

**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 2014. 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 2014.

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 2014.

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.

Subsequently the MASB decided to allow the deferment to all transitioning entities for the adoption of the MFRS framework to year 2017.

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 falls within the definition of “Transitional Entities” and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

**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 June 2015.

**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**
**6 Months Ended 30 June 2015**

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	13,580	-	-	-	13,580
Profit/(Loss) After Tax	487	(713)	(17)	-	(243)
Total Assets	24,419	64,358	34,507	(61,974)	61,310

**A7. Segmental Information (cont'd)**
**(a) Business Segments (cont'd)**
**6 Months Ended 30 June 2014**

Segments	Segments			Consolidation adjustments	Group
	Manufacturing (Malaysia)	Investment Holding & Others	Property Development		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	7,120	-	-	-	7,120
Profit/(Loss) After Tax	171	(607)	(18)	-	(454)
Total Assets	15,010	65,547	31,557	(59,827)	52,287

**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.

**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 2014.

**A11. Capital Commitment**

There Group has not incurred significant capital commitment as at 30 June 2015.

**A12. Related Party Transactions**

The significant related party transactions for the 6 months ended 30 June 2015 are as follows:

Company in which directors have interest in

	30.06.2015 RM'000	30.06.2014 RM'000
Sales of stones and provision of contract workmanship and other related services	193	289

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

**B1. Review of Performance**

**A) 2Q15 vs.2Q14**

Description	2Q15	2Q14	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	5,724	4,290	1,434	33%
Profit/(Loss) After Tax	(664)	73	(737)	(1,010%)

**Note**

The Group reported revenue of RM5.72 million for the quarter ended 30 June 2015 ("2Q15"), an increase of RM1.43 million as compared to the revenue of RM4.29 million for the quarter ended 30 June 2014 ("2Q14"). The higher revenue is from the on-going projects.

The Group recorded a net loss of RM0.66 million for the 2Q15 as compared to a net profit of RM0.07 million for the 2Q14 due to lower revenue to be recognised from a project as a result of omission of certain works in the contract. Furthermore, the Company is impacted by the currency weakness which resulted in the higher cost of material.

**B) FPE15 vs. FPE14**

Description	FPE15	FPE14	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	13,580	7,120	6,460	91%
Loss After Tax ("LAT")	(243)	(454)	211	(46%)

The Group achieved revenue of about RM13.58 million for the financial period ended 30 June 2015 ("FPE15"), an increase of 91% compared to the revenue of RM7.12 million for the financial period ended 30 June 2014 ("FPE14"). The increase in revenue for FPE15 is mainly due to contribution from three large contracts.

For the current period to-date, the Group recorded LAT of RM0.24 million, compared to the preceding period LAT of RM0.45 million. The improvement is mainly due to higher income being derived from current three on-going projects.

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

Description	2Q2015	1Q2015	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Profit/(Loss) Before Tax	(664)	420	(1,084)	(258.10%)

For the current quarter, the Group posted a loss before tax of RM0.66 million as compared to profit before tax of RM0.42 million for the immediate preceding quarter ended 31 March 2015. The loss for the quarter is due to lesser revenue to be recognised as a result of revision to the contract sum of a project. Furthermore, the Company is impacted by the currency weakness which resulted in the higher cost of material.

**B3. Prospects**

The current weakness of the Malaysia currency couple with slowdown in the property market will pose a challenging business environment for the second half of this year. In this respect, the Company will only launch its property project when the market conditions and sentiment are better. Nonetheless, we will endeavour to improve the performance of the Group for the remaining period of this year.

**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 30.06.2015

	Short-term	Long-term
	RM'000	RM'000
<b>Secured borrowings:</b>		
Hire purchase payables	21	62
Bankers' acceptance	3,780	-
Loan	3,009	-
Bank Overdraft	314	-
	<b>7,124</b>	<b>62</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. Earnings /(Loss) Per Share**
**i) Basic Earnings Per Share**

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Profit/ (Loss) attributable to equity holders of the company	(664)	73	(243)	(454)
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)	(0.252)	0.028	(0.092)	(0.177)

**ii) Diluted Loss Per Share**

	Individual Quarter Ended		Cumulative Period Ended	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Profit/ (Loss) attributable to equity holders of the company	(664)	73	(243)	(454)
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)	(0.252)	0.028	(0.092)	(0.177)

^ 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 30.06.2015	As at 30.06.2014
	RM'000	RM'000
- realised	3,638	<b>4,303</b>
- unrealised	2	-
	<hr/> 3,640	<hr/> 4,303
Add/(Less): consolidated adjustments	4,085	4,085
Total retained earnings	<hr/> <b>7,725</b> <hr/>	<hr/> <b>8,388</b> <hr/>

**B12. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2014 was unqualified.