

NOTES TO THE QUARTERLY REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007

A1. Basis of preparation

The Interim Financial Report is unaudited and has been prepared in compliance with the Financial Reporting Standard (“FRS”) 134 : Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and shall be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2006.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised FRSs effective for the financial period beginning 1 January 2007:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Amendment to FRS119 ₂₀₀₄	Employees Benefits-Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

FRS 6 is not applicable to the Group and the adoption of Amendment to FRS FRS119₂₀₀₄ and FRS 124 does not have material financial impact on the Group. The principle effects of the changes in accounting policies resulting from the adoption of FRS 117 are discussed below:

(a) FRS 117 : Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and any impairment losses.

Upon the adoption of the revised FRS 117 at 1 January 2007, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payment has been accounted for retrospectively and disclosed in Note A2, certain comparative amounts as at 31 December 2006 have been restated.

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A2. Comparatives

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

	Previously stated	FRS 117 Note A1(a)	Restated
	RM'000	RM'000	RM'000
At 31 December 2006			
Property, plant and equipment	37,635	(4,551)	33,084
Prepaid land lease payments	-	4,551	4,551

A3. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2006 was not subject to any qualification.

A4. Seasonal or cyclical of operations

The business of the Group was not significantly affected by any seasonal or cyclical factors.

A5. Extraordinary and exceptional items

There were no exceptional items and unusual events affecting the assets, liabilities, equity, net income and cash flows for the current quarter.

For the financial year-to-date, there was an exceptional gain of RM 2.4 million on the recognition of negative goodwill arising from the acquisition of 1,000,000 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of AG Terminal Sdn Bhd.

A6. Changes in estimates

There were no material changes in estimated amount reported in prior period which have a material effect on the current financial year-to-date.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following:-

During the current quarter, the Company repurchased 20,000 of its issued shares capital from the open market for a total consideration of RM19,000 at an average cost of RM0.95 per share. For the financial year-to-date, a total of 2,520,200 shares were repurchased from the open market for a total consideration of RM2.22 million at an average cost of RM0.88 per share. The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

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A8. Dividend

The final dividend of 3% less tax totaling RM876,000.00 for the financial year ended 31 December 2006 was paid to shareholders on 20 July 2007.

A9. Segmental information

Segmental information is presented in respect of the Group's business segment.

The Group comprises the following main business segments:

Manufacturing & trading : Manufacture of aluminium ladders and other related products, and marketing and trading of aluminium products and other products.

Construction & fabrication : Contracting, designing and fabrication of aluminium curtain wall and cladding system.

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>12 months ended</u>				
<u>31 December 2007</u>				
Revenue from external customers	159,968	190,731		350,699
Inter-segment revenue	258	718	(976)	-
Total revenue	160,226	191,449	(976)	350,699
Segment result	8,521	9,239		17,760
Exceptional gain				2,358
Finance cost				(5,679)
Share of profit in associated company				357
Tax expense				(3,223)
Profit for the period				11,573
Segment assets	127,624	154,840	(21,934)	260,530
Segment liabilities	81,634	120,963	(21,924)	180,673

A10. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements, as the Group does not adopt a revaluation policy for its property, plant and equipment.

A11. Material events subsequent to the balance sheet date

There were no material subsequent events since the end of the current quarter to the date of issue of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

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A12. Changes in the composition of the Group

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

A13. Contingent liabilities

There were no material changes in contingent liability as at the date of this quarterly report.

A14. Capital commitments

As at 31 December 2007, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements:	
Contracted	<u>9,721</u>

Additional Information Required by the Listing Requirements of Bursa Securities

B1. Review of performance

The Group's revenue decreased by 9.7% from RM88.9 million recorded in the current quarter under review as compared to RM98.4 million in the preceding year quarter. The decrease was mainly due to lower revenue contribution from construction and fabrication business segment.

However, the Group's profit before tax ("PBT") increased by 83.3% from RM1.2 million to RM2.2million as compared to the preceding year quarter. The improvement was mainly due to better profit contribution from construction and fabrication business segment for the current quarter.

For the financial year ended 31 December 2007, the Group's revenue increased to RM350.7 million from RM300.9 million reported for the financial year ended 31 December 2006, representing an increase of RM49.8 million or 16.6%. In line with the higher revenue couple with the recognition of negative goodwill arose from the acquisition of AG Terminal Sdn Bhd, the Group's PBT increased from RM8.0million to RM 14.8million.

B2. Variation of results against preceding quarter

The Group's revenue increased by RM12.0 million from RM76.9 million recorded in the preceding quarter was mainly due to higher revenue contribution from the construction and fabrication business segment.

Comparing to the preceding quarter, the Group's PBT decreased from RM3.1 million to RM2.2 million.

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B3. Current year prospects

The continued implementation of 9th Malaysian Plan and several corridor developments should provide the impetus for the growth of local economy.

Barring unforeseen circumstances, the Group is confident of achieving satisfactory results for the financial year ending 31 December 2008.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 31/12/07	Current Year To-date
	RM'000	RM'000
Current income tax	<u>806</u>	<u>3,223</u>

The Group's effective tax rate for the financial year-to-date under review is approximately 21.8% which is lower than the prima facie tax rate, which is mainly due to the non-taxability of the exceptional gain on the recognition of negative goodwill after offsetting the effect on the non-deductibility of certain expenses.

B6. Profit / (loss) on disposal of unquoted investments and properties

There were no disposals of unquoted investments or properties for the financial year-to-date except for the disposal of a freehold property resulting in gain on disposal of RM0.2 million.

B7. Purchases or Disposals of Quoted Securities

There were no purchases or disposals of any quoted securities during the financial quarter under review and financial year-to-date.

B8. Status of Corporate Proposals Announced

Proposed Amendment to the Articles of Association ("Proposed Amendment") and Proposed Establishment of an Employee Share Option Scheme ("Proposed ESOS")

The Proposed ESOS of up to 15% of the Issued and Paid-up Share Capital of the Company was approved at the Extraordinary General Meeting held on 20 June 2005 but pending implementation.

Save for the above, there were no other corporate proposals announced but pending implementation during the financial quarter.

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B9. Group borrowings and debt securities as at 31 December 2007

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
(a) (i) Short term			
Overdraft	-	4,514	4,514
Revolving credit	-	13,296	13,296
Trade facilities	-	73,980	73,980
Term loan	255	-	255
	<u>255</u>	<u>91,790</u>	<u>92,045</u>
(ii) Long term			
Term loan	7,725	-	7,725
Total	<u><u>7,980</u></u>	<u><u>91,790</u></u>	<u><u>99,770</u></u>

(b) Foreign currency bank borrowings

Foreign currency bank borrowings that denominated in Hong Kong Dollar (“HKD”) included in the above borrowings are as follows:

	<u>HKD'000</u>	<u>RM'000 Equivalent</u>
Revolving credit	29,000	12,296
Trade facilities	25,471	10,800
	<u><u>54,471</u></u>	<u><u>23,096</u></u>

B10. Financial Instruments with off Balance Sheet Risk

There were no financial instruments with off balance sheet risk as at the date of this quarterly report.

B11. Material Litigation

There were no changes in the Group’s material litigations since the last audited financial statements for the financial year ended 31 December 2006.

B12. Dividend

The Board of Directors proposes a final dividend of 4.0% less tax amounting to RM1,184,000.00 for the Company in respect of the year ended 31 December 2007. The entitlement date will be fixed at a later date and subject to the shareholders’ approval.

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B13. Earnings Per Share

	<u>Current quarter</u>	<u>Year to-date</u>
Basic earnings per share		
Net profit attributable to the equity holders of the parent (RM'000)	1,423	11,574
<i>Weighted average number of ordinary shares of RM0.50 each in issue ('000)</i>		
Issued at the beginning of the period	77,500	80,000
Shares repurchased	<u>(20)</u>	<u>(2,520)</u>
	<u>77,480</u>	<u>77,480</u>
Basic earnings per share (sen)	<u>1.84</u>	<u>14.94</u>

On behalf of the Board

Koon Poh Ming
Chief Executive Officer

27 February 2008