

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

the Company (RM'000)	2,071	3,806
<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>2.67</u>	<u>4.91</u>

B12. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2011 was not subject to any qualification.

B13. Notes to the Condensed Consolidated Income Statement

PBT is arrived at after charging and (crediting) the following items:

		Current Quarter RM'000	Current Financial To-date RM'000
a)	Interest income	(1)	(1)
b)	Other income including investment income	(40)	(68)
c)	Interest expense	1,277	2,411
d)	Depreciation and amortization	1,957	4,067
e)	Provision for and write off of receivables	-	-
f)	Provision for and write off of inventories	-	-
g)	(Gain) and loss on disposal of quoted or unquoted Investments or properties	(8)	(6)
h)	Impairment of assets	-	-
i)	Foreign exchange (gain) or loss	424	250
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

On behalf of the Board

Koon Poh Ming
Chief Executive Officer

29 Aug 2012

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B8. Group borrowings and debt securities as at 30 June 2012

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
(a) (i) Short term			
Overdraft	-	2,357	2,357
Revolving credit	-	5,932	5,932
Trade facilities	-	68,384	68,384
Term loan	2,642	-	2,642
	<u>2,642</u>	<u>76,673</u>	<u>79,315</u>
(ii) Long term			
Term loan	19,334	-	19,334
	<u>19,334</u>	<u>-</u>	<u>19,334</u>
Total	<u>21,976</u>	<u>76,673</u>	<u>98,649</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:

	HKD'000	RM'000 Equivalent
Revolving credit	12,000	4,932
Trade facilities	27,778	11,417
	<u>39,778</u>	<u>16,349</u>

B9. Material Litigation

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

B10. Proposed Dividend

The Directors declared an interim single tier dividend of 2% per share for the financial year ending 31 December 2012 and will be paid to shareholders on 3 October 2012. The entitlement date for the said dividend shall be 20 September 2012.

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 20 September 2012 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.

B11. Earnings Per Share

	Current quarter	Year to-date
Basic earnings per share		
Net profit attributable to the Owners of		

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Comparing to the revenue of RM70.4 million recorded in the preceding quarter, the Group's revenue increased by 11% to RM78.3 million. In tandem with higher revenue, the Group's PBT was 21% higher at RM2.9 million.

B3. Current year prospects

The business environment is expected to remain challenging and the Board remains cautious of the uncertain economic conditions. Nevertheless, the Board will endeavour to achieve a satisfactory result for the Group with the implementation of appropriate strategies and stringent cost saving measures.

B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 30/6/12 RM'000	Current Year To-date RM'000
Current income tax	<u>871</u>	<u>1,560</u>

The Group's effective tax rate for the financial year-to-date under review was 29%, slightly higher than the prima facie tax rate due to the non-deductibility of certain expenses and the loss-making subsidiaries.

B6. Retained Earnings

	As at 30/06/2012 RM'000	As at 31/12/2011 RM'000
Total retained earnings of the Company and its subsidiaries:		
Realised	108,941	106,603
Unrealised	(4,251)	(4,243)
	<u>104,690</u>	<u>102,360</u>
Consolidation Adjustments	(29,789)	(30,490)
Total Group retained earnings as per consolidated accounts	<u>74,901</u>	<u>71,870</u>

B7. Status of Corporate Proposals Announced

There were no corporate proposals announced but pending implementation during the financial quarter.

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

B1. Operating Segments Review

(a) Q2/12 vs. Q2/11

The Group's revenue reduced from RM85.3 million recorded in Q2/11 to RM78.3 million, approximately by 8%. However, the Group's profit before tax ("PBT") increased from RM2.2 million to RM2.9 million, approximately by 33%.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment decreased by 17% from RM53.3 million to RM44.1 million. Despite a decline in revenue, the segment profit increased from RM2.0 million to RM3.1 million which was largely due to improved products mix.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment rose by 7% from RM32.0 million to RM34.2 million. The increase was mainly due to the acceleration of the progress of certain on-going projects during the quarter under review. However, the segment profit decreased marginally by 3% from RM1.42 million to RM1.38 million.

(b) FY2012 vs. FY2011

The Group recorded a revenue of RM148.6 million for the six months ended 30 June 2012("6M/2012"), representing a marginal increase of 1% compared to RM146.7 million recorded for the six months ended 30 June 2011("6M/2011").

With the improvement mainly contributed by Manufacturing and Trading segment, the Group's PBT increased by 28% from RM4.2 million to RM5.4 million.

Manufacturing and Trading segment

Revenue for Manufacturing and Trading segment decreased by 11% from RM93.7 million to RM83.4 million. However, the segment profit increased from RM3.7 million to RM5.1 million which was largely due to improved products mix.

Construction and Fabrication segment

Construction and Fabrication segment recorded a revenue of RM65.2 million for 6M/2012, representing an increase of 23% compared to RM53.1 million recorded for 6M/2011. The increase was due to the acceleration of the progress of certain on-going projects.

On the back of higher revenue, segment profit rose by 10% from RM2.7 million to RM3.0 million.

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A9. Valuation of property, plant and equipment

Property, plant and equipment of the Group were not revalued during the current quarter under review. All the property, plant and equipment were stated at costs less accumulated depreciation.

A10. Material events subsequent to the balance sheet date

Save for the below, 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.

The disposal of all that piece of vacant industrial land measuring approximately 31,014.61 square meter in area for a cash consideration of RM11.0 million was completed on 16 July 2012. The disposal is expected to result in a gain of approximately RM4.0 million for the financial year ending 31 December 2012. For details, please refer to our announcement to Bursa Malaysia Securities Berhad dated 4 November 2011.

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 2012, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>188</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>62,342</u>
Sale of fabricated aluminium products and building materials	<u>7,455</u>

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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.

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 30 June 2012</u>				
Revenue from external customers	44,094	34,179		78,273
Inter-segment revenue	1,254	-	(1,254)	-
Total revenue	45,348	34,179	(1,254)	78,273
Segment result	3,083	1,376		4,459
Finance cost				(1,277)
Share of losses of equity accounted investees, net of tax				(240)
Tax expense				(871)
Profit for the period				2,071
<u>6 months ended 30 June 2012</u>				
Revenue from external customers	83,434	65,212		148,646
Inter-segment revenue	2,272	-	(2,272)	-
Total revenue	85,706	65,212	(2,272)	148,646
Segment result	5,120	2,979		8,099
Finance cost				(2,411)
Share of losses of equity accounted investees, net of tax				(322)
Tax expense				(1,560)
Profit for the period				3,806
Segment assets	226,155	158,245	(77,982)	306,418
Segment liabilities	114,746	115,607	(39,499)	190,854

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**A2. MFRS, Amendments to MFRSs and IC Interpretation issued but not yet effective
(continued)**

MFRSs, Amendments to MFRSs and IC Interpretation		Effective for annual periods beginning on or after
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

A3. Seasonal or cyclical of operations

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

A4. Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter under review.

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 2012, 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 paid

The final single tier dividend of 2% totaling RM774,798.00 for the financial year ended 31 December 2011 was paid to shareholders on 8 August 2012.

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PART A :EXPLANATORY NOTES

A1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This condensed report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS compliant condensed report and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The transition of the MFRS does not have any material financial impact to the Group.

A2. MFRS, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of the authorisation of these interim financial statements, the following MFRs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

		Effective for annual periods beginning on or after
MFRSs, Amendments to MFRSs and IC Interpretation		
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013