

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**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 2010.

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 2010 except for the adoption of the following new FRSs, Amendments to certain FRSs and IC Interpretations for financial period beginning on 1 January 2011:

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopter
Amendments to FRS 2	Additional Exemption for First-time Adopters Share-based Payment Group Cash-settled Share Based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation – Classification of Rights Issues
Amendment to FRS 138	Intangible Assets
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Agreements (Not applicable to the Group)
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Improvements to FRSs (2010)	

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**A1. Basis of preparation (continued)**

**Changes in Accounting Policies (continued)**

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements upon their first adoption.

**FRS yet to be effective**

As at the date of this report, The Group has yet to apply the following FRSs which were issued but not yet effective:

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011**

- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14, Prepayments of a Minimum Funding Requirement

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012**

- FRS 124, Related Party Disclosures (revised)
- IC Interpretation 15, Agreements for the Construction of Real Estate (Not applicable to the Group)

**A2. Auditors' report**

The annual auditors' report of the audited financial statements for the year ended 31 December 2010 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.

**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.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**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 2011, 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 single tier dividend of 1.5% totaling RM581,098.00 for the financial year ended 31 December 2010 was paid to shareholders on 12 August 2011.

**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, marketing and trading of aluminium products and other products.

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

	<b>Manufacturing &amp; trading RM'000</b>	<b>Construction &amp; fabrication RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>6 months ended 30 June 2011</u></b>				
Revenue from external customers	93,655	53,057		146,712
Inter-segment revenue	67	-	(67)	-
<b>Total revenue</b>	<b>93,722</b>	<b>53,057</b>	<b>(67)</b>	<b>146,712</b>
<b>Segment result</b>	<b>3,703</b>	<b>2,720</b>		<b>6,423</b>
Finance cost				(2,223)
Tax expense				(1,059)
<b>Profit for the period</b>				<b>3,141</b>
<b>Segment assets</b>	<b>202,748</b>	<b>142,236</b>	<b>(83,590)</b>	<b>261,394</b>
<b>Segment liabilities</b>	<b>103,235</b>	<b>102,830</b>	<b>(44,629)</b>	<b>161,436</b>

**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.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**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**

The changes in the composition of the Group are as follows:

The Company had on 22 July 2011 subscribed for 99 ordinary shares of RM1.00 and acquired 1 ordinary share of RM1.00, representing 100% of the issued and paid-up share capital of Sun Power Generation Sdn Bhd, a company incorporated in Malaysia, for a total cash consideration of RM100.00.

**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 2011, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>1,401</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>78,635</u>
Sale of fabricated aluminium products and building materials	<u>39,341</u>

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

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

**B1. Review of performance**

For the current quarter under review, the Group's revenue increased by approximately 62% from RM52.6 million to RM85.3 million as compared to the preceding year's corresponding quarter. The increase was mainly due to the higher revenue contribution from both business segments.

In light of higher revenue, the Group's profit before tax ("PBT") increased by 14% from RM2.0 million to RM2.2 million.

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

The Group's revenue increased by 39% from RM61.4 million recorded in the preceding quarter. The Group's PBT was 12% higher at RM2.2 million resulting from higher revenue.

**B3. Current year prospects**

The European debt crisis and the recent downgrading of U.S. government debt rating had further clouded the global economic outlook.

The business environment is expected to be more challenging. Nevertheless, the Group will endeavour to achieve satisfactory results for the financial year ending 31 December 2011.

**B4. Profit forecast**

Not applicable as no profit forecast was published.

**B5. Taxation**

	Quarter Ended 30/6/11 RM'000	Current Year To-date RM'000
Current income tax	<u>527</u>	<u>1,059</u>

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

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**B6. Retained Earnings**

	As at 30/06/2011	As at 31/12/2010
	RM'000	RM'000
<b>Total retained earnings of the Company and its subsidiaries:</b>		
Realised	94,943	91,656
Unrealised	<u>(3,947)</u>	<u>(3,948)</u>
	90,996	87,708
Consolidation Adjustments	<u>(30,319)</u>	<u>(30,172)</u>
<b>Total Group retained earnings as per consolidated accounts</b>	<u>60,677</u>	<u>57,536</u>

**B7. Profit / (loss) on disposal of unquoted investments and properties**

There were no disposals of unquoted investments or properties for the financial year-to-date.

**B8. Purchases or Disposals of Quoted Securities**

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

**B9. 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.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**B10. Group borrowings and debt securities as at 30 June 2011**

	<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	-	6,044	6,044
Revolving credit	-	5,656	5,656
Trade facilities	-	77,849	77,849
Term loan	722	-	722
	<u>722</u>	<u>89,549</u>	<u>90,271</u>
 <b>(ii) Long term</b>			
Term loan	<u>3,887</u>	-	<u>3,887</u>
 Total	<u>4,609</u>	<u>89,189</u>	<u>94,158</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>
Overdraft	1,501	582
Revolving credit	12,000	4,656
Trade facilities	15,328	5,947
	<u>28,829</u>	<u>11,185</u>

**B11. 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.

**B12. Material Litigation**

There was no material litigation against the Group as at the reporting date.

**NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2011**

**B13. Dividend**

The Directors declared an interim single tier dividend of 1.5% per share for the financial year ending 31 December 2011 and will be paid to shareholders on 29 September 2011. The entitlement date for the said dividend shall be 13 September 2011.

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 13 September 2011 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.

**B14. 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)	1,690	3,141
 <i><b>Weighted average number of ordinary shares of RM0.50 each in issue - net of treasury shares held ('000)</b></i>		
Issued at the beginning of the period	77,480	77,480
Basic earnings per share (sen)	<u>2.18</u>	<u>4.05</u>

**On behalf of the Board**

**Koon Poh Ming**  
**Chief Executive Officer**  
25 August 2011