

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 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 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 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 costs
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>	
	<b>As restated</b>	<b>As previously stated</b>
<u>Cost (RM'000)</u>		
Property, plant and equipment	8,222	-
Prepaid lease payments	-	8,222
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**(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 30 June 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**

The final dividend of 1.5% less 25% tax totaling RM435,828.00 for the financial year ended 31 December 2009 was paid to shareholders on 9 August 2010.

**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, cladding system and system formwork.

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<b><u>6 months ended 30 June 2010</u></b>				
Revenue from external customers	62,893	33,486		96,379
Inter-segment revenue	1,578	231	(1,809)	-
<b>Total revenue</b>	<b>64,471</b>	<b>33,717</b>	<b>(1,809)</b>	<b>96,379</b>
<b>Segment result</b>	<b>4,074</b>	<b>1,359</b>		<b>5,433</b>
Finance cost				(1,774)
Tax expense				(972)
<b>Profit for the period</b>				<b>2,687</b>
<b>Segment assets</b>	<b>170,138</b>	<b>118,415</b>	<b>(67,114)</b>	<b>221,439</b>
<b>Segment liabilities</b>	<b>66,983</b>	<b>87,603</b>	<b>(28,095)</b>	<b>126,491</b>

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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 30 June 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>Current year to-date</u>
<u>The Group</u>	RM'000
With the affiliated companies - Press Metal Berhad Group	
Purchase of aluminium products	<u>45,049</u>
Sale of fabricated aluminium products and building materials	<u>2,987</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 recorded an increase of 22% for the current quarter ended 30 June 2010 as compared to RM43.2 million recorded in the preceding year's corresponding quarter. The increase was mainly due to higher revenue contribution from Construction and Fabrication business segment.

In line with higher revenue, the Group's profit before tax ("PBT") increased by 52% or RM0.7 million to RM2.0 million as compared to the preceding year's corresponding quarter.

**B2. Variation of results against preceding quarter**

The Group's revenue increased by 21% from RM43.8 million recorded in the preceding quarter. Accordingly, the Group's PBT rose from RM1.7 million to RM2.0 million.

**B3. Current year prospects**

The Group is cautiously optimistic that the current stable economy in the Asian region 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 30/06/10 RM'000	Current Year To-date RM'000
Current income tax	<u>542</u>	<u>972</u>

The Group's effective tax rate for the financial year-to-date under review is 26%, 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 30 June 2010**

	<u>Secured</u> <u>(RM'000)</u>	<u>Unsecured</u> <u>(RM'000)</u>	<u>Total</u> <u>(RM'000)</u>
<b>(a) (i) Short term</b>			
Overdraft	-	4,704	4,704
Revolving credit	-	5,180	5,180
Trade facilities	-	70,392	70,392
Term loan	712	-	712
	<u>712</u>	<u>80,276</u>	<u>80,988</u>
 <b>(ii) Long term</b>			
Term loan	<u>4,609</u>	<u>-</u>	<u>4,609</u>
 Total	<u><u>5,321</u></u>	<u><u>80,276</u></u>	<u><u>85,597</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	4,180
Trade facilities	937	392
	<u><u>10,937</u></u>	<u><u>4,572</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.

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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**

The Directors declared an interim single tier dividend of 1.5% per share for the financial year ending 31 December 2010 and will be paid to shareholders on 17 September 2010. The entitlement date for the said dividend shall be 1 September 2010.

A Depositor shall qualify for entitlement to the Dividend only in respect of:-

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 1 September 2010 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to Rules of Bursa Malaysia Securities Berhad.

**B13. Earnings Per Share**

	<u>Current quarter</u>	<u>Year to-date</u>
<b>Basic earnings per share</b>		
Net profit attributable to the equity holders of the parent (RM'000)	1,409	2,687
 <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>1.82</u>	<u>3.47</u>

**On behalf of the Board**

**Koon Poh Ming**  
**Chief Executive Officer**  
12 August 2010