

# FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2013

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2013  RM'000	Preceding Year Corresponding Quarter Ended 30/06/2012  RM'000	Current Year To Date Ended 30/06/2013  RM'000	Preceding Year Corresponding Period To Date Ended 30/06/2012  RM'000
Revenue	43,965	17,452	112,343	40,826
Cost of sales	(28,200)	(12,164)	(75,747)	(27,091)
<b>Gross profit</b>	<b>15,765</b>	<b>5,288</b>	<b>36,596</b>	<b>13,735</b>
Other items of income	254	245	677	604
Administrative expenses	(3,133)	(2,594)	(10,356)	(8,468)
Finance costs	(377)	(708)	(1,304)	(2,138)
<b>Profit before tax</b>	<b>12,509</b>	<b>2,231</b>	<b>25,613</b>	<b>3,733</b>
Taxation/ Income tax benefit	(1,574)	30	(1,372)	133
<b>Profit net of tax, representing total comprehensive income for the period</b>	<b>10,935</b>	<b>2,261</b>	<b>24,241</b>	<b>3,866</b>
Attributable to:				
Equity holders of the parent	10,935	2,261	24,241	3,866
Non-controlling interest	-	-	-	-
	<b>10,935</b>	<b>2,261</b>	<b>24,241</b>	<b>3,866</b>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit from continuing operations	4.32	0.89	9.57	1.53
Diluted, for profit from continuing operations	4.32	0.89	9.57	1.53

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2012 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 2013

	As At 30/06/2013	As At 30/09/2012
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	1,213	1,337
Land held for property development	308,032	302,642
	<u>309,245</u>	<u>303,979</u>
<b>Current Assets</b>		
Property development costs	87,822	106,087
Inventories	40,460	29,235
Trade receivables & other receivables	43,732	45,067
Cash & Cash Equivalents	12,089	6,904
	<u>184,103</u>	<u>187,293</u>
<b>TOTAL ASSETS</b>	<u>493,348</u>	<u>491,272</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	253,317	253,317
Other reserves	22	22
Retained earnings	65,356	43,015
	<u>318,695</u>	<u>296,354</u>
Non-controlling interests	2,500	2,500
Total equity	<u>321,195</u>	<u>298,854</u>
<b>Non-current liabilities</b>		
Borrowings	10,329	33,925
Provision for foreseeable losses	14,313	14,313
Deferred tax liabilities	59,527	60,038
	<u>84,169</u>	<u>108,276</u>
<b>Current Liabilities</b>		
Borrowings	45,472	30,116
Trade & other payables	41,687	53,783
Tax payable	825	243
	<u>87,984</u>	<u>84,142</u>
<b>Total liabilities</b>	<u>172,153</u>	<u>192,418</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>493,348</u>	<u>491,272</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	1.26	1.17

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the accompanying explanatory notes attached to the interim financial statements)

**FOCAL AIMS HOLDINGS BERHAD**

(Company No:17777-V)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED  
30 JUNE 2013**

	9 months ended	
	30/06/2013	30/06/2012
	RM'000	RM'000
<b>Operating activities</b>		
Profit before tax	25,613	3,733
Adjustments for :		
Depreciation	184	228
Interest expense	1,304	2,138
Interest income	(490)	(7)
Provision for foreseeable loss	100	(3)
(Gain)/ Loss on disposal of property, plant and equipment	(1)	-
	<u>26,710</u>	<u>6,089</u>
Operating cash flows before changes in working capital	26,710	6,089
Property development expenditure	15,133	(6,477)
Inventories	(11,214)	121
Receivables	1,088	(13,972)
Payables	(12,096)	18,955
	<u>19,621</u>	<u>4,716</u>
Cash flows generated from operations	19,621	4,716
Dividends paid	(1,900)	-
Interest received	490	7
Interest paid	(3,672)	(2,816)
Income taxes paid	(2,487)	(102)
Income taxes refunded	1,432	147
	<u>13,484</u>	<u>1,952</u>
<b>Net cash flows generated from operating activities</b>	<u>13,484</u>	<u>1,952</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(63)	(24)
Proceeds from disposal of property, plant and equipment	2	4
	<u>(61)</u>	<u>(20)</u>
<b>Net cash flows used in investing activities</b>	<u>(61)</u>	<u>(20)</u>
<b>Financing activities</b>		
Drawdown of term loans	9,200	3,400
Drawdown of revolving credit	13,300	4,269
Repayment of term loans	(30,460)	(9,545)
	<u>(7,960)</u>	<u>(1,876)</u>
<b>Net cash flows used in financing activities</b>	<u>(7,960)</u>	<u>(1,876)</u>
<b>Net increase in cash and cash equivalents</b>	5,463	56
<b>Cash and cash equivalents</b>		
<b>at 1 October 2012/2011</b>	<u>(8,112)</u>	<u>(6,345)</u>
<b>Cash and cash equivalents</b>		
<b>at 30 June 2013/2012</b>	<u>(2,649)</u>	<u>(6,289)</u>
<b>Cash and cash equivalents at the end of the financial year comprise the following:</b>		
Cash and bank balances	12,089	8,083
Bank overdrafts (included within short term borrowings)	(14,738)	(14,372)
	<u>(2,649)</u>	<u>(6,289)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the accompanying explanatory notes attached to the interim financial statements)

# FOCAL AIMS HOLDINGS BERHAD

(Company No: 17777-V)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2013

	← 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
<b><u>9 months year ended 30 June 2013</u></b>						
<b>At 1 October 2012</b>	253,317	22	43,015	296,354	2,500	298,854
Total comprehensive income for the period	-	-	24,241	24,241	-	24,241
Dividend	-	-	(1,900)	(1,900)	-	(1,900)
<b>At 30 June 2013</b>	253,317	22	65,356	318,695	2,500	321,195
 <b><u>9 months year ended 30 June 2012</u></b>						
<b>At 1 October 2011</b>	253,317	22	41,365	294,704	2,500	297,204
Total comprehensive income for the period	-	-	3,866	3,866	-	3,866
<b>At 30 June 2012</b>	253,317	22	45,231	298,570	2,500	301,070

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2012 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 2012. 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 2012.

### 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 2012, 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: 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

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:

#### Amendments to FRS 7: Transfers of Financial Assets

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendments affect disclosure only and have no impact on the Group's financial position or performance.

#### Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, they introduce the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

#### 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.

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 :

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
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
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))	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 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	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 Financial Statements (Annual Improvements 2009-2011 Cycle)

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, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Company's financial position and 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 three years and hence, will be mandatory only for annual financial period beginning on or after 1 January 2015.

The Group will present its first financial statements in accordance with the MFRS Framework for the financial year beginning on 1 October 2015. 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 June 2013.

**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 registered revenue of RM112.3 million and profit before tax of RM25.6 million for the nine months ended 30 June 2013 as compared to revenue of RM40.8 million and profit before tax of RM3.7 million for the previous corresponding financial period. This represents improvement in revenue and profit before tax of more than 100% and is mainly due to higher sales from Kota Masai project as well as higher progressive recognition of revenue from both Kota Masai and Saujana O-Lot projects.

**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 RM12.5 million compared to RM6.6 million registered in the immediate preceding quarter was approximately 89% higher. This is due to higher revenue driven by new sales as well as sales from previous quarters recognized from higher progressive recognition of development for both Kota Masai and Saujana O-Lot projects.

**B3. Current Year Prospect**

Kota Masai Project (Mukim Plentong, Johor, Iskandar Malaysia Node D)

The sales of residential and commercial properties continue to remain strong. The completion of major infrastructure works such as Desaru Bridge, Lebuhraya Persiaran Pantai, Eastern Dispersal Link and the Coastal Highway, supported by the favourable effect of Iskandar Malaysia ("IM") has improved sentiments of properties located at IM and it is expected to continue.

Saujana O-Lot Project (Mukim Damansara, Selangor)

The Group expects an improvement in the sales for Saujana O-Lot from the 23 completed units of semi-detached villas of Phase 3 and the expected completion of the remaining 14 units of semi-detached villa and 4 units of detached villa by this financial year.

**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:

	<b>Current Year Quarter 30/06/2013 RM'000</b>	<b>Current year To date 30/06/2013 RM'000</b>
(a) Interest income	(203)	(490)
(b) Other income including investment income	(50)	(186)
(c) Interest expense	377	1,304
(d) Depreciation and amortization	94	184
(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 benefit**Major components of income tax benefit

The major components of income tax benefit for the quarter/year ended 30 June 2013 are:

	<b>Current Year Quarter 30/06/2013 RM'000</b>	<b>Current year To date 30/06/2013 RM'000</b>
Statement of comprehensive income:		
Current year income tax	598	749
Underprovision in prior years	29	29
Deferred tax:		
Relating to origination and reversal of temporary differences	947	594
Income tax benefit recognised in profit or loss	1,574	1,372

Reconciliation between tax benefit and accounting profit

The reconciliation between tax benefit and the product of accounting profit multiplied by the applicable corporate tax rate for the quarter/year ended 30 June 2013 are as follows:

Profit before tax	12,509	25,613
Taxation at Malaysian statutory tax rate of 25%	3,127	6,403
Adjustments:		
Effect of expenses not deductible for tax purposes	122	212
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,725)	(5,329)
Deferred tax assets recognised on unused tax losses and capital allowance	21	57
Underprovision of tax expense in prior years	29	29
Income tax benefit recognised in profit or loss	1,574	1,372

**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 2013.

**(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 2013 are as follows:

	<b>RM'000</b>
Short term borrowings	
Secured	
Revolving credit	19,911
Overdraft	14,738
Term loans	<u>10,823</u>
	<u>45,472</u>
Long term borrowings	
Secured	
Term loans	<u>10,329</u>
	<u>10,329</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 2013.

**B12. Changes in material litigation**

There was no material litigation pending as at 30 June 2013.

**B13. Dividend**

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

**B14. Earnings per share**Basic

Earnings per share is calculated by dividing the Group's profit after taxation over ordinary shares in issue during the year.

	<b>Current Quarter Ended 30/06/2013</b>	<b>Corresponding Quarter Ended 30/06/2012</b>	<b>Current Year to date Ended 30/06/2013</b>	<b>Corresponding Year to date Ended 30/06/2012</b>
Net Profit attributable to ordinary shareholders (RM'000)	<u>10,935</u>	<u>2,261</u>	<u>24,241</u>	<u>3,866</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 per share (sen)	<u>4.32</u>	<u>0.89</u>	<u>9.57</u>	<u>1.53</u>
Diluted earnings per share (sen)	<u>4.32</u>	<u>0.89</u>	<u>9.57</u>	<u>1.53</u>

**B15. Realised/Unrealised Retained Profits**

	<b>As At 30/06/2013</b>	<b>As At 30/09/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Total retained profits of FAHB and its subsidiaries</b>		
- Realised	49,255	25,380
- Unrealised	-	-
<b>Consolidation adjustments</b>	<u>16,101</u>	<u>17,635</u>
<b>Total group retained profits as per consolidated accounts</b>	<u>65,356</u>	<u>43,015</u>

By order of the Board

Chua Siew Chuan  
Company Secretary