

FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

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

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/2012 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2011 (restated) RM'000	Current Year To Date Ended 30/09/2012 RM'000	Preceding Year Corresponding Period To Date Ended 30/09/2011 (restated) RM'000
Revenue	24,460	10,105	65,286	55,714
Cost of sales	(16,208)	(6,942)	(43,299)	(44,213)
Gross profit	<u>8,252</u>	<u>3,163</u>	<u>21,987</u>	<u>11,501</u>
Other items of income	101	310	705	733
Administrative expenses	(3,320)	(3,709)	(11,788)	(12,150)
Finance costs	(671)	(684)	(2,809)	(2,380)
Profit/(Loss) before tax	<u>4,362</u>	<u>(920)</u>	<u>8,095</u>	<u>(2,296)</u>
Taxation/Income tax benefit	(1,026)	91	(893)	215
Profit/(Loss) net of tax, representing total comprehensive income/(loss) for the period	<u>3,336</u>	<u>(829)</u>	<u>7,202</u>	<u>(2,081)</u>
Attributable to:				
Equity holders of the parent	3,336	(829)	7,202	(2,081)
Minority interest	-	-	-	-
	<u>3,336</u>	<u>(829)</u>	<u>7,202</u>	<u>(2,081)</u>
Earnings/(Loss) per share attributable to equity holders of the parent:				
Basic, for profit/(loss) from continuing operations	<u>1.32</u>	<u>(0.33)</u>	<u>2.84</u>	<u>(0.82)</u>
Diluted, for profit/(loss) from continuing operations	<u>1.32</u>	<u>(0.33)</u>	<u>2.84</u>	<u>(0.82)</u>

(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 SEPTEMBER 2012

	As At 30/09/2012 RM'000	As At 30/09/2011 (restated) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	1,337	1,558
Land held for property development	302,642	318,779
	<u>303,979</u>	<u>320,337</u>
Current Assets		
Property development costs	106,087	80,014
Inventories	29,235	28,579
Trade receivables & other receivables	45,067	14,140
Tax recoverable	-	626
Cash & Cash Equivalents	6,904	3,631
	<u>187,293</u>	<u>126,990</u>
TOTAL ASSETS	<u>491,272</u>	<u>447,327</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	253,317	253,317
Other reserves	22	22
Retained earnings	43,015	35,813
	<u>296,354</u>	<u>289,152</u>
Non-controlling interests	2,500	2,500
Total equity	<u>298,854</u>	<u>291,652</u>
Non-current liabilities		
Borrowings	33,925	38,341
Provision for foreseeable losses	14,313	14,313
Deferred tax liabilities	60,038	60,004
	<u>108,276</u>	<u>112,658</u>
Current Liabilities		
Borrowings	30,116	26,127
Trade & other payables	53,783	16,890
Tax payable	243	-
	<u>84,142</u>	<u>43,017</u>
Total liabilities	<u>192,418</u>	<u>155,675</u>
TOTAL EQUITY AND LIABILITIES	<u>491,272</u>	<u>447,327</u>
Net assets per share attributable to equity holders of the parent (RM)	1.17	1.14

(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 SEPTEMBER 2012**

	12 months ended	
	30/09/2012	30/09/2011
	RM'000	(restated) RM'000
Operating activities		
Profit/(Loss) before tax	8,095	(2,296)
Adjustments for :		
Depreciation	296	251
Interest expense	2,809	2,380
Interest income	(196)	(237)
Provision for foreseeable loss	109	49
Reversal of impairment on property development costs	(952)	-
Property, plant and equipment written off	1	4
(Gain)/ Loss on disposal of property, plant and equipment	(3)	-
	10,159	151
Operating cash flows before changes in working capital		
Property development expenditure	(6,775)	23,044
Inventories	(657)	(2,617)
Receivables	(30,927)	6,704
Payables	36,892	809
	8,692	28,091
Cash flows generated from operations		
Interest received	196	237
Interest paid	(5,125)	(10,761)
Income taxes paid	(140)	(131)
Income taxes refunded	150	-
	3,773	17,436
Net cash flows generated from operating activities		
Investing activities		
Purchase of property, plant and equipment	(77)	(345)
Proceeds from disposal of property, plant and equipment	4	10
	(73)	(335)
Net cash flows used in investing activities		
Financing activities		
Drawdown of term loans and bank overdraft	14,200	4,100
Repayment of term loans	(19,668)	(22,907)
	(5,468)	(18,807)
Net cash flows used in financing activities		
Net decrease in cash and cash equivalents	(1,768)	(1,706)
Cash and cash equivalents		
at 1 October 2011/2010	(6,345)	(4,639)
Cash and cash equivalents		
at 30 September 2012/2011	(8,113)	(6,345)
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash and bank balances	6,904	3,631
Bank overdrafts (included within short term borrowings)	(15,017)	(9,976)
	(8,113)	(6,345)

(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 SEPTEMBER 2012

	← Attributable to Equity Holders of the Parent →					Minority Interest	Total Equity
	← Non-Distributable →		Distributable	Total			
	Share Capital	Other Reserves	Retained Profits				
	RM'000	RM'000	RM'000	RM'000	RM'000		
<u>12 months year ended 30 September 2012</u>							
At 1 October 2011	253,317	22	35,813	289,152	2,500	291,652	
Total comprehensive income for the period	-	-	7,202	7,202	-	7,202	
At 30 September 2012	253,317	22	43,015	296,354	2,500	298,854	
<u>12 months year ended 30 September 2011</u>							
At 1 October 2010 as previously stated	253,317	22	43,397	296,736	2,500	299,236	
Effect of adopting FRSIC Consensus 17	-	-	(5,503)	(5,503)	-	(5,503)	
At 1 October 2010 (restated)	253,317	22	37,894	291,233	2,500	293,733	
Total comprehensive loss for the period	-	-	(2,081)	(2,081)	-	(2,081)	
At 30 September 2011	253,317	22	35,813	289,152	2,500	291,652	

(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

The adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRSIC Consensus 17 Development of Affordable Housing ("FRSIC 17")

Malaysia Institute of Accountant ("MIA") had on 24 November 2011 approved the release of FRSIC 17, which provides guidance on the accounting recognition for the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing (and/or other relevant parties) in the development of affordable housing on involuntary basis and voluntary basis. Development of affordable housing on involuntary basis arose from the requirements imposed by the authorities upon the property developer. The property developer could not avoid or does not have any realistic alternative of avoiding the outflow of resources. This creates a present obligation on the property developer to discharge such requirement to enable the development of premium housing. As such, a provision for the said present obligation with a corresponding asset in the form of common costs for development of premium housing shall be recognised upon the approval of master and building plans.

Prior to the adoption of FRSIC 17, the Group applied FRS 136 Impairment of Assets to determine whether the land has become impaired. Impairment losses were provided for those land that are designated for the construction of low and low-medium cost houses that are required by Pejabat Tanah dan Galian Negeri Johor and were recognized in profit or loss.

The Group has adopted FRSIC 17 and applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the statement of financial position as at 30 September 2012 and statement of comprehensive income for the financial year ended 30 September 2012 arising from this change in accounting policy:

Group	Increase/ (decrease)
Statement of financial position	RM'000
Land held for property development	7,255
Inventories	503
Property development costs	894
Provision for foreseeable losses for affordable housing	14,313
Retained earnings	<u>(5,661)</u>

Statement of comprehensive income

Cost of sales	109
Income tax	-
Profit net of tax	(109)

The following comparatives have been restated:

Group	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statements of financial position 30 September 2011			
Land held for property development	311,033	7,746	318,779
Inventories	28,075	504	28,579
Property development costs	79,504	510	80,014
Provision for foreseeable losses for affordable housing	-	14,313	14,313
Retained earnings	41,365	(5,552)	35,813

Group Statement of comprehensive income 30 September 2011

Cost of sales	44,164	49	44,213
Income tax	215	-	215
Loss net of tax	(2,032)	(49)	(2,081)

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
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
FRS 124 Related Party Disclosures	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
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 1: Government Loans	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12	1 January 2013
Improvements to FRSs Issued in 2012	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendments affect presentation only and have no impact on the Group’s financial position or performance.

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

FRS 12 Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

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 referred as "Transitioning Entities"). The adoption of the MFRS Framework by Transitioning Entities is deferred by another year and hence, will be mandatory only for annual financial period beginning on or after 1 January 2014.

The Group will present its first financial statements in accordance with the MFRS Framework for the financial year beginning on 1 October 2014. The Group is currently in the process of determining the impact arising from the initial application of MFRS Framework. Before the effective date, the Group will continue to prepare its financial statement in accordance with the FRS 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

No dividend has been paid by the Company 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 September 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 RM65.3 million and profit before tax of RM8.1 million for the twelve months ended 30 September 2012 as compared to revenue of RM55.7 million and loss before tax of RM2.3 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 both Kota Masai and 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 RM4.4 million for the fourth quarter when compared to RM2.2 million registered in the immediate preceding quarter ended 30 June 2012 was approximately 95% 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 ProspectKota Masai Project (Mukim Plentong, Johor)

The positive effects of Iskandar Malaysia ("IM") continue to improve purchasers' sentiments in the Johor Bahru property market. The sales of residential and commercial properties has improved and the encouraging trend is expected to continue.

Saujana O-Lot Project (Mukim Damansara, Selangor)

The interests in Saujana O-Lot project are strong but potential buyers are still hesitant to commit due to the tightening of bank borrowing which has affected purchasers' sentiments for high end properties. The sales demand are expected to remain and purchasers' sentiments is expected to improve upon the relaxation of bank borrowing conditions.

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 30/09/2012 RM'000	Current year To date 30/09/2012 RM'000
(a) Interest income	(63)	(196)
(b) Other income including investment income	(36)	(507)
(c) Interest expense	671	2,809
(d) Depreciation and amortization	68	296
(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 September 2012 are:

	Current Year Quarter 30/09/2012 RM'000	Current year To date 30/09/2012 RM'000
Statement of comprehensive income:		
Current year income tax	854	862
Overprovision in prior years	(3)	(3)
Deferred tax:		
Relating to origination and reversal of temporary differences	175	34
Income tax benefit recognised in profit or loss	1,026	893

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 September 2012 are as follows:

Profit before tax	4,362	8,095
Taxation at Malaysian statutory tax rate of 25%	1,091	2,024
Adjustments:		
Effect of expenses not deductible for tax purposes	49	235
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(259)	(1,470)
Deferred tax assets recognised on unused tax losses and capital allowance	121	80
Deferred tax assets not recognised on provision for foreseeable losses	27	27
Overprovision of tax expense in prior years	(3)	(3)
Income tax benefit recognised in profit or loss	1,026	893

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 September 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 September 2012 are as follows:

	RM'000
Short term borrowings	
Secured	
Revolving credit	6,611
Overdraft	15,017
Term loans	8,488
	<u>30,116</u>
Long term borrowings	
Secured	
Term loans	33,925
	<u>33,925</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 September 2012.

B12. Changes in material litigation

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

B13. Dividend

A first and final dividend of 1% less 25% tax or 0.75 sen per share for the financial year ended 30 September 2012 has been recommended by the Board on 29 November 2012 for approval at the forthcoming Annual General Meeting.

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 30/09/2012	Corresponding Quarter Ended 30/09/2011 (restated)	Current Year to date Ended 30/09/2012	Corresponding Year to date Ended 30/09/2011 (restated)
Net Profit /(Loss) attributable to ordinary shareholders (RM'000)	<u>3,336</u>	<u>(829)</u>	<u>7,202</u>	<u>(2,081)</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>1.32</u>	<u>(0.33)</u>	<u>2.84</u>	<u>(0.82)</u>
Diluted earnings/(loss) per share (sen)	<u>1.32</u>	<u>(0.33)</u>	<u>2.84</u>	<u>(0.82)</u>

B15. Realised/Unrealised Retained Profits/Losses

	As At 30/09/2012 RM'000	As At 30/09/2011 (restated) RM'000
Total retained profits of FAHB and its subsidiaries		
- Realised	25,380	17,339
- Unrealised	-	-
Consolidation adjustments	<u>17,635</u>	<u>18,474</u>
Total group retained profits as per consolidated accounts	<u>43,015</u>	<u>35,813</u>

By order of the Board

Chua Siew Chuan
Company Secretary