

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 2013. 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 2013.

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 2013.

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 which has been approved by shareholders of the Company at an Extraordinary General Meeting held on 22 June 2012*) is within the scope of IC Interpretation 15 Agreements for Construction of Real Estate.

However, on 7 August 2013, the MASB decided to allow the deferment for the adoption of the MFRS framework to another year which is financial year ending 31 December 2015.

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 2015.

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 Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current period ended 30 September 2014.

A6. Dividends Paid

There were no dividends paid during the quarter under review.

A7. Segmental Information

Segmental information is provided in accordance to business segments, 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
9 Months Ended 30 September 2014

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	11,013	-	-	-	11,013
Profit/(Loss) After Tax	628	(862)	(28)	-	(262)
Total Assets	15,983	65,302	33,110	(62,890)	51,505

A7. Segmental Information (cont'd)
(a) Business Segments (cont'd)
9 Months Ended 30 September 2013

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,280	-	-	-	4,280
Profit/(Loss) After Tax	345	(672)	(29)	(3)	(359)
Total Assets	12,431	69,952	30,365	(61,654)	51,094

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 2013.

A11. Capital Commitment

There Group has not incurred significant capital commitment as at 30 September 2014.

A12. Related Party Transactions

The significant related party transactions for the 9 months ended 30 September 2014 are as follows:

Company in which directors have interest in

	30.09.2014 RM'000	30.09.2013 RM'000
Sales of stones and provision of contract workmanship and other related services	672	8

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

B1. Review of Performance

A) 3Q14 vs.3Q13

Description	3Q14	3Q13	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	3,893	1,389	2,504	180
Profit/(Loss) After Tax	192	(137)	328	241

Note

The Group reported revenue of RM3.89 million for the quarter ended 30 September 2014 ("3Q14"), an increase of 180% as compared to the revenue of RM1.39 million for the quarter ended 30 September 2013 ("3Q13"). The increase in revenue for 3Q14 is due to profits attributed to the two large contracts.

The Group recorded a net profit of RM0.19 million for the 3Q14 as compared to a net loss of RM0.14 million for the 3Q13 as result of profit contributions from the two large projects.

B) FPE14 vs. FPE13

Description	FPE14	FPE13	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	11,013	4,280	6,733	157
Loss After Tax ("LAT")	(262)	(359)	97	27

The Group achieved revenue of about RM11.01 million for the financial period ended 30 September 2014 ("FPE14"), an increase of 157% compared to the revenue of RM4.28 million for the financial period ended 30 September 2013 ("FPE13"). The increase in revenue for FPE14 is mainly due to the commencement of works and profits contributed by the two large contracts.

For the current period to-date, the Group recorded LAT of RM0.26 million, an improvement of 27% compared to the preceding period LAT of RM0.36 million, mainly due to higher profits being recorded from the two large projects and recovery of bad debts.

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

Description	3Q2014	2Q2014	(Increase)/Decrease	
	RM'000	RM'000	RM'000	%
Profit Before Tax ("PAT")	192	73	119	163

For the current quarter, the Group posted a profit before tax of RM0.19 million as compared to profit before tax of RM0.07 million for the immediate preceding quarter ended 30 June 2014. The better performance for 3Q14 was mainly due to profits contributed by the two major projects.

B3. Prospects

Barring any unforeseen circumstances, the Group expects to continue to perform better in terms of turnover and profitability given the works from the two large projects are progressing well ahead. To date, the value of contract works yet to be completed amounted to approximately RM31.00 million.

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 quarter due to utilisation of unabsorbed tax loss and unutilised tax allowances of certain companies within the Group.

B6. Corporate Proposals

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

B7. Borrowings

**Denominated in local currency
as at 30.09.2014**

	Short-term	Long-term
	RM'000	RM'000
Secured borrowings:		
Hire purchase payables	42	78
Bankers' acceptance	539	-
Bank Overdraft	1,177	-
	1,758	78

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. Earnings /(Loss) Per Share
i) Basic Earnings Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.09.14	30.09.13	30.09.14	30.09.13
Profit/ (Loss) attributable to equity holders of the company	192	(137)	(262)	(359)
Weighted average number of ordinary shares in issue('000)	263,900	263,900	263,900	263,900
Basic earnings/ (loss) per share attributable to equity holders of the company (Sen)	0.073	(0.052)	(0.099)	(0.140)

ii) Diluted Loss Per Share

	Individual Quarter Ended		Cumulative Period Ended	
	30.09.14	30.09.13	30.09.14	30.09.13
Profit/ (Loss) attributable to equity holders of the company	192	(137)	(262)	(359)
Weighted average number of ordinary shares in issue('000)	263,900	263,900	263,900	263,900
Effect of dilution('000)	-^	-^	-^	-^
Adjusted weighted average number of ordinary shares in issue and issuable('000)	263,900	263,900	263,900	263,900
Diluted earnings/ (loss) per share attributable to equity holders of the company (Sen)	0.073	(0.052)	(0.099)	(0.140)

^ 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.

B11. Realised and Unrealised Profits/Losses

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
- realised	3,374	3,611
- unrealised	2	27
	<hr/> 3,376	<hr/> 3,638
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	<hr/> 7,461	<hr/> 7,723

B12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 was unqualified.