

FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2012

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2012 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2011 RM'000	Current Year To Date Ended 30/06/2012 RM'000	Preceding Year Corresponding Period To Date Ended 30/06/2011 RM'000
Revenue	17,452	15,105	40,826	45,609
Cost of sales	(12,164)	(12,134)	(27,091)	(37,271)
Gross profit	5,288	2,971	13,735	8,338
Other items of income	245	53	604	423
Administrative expenses	(2,594)	(2,550)	(8,468)	(8,441)
Finance costs	(708)	(491)	(2,138)	(1,696)
Profit/(Loss) before tax	2,231	(17)	3,733	(1,376)
Income tax benefit	30	39	133	124
Profit/(Loss) net of tax, representing total comprehensive income/(loss) for the period	2,261	22	3,866	(1,252)
Attributable to:				
Equity holders of the parent	2,261	22	3,866	(1,252)
Minority interest	-	-	-	-
	2,261	22	3,866	(1,252)
Earnings/(Loss) per share attributable to equity holders of the parent:				
Basic, for profit/(loss) from continuing operations	0.89	0.01	1.53	(0.49)
Diluted, for profit/(loss) from continuing operations	0.89	0.01	1.53	(0.49)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2011 and the accompanying explanatory notes attached to the interim financial statements)

FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	As At 30/06/2012 RM'000	As At 30/09/2011 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	1,354	1,558
Land held for property development	295,244	311,033
	296,598	312,591
Current Assets		
Property development costs	102,392	79,504
Inventories	28,009	28,075
Trade receivables & other receivables	28,685	14,767
Cash & Cash Equivalents	8,083	3,631
	167,169	125,977
TOTAL ASSETS	463,767	438,568
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	253,317	253,317
Other reserves	22	22
Retained earnings	45,231	41,365
	298,570	294,704
Non-controlling interests	2,500	2,500
Total equity	301,070	297,204
Non-current liabilities		
Borrowings	41,700	38,341
Deferred tax liabilities	59,863	60,004
	101,563	98,345
Current Liabilities		
Borrowings	25,288	26,127
Trade & other payables	35,845	16,890
Tax payable	1	2
	61,134	43,019
Total liabilities	162,697	141,364
TOTAL EQUITY AND LIABILITIES	463,767	438,568
Net assets per share attributable to equity holders of the parent (RM)	1.18	1.16

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 September 2011 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 30 JUNE 2012**

	9 months ended	
	30/06/2012	30/06/2011
	RM'000	RM'000
Operating activities		
Profit/(Loss) before tax	3,733	(1,376)
Adjustments for :		
Depreciation	228	183
Interest expense	2,138	1,697
Interest income	(7)	(197)
(Gain)/ Loss on disposal of property, plant and equipment	(3)	0
	<u>6,089</u>	<u>307</u>
Operating cash flows before changes in working capital		
Property development expenditure	(6,477)	20,671
Inventories	121	(278)
Receivables	(13,972)	(2,334)
Payables	18,955	4,083
	<u>4,716</u>	<u>22,449</u>
Cash flows generated from operations		
Interest received	7	198
Interest paid	(2,816)	(9,451)
Income taxes paid	(102)	(95)
Income taxes refunded	147	-
	<u>1,952</u>	<u>13,101</u>
Net cash flows generated from operating activities		
Investing activities		
Purchase of property, plant and equipment	(24)	(240)
Proceeds from disposal of property, plant and equipment	4	10
	<u>(20)</u>	<u>(230)</u>
Net cash flows used in investing activities		
Financing activities		
Drawdown of term loans and bank overdraft	7,669	3,000
Repayment of term loans	(9,545)	(17,720)
	<u>(1,876)</u>	<u>(14,720)</u>
Net cash flows used in financing activities		
Net decrease in cash and cash equivalents	56	(1,849)
Cash and cash equivalents		
at 1 October 2011/2010	<u>(6,345)</u>	<u>(4,639)</u>
Cash and cash equivalents		
at 30 June 2012/2011	<u>(6,289)</u>	<u>(6,488)</u>
Cash and cash equivalents at the end of the financial year		
comprise the following:		
Cash and bank balances	8,083	3,451
Bank overdrafts (included within short term borrowings)	(14,372)	(9,939)
	<u>(6,289)</u>	<u>(6,488)</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 30 September 2011 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 30 JUNE 2012

←——— Attributable to Equity Holders of the Parent ———→

←——— Non-distributable ———→ Distributable

	Share Capital	Other Reserves	Distributable Retained Profits	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months year ended 30 June 2012						
At 1 October 2011	253,317	22	41,365	294,704	2,500	297,204
Total comprehensive income for the period	-	-	3,866	3,866	-	3,866
At 30 June 2012	<u>253,317</u>	<u>22</u>	<u>45,231</u>	<u>298,570</u>	<u>2,500</u>	<u>301,070</u>
9 months year ended 30 June 2011						
At 1 October 2010	253,317	22	43,397	296,736	2,500	299,236
Total comprehensive loss for the period	-	-	(1,252)	(1,252)	-	(1,252)
At 30 June 2011	<u>253,317</u>	<u>22</u>	<u>42,145</u>	<u>295,484</u>	<u>2,500</u>	<u>297,984</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2011 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 2011. 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 2011.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 September 2011, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs, IC Interpretations and Technical Release.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: Limited Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 2: Share-based Payment	1 January 2011
Improvements to FRSs issued in 2010	1 January 2011
IC Interpretation 4: Determining whether an Arrangement contains a Lease	1 January 2011
Amendments to IC Interpretation 13: Customer Loyalty Programmes	1 January 2011
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

FRSs, Amendments to FRSs and IC Interpretations and Technical Releases issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but are not yet effective :

Description	Effective for annual periods beginning on or after
FRS 124: Related Party Disclosures	1 January 2012
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Deferred Tax : Recovery of Underlying Assets	1 January 2012
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10: Consolidated Financial Statements	1 January 2013
FRS 11: Joint Arrangements	1 January 2013
FRS 12: Disclosure of Interests in Other Entities	1 January 2013
FRS 13: Fair Value Measurement	1 January 2013

Standards issued but not yet effective (cont'd)

FRS 119: Employee Benefits	1 January 2013
FRS 127: Separate Financial Statements	1 January 2013
FRS 128: Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The adoption of the above new and amended standards and interpretations did not have any effect on the financial performance or position of the Company.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year.

On 30 June 2012, MASB announced that the Transitioning Entities are allowed to extend their deferment on the adoption of MFRS Framework for another year. As such, the MFRS Framework will be mandatory for all companies for annual period beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 September 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these interim financial statements for the period ended 30 June 2012 could be different if prepared under the MFRS Framework.

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 year 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 year to date.

A8. Dividend

There was no dividend paid for the financial period 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 30 June 2012.

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 year to date.

A13. Changes in contingent liabilities or contingent assets.

The group has no contingent liabilities at the date of this report.

B. Additional notes as required by Bursa Malaysia Listing Requirements

B1. Review of Performance

The Group has registered revenue of RM40.8 million and profit before tax RM3.7 million for the nine months ended 30 September 2012 as compared to revenue of RM45.6 million and loss before tax of RM1.4 million for the previous corresponding financial period. The Group's profit before tax has increased by more than 100% in the current year as compared to the previous corresponding year period and is mainly driven by improved profit margin for properties sold in Saujana O-Lot project. The margin expansion is largely attributable to higher average selling price.

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's profit before tax of RM2.2 million for the third quarter as compared to RM539,000 registered in the immediate preceding quarter ended 31 March 2012 was more than 100% higher. This is due to higher revenue driven by new sales as well as progressive recognition of development for both Kota Masai and Saujana O-Lot projects.

B3. Current Year Prospect

Kota Masai Project (Mukim Plentong, Johor)

The property market of Johor Bahru has been doing well recently due to the positive effects of Iskandar Malaysia ("IM"). Kota Masai is situated at Node D of IM and similar escalation of interests has been shown towards Kota Masai as evidenced by good sales of commercial and residential properties. We expect the encouraging response to continue.

Saujana O-Lot Project (Mukim Damansara, Selangor)

The external environment has not improved much and likewise the purchasers' sentiments of high end properties has not been fully recovered. The sales has been affected by the weak sentiments even though interests are still strong as evidenced by frequent walk-in and enquiries at the sales office. The sales are expected to pick up when purchasers' sentiments improved.

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

Not applicable

B5. Profit before tax

The following items have been included in arriving at profit before tax:

	Current Year Quarter 30/06/2012 RM'000	Current year To date 30/06/2012 RM'000
(a) Interest income	(38)	(133)
(b) Other income including investment income	(207)	(471)
(c) Interest expense	708	2,138
(d) Depreciation and amortization	121	228
(e) Provision for and written off of receivables	-	-
(f) Provision for and written off of inventories	-	-
(g) (Gain)/Loss on disposal of quoted or unquoted investments or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain/loss	-	-
(j) (Gain)/Loss on derivatives	-	-
(k) Exceptional items	-	-

B6. Income tax expenseMajor components of income tax expense

The major components of income tax expense for the quarter/year ended 30 June 2012 are:

	Current Year Quarter 30/06/2012 RM'000	Current year To date 30/06/2012 RM'000
Statement of comprehensive income:		
Current year income tax	1	8
Deferred tax:		
Relating to origination and reversal of temporary differences	(31)	(141)
Income tax benefit recognised in profit or loss	<u>(30)</u>	<u>(133)</u>

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the quarter/year ended 30 June 2012 are as follows:

Profit before tax	<u>2,231</u>	<u>3,733</u>
Taxation at Malaysian statutory tax rate of 25%	558	933
Adjustments:		
Effect of expenses not deductible for tax purposes	83	186
Deferred tax assets not recognised in respect of current quarter/year tax losses and unabsorbed capital allowances	(157)	(41)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(514)	(1,211)
Income tax benefit recognised in profit or loss	<u>(30)</u>	<u>(133)</u>

B7. Sale of unquoted investment and / or properties

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

B8. 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 year to-date.

B9. (a) Status of corporate proposal

There are no outstanding corporate proposals announced but not completed as at 30 June 2012.

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

Not applicable.

B10. Group borrowings and debt securities

Details of the Group's borrowings as at 30 June 2012 are as follows:

	RM'000
Short term borrowings	
Secured	
Revolving credit	10,917
Overdraft	14,371
	<u>25,288</u>
Long term borrowings	
Secured	
Term loans	41,700
	<u>41,700</u>

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

B11. Summary of off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off balance sheet risk as at 30 June 2012.

B12. Changes in material litigation

There was no material litigation pending as at 30 June 2012.

B13. Dividend

The Directors do not recommend any dividend for the current quarter.

B14. Earnings/(Loss) per shareBasic

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

	Current Quarter Ended 30/06/2012	Corresponding Quarter Ended 30/06/2011	Current Year to date Ended 30/06/2012	Corresponding Year to date Ended 30/06/2011
Net Profit /(Loss) attributable to ordinary shareholders (RM'000)	<u>2,261</u>	<u>22</u>	<u>3,866</u>	<u>(1,252)</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 earnings/(loss) per share (sen)	<u>0.89</u>	<u>0.01</u>	<u>1.53</u>	<u>(0.49)</u>
Diluted earnings/(loss) per share (sen)	<u>0.89</u>	<u>0.01</u>	<u>1.53</u>	<u>(0.49)</u>

B15. Realised/Unrealised Retained Profits/Losses

	As At 30/06/2012 RM'000	As At 30/09/2011 RM'000
Total retained profits of FAHB and its subsidiaries		
- Realised	28,046	22,890
- Unrealised	-	-
Consolidation adjustments	<u>17,185</u>	<u>18,475</u>
Total group retained profits as per consolidated accounts	<u>45,231</u>	<u>41,365</u>

By order of the Board

Chua Siew Chuan
Company Secretary