

NOTES TO THE QUARTERLY REPORT – 30 APRIL 2016
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134 – Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The accounting policies and method of computation adopted for the interim financial statements were consistent with those adopted for the audited financial statements for the financial year ended 31 January 2016.

A2. Auditors’ Report

The auditors’ report on the audited annual financial statements for the financial year ended 31 January 2016 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal or cyclical factors.

A4. Unusual Items

During the current quarter under review, there were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

A5. Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A6. Issuance and Repayment of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A7. Dividend Paid

There was no dividend declared or paid by the Company during the quarter under review.

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A8. Segmental Information

Segment information is presented in respect of the Group's business segments which are based on internal reporting structure presented to the management of the Company.

	3 months ended 30-Apr-16 RM'000	3 months ended 30-Apr-15 RM'000
Segment Revenue		
Trading of aluminium and machine parts	2,457	3,263
Investment holding & others	-	1
Project management services	-	1,090
Manufacture of furniture	-	20
	<u>2,457</u>	<u>4,734</u>
Elimination of inter-segment revenue	<u>(351)</u>	<u>(681)</u>
Total revenue	<u>2,106</u>	<u>4,053</u>
Segment Results		
Manufacture of precision cleaning system	-	(31)
Trading of aluminium and machine parts	(204)	50
Investment holding & others	(186)	33
Project management services	-	169
Marketing	-	(1)
Manufacture of furniture	-	(317)
	<u>(390)</u>	<u>(97)</u>
Results from operations	130	118
Share of results in associated company	-	(71)
Finance Cost	-	(71)
Loss before taxation	<u>(260)</u>	<u>(50)</u>

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued during the current quarter under review.

A10. Material Events Subsequent to the end of the Interim Reporting Period

There were no material events since the end of the current quarter to the date of this announcement that have not been reflected in the interim financial statements.

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A11. Changes in the Composition of the Group

The were no changes in the composition of the Group for the current quarter under review.

A12. Contingent Liabilities

As at 30 April 2016, the Group has no outstanding contingent liabilities.

A13. Capital Commitments

As at 30 April 2016, the Group did not have any capital commitments.

A14. Related party transactions

Related parties are those defined under MFRS124 : Related Party Disclosures. The directors are of the opinion that the related party transactions described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

	Current year to date 30-Apr-16 RM'000	Preceding year corresponding period 30-Apr-15 RM'000
Transactions with companies in which certain Directors have substantial financial interests:	351	681
Purchase from Jaring Metal Industries Sdn Bhd	<u>55</u>	<u>-</u>

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B1. Review of Performance

The turnover for the current quarter under review was RM2.106 million as compared to RM4.053 million in the corresponding period last year. The turnover for current quarter decreased by 48% compared to the corresponding period last year was mainly due to decrease sales in trading segment and project management services segment.

The Group posted a loss before taxation of RM0.260 million for the current quarter as compared to a loss before taxation of RM0.05 million in the corresponding period last year.

B2. Material Changes in Quarterly Results Compared to the Results of the Preceding Quarter

	Current quarter ended 30-Apr-16 RM'000	Preceding quarter ended 31-Jan-16 RM'000
Turnover	2,106 =====	3,516 =====
Loss before taxation	(260) =====	(2,092) =====

Turnover for current quarter was RM2.106 million as compared to immediate preceding quarter of RM3.516 million. There was decrease of RM1.41 million in turnover for the current quarter as compared to immediate preceding quarter. The decrease in turnover was due to decrease sales in trading segment, manufacturing of furniture segment and project management services segment.

The Group recorded a loss before taxation of RM0.260 million on a turnover of RM2.106 million for the current quarter under review compared to loss before taxation of RM2.092 million on a turnover of RM3.516 million for the immediate preceding quarter.

B3. Commentary on Prospects

The Company has prioritised its building materials and project management operations for further improvement in its future segmental income contribution from these two divisions, which is in line with the Group's plan to turnaround its overall future financial performance moving forward. Generally, both the aforesaid building materials and project management services divisions of the Group form an integral linkage with the construction industry, as the construction industry depends on the building materials and project management industry segments for the supply of construction-related expertise, skills and services, as well as building/construction materials.

In May 2016, Jiwa Project Sdn. Bhd., a wholly owned subsidiary of the Company has secured a contract for project management and sub-contract work to undertake a construction package for residential properties consisting of 28 units single storey detached, 150 units double storey semi-detached and infrastructure works in Batu Berendam, Melaka for a contract sum of RM30.863 million.

The Group believes that the award of the said contract will contribute positively to the earning and earnings per share of the Group in the upcoming years.

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B4. Variance of Actual Profit from Forecast Profit

This is not applicable as no profit forecast was published.

B5. Profits on Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments or properties during the current quarter under review.

B6. Corporate Proposals

(a) Status of Corporate Proposals

(i) Special Issue

On 13 November 2015, the Company proposed to implement a special issue of up to 172,000,000 new ordinary shares of RM0.05 each in the Company to independent third party Bumiputera investors to be identified, to comply with the Bumiputera equity requirement. On 1 March 2016, the Company applied for a waiver from Securities Commission Malaysia from complying with the Bumiputera equity requirement (“the Waiver”), after due consideration of the facts that it would be unlikely for Bumiputera to subscribe for the Company’s shares.

On 4 April 2016, Securities Commission Malaysia approved the Waiver and with the approved Waiver, the Company resolved to terminate the Proposed Special Issue on 21 April 2016.

(ii) Private Placement

On 31 March 2016, the Company proposed to undertake a private placement of up to 10% of the issued and paid-up share capital of the Company to third party investors (“the Private Placement”).

Subsequently on 2 June 2016, Bursa approved the Private Placement.

On 15 June 2016, 79,905,869 new ordinary shares of RM0.05 each in the Company were allotted to Sunstar Enterprise Pty Ltd and the allotment shares were granted listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad on 17 June 2016, hence marking the completion of the Private Placement.

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(b) Status of utilisation of Rights Issue Proceeds

The utilisation of proceeds as at 30 April 2016:

Purpose	Proposed to be Utilised RM'000	Actual utilisation as at 30- Apr-16 RM'000	Intended timeframe for utilisation	(Deviation)	
				Unutilised RM'000	/ %
i) Acquisition of 21% equity interest in Jiwa Holdings Sdn Bhd	2,265	2,265	Within 3 months	-	-
ii) Working capital and capital expenditure	24,808	7,581	Within 24 months	17,227	69
iii) Expenses for the Rights Issue with Warrants	529	529	Within 1 month	-	-
	<u>27,962</u>	<u>10,735</u>		<u>17,227</u>	

B7. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

B8. Material Litigation

There was no pending material litigation as at the date of this report.

B9. Loss per Share

The basic loss per share was calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue during the period.

	Quarter ended		Year to date	
	30-Apr-16	30-Apr-15	30-Apr-16	30-Apr-15
Net loss for the financial period (RM'000)	(260)	(1)	(260)	(1)
Weighted average number of ordinary shares of 5 sen each (2015:5 sen) in issue ('000)	799,059	799,509	799,059	799,059
Basic loss per ordinary share of 5 sen each (sen) (2015:5 sen)	(0.033)	(0.000)	(0.033)	(0.000)

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B10. Realised and Unrealised Accumulated Losses

	As at 30-Apr-16 RM'000	As at 30-Apr-15 RM'000
Total accumulated losses of the Group		
- Realised	(16,694)	(12,460)
- Unrealised	17	17
	<u>(16,677)</u>	<u>(12,443)</u>
Total share of accumulated losses from associated companies		
- Realised	(45)	(45)
- Unrealised	-	-
	<u>(16,722)</u>	<u>(12,488)</u>
Less: Consolidated adjustments	(1,737)	(1,737)
Total accumulated losses as per Statements of Financial Position	<u>(18,459)</u>	<u>(14,225)</u>

B11. Notes to the Statements of Profit or Loss and Other Comprehensive Income

	Current quarter ended 30-Apr-16 RM'000	Current year to date 30-Apr-16 RM'000
Depreciation & amortisation	81	81
Interest income	(168)	(168)

Other than as disclosed above, the Group does not have other material items that are recognised as profit or loss in the Statements of Profit or Loss and Other Comprehensive Income.

BY ORDER OF THE BOARD

LOH BOON GINN
 Managing Director