

NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2010

PART A :EXPLANATORY NOTES PURSUANT TO FRS 134

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 and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and shall be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2009.

Changes in Accounting Policies

The significant accounting policies applied in this interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2009 except for the adoption of the following new FRSs, Amendments to certain FRSs and Interpretations for financial period beginning on 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 101	Presentation of Financial Statements
Amendment to FRS 123	Borrowing cost
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Improvements to FRSs (2009)	Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

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A1. Basis of preparation (continued)

Changes in Accounting Policies (continued)

Other than the principal effects as discussed below, the adoption of the above FRSs, Amendments and Interpretations do not have any significant financial impact on the Group's results.

(i) FRS 8 Operating Segments

Upon the adoption of FRS 8, the Group's segmental reporting had been presented based on that used for internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments.

(ii) FRS 101 (revised), Presentation of Financial Statements

In accordance with FRS101 (revised), a complete set of financial statements comprises a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and the notes to the financial statements.

In adopting FRS 101(revised), the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income. Comparative information has been represented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per share.

(iii) FRS 117, Leases

The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments to FRS 117.

The following comparative figures have been restated:-

	<u>31 December 2009</u>	
	As restated	As previously stated
<u>Cost (RM'000)</u>		
Property, plant and equipment	8,222	-
Prepaid lease payments	-	8,222
	<u> </u>	<u> </u>

(iv) FRS 139, Financial Instruments : Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items (collectively called financial instruments).

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A1. Basis of preparation (continued)

Changes in Accounting Policies (continued)

(iv) FRS 139, Financial Instruments : Recognition and Measurement (continued)

A financial instrument is recognised in the financial statements only when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value. Subsequent measurement of the financial instruments at the end of the period reflects the designation of the financial instruments.

Financial Assets

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest (“EIR”) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the statement of comprehensive income.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Under the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. The adoption of FRS 139 does not have any significant impact on the profit for the financial year-to-date.

A2. Auditors’ report

The annual auditors’ report of the audited financial statements for the year ended 31 December 2009 was not subject to any qualification.

A3. Seasonal or cyclical of operations

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

A4. 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.

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A5. 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.

A6. Debt and equity securities

There were no issuance and repayment of debt and share buy-backs for the financial year-to-date.

As at 31 March 2010, a total of 2,520,200 shares were held as treasury shares at cost in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965. None of the treasury shares repurchased has been sold or cancelled.

A7. Dividend

There was no dividend paid during the current financial year-to-date.

A8. Segmental information

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

The Group comprises the following main business segments:

Manufacturing & trading : Manufacture of aluminium access equipment 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>3 months ended 31 March 2010</u>				
Revenue from external customers	30,184	13,612		43,796
Inter-segment revenue	363	-	(363)	-
Total revenue	30,547	13,612	(363)	43,796
Segment result	1,724	789		2,513
Finance cost				(805)
Tax expense				(430)
Profit for the period				1,278
Segment assets	162,172	116,783	(64,861)	214,094
Segment liabilities	69,551	77,706	(26,824)	120,433

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A9. 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.

A10. 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 financial year-to-date.

A11. Changes in the composition of the Group

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

A12. Contingent liabilities

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

A13. Capital commitments

As at 31 March 2010, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>12,513</u>

A14. Related Party Transactions

<u>The Group</u>	RM'000
With the affiliated companies - Press Metal Berhad Group	
Purchase of aluminium products	<u>17,670</u>
Sale of fabricated aluminium products and building materials	<u>1,284</u>

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PART B :EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

The Group's revenue for the current quarter ended 31 March 2010 decreased by approximately 17% to RM43.5 million from RM52.5 million recorded in the preceding year's corresponding quarter. The decrease was mainly due to the lower revenue contribution from Construction and Fabrication business segment.

Despite the reduction in revenue, the Group's profit before tax ("PBT") increased by RM1.2 million from RM0.2 million to RM1.4 million as compared to the preceding year's corresponding quarter.

B2. Variation of results against preceding quarter

The Group's revenue decreased by 21% from RM54.7 million recorded in the preceding quarter which was mainly due to lower revenue contribution from both business segments. As a result, the Group's PBT decreased from RM2.7 million to RM1.7 million.

B3. Current year prospects

The Group is cautiously optimistic that the current upturn in the global economy will translate to improved business prospects. The management will continue to focus on providing value-added services and implementing more stringent cost saving measures to achieve a satisfactory result for the Group.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 31/03/10	Current Year To-date
	RM'000	RM'000
Current income tax	430	430

The Group's effective tax rate for the financial year-to-date under review is approximately 25%, which is approximately equivalent to the prima facie tax rate.

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.

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B7. Purchases or Disposals of Quoted Securities

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

B8. Status of Corporate Proposals Announced

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.

B9. Group borrowings and debt securities as at 31 March 2010

	<u>Secured</u> <u>(RM'000)</u>	<u>Unsecured</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
(a) (i) Short term			
Overdraft	-	3,496	3,496
Revolving credit	-	5,220	5,220
Trade facilities	-	68,053	68,053
Term loan	710	-	710
	<u>710</u>	<u>76,769</u>	<u>77,479</u>
(ii) Long term			
Term loan	<u>4,788</u>	-	<u>4,788</u>
Total	<u><u>5,498</u></u>	<u><u>76,769</u></u>	<u><u>82,267</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</u> <u>Equivalent</u>
Revolving credit	10,000	4,220
Trade facilities	<u>6,168</u>	<u>2,603</u>
	<u>16,168</u>	<u>6,823</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.

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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 2009.

B12. Dividend

There was no dividend proposed during the current financial year-to-date.

B13. Earnings Per Share

	Current quarter	Year to-date
Basic earnings per share		
Net profit attributable to the equity holders of the parent (RM'000)	1,278	1,278
<i>Weighted average number of ordinary shares of RM0.50 each in issue - net of treasury shares held ('000)</i>		
Issued at the beginning of the period	77,480	77,480
Basic earnings per share (sen)	<u>1.65</u>	<u>1.65</u>

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
27 May 2010