NOTES TO THE FINANCIAL STATEMENTS:-

1 *Basis of Preparation*

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Malaysian Financial Reporting Standard (MFRS) 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements as at and for the year ended 31 December 2011 which were prepared in compliance with Financial Reporting Standards (FRSs). These explanatory notes attached to the interim financial statement 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 31 December 2011.

2 *Changes in Accounting Framework*

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS-compliant annual financial statements. In preparing these interim financial statements, the Group has applied MFRS1, *First-time Adoption of Malaysian Financial Reporting Standards*.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011, the Group has effected the following amendments and policy changes when migrating from the FRS to the MFRS framework.

(a) Property, plant and equipment

In the past, the Group revalued its freehold land every 5 years and at shorter internals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation of freehold land are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognized to profit or loss.

Upon transition to MFRSs, the Group elected to apply the optional exemption to use the fair value of the freehold land at the date of transition (ie 1 January 2011) as deemed cost under MFRSs. The revaluation surplus of RM7,410,000 was recognized in the retained earnings. The revaluation reserve derived from the revaluation in 2007 amounted to RM6.058 million was also recognized in the retained earnings.

Certain buildings and prepaid lease payments were revalued in 1997 for the sole purpose of the listing of the Company on Bursa Securities. The Group has used the revalued amount as deemed cost. All other property, plant and equipment were stated at cost.

The impact arising from the change is summarised as follows:

NOTES TO THE FINANCIAL STATEMENTS:-

	1 January 2011 RM'000	31 December 2011 RM'000
Reclassification of revaluation reserve to retained earnings	6,058	5,879
Revaluation surplus arising from fair valuation at date of transition, recognized in retained earnings	6,504	6,504
Adjustment to retained earnings	12,562	12,383

3 ***Declaration of audit qualification***

The annual financial statements of the Group for the year ended 31 December 2011 were reported on without any qualification.

4 ***Seasonality or Cyclicality of interim operations***

The Group's operations are not subject to seasonal or cyclical factors.

5 ***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 items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size and incidence.

6 ***Nature and amount of changes in estimates of amounts 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 that have had material effect in the current quarter's results.

7 ***Issuances, cancellations, repurchases, resale and repayments of debt and equity securities***

There was no issuance, cancellation, repurchase, resale and repayments of debt and equity securities during the interim period under review.

8 ***Dividends***

There was no dividend paid during the quarter under review.

9 ***Segmental reporting***

Segmental information for the Group's business segments is as follows:

NOTES TO THE FINANCIAL STATEMENTS:-

	Coils & Sheets RM'000	Processed products RM'000	Trading products RM'000	Total RM'000
Revenue from external customers				
2012 Q1	75,694	15,958	10,168	101,820
2011 Q1	90,482	16,150	4,778	111,410
Increase/(decrease)	(14,788)	(192)	5,390	(9,590)
	-13.2%	-0.2%	+4.8%	-8.6%

For decision making and resources allocation, the Chief Executive Officer reviews the statements of financial position of respective subsidiaries.

10 ***Valuation of property, plant and equipment***

The Group has taken the fair value of its freehold land at date of transition as its deemed cost. RM7,410,000 has been added to its carrying amount. The valuation of other leasehold land and buildings was brought forward without amendment from the previous annual report.

11 ***Material events subsequent to the end of the interim period***

The Company had on 15 May 2012 entered into a Termination Agreement with Tecstun (M) Sdn. Bhd. ("TMSB") to terminate the Shareholders' Agreement signed on 5 January 2012 ("Termination Agreement 1")

On the even date, ICCI had entered into a Terminate Agreement with the following 10 vendors to terminate the Sale of Business Agreements signed with the following entities on 5 January 2012 ("Termination Agreement 2"):

(a) Wajamesh (M) Sdn Bhd (Company No. 295329-X), a company of limited liability incorporated under the laws of Malaysia and having its business address at Lot 121 & 122, Kampung Chekok, Pasir Mas, 17060 Kelantan;

(b) Wajamesh Colour Roofing Industries (M) Sdn Bhd (Company No. 453895-W), a company of limited liability incorporated under the laws of Malaysia and having its business address at Lot 121 & 122, Kampung Chekok, Pasir Mas, 17060 Kelantan;

(c) Wajamesh Metal Industry Sdn Bhd (Company No. 654320-P), a company of limited liability incorporated under the laws of Malaysia and having its business address at Lot 1972, Kampung Lundang, Jalan Yaacobiah, Kota Bahru, 15150 Kelantan;

(d) Wajamesh Building Products Sdn Bhd (Company No. 654321-M), a company of limited liability incorporated under the laws of Malaysia and having its business address at KRM 1240, Lot 234, Mukim Paloh, 20050 Kuala

NOTES TO THE FINANCIAL STATEMENTS:-

Terengganu, Terengganu;

(e) Wajamesh Rooftruss System (M) Sdn Bhd (Company No. 687513-P), a company of limited liability incorporated under the laws of Malaysia and having its business address at Lot 577 Section 19, Taman Limau Manis, Jalan Hamzah, Kota Bharu, 15050 Kelantan;

(f) Wajaheight Development (M) Sdn Bhd (Company No. 546870-W), a company of limited liability incorporated under the laws of Malaysia and having its registered address at PT 121 & 122, Kedai Lima Tingkat, Kampung Chekok, Pasir Mas, 17060 Kelantan;

(g) Tecstun (M) Sdn Bhd (Company No. 822596-V) (TMSB), a company of limited liability incorporated under the laws of Malaysia and having its business address at Lot 121 & 122, Kampung Chekok, Pasir Mas, 17060 Kelantan;

(h) Tecstun (KL) Sdn Bhd (Company No. 824010-U), a company of limited liability incorporated under the laws of Malaysia and having its business address at No. 1, Block A, Lot 756, Prime Subang Light Industrial Park, Jalan Subang 3, 47610 Subang Jaya, Selangor;

(i) Wajamesh Steel Sdn Bhd (Company No 620125-X), a company of limited liability incorporated under the laws of Malaysia and having its business address at Lot 3615 & 3616, Kawasan perindustrian APAM, Lubok Jong Peti Surat 613, Pasir Mas, Kelantan; and

(j) Khor Tack Lee (Nric No. 720501-03-5275) T/A Waja Mega Enterprise (Business Registration N0. KT0205361-H), a sole-proprietorship and has an address at Lot 1709, Kampung Chekok, 17060 Pasir Mas, Kelantan.

On the same day, YKGI had also entered into a Sale of Shares Agreement with Tecstun (M) Sdn Bhd to dispose the entire issued shares in the capital of ICCI to TMSB at a purchase consideration of RM7,421,500.

The Termination Agreement 1 shall take immediate effect and is deemed completed on its execution. The Termination Agreement 2 shall be effective upon ICCI issue written notice to the Vendors in the event the Sale of Share Agreement is not completed or is terminated for any reasons or whatsoever, whereas the Sale of Share Agreement is expected to complete by October 2012.

12 ***Changes in composition of the Group***

There are no changes to the composition of the Group during the quarter under review.

13 ***Changes in contingent liabilities or contingent assets***

There are no contingent liabilities or assets for the current financial year to date.

NOTES TO THE FINANCIAL STATEMENTS:-

14 *Review of performance*

The Group's total revenue for the quarter under review declined by 9% or RM10 million to RM101.8 million as compared to RM111.8 million in the corresponding period of the preceding year. The Group reported a pretax loss of RM3.73 million as compared to pretax loss of RM2.94 million reported in the corresponding period of the previous year. The decrease in revenue was due to decrease in sales volume, whereas the losses reported for the quarter under review was resulted by lower productivity in view of longer festive holidays.

15 *Variation of results against preceding quarter*

For the quarter under review, the Group recorded a pretax loss of RM3.73 million as compared to a pretax loss of RM15.99 million reported in the previous quarter. The profitability though still in deficit, has shown improvement as the current selling prices were reflective of cost.

16 *Prospects for the financial year ending 31 December 2012*

(a) The immediate focus of the Group is on the transformation of the Group from a loss making entity into profitability.

The prospects will still look promising in view of more projects either from private sectors or public sectors are releasing to the market. The Group has taken steps to improve its market share and profit margin by having more aggressive marketing efforts to attract higher sales from the prospective customers, and at the same time lowering the cost along the whole value chain of the business process.

Barring unforeseen circumstances, the Board of Directors is cautiously optimistic in managing towards achieving profitability for the financial year ending 31 December 2012.

(b) There were no announcements or disclosures published in a public document of any revenue or profit estimate, forecast, projection or internal targets as at the date of this announcement.

17 *Statement of the Board of Directors' opinion on achievement of forecast*

Not applicable to the Group as no announcements or disclosures were published in a public document of any revenue or profit estimate, forecast, projection or internal targets as at the date of this announcement.

18 *Profit forecast*

Not applicable as no profit forecast was published.

NOTES TO THE FINANCIAL STATEMENTS:-

19 ***Income tax expense***

The taxation is derived as below:	Current Quarter RM'000	Financial Year-To-Date RM'000
Current tax expense		
- current year	55	55
	55	55
Deferred tax expense		
- current year	(793)	(793)
	(793)	(793)
Total	(738)	(738)

The Group's effective tax rate in the current year to date was lower than the statutory tax rate applicable for the current financial year due to non-deductible expenses under loss-making situation.

20 **Profit for the period**

	Current quarter ended 31 March		Cumulative period ended 31 March	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	4,851	4,944	4,851	4,944
Impairment loss:				
- Trade receivables	112	-	112	-
Loss on disposal of property, plant and equipment	-	6	-	6
And after crediting:				
Gain on disposal of property, plant and equipment	114	-	114	-
Finance income	164	76	164	76
Net foreign exchange gain	1	9	1	9

21 ***Status of corporate proposal announced***

(a) On 5 January 2012 the Company announced that the following agreements have been signed:

1. Shareholders Agreement between YKGI and TMSB to participate together and to use its subsidiary ICCI as joint venture vehicle to carry on the business activities relating to the manufacture, sale and installation of metal roofing and related products, PVC pipes, wire mesh and trading in paints and hardware and any other business activities

NOTES TO THE FINANCIAL STATEMENTS:-

that are allowed by its Memorandum and Articles of Association and agreed to between the Company and TMSB.

2. Ten Sale of Business Agreements between ICCI and the Vendors for ICCI to purchase from the Vendors free from all charges liens equities and encumbrances with effect from 31 December 2011 as a going concern comprising the assets of the Vendors used in the conduct of the business carried on by them as at 31 December 2011.

3. Sale of Share Agreement between ICCI and certain Vendors to acquire from the Vendors the entire issued shares in the capital of Wajaplas Manufacturing (M) Sdn Bhd.

The acquisition of Wajaplas Manufacturing (M) Sdn Bhd has been completed on 15 February 2012 whereas the rest of the agreements are pending completion.

On 16 May 2012, the Company announced that the following agreements have been signed on 15 May 2012:

4. Termination Agreement between YKGI and TMSB to terminate the Shareholders Agreement signed on 5 January 2012 as stated in (1) above (“Termination Agreement 1”)

5. Termination Agreement between ICCI and 10 Vendors to terminate the 10 Sale of Business Agreements signed on 5 January 2012 as stated in (2) above (“Termination Agreement 2”)

6. Sale of Share Agreement between YKGI and TMSB to dispose of the entire issued and paid up capital of ICCI to TMSB at purchase consideration of RM7,421,500.

The Termination Agreement 1 shall take immediate effect and deemed completed on its execution. The Termination Agreement 2 shall be effective upon ICCI issue written notice to the Vendors in the event the Sale of Share Agreement is not completed or terminated for any reasons or whatsoever, whereas the Sale of Share Agreement is expected to complete by October 2012.

(b) There were no proceeds raised from any corporate proposal during the quarter under review.

22 ***Borrowing and debt securities***

As at 31 March 2012	Short Term Borrowing RM’000	Long Term Borrowing RM’000
Denominated in Ringgit Malaysia		
Secured	48,213	39,634
Unsecured	177,400	49,837
Total	225,613	89,471

NOTES TO THE FINANCIAL STATEMENTS:-

23 ***Financial derivative instruments***

Forward foreign exchange contracts are used to hedge foreign exchange risks associated with certain purchase transactions.

As at end of the current quarter under review, the outstanding forward foreign currency exchange contracts are as follows:

Type of Derivatives	Contract/Notional Value (RM'000)	Fair Value (RM'000)
Foreign Exchange Contracts (in US Dollar) - Less than 1 year	27,803	27,415

The fair value changes has not been recognized in the financial statements as the management deemed that it is immaterial.

24 ***Changes in material litigation***

There are no material litigations during the period under review.

25 ***Proposed dividend***

The Board of Directors has not recommended any interim dividend for the financial quarter ended 31 March 2012.

26 ***Earnings per share***

	Quarter ended 31 Mar		Period ended 31 Mar	
	2012 ('000)	2011 ('000)	2012 ('000)	2011 ('000)
Basic earnings per ordinary share				
(Loss)/Profit attributable to owners of the Company (RM'000)	(2,161)	(3,264)	(2,161)	(3,264)
Weighted average number of ordinary shares issued as at beginning and end of period	195,534.9	195,534.9	195,534.9	195,534.9
Basic earnings/(loss) per ordinary share (sen)	(1.11)	(1.67)	(1.11)	(1.67)

NOTES TO THE FINANCIAL STATEMENTS:-

	Quarter ended 31 Mar		Period ended 31 Mar	
	2012	2011	2012	2011
	('000)	('000)	('000)	('000)
Diluted earnings per ordinary share				
Profit/(Loss) attributable to owners of the Company (RM'000)	(2,161)	(3,264)	(2,161)	(3,264)
Weighted average number of ordinary shares in issue	195,534.9	195,534.9	195,534.9	195,534.9
Effect of outstanding warrants	-	10,781.5	-	10,781.5
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share	195,534.9	206,316.4	195,534.9	206,316.4
Diluted earnings/(loss) per ordinary share (sen)	-	(1.58)	-	(1.58)

There were no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at the end of the reporting period.

The exercise price of the outstanding warrants issued on 9 July 2008 is higher than the average market price of the ordinary shares of the Company for the period under review. As the warrants are anti-dilutive in nature, they have been ignored for the purposes of the computation of the diluted earnings per share.

27 ***Breakdown of realised and unrealised profit or losses***

The breakdown of the retained profits of the Group into realized and unrealized profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Reguirements, as issued by the Malaysian Institute of Accountants.

	As at 31 Mar 2012	As at 31 Dec 2011
	RM'000	RM'000
Total retained profit of the Group		
- Realised	37,756	41,548
- Unrealised	3,692	2,900
Add: Consolidated adjustments	1,522	683
Total retained earnings	42,970	45,131