAL REPORTING

A2 Qualification of Financial Statements

The auditors' report on the audited financial statements for the financial year ended March 31, 2012 dated July 15, 2012 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, 2012.

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, 2012.

A7 Dividends Paid

There were no dividends paid during the current financial quarter ended June 30, 2012.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2012**

PART A: REQUIREMENTS OF FRS 134 INTERIM FINANCIAL REPORTING

A8 Segment Information

	Investment Holdings RM'000	Manufacturing RM'000	Construction RM'000	Property Development RM'000	Elimination RM'000	Consolidated RM'000
Cumulative Quarter 3 months ended June 30, 2012						
Revenue						
External sales	94	7,067	888	1,127	-	9,176
Inter-segment revenue	2	191	812	-	(1,005)	-
Total revenue	96	7,258	1,700	1,127	(1,005)	9,176
Results						
Segment profit/(loss)	(55)	1,764	(23)	13	(64)	1,635
Investment revenue						33
Other gains and losses						17
Finance costs						(28)
Share of loss of associates						(271)
Profit before tax						1,386
Tax expense						(494)
Profit for the period						892
Cumulative Quarter 3 months ended June 30, 2011						
Revenue						
External sales	95	7,966	203	-	-	8,264
Inter-segment revenue	2	151	-	-	(153)	-
Total revenue	97	8,117	203	-	(153)	8,264
Results						
Segment profit/(loss)	(70)	1,880	(465)	(172)	-	1,173
Investment revenue						73
Other gains and losses						(1)
Finance costs						(12)
Share of profit of associates						35
Profit before tax						1,268
Tax expense						(489)
Profit for the period						779

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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2012**

PART A: REQUIREMENTS OF FRS 134 INTERIM FINANCIAL REPORTING

A10 Material Subsequent Events

There were no material events subsequent to the current financial quarter ended June 30, 2012 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 financial quarter ended June 30, 2012.

A12 Contingent Liabilities or Contingent Assets

The contingent liabilities of the Company are as follows:

	June 30, 2012 RM'000
Unsecured:	
Corporate guarantees given by the Company to local banks and third parties for credit facilities granted to certain subsidiaries	3,127
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, 2012.

Save as disclosed above, there were no material contingent liabilities or assets as at August 16, 2012 (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, 2012 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, 2012**

**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, 2012, the Group registered a revenue of RM9.18 million as compared to the revenue in preceding year corresponding quarter of RM8.26 million. Revenue has increased by approximately 11.1% due mainly to higher revenue achieved by property development division of the Group for the period under review.

The revenue from manufacturing division has decreased to RM7.26 million in the current period from RM8.12 million in the preceding year corresponding period. Lower revenue from the manufacturing division was mainly attributable to lower revenue from the premix businesses. With the lower revenue, the operating profit of the manufacturing division has decreased to RM1.77 million in the current period from RM1.88 million in the corresponding period.

The revenue from the construction division has increased to RM1.7 million in the current period from RM0.20 million in the corresponding period. With the higher revenue, operating loss of the construction division has reduced to RM0.01 million in the current period from RM0.47 million in the corresponding period.

The revenue from the property development division has increased to RM1.13 million in the current period from RM Nil in the corresponding period as there was a new project launched. The division recorded an operating profit of RM0.03 million as compared to the operating loss of RM0.17 million in the corresponding period.

During the same period, the Group recorded a profit before tax of RM1.39 million as compared to RM1.27 million in the preceding year corresponding period. The increase in profit before tax was mainly contributed by the higher revenue from property development division.

B2 Variation of Results Against Immediate Preceding Quarter

The Group's revenue for the quarter ended June 30, 2012 increased by 37.2% to RM9.18 million as compared to the revenue of RM6.69 million in the preceding quarter ended March 31, 2012. The increase in revenue was mainly due to higher revenue recorded by the manufacturing division of the Group for the current quarter.

The revenue from manufacturing division has increased 21.2% to RM7.26 million in the current quarter as compared to RM5.99 million in the preceding quarter. With the higher revenue, operating profit of the manufacturing division increased to RM1.77 million in the current quarter from RM0.98 million in the preceding quarter.

The revenue from the construction division has decreased 64.5% to RM1.70 million in the current quarter from RM4.79 million in the preceding quarter. With the lower revenue, the construction division has recorded an operating loss of RM0.01 million in the current quarter as compared to the operating profit of RM0.02 million in the preceding quarter.

The property development division has recorded RM1.13 million in the current quarter or 121.6% increased from RM0.51 million in the preceding quarter. With the higher revenue, the operating loss of the property development division has improved to RM0.03 million in the current quarter as compared to the operating loss of RM0.20 million in the preceding quarter.

The Group registered a profit before tax of RM1.39 million in the current quarter as compared to loss before tax of RM2.18 million in the immediate preceding quarter. This was mainly due to the higher revenue contributed from manufacturing division for the current quarter.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2012**

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

B3 Prospects for the forthcoming financial year

Barring any unforeseen circumstances, the Board of Directors expects the manufacturing division will contribute positively to the Group to the financial year ending March 31, 2013. In addition, the new development project launched on last quarter by its subsidiary, Great Marvel Sdn Bhd, will contribute positively to the Group's result despite the intense competition within the property industry.

The performance of the Group will be challenging for the financial year as per the uncertainty of the on-going euro-zone crisis continues to depress global economic growth, which shall likely to impact the local industry overview. The uptrend expected in the building material costs will add challenges to the Group. However, the management will continue its effort in improving the efficiency and maintain its competitiveness in the market.

Nevertheless, the Board of Directors is cautiously optimistic that the Group will remain resilient for the financial year ending March 31, 2013.

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, 2012.

B5 Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
-Current	(494)	(489)	(494)	(489)
-Prior years	-	-	-	-
Deferred tax expense				
-Current	-	-	-	-
-Prior years	-	-	-	-
	(494)	(489)	(494)	(489)

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 Status of Corporate Proposal Announced

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2012**

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

B7 Group Borrowings and Debts Securities

	June 30, 2012 RM'000
Current	
Bankers' acceptance	2,368
Hire-purchase payables	69
	2,437
Non Current	
Hire-purchase payables	198
	2,635

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.

B8 Realised and Unrealised Profits/Losses Disclosure

The retained profits or accumulated losses of the Group as at June 30, 2012 and March 31, 2012 are analysed as follows:

	As at June 30, 2012 (Unaudited) RM'000	As at Mar 31, 2012 (Audited) RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(19,570)	(21,069)
- Unrealised	(287)	(287)
	(19,857)	(21,356)
Total share of retained profits/(losses) from associates:		
- Realised	(8)	(34)
- Unrealised	(195)	103
	(20,060)	(21,287)
Less: consolidation adjustments	(16,532)	(16,197)
Total accumulated losses as per Consolidated Statement of Financial Position	(36,592)	(37,484)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2012**

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

B9 Profit before taxation

The profit before taxation is stated after charging/ (crediting):

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	RM'000	RM'000	RM'000	RM'000
Interest income on:				
Short-term deposits	(33)	(43)	(33)	(43)
Interest expense on:				
Short-term borrowings	28	12	28	12
Depreciation and amortisation	180	160	180	160
Other gains and losses:				
Reversal of allowance for doubtful debts no longer required	(10)	-	(10)	-
Gain on disposal of property, plant and equipment	(29)	-	(29)	-
Property, plant and equipment written off	22	1	22	1
Other income:				
Surrender value of insurance	-	8	-	8
Rental income	(52)	(12)	(52)	(12)
	<u>(52)</u>	<u>(12)</u>	<u>(52)</u>	<u>(12)</u>

B10 Changes in Material Litigation

Save as disclosed below, the Group was not engaged in any material litigation as at Aug 16, 2012 (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 Aug 16, 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED JUNE 30, 2012**

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

B11 Dividends

The directors do not recommend the payment of any dividend for the current financial period ended June 30, 2012.

B12 Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 months ended June 30, 2012	3 months ended June 30, 2011	3 months ended June 30, 2012	3 months ended June 30, 2011
Net profit/(loss) attributable to shareholders (RM'000)	892	718	892	718
Weighted average number of ordinary shares in issue ('000)	126,784	126,784	126,784	126,784
Basic earnings per ordinary share (sen)	0.70	0.57	0.70	0.57

BY ORDER OF THE BOARD

ONG TEIK HOE (MACS 00085)

Secretary

Penang
August 22, 2012