

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134-INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

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 of the Group for the year ended 31 December 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 31 December 2011.

The significant accounting policies and presentation adopted by the Group in this interim financial statements are consistent with those of the Group’s consolidated audited financial statements for the year ended 31 December 2011.

On 19 November 2011, MASB announced the adoption of the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS framework is effective from 1 January 2012 and is to facilitate convergence with the International Financial Reporting Standards (“IFRS”). Nevertheless, the Group is allowed by MASB to defer the adoption of these new accounting standards to financial year ending 31 December 2013 as the Group now (*after proposed diversification of the business of the Group into property development has been approved by shareholders of the Company as disclosed in Note B6(b)(ii) below*) is within the scope of IC Interpretation 15 Agreements for Construction of Real Estate.

However, on 30 June 2012, the MASB decided to allow the deferment for the adoption of the MFRS framework to another year which is financial year ending 31 December 2014.

Upon adoption of these new accounting standards, the impact on the financial position and performance of the Group has yet to be determined as the Group is in the process of assessing the financial effects of the differences between FRS and accounting standards under the MFRS Framework.

In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 January 2013 to amounts reflecting the application of MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

**A2. Seasonal or Cyclical Factors**

The operations of the Group during the quarter have not been affected by any material seasonal or cyclical factors.

**A3. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

#### A4. Material Changes in Estimates

There were no changes in the estimates of amounts reported in prior interim periods of the current financial quarter or in prior financial years that have a material effect on the results in the quarter under review.

#### A5. Debts and Equity Securities

The issued and paid-up capital of the Company has been increased by 109,099,750 ordinary shares from 154,800,002 to 263,899,752 ordinary shares of RM0.15 each as a result of the following:-

i) Renounceable Rights Issue

On 27 January 2012, the Company issued a total of 109,099,750 new ordinary shares of RM0.15 each at an issue price of RM0.15 per Rights Share on the basis of five (5) rights shares together with one (1) warrant for every four (4) ordinary shares of RM0.15 each.

ii) Warrants 2012/2017

The Company issued a total of 21,819,950 warrants pursuant to the Rights Issues as disclosed above (i). As at the date of this report, none of the warrants has been exercised.

Save for the above, there were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period under review.

#### A6. Dividends Paid

There were no dividends paid during the quarter under review.

#### A7. Segmental Information

Segmental information is provided in two formats, one based on business segments and the other based on geographical segments. Expenses, assets and liabilities which are common and cannot be allocated to the segments are presented under unallocated expenses, assets and liabilities, respectively, if any.

##### (a) Business Segments

<b>6 Months Ended 30 June 2012</b>					
<b>Segments</b>	<b>Continuing Operations</b>			<b>Discontinued Operation</b>	<b>Group</b>
	<b>Manufacturing (Malaysia)</b>	<b>Investment Holding &amp; Others</b>	<b>Property Development</b>	<b>Manufacturing (China)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	3,131	-	-	1,896	5,027
Profit/(Loss) After Tax	(38)	(706)	(3)	(2,763)	(3,510)
Total Assets	19,417	8,426	2,731	48,403	78,977

**A7. Segmental Information (cont'd)****(a) Business Segments****6 Months Ended 30 June 2011**

Segments	Continuing Operations			Discontinued Operation	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development	Manufacturing (China)	
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,452	-	-	5,167	10,619
Profit/(Loss) After Tax	(914)	(1,077)	-	(2,767)	(4,758)
Total Assets	29,874	2,978	-	95,479	128,331

**(b) Geographical Segments**

By Geographical	6 months Ended 30 June 2012		6 months Ended 30 June 2011	
	Revenue	Non-current Assets	Revenue	Non-current Assets
	RM'000	RM'000	RM'000	RM'000
Malaysia-continuing operations	3,131	4,997	5,452	5,942
China-discontinued operation	1,896	26,119	5,167	43,412
	<b>5,027</b>	<b>31,116</b>	<b>10,619</b>	<b>49,354</b>

**A8. Material Events Subsequent to the End of the Reporting Period**

There were no other material events subsequent to the end of the current quarter under review other than as disclosed in B6.

**A9. Changes in the Composition of the Group**

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

**A10. Changes in Contingent Liabilities or Contingent Assets**

There were no significant changes in the contingent liabilities or contingent assets of the Group since the last financial year as at 31 December 2011.

## A11. Capital Commitment

Capital commitments expenditure not provided for in the interim financial statements as at the statement of financial position date were as follows:-

**As at 30.06.2012**  
**RM'000**

### Approved and contracted for:-

-Land Held for Property Development<sup>^</sup> 24,581

<sup>^</sup> Being the balance purchase consideration to be paid pursuant to the Proposed Acquisition as disclosed in Note B6(1)(b)(i), which has been approved by shareholders of the Company at an EGM held on 22 June 2012.

## A12. Comparatives

Reference is made to Note B6 (a) below.

In accordance with FRS5: Non-Current Assets Held for Sale and Discontinued Operations, SGMG is classified as Disposal Group held for sale/discontinued operations. The comparatives of the Discontinued Operations in the preceding year corresponding quarter have been reclassified and restated as follows:

### Condensed Consolidated Income Statement

	2nd Quarter of 2011		
	As <i>previously stated</i>	<i>Disposal Group- FRS 5</i>	As <i>Restated</i>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	5,227	3,189	2,038
Cost of Sales	(4,191)	(2,648)	(1,543)
Gross profit/(loss)	1,036	541	495
Other income	390	290	100
Selling and marketing expenses	(337)	(277)	(60)
Administrative expenses	(2,022)	(1,115)	(907)
Other expenses	(1,162)	(1,398)	236
Finance costs	(478)	(196)	(282)
Loss before taxation	(2,573)	(2,155)	(418)
Income tax expense	-	-	-
<b>Loss for the period from Continuing Operations</b>	<b>(2,573)</b>	<b>(2,155)</b>	<b>(418)</b>
<b>Loss for the period from Discontinued Operations</b>	<b>-</b>	<b>2,155</b>	<b>(2,155)</b>

**A12. Comparatives (cont'd)**

	Cumulative Period of 2011		
	As	Disposal	As
	<i>previously stated</i>	<i>Group- FRS 5</i>	<i>Restated</i>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	10,619	5,167	5,452
Cost of Sales	(8,854)	(4,187)	(4,667)
Gross profit/(loss)	1,765	980	785
Other income	808	668	140
Selling and marketing expenses	(582)	(514)	(68)
Administrative expenses	(4,225)	(2,176)	(2,049)
Other expenses	(1,618)	(1,439)	(179)
Finance costs	(906)	(286)	(620)
Loss before taxation	(4,758)	(2,767)	(1,991)
Income tax expense	-	-	-
<b>Loss for the period from Continuing Operations</b>	<b>(4,758)</b>	<b>(2,767)</b>	<b>(1,991)</b>
<b>Loss for the period from Discontinued Operations</b>	<b>-</b>	<b>2,767</b>	<b>(2,767)</b>

**A13. Discontinued Operations and Disposal Group Classified as Held for Sale**

The assets, liabilities and reserve related to SGMG have been presented in the statement of financial position as "Assets of disposal group classified as held for sale", "Liabilities directly associated with disposal group classified as held for sale" and "Reserve of disposal group classified as held for sale" and its results are presented separately on the statement of comprehensive income as "Loss from continued operation, net of tax".

Statement of financial position disclosure

	As at 30.06.2012 RM'000
<b>Assets:</b>	
Property, plant and equipment	26,119
Inventories	17,994
Trade and other receivables	4,107
Cash and bank balances	183
<b>Assets of disposal group classified as held for sale</b>	<b>48,403</b>
<b>Liabilities:</b>	
Deferred tax liabilities	3,816
Trade and other payables	9,565*
<b>Liabilities directly associated with disposal group classified as held for sale</b>	<b>13,381</b>
* Pursuant to the sale and purchase agreement for the disposal of SGMG dated 28 February 2012, the Purchaser shall assist in the redemption of the bank loan. The repayment of bank loan of about RM7.338 million (equivalent to RMB14.50 million) has been duly effected.	
<b>Reserve:</b>	
Translation reserve	3,820
Revaluation reserve	11,674
<b>Reserve of disposal group classified as held for sale</b>	<b>15,494</b>

### A13. Discontinued Operations and Disposal Group Classified as Held for Sale (cont'd)

#### Statement of comprehensive income disclosure

The results of SGMG for the 6 months ended 30 June are as follows:

	<b>30.06.2012</b>	<b>30.06.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,896	5,167
Cost of sales	(1,896)	(4,187)
Gross profit	-	980
Other income	164	668
	164	1,648
Selling and marketing expenses	-	(514)
Administrative expenses	(738)	(2,176)
Other expenses	(1,758)	(1,439)
Finance costs	(431)	(286)
Loss before tax from discontinued operation	(2,763)	(2,767)
Taxation expenses	-	-
<b>Loss from discontinued operation, net of tax</b>	<b>(2,763)</b>	<b>(2,767)</b>

#### Statement of cash flows disclosures

The cash flows attributable to SGMG are as follows:

	<b>30.06.2012</b>	<b>30.06.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Operating	4,348	(234)
Investing	1	(363)
Financing	(4,592)	5
Effects of exchange rate changes on cash and cash equivalents	5	3
<b>Net cash(outflows)/inflows</b>	<b>(238)</b>	<b>589</b>

### A14. Related Party Transactions

The significant related party transactions for the 6 months ended 30 June are as follows:

#### Company in which a director has interest in

	<b>30.06.2012</b>	<b>30.06.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales of stones and provision of contract workmanship and other related services	1,262	48

**B. ADDITIONAL EXPLANATORY NOTES IN COMPLIANCE WITH BURSA MALAYSIA LISTING REQUIREMENTS UNDER PART A OF APPENDIX 9B**

**B1. Review of Performance**

**a) 2Q12 vs. 2Q11**

Description	2Q12	2Q11	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- from Continuing Operations	1,376	2,038	(662)	(32%)
- from Discontinued Operation	26	3,189	(3,163)	(99%)
	<b>1,402</b>	<b>5,227</b>	<b>(3,825)</b>	<b>(73%)</b>
Loss After Tax "LAT"				
- from Continuing Operations	(126)	(418)	(292)	(70%)
- from Discontinued Operation	(1,842)	(2,155)	(313)	(15%)
	<b>(1,968)</b>	<b>(2,573)</b>	<b>(605)</b>	<b>(24%)</b>

The Group achieved revenue of about RM1.4 million for the quarter ended 30 June 2012 ("2Q12"), 73% lower compared to the revenue of RM5.2 million for the quarter ended 30 June 2011 ("2Q11"). The lower revenue registered in 2Q12 is mainly due to lack of projects in Malaysia and the scaling down of business in China in view of the pending sale of its subsidiary during the quarter concerned.

The Group recorded a LAT of about RM2.0 million for the 2Q12 compared to the LAT of about RM2.6 million for the 2Q11. The lower LAT is mainly due to lower administrative and financial expenses incurred in 2Q12 as compared to 2Q11.

**b) FPE12 vs. FPE11**

Description	FPE12	FPE11	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue				
- from Continuing Operations	3,131	5,452	(2,321)	(43%)
- from Discontinued Operation	1,896	5,167	(3,271)	(63%)
	<b>5,027</b>	<b>10,619</b>	<b>(5,592)</b>	<b>(53%)</b>
Loss After Tax ("LAT")				
- from Continuing Operations	(747)	(1,991)	(1,244)	(62%)
- from Discontinued Operation	(2,763)	(2,767)	(4)	(0.1%)
	<b>(3,510)</b>	<b>(4,758)</b>	<b>(1,248)</b>	<b>(26%)</b>

The Group achieved revenue of about RM5.0 million for the financial period ended 30 June 2012 ("FPE12"), 53% lower compared to the revenue of about RM10.6 million for the financial period ended 30 June 2011 ("FPE11"). The lower revenue registered in FPE12 is mainly due to lack of projects in Malaysia and the scaling down of business in China in view of the pending sale of its subsidiary for FPE12.

The Group recorded a LAT of about RM3.5 million for the FPE12 compared to the LAT of about RM4.8 million for the FPE11. The lower LAT is mainly due to lower operating expenses incurred despite the lower revenue recorded in FPE12 as compared to FPE11.

**B2. Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter**

Description	2Q2012	1Q2012	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Loss Before Tax ("LBT")				
- from Continuing Operations	(126)	(621)	(495)	(80)%
- from Discontinued Operation	(1,842)	(921)	921	100%
	<b>(1,968)</b>	<b>(1,542)</b>	<b>426</b>	<b>28%</b>

For the current quarter, the Group posted a LBT of about RM2.0 million compared to the LBT of RM1.5 million for the quarter ended 31 March 2012. The higher LBT was mainly due to provision for doubtful debt in 2Q12 as compared to 1Q12.

**B3. Commentary on Current Year Prospects**

The shareholders of the Company had in its Extraordinary General Meeting ("EGM") held on 22 June 2012 approved, inter-alia, the acquisition of a parcel of land and change of name to AbleGroup Berhad which will shift its business focus to property development. The Company will continue to build and enhance its property development business through more acquisitions of land bank or joint ventures. Moving forward, the marble and granite business will not form a significant part of the group business.

**B4. Profit Forecast**

The Company did not issue any profit forecast or profit guarantee for the year.

**B5. Income Tax Expense**

No provision for taxation expenses for the period ended 30 June 2012 due to loss incurred for the Group.

**B6. Corporate Proposals**

1) The corporate proposals announced but not completed are as follows:

(a) On 28 February 2012, the Company had entered into a sale and purchase agreement with LiuQuan Group Stocks Limited ("LQGS") for the disposal of the entire equity interest in Shanghai Ge Fung Marble & Granite Co Ltd ("SGMG") to LQGS for a total cash consideration of RMB69.0 million. ("Proposed Disposal")

The Proposed Disposal has been approved by shareholders of the Company at an EGM held on 22 June 2012.

The Proposed Disposal is pending completion.



**B6. Corporate Proposals (cont'd)**

- (b) On 29 March 2012, the Company announced the following (collectively referred to as "Proposals"):
- (i) Atlas Rhythm Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with Eden Quest Sdn Bhd to acquire a parcel of vacant freehold land held under GM 289, Lot No. 1589, Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur measuring approximately 1.214 hectares or approximately 130,680 square feet for a cash consideration of RM27,312,500 ("Proposed Acquisition"); and
  - (ii) Proposed diversification of the business of the Group into property development and property investment ("Proposed Diversification")

The Proposals have been approved by shareholders of the Company at an EGM held on 22 June 2012. The Proposed Acquisition is pending completion.

- 2) As at the reporting date, the status of the utilisation of proceeds raised from the Rights Issue of shares as disclosed in Note A5(i) are as set out below:-

<b>Purpose</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Balance to be Utilised</b>	<b>Expected Timeframe for Utilisation of Proceeds from the Date of Listing of the Rights Shares</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
(i) Repayment of bank borrowings	3,000	3,000	-	Within three (3) months
(ii) Proposed venture into new businesses including property development locally and abroad	8,000	2,731	5,269	Within two (2) years
(iii) Working capital	4,525	2,660	1,865	Within two (2) years
(iv) Estimated expenses for the Rights Issue	840	797	43	Within one (1) month
<b>Total</b>	<b>16,365</b>	<b>9,188</b>	<b>7,177</b>	

Other than the above, there were no new corporate proposals announced but not completed and new proceeds raised from a corporate exercise as at 22 August 2012 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

**B7. Borrowings**

	<b>Denominated in local currency as at 30.06.2012</b>	
<b>Secured borrowings:</b>	<b>Short-term</b>	<b>Long-term</b>
	<b>RM'000</b>	<b>RM'000</b>
Term loan	273	1,159
Hire purchase payables	160	146
Bankers' acceptance	355	-

Trust Receipts	45	-
	<b>833</b>	<b>1,305</b>

## B8. Material litigation

As at the date of this report, the Group is not engaged in any material litigation which in the opinion of the Board of Directors will have a material effect on the financial position or the business of the Group.

## B9. Dividends

There were no dividends declared during the quarter under review.

## B10. Loss per share

### i) Basic Loss Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.12	30.06.11	30.06.12	30.06.11
Loss attributable to equity holders of the company				
-From Continuing Operations(RM'000)	(126)	(418)	(747)	(1,991)
-From Discontinued Operations(RM'000)	(1,842)	(2,155)	(2,763)	(2,767)
	<b>(1,968)</b>	<b>(2,573)</b>	<b>(3,510)</b>	<b>(4,758)</b>
Weighted average number of ordinary shares in issue('000)	<b>263,900</b>	<b>162,714</b>	<b>250,575</b>	<b>162,714</b>
Basic loss per share attributable to equity holders of the company				
-From Continuing Operations(sen)	(0.048)	(0.257)	(0.298)	(1.224)
-From Discontinued Operations(sen)	(0.698)	(1.324)	(1.103)	(1.700)
	<b>(0.746)</b>	<b>(1.581)</b>	<b>(1.401)</b>	<b>(2.924)</b>

### ii) Diluted Loss Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.12	30.6.11	30.06.12	30.06.11
Loss attributable to equity holders of the company				
-From Continuing Operations(RM'000)	(126)	(418)	(747)	(1,991)
-From Discontinued Operations(RM'000)	(1,842)	(2,155)	(2,763)	(2,767)
	<b>(1,968)</b>	<b>(2,573)</b>	<b>(3,510)</b>	<b>(4,758)</b>
Weighted average number of ordinary shares in issue('000)	263,900	162,714	250,575	162,714
Effect of dilution('000)	-^	-	1,168	-
Adjusted weighted average number of ordinary shares in issue and issuable('000)	<b>263,900</b>	<b>162,714</b>	<b>251,743</b>	<b>162,714</b>
Diluted loss per share attributable to equity holders of the company				
-From Continuing Operations(sen)	(0.048)	(0.257)	(0.297)	(1.224)
-From Discontinued Operations(sen)	(0.698)	(1.324)	(1.097)	(1.700)
	<b>(0.746)</b>	<b>(1.581)</b>	<b>(1.394)</b>	<b>(2.924)</b>

^ As the exercise price for the Warrants 2012/2017 is higher than average market price for the current quarter under review, it is assumed that the holders of the warrants will not exercise the warrants.

**B12. Realised and Unrealised Profits/Losses**

	<b>As at 30.06.2012 RM'000</b>	<b>As at 31.12.2011 RM'000</b>
- realised	(994)	4,482
- unrealised	(22)	(352)
	<hr/>	<hr/>
	(1,016)	4,130
Less: consolidated adjustments	(6)	(6)
Total (accumulated losses)/retained earnings	<hr/> <b>(1,022)</b>	<hr/> <b>4,124</b>

**B13. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2011 was unqualified.