

FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

QUARTERLY REPORT ON CONSOLIDATION RESULTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 DECEMBER 2009

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2009 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2008 RM'000	Current Year To Date Ended 31/12/2009 RM'000	Preceding Year Corresponding Period To Date Ended 31/12/2008 RM'000
Revenue	13,955	3,978	13,955	3,978
Cost of sales	(12,284)	(2,601)	(12,284)	(2,601)
Gross profit	<u>1,671</u>	<u>1,377</u>	<u>1,671</u>	<u>1,377</u>
Other income	70	138	70	138
Administrative expenses	(2,490)	(2,555)	(2,490)	(2,555)
Finance costs	(616)	(577)	(616)	(577)
Loss before tax	<u>(1,365)</u>	<u>(1,617)</u>	<u>(1,365)</u>	<u>(1,617)</u>
Income tax expense	65	(10)	65	(10)
Loss for the year	<u>(1,300)</u>	<u>(1,627)</u>	<u>(1,300)</u>	<u>(1,627)</u>
Attributable to:				
Equity holders of the parent	(1,300)	(1,627)	(1,300)	(1,627)
Minority interest	-	-	-	-
	<u>(1,300)</u>	<u>(1,627)</u>	<u>(1,300)</u>	<u>(1,627)</u>
Loss per share attributable to equity holders of the parent:				
Basic, for loss from continuing operations	<u>(0.51)</u>	<u>(0.64)</u>	<u>(0.51)</u>	<u>(0.64)</u>
Diluted, for loss from continuing operations	<u>(0.51)</u>	<u>(0.64)</u>	<u>(0.51)</u>	<u>(0.64)</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements)

FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	As At 31/12/2009 RM'000	As At 30/09/2009 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	1,557	1,606
Land held for property development	337,045	336,742
Deferred tax assets	-	-
	338,602	338,348
Current Assets		
Property development costs	76,554	81,556
Inventories	33,081	33,842
Trade receivables & other receivables	15,674	14,861
Cash & Cash Equivalents	4,461	5,340
	129,771	135,599
TOTAL ASSETS	468,374	473,947
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	253,317	253,317
Other reserves	22	22
Retained earnings	46,055	47,355
	299,394	300,694
Minority interest	2,500	2,500
Total equity	301,894	303,194
Non-current liabilities		
Borrowings	51,698	65,314
Deferred tax liabilities	60,386	60,684
	112,083	125,998
Current Liabilities		
Borrowings	40,126	29,270
Trade & other payables	14,271	15,484
	54,397	44,755
Total liabilities	166,480	170,752
TOTAL EQUITY AND LIABILITIES	468,374	473,947
	-	(0)
Net assets per share attributable to equity holders of the parent (RM)	1.18	1.19

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements)

FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009

	3 months ended	
	31/12/2009 RM'000	31/12/2008 RM'000
Net cash generated from operating activities	1,884	5,716
Net cash used in investing activities	(2)	(1)
Net cash used in financing activities	<u>(2,379)</u>	<u>(8,037)</u>
Net decrease in cash and cash equivalents	(497)	(2,322)
Cash and cash equivalents at beginning of financial year	(3,930)	(3,693)
Cash and cash equivalents at end of the financial year	<u><u>(4,427)</u></u>	<u><u>(6,015)</u></u>

Cash and cash equivalents at the end of the financial period comprise the following:

Deposits with licensed banks	1,272	756
Cash and bank balances	3,189	3,123
Bank overdraft	<u>(8,889)</u>	<u>(9,893)</u>
	<u><u>(4,427)</u></u>	<u><u>(6,015)</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements)

FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2009

	← Attributable to Equity Holders of the Parent →			Total	Minority Interest	Total Equity
	← Non-distributable →		Distributable			
	Share Capital	Other Reserves	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>3 months period ended 31 December 2009</u>						
At 1 October 2009	253,317	22	47,355	300,694	2,500	303,194
Loss for the year	-	-	(1,300)	(1,300)	-	(1,300)
At 31 December 2009	253,317	22	46,055	299,394	2,500	301,894
<u>3 months period ended 31 December 2008</u>						
At 1 October 2008	253,317	22	55,689	309,028	2,500	311,528
Loss for the year	-	-	(1,627)	(1,627)	-	(1,627)
Dividend paid	-	-	-	-	-	-
At 31 December 2008	253,317	22	54,062	307,401	2,500	309,901

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements)

FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad .

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 September 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 September 2009.

A2. Changes in Accounting Policies

At the date of authorisation of these financial statements, the following new FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

	Effective for financial periods beginning on or after
FRSs and interpretations	
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations	1 July 2010
FRS 4 : Insurance Contracts	1 January 2010
FRS 7 : Financial Instruments: Disclosure	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 101 : Presentation of Financial Statements	1 January 2010
FRS 123 : Borrowing Costs	1 January 2010
FRS 127 : Consolidated and Separate Financial Statements	1 July 2010
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 : First Time Adoption of Financial Reporting Standards and FRS 127 : Consolidated and Separate Financial Statements: Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2 : Share-based Payment : Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2 : Share-based Payment	1 July 2010
Amendment to FRS 5 : Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 132 : Financial Instruments : Presentation	1 January 2010
Amendments to FRS 138 : Intangible Assets	1 July 2010
Amendments to FRS 139 : Financial Instruments : Recognition and Measurement, FRS 7 : Financial Instruments : Disclosures and IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives	1 July 2010
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : FRS 2 : Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 : Service Concession Arrangement	1 July 2010

A2. Changes in Accounting Policies (cont'd)

	Effective for financial periods beginning on or after
IC Interpretation 13 : Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 : FRS 119 : The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15 : Agreement for the Construction of Real Estate	1 July 2010
IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 : Distributions of Non-cash Assets to Owners	1 July 2010

The above FRSs, Amendments to FRSs and IC Interpretations are not expected to have any significant impact on the financial statements of the Group and of the Company upon their initial application other than:

- Changes in the presentation of the financial statements that will arise from the adoption of FRS 101;
- Changes in the timing of recognition of property development revenue and costs that will arise from the adoption of IC 15. The management is still in the midst of assessing the impact of IC15 on the Group and the Company's financial statements.

The Group and the Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

A3. Qualification of Financial Statements

The preceding annual financial statements of the Group was not subject to any qualification.

A4. Explanatory comments about the seasonality or cyclicity of operations.

This industry is not affected by any fluctuations in relation to seasonality and cyclicity of operations.

A5. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.

There were no unusual or exceptional items for the current financial period to date.

A6. Nature and amount of changes in estimate of amount reported in prior interim periods of the current financial year, which give a material effect in the current interim period

There were no changes in estimates which give rise to a material effect in the current interim period.

A7. Details of issue, cancellation, repurchase, resale and repayment of debt and equity securities.

There were no issuance, cancellation, repurchase or resale and repayment of debt and equity securities for the current financial period to date.

A8. Dividend

There was no dividend paid for the financial quarter under review.

A9. Segmental Reporting

No segmental reporting is presented as the Group's operations primarily relate to property development activities and these are carried out entirely in Malaysia.

A10. Valuation of property, plant & equipment

No valuation was carried out on the Group's property, plant and equipment for the financial period ended 31 December 2009.

A11. Events subsequent to the end of the Interim Period of the Financial Statements

There are no material events subsequent to the end of the interim period reported or that have not been reflected in the financial statements for the said period.

A12. Effect of Changes in the Composition of The Group

There were no changes in the composition of the Group for the current period to date.

A13. Changes in contingent liabilities or contingent assets.

The contingent liabilities of the Company at the date of this report are as follows:

- (a) On 22 December 2008, a corporate guarantee was given by the Company in favour of AmBank (M) Berhad (formerly known as AmInvestment Bank Berhad) in consideration of the latter giving RM10.0 million term loan (TL (4)) to its subsidiary company, Focal Aims Land Sdn Bhd. To-date, RM9.1million of the term loan has been drawdown.
- (b) On 13 May 2009, a corporate guarantee was given by the Company in favour of AmBank (M) Berhad (formerly known as AmInvestment Bank Berhad) in consideration of the latter giving RM15.0 million term loan (TL (5)) to its subsidiary company, Focal Aims Land Sdn Bhd. To-date, RM3.25 million of the term loan has been drawdown.

B. Additional notes as required by Bursa Malaysia Listing Requirements

B1. Review of Performance

The Group has recorded revenue of RM14 million and loss before taxation of RM1.36 million at the end of the first quarter of the financial year ending 30 September 2010. The Group's losses has decreased by 20% in the current year quarter as compared to the previous corresponding year quarter. This is mainly due to more income recognised as a result of higher percentage cost of completion being recognised for the properties under construction during the current year quarter.

B2. Explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter.

The Group recorded loss before tax of RM1.36 million for the first quarter of the financial period ending 30 September 2010 as compared to loss before tax of RM2.6 million for the fourth quarter of the financial year ended 30 September 2009 . The lower losses incurred is mainly due to higher revenue being recognised as a result of higher percentage cost of completion of property completed during the quarter under review.

B3. Current Year ProspectKota Masai Project (Mukim Plentong, Johor)

The residential and commercial properties are expected to move at a slow pace.

Saujana O-Lot Project (Mukim Damansara, Selangor)

The sales for phase 2 continues to be encouraging and we expect the interests to be sustained.

B4. Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee.

Not applicable

B5. Taxation

	Current Year Quarter 31/12/2009 RM'000	Current year To date 31/12/2009 RM'000
Deferred tax: Relating to origination and reversal of temporary differences	(65)	(65)
	<u>(65)</u>	<u>(65)</u>

Domestic current income tax is calculated at the statutory tax rate of 25% (2009 : 25%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

Loss before tax	<u>(1,365)</u>	<u>(1,365)</u>
Taxation at Malaysian statutory tax rate of 25%	(341)	(341)
Effect of prior year's preferential tax rate of 20% on first RM500,000 of chargeable income for qualified small and medium enterprises	-	-
Effect of expenses not deductible for tax purposes	59	59
Deferred tax assets not recognised in respect of current period tax losses and unabsorbed capital allowances	217	217
Tax expense for the year	<u>(65)</u>	<u>(65)</u>

The effective tax rate on the Group in the current quarter and financial year to date is higher than the statutory rate principally due to expenditure disallowed for taxation purposes.

B6. Sale of unquoted investment and / or properties

There were no sale of investment and / or properties for the current quarter and financial period to-date.

B7. Particulars of purchase or disposal of quoted securities.

There were no purchases or disposals of quoted securities by the Group for the current quarter and financial period to-date.

B8. (a) Status of corporate proposal

There are no outstanding corporate proposals announced but not completed as at 31 December 2009.

(b) Status of utilisation of proceeds raised from any corporate proposal.

Not applicable.

B9. Group borrowings and debt securities

Details of the Group's borrowings as at 30 September 2009 are as follows:

	RM'000
Short term borrowings	
Secured	
Revolving credit	20,000
Overdraft	8,889
Term loans	11,237
Hire purchase creditors	-
	<u>40,126</u>
Long term borrowings	
Secured	
Term loans	<u>51,698</u>
	<u>51,698</u>

There were no term loans or bank borrowings denominated in foreign currencies as at the reporting date.

B10. Summary of off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off balance sheet risk as at 31 December 2009.

B11. Changes in material litigation

There was no material litigation pending as at 31 December 2009.

B12. Dividend

The Directors do not recommend any dividend for the financial period ended 31 December 2009.

B13. Loss per shareBasic

Loss per share is calculated by dividing the Company's loss after taxation over ordinary shares in issue during the year.

	Current Quarter Ended 31/12/2009	Corresponding Quarter Ended 31/12/2008	Current Year to date Ended 31/12/2009	Corresponding Year to date Ended 31/12/2008
Net Loss attributable to ordinary shareholders (RM'000)	<u>(1,300)</u>	<u>(1,627)</u>	<u>(1,300)</u>	<u>(1,627)</u>
Number of ordinary shares in issue ('000)	<u>253,317</u>	<u>253,317</u>	<u>253,317</u>	<u>253,317</u>
Basic loss per share (sen)	<u>(0.51)</u>	<u>(0.64)</u>	<u>(0.51)</u>	<u>(0.64)</u>
Diluted loss per share (sen)	<u>(0.51)</u>	<u>(0.64)</u>	<u>(0.51)</u>	<u>(0.64)</u>

By order of the Board

Chua Siew Chuan
Company Secretary