

(A) Notes to the Interim Financial Statements for the Fourth Quarter Ended 31 March 2015**1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting, International Financial Reporting Standard (“IFRS”) 34 and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statement of the Group for the financial year ended 31 March 2014.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the financial statements for the financial year ended 31 March 2014 except for the adoption of the following :-

Effective for annual period beginning on or after 1 July 2014:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 8	Operating Segments
Amendments to MFRS 13	Fair Value Measurement
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Amendments to MFRS 124	Related Party Disclosures
Amendments to MFRS 138	Intangible Assets
Amendments to MFRS 140	Investment Property

Effective for annual period beginning on or after 1 January 2016:

Amendments to MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 10	Consolidated Financial Statements,
MFRS 12	Disclosure of Interests in Other Entities
MFRS 128	Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations
MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 116	Property, Plant and Equipment
MFRS 138	Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116	Property, Plant and Equipment
MFRS 141	Agriculture - Bearer Plants
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 127	Separate Financial Statements - Equity Method in Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 10, 12 & 128	Investment Entities: Applying the Consolidation Exception

Effective for annual period beginning on or after 1 January 2017:

MFRS 15 Revenue from Contracts with Customers

Effective for annual period beginning on or after 1 January 2018:

MFRS 9 Financial Instruments

The initial application of the above is not expected to have any material financial impact on the Group's results.

2. Audit Report

The preceding year's audited financial statements were not subject to any audit qualification.

3. Seasonal or Cyclical Factors

Apart from the traditional variations in the level of business activities, the Group's activities are not affected by any seasonal or cyclical factors.

4. Unusual Items

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the current quarter.

5. Material Changes in Estimates

There were no material changes in the estimates used in the current quarter compared to the estimates used in the previous financial year, which have a material effect in the current quarter.

6. Dividend paid

A first and final single-tier dividend of 3.0 sen per ordinary share of RM0.50 each (2013: 3.5 sen single-tier) amounting to RM3,654,780 for the financial year ended 31 March 2014 was paid on 19 November 2014.

During the financial quarter under review, a special single-tier dividend of 1.0 sen per ordinary share of RM0.50 each (2014 : Nil) amounting to RM1,554,915 was paid on 31 March 2015 in respect of the financial year ended 31 March 2015.

7. Segment Reporting

Segmental revenue and results for the cumulative quarter ended 31 March 2015:-

	Manufacturing	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	161,359	1,905	-	163,264
Inter-segment sales	1,748	3,865	(5,613)	-
Total revenue	<u>163,107</u>	<u>5,770</u>	<u>(5,613)</u>	<u>163,264</u>
Results				
Total profit or loss for reportable segments				26,408
Elimination of inter-segment profits				364
Depreciation				(6,308)
Finance costs				(116)
Interest income				142
Profit before taxation				<u>20,490</u>

Segmental revenue and results for the cumulative quarter ended 31 March 2014:-

	Manufacturing	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	143,154	2,267	-	145,421
Inter-segment sales	1,927	3,872	(5,799)	-
Total revenue	<u>145,081</u>	<u>6,139</u>	<u>(5,799)</u>	<u>145,421</u>
Results				
Total profit or loss for reportable segments				24,712
Elimination of inter-segment profits				165
Depreciation				(6,104)
Finance costs				(538)
Interest income				83
Profit before taxation				<u>18,318</u>

8. Material Events Subsequent To The End of Interim Period

There were no material events subsequent to the end of the quarter that have not been reflected in the quarterly financial statements.

9. Effect of Changes in Composition of the Group

There were no changes in composition of the Group for the current financial period to-date.

10. Contingent Liabilities And Contingent Assets

The contingent liabilities represent corporate guarantees totalling RM68,550,000 (31 March 2014: RM66,550,000) in respect of bank and trade facilities granted to a subsidiary.

The amount of bank and trade facilities utilised which were secured by corporate guarantees as at 31 March 2015:-

Trade balance outstanding	RM'000 4,354
Short-term borrowings – Bankers' acceptances	<u>700</u>

There were no contingent assets at the date of this quarterly report.

11. Debt and Equity Securities

On 05 January 2015, a total of 3,985,500 share options under the Executives' Share Option Scheme ("ESOS") were granted to the eligible Directors and executive employees of the Group, of which 3,890,500 share options have been duly accepted. The exercise price has been fixed at RM0.63 per share and options not exercise upon expiry of the ESOS on 04 January 2020 shall be null and void.

The Company had issued 3,209,500 ordinary shares of RM0.50 each for cash in the current quarter arising from the exercise of executives' share option.

Other than the above issuance of shares and those announced earlier in this year, there is no issuance of debt and equity securities for the current financial period to-date.

12. Capital Commitments

There are no material capital commitments as at the end of current quarter.

(B) Additional Information Required By The BMSB's Main Market Listing Requirement For The Fourth Quarter Ended 31 March 2015

1. Review of Performance

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded revenue of RM43.5 million for the quarter under review as compared to RM37.3 million in the corresponding quarter of the preceding year. The Group's profit before tax for the current quarter of RM2.1 million, representing a decrease of RM4.3 million as compared to profit before tax of RM6.4 million in the corresponding quarter of the preceding year. The decrease of the Group's profit before tax was mainly due to lower margin products sold coupled with higher operating expenses during the current quarter as compared to the corresponding quarter of the preceding year.

(b) Current Period To-date vs Preceding Period To-date

The Group registered higher revenue of RM163.3 million for the current period ended 31 March 2015 as compared to RM145.4 million in the preceding year ended 31 March 2014. The Group recorded higher profit before tax of RM20.5 million for the current period ended 31 March 2015 as compared to profit before tax of RM18.3 million in the preceding year ended 31 March 2014. The increase in profit before tax was contributed by higher volume and higher production output during the current period to-date as compared to the preceding year.

2. Variation of Results Against Immediate Preceding Quarter

The Group recorded revenue of RM43.5 million for the current quarter as compared to RM38.9 million in the immediate preceding quarter. The Group's profit before tax has decreased by RM5.1 million from RM7.2 million in the immediate preceding quarter to RM2.1 million in the current quarter. The decrease of the Group's profit before tax was mainly due to higher operating expenses and sales of standard products during the current quarter as compared to higher margin products sold in the immediate preceding quarter. In addition, the current quarter results is also affected by the ESOS share based payment of RM0.3m.

3. Current Year Prospects

Based on the current economic outlook in Malaysia, the construction industry is expected to remain progressive. However, uncertainty of uncontrollable factors such as raw materials costs, fuel and energy costs including shortage of manpower in the manufacturing sector are expected to affect the Group's turnover and profit. The Group's continuous effort to diversify its products, introduce products differentiation and to improve on the existing products together with the implementation of cost savings measures will help to enhance its overall competitiveness in the industry. In addition, the Group is practicing more aggressive strategy to capture bigger market share. Hence, barring any unforeseen circumstances, the Group is optimistic that it will remain profitable for the financial year ending 31 March 2016.

4. Profit Forecast

Not applicable for the current financial year as no profit forecast was published.

5. Income tax expense

	Current Quarter 31/03/2015	Current Year To-Date 31/03/2015
	RM'000	RM'000
<i>Current period tax expense - Malaysia</i>		
Current period	1,040	6,400
Overprovision in previous years	-	(277)
<i>Deferred tax expense</i>		
Origination of temporary differences	12	47
	1,052	6,170

The Group's effective tax rate is higher than the Malaysia statutory tax rate mainly due to certain expenses not deductible for tax purposes.

6. Status of Corporate Proposals

There were no other outstanding corporate proposals as at the date of this report.

7. Borrowings

The Group's total borrowings as at 31 March 2015 were as follows:-

Short-term borrowings:-

	Unsecured RM'000
- Bankers' acceptances	<u>700</u>

8. Derivative Financial Instruments

There were no derivative financial instruments as at the date of this report.

9. Dividends

Total single-tier dividend of 4.0 sen per ordinary share for the financial year ended 31 March 2015 of which a special single-tier dividend of 1.0 sen per ordinary share was paid on 31 March 2015 and the Board of Directors proposes a first and final single-tier dividend of 3.0 sen per share (2014 : 3.0 sen per share under the single-tier system) subject to shareholders' approval at the forthcoming annual general meeting to be announced at a later date.

10. Material Litigation

As of the date of this report, the Group does not have any material litigation which would have a material adverse effect on the financial position of the Group. Provisions, where necessary, have been taken up in the interim financial statements accordingly.

11. Earnings Per Share

	Current Quarter 31/03/2015	Current Year To-Date 31/03/2015
Net profit attributable to owners of the Company (RM'000)	1,006	14,320
<u>Basic Earnings Per Share</u>		
Number of ordinary shares in issue as at beginning of year	152,282	152,282
Effect of shares issued during the period	802	802
Weighted average number of ordinary shares ('000)	<u>153,084</u>	<u>153,084</u>
Basic Earnings Per Share (sen)	0.66	9.35
<u>Diluted Earnings Per Share</u>		
Number of ordinary shares in issue as at beginning of year	152,282	152,282
Effect of shares issued during the period	802	802
Effect of share option - ESOS	170	170
Weighted average number of ordinary shares ('000)	<u>153,254</u>	<u>153,254</u>
Diluted Earnings Per Share (sen)	0.66	9.34

12. Profit before tax

Profit before tax is arrived at after charging/(crediting) :

	Current Quarter 31/03/2015 RM'000	Current Year To-Date 31/03/2015 RM'000
Depreciation and amortisation	1,556	6,181
(Profit)/Loss on foreign exchange (realised)	(18)	5
Impairment loss on trade receivables	1,883	2,953
Interest expense	17	116
Interest income	(39)	(142)
Rental expense	794	2,689
Rental income	(71)	(214)
Reversal of impairment loss on receivables	(51)	(738)

13. Disclosure of Realised and Unrealised Profits or Losses

	As at 31/03/2015 RM'000	As at 31/03/2014 RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised	70,834	63,228
- Unrealised	11,940	10,751
	<u>82,774</u>	<u>73,979</u>
Less : Capitalisation of bonus issued from retained profits	(15,228)	-
	<u>67,546</u>	<u>73,979</u>
Less: Consolidation adjustments	(24,868)	(25,184)
	<u>42,678</u>	<u>48,795</u>

14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 May 2015.