

<u>Part A – Explanatory Notes Pursuant To Malaysian Financial Reporting Standard (MFRS) 134 "Interim Financial Reporting"</u>

A1. Basis Of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Listing Requirements.

The interim financial report has been prepared on a condensed basis and as such it should be read in conjunction with the audited annual financial statements for the financial year ended 31 May 2014.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
- Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
- Amendments to MFRS 132, Financial Instruments: Presentation Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136, Impairment of Assets Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139, Financial Instruments: Recognition and Measurement Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2015

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)
- Amendments to MFRS 2, Share-based Payment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 3, Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 8, Operating Segments (Annual Improvements 2010-2012 Cycle)



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MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2015 (cont'd)

- Amendments to MFRS 13, Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 119, Employee Benefits Defined Benefit Plans: Employee Contributions
- Amendments to MFRS 124, Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, Regulatory Deferral Accounts
- Amendments to MFRS 11, Joint Arrangements Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 116, Property, Plant and Equipment Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116, Property, Plant and Equipment Agriculture: Bearer Plants
- Amendments to MFRS 138, Intangible Assets Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 141, Agriculture Agriculture: Bearer Plants

MFRS effective for annual periods beginning on or after 1 January 2017

• MFRS 15, Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, Financial Instruments (2009)
- MFRS 9, Financial Instruments (2010)
- MFRS 9, Financial Instruments Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139
- Amendments to MFRS 7, Financial Instruments: Disclosures Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 June 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014, except for IC Interpretation 21 which is not applicable to the Group and the Company.
- from the annual period beginning on 1 June 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014, except for Amendments to MFRS 1, Amendments to MFRS 2, Amendments to MFRS 119 and Amendments to MFRS 138 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 June 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for MFRS 14, Amendments to MFRS 11, Amendments to MFRS 138, and Amendments to MFRS 141 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 June 2017 for the accounting standard that is effective for annual periods beginning on or after 1 January 2017.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

MFRS 15, Revenue from contracts with customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfer of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. The Company is currently assessing the financial impact that may arise from the adoption of MFRS 15.

A2. Auditors' Report On Preceding Annual Financial Statements

The audit report in respect of the financial statements of the Group for the preceding year was not subject to any qualification.

A3. Seasonal Or Cyclical Factors

The Group's results were not materially affected by any major seasonal or cyclical factors in the current quarter.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows

There were no unusual nature and amount of items affecting assets, liabilities, equity, net income or cash flow of the Group during the quarter under review.

A5. Changes in Estimates

There were no material changes in estimates during the quarter under review.

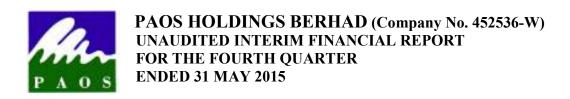
A6. Issuance and Repayment of Debt and Equity Securities

There were no new debts and equity security issued during the current quarter.

A7. Dividends Paid

The first interim tax exempt dividend of 1.25 sen per ordinary share of RM0.50, totalling RM1,509,700 in respect of the financial year ending 31 May 2014 was paid on 28 November 2014.

The second interim single tier dividend of 1.25 sen per ordinary share of RM0.50, totalling RM1,509,700 in respect of the financial year ending 31 May 2014 was paid on 29 May 2015.



A8. Operating segments

	Manufacturing RM'000	Trading RM'000	Intergrated hotel Operation and Property investment RM'000	Current Quarter Ended 31/05/2015 Total RM'000
Segment profit	1,611	858	70	2,539
Included in the measure of Segment profit are: -				
Revenue from External customers	11,325	3,537	1,493	16,355
Depreciation and amortisation	335	79	420	834

Reconciliation of reportable segment profit: -

	Current Quarter ended 31/05/2015 RM'000
Profit	
Total profit for reportable segments	2,539
Finance costs	(12)
Unallocated expenses	(70)
Unallocated income	(518)
Consolidated profit before tax	1,939
-	=====

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward without amendment from the previous financial year.

A10. Capital Commitments

Authorised capital expenditure for property, plant and equipment not provided for in the financial statements were as follows:-

	As at 31 May 2015 RM'000	As at 31 May 2014 RM'000
Property, plant and equipment		
 contracted 	55	-
 not contracted 	<u> 185</u>	150
Total	240	150
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A11. Material Events Subsequent to the End of the Interim Period

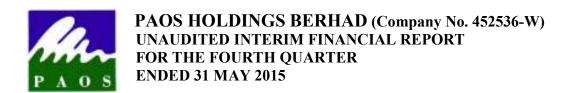
There were no material events subsequent to the end of the current reporting period until the date of this report, which are expected to have a material operational or financial impact on the Group.

A12. Changes in the Composition of the Group

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

A13. Changes in Contingent Liabilities Or Contingent Assets

	As at 31 May 2015	As at 31 May 2014
	RM'000	RM'000
Bank guarantees in favour of third		
parties for utilities	640	455
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<u>Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Bursa Malaysia Securities</u> Exchange Listing Requirements

B1. Review Of Performance

	Individual quarter		Cumulative quarter	
	31.05.2015 RM'000	31.05.2014 RM'000	31.05.2015 RM'000	31.05.2014 RM'000
Revenue				
Manufacturing	11,325	8,400	41,240	29,285
Trading	3,537	8,523	9,947	129,725
Integrated hotel operation				
and property investment	1,493	2,529	6,091	10,296
Group	16,355	19,452	57,278	169,306
Segment profit				
Manufacturing	1,611	361	2,461	1,330
Trading	858	(538)	93	2,440
Integrated hotel operation				
and property investment	70	328	<u>275</u>	1,882
Group	2,539	151	2,829	5,652

Quarterly Performance Review

Revenue of the Group for the fourth financial quarter ended 31 May 2015 of RM16.35 million was 15.94% lower than the preceding corresponding financial quarter of RM19.45 million mainly due to lower sales from the trading segment.

In tandem with the decrease in sales volume, cost of sales of the Group for the current quarter have also decreased by 16.71% to RM14.85 million from RM17.83 million in the preceding corresponding quarter.

During the current quarter, the Group reported a forex gain of RM1.73 million in comparison to RM0.74 million in the preceding corresponding quarter.

Overall, the Group reported a profit before taxation for the current quarter of RM1.94 million as compared to a profit before taxation of RM1.03 million in the preceding corresponding quarter.

Financial Year Performance Review

Manufacturing segment

For the twelve months ended 31 May 2015, revenue increased by 40.85% from RM29.28 million to RM41.24 million mainly due to rental income which has been converted to toll manufacturing during the current period. However, segment profit increased from RM1.33 million to RM2.46 million mainly due to currency exchange gain.

Trading segment

For the twelve months ended 31 May 2015, revenue decreased by 92.33% from RM129.72 million to RM9.95 million while segment profit decreased from RM2.44 million to RM93 thousand mainly due to no fuel oil export during the current period.

Integrated hotel operation and property investment segment

For the twelve months ended 31 May 2015, revenue decreased by 40.82% from RM10.29 million to RM6.09 million while segment profit decreased from RM1.88 million to RM0.27 million due to rental income has been converted to toll manufacturing.

Other than the above, the performance of the integrated hotel operation and property investment segment remain quite consistent with that of the preceding year corresponding period in 2014.

B2. Variation Of Current Quarter Results Compared With The Preceding Quarter

Revenue for the current quarter was RM16.35 million compared to RM14.75 million recorded in the immediate preceding quarter.

The Group's profit before taxation for the current quarter was RM1.94 million compared to the profit before taxation of RM0.78 million for the preceding quarter.

B3. Current Year Prospects

Current economic situation presents challenging business conditions for the Group. However, the Group will keep pursuing its initiatives to further optimize its operations.

The Board of Directors believes that the performance of the Group for the forthcoming financial year 2015/2016 will be challenging in view of the current business conditions.

B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable to the Group as there was no profit forecast or profit guarantee.

B5 Taxation

1 axation					
		Current Year		Preceding Year	
		Quarter	Year To Date	Quarter	Year-To-Date
		ended	ended	ended	ended
		31.05.2015	31.05.2015	31.05.2014	31.05.2014
		RM'000	RM'000	RM'000	RM'000
Income tax					
- current year		411	989	(91)	1,896
- under provision		35	35	31	31
		446	1,024	(60)	1,927
Deferred tax		200	200		
- current year		389	389	571	571
- over provision		(165)	(165)	(4)	(4)
		224	224	567	567
	Total	670	1,248	507	2,494

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

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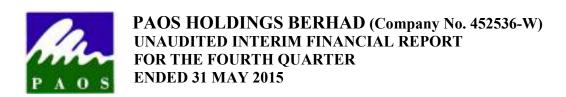
B7. Borrowings and Debt Securities

Details of the Group's borrowings as at 31 May 2015 are as follows:

	RIVI 000
Short term borrowings: -	
Bank overdraft (unsecured)	615
Total borrowings	615
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B8. Material Litigation

There is no material litigation for the Group as at the date of this report.



B9. Dividends

The Board of Directors does not recommend any dividend for the current quarter.

B10. Realised and Unrealised Profits / Losses

•	As at 31 May 2015	As at 31 May 2014
	RM'000	RM'000
Total retained profits		
Realised	55,347	57,618
Unrealised	(460)	(1,464)
	54,887	56,154
Less: Consolidation adjustments	(29,931)	(29,928)
Total group retained profits as per consolidated account	ints 24,956	26,226
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B11. Earnings Per Share

	Quarte	r Ended	Cumulative	e Quarter
		Preceding	Current	Preceding
	Current	Year	Year To	Year
	Quarter	Corresponding	Date	Corresponding
	Ended	Quarter Ended	Ended	Year To Date Ended
	31.05.15	31.05.14	31.05.15	31.05.14
Basic Earnings				
Per Share:				
Net profit for				
the period (RM'000)	1,269	522	1,749	4,596
Weighted average	•			
number of ordinary				
shares ('000)	120,776	120,776	120,776	120,776
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Basic Earnings				
Per Share (Sen)	1.05	0.43	1.45	3.81
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