

**EXPLANATORY NOTES TO THE QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

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 issued by the Malaysia Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The condensed consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2012.

A2. Significant Accounting Policies

(a) Adoption of Standards, Amendments and IC Interpretations

The following MFRSs and IC Interpretations issued by MASB have been adopted by the Group during the current period:

MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (2011)</i>
MFRS 127	<i>Separate Financial Statements (2011)</i>
MFRS 128	<i>Investments in Associates and Joint Ventures (2011)</i>
Amendments to MFRS 1	<i>First-time Adoption of MFRS – Government Loans</i>
Amendments to MFRS 7	<i>Financial Instruments : Disclosures – Offsetting Financial Assets and Liabilities</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements : Transition Guidance</i>
Amendments to MFRS 11	<i>Joint Arrangements : Transition Guidance</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>
Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
Annual Improvements (2009 – 2011 Cycle) to IC Interpretations and MFRSs.	

The adoption of the above standards, amendments and interpretations did not have any material financial impacts to the Group.

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A2. Significant Accounting Policies (Cont'd)

(b) Standards issued but not yet effective

Amendments to MFRS 9	<i>Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Consolidated and Separate Financial Statements: Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>

The Group plans to adopt the above when they become effective in the respective financial periods. The adoption of the above is not expected to have any material impacts to the financial statements of the Group upon their initial adoption.

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 31 March 2013, 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 third interim single tier dividend of 2% totaling RM774,798.00 for the financial year ended 31 December 2012 was paid to shareholders on 9 April 2013.

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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.

	Manufacturing & trading RM'000	Construction & fabrication RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 31 March 2013</u>				
Revenue from external customers	42,427	19,110		61,537
Inter-segment revenue	178	570	(748)	-
Total revenue	42,605	19,680	(748)	61,537
Segment result	2,087	1,217		3,304
Finance cost				(1,288)
Share of losses of equity accounted investees, net of tax				-
Tax expense				(510)
Profit for the period				1,506
Segment assets	235,354	143,257	(89,023)	289,588
Segment liabilities	118,216	101,674	(50,573)	169,317

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

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.

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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 2013, the Group has the following known commitments:

	RM'000
Authorised property, plant and equipment expenditure not provided for in the financial statements	<u>146</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>31,049</u>
Sale of fabricated aluminium products and building materials	<u>5,951</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. Operating Segments Review

Q1/13 vs Q1/12

The Group's revenue reduced from RM70.4 million recorded in Q1/12 to RM61.5 million, approximately by 13%. In line with lower revenue, the Group's profit before tax ("PBT") reduced by 17% from RM2.4 million to RM2.0 million.

Manufacturing and Trading segment

The revenue for Manufacturing and Trading segment rose by 8% from RM39.3 million to RM42.4 million. The increase was mainly attributable to the increase in sales volume despite lower commodity prices recorded in Q1/13. On the back of higher revenue after offsetting the effect of the lower commodity prices, segment profit rose by 2% from RM2.0 million to RM2.1 million.

Construction and Fabrication segment

Revenue from Construction and Fabrication segment decreased by 38% from RM31.0 million to RM19.1 million was mainly due to slower progress for certain on-going projects during Q1/13. Accordingly, the segment profit declined from RM1.6 million to RM1.2 million.

B2. Material Change in Performance of Current Quarter compared with Preceding Quarter

Comparing to the revenue of RM65.3 million recorded in the preceding quarter, the Group's revenue decreased by 6% to RM61.5 million, which was mainly attributable to lower revenue contribution from the construction and fabrication business segment. However, the Group's PBT was 1,122% higher at RM2.0 million mainly due to the unrealised foreign exchange loss of RM2.3 million recognised in the preceding quarter.

B3. Current year prospects

The overall business environment is expected to remain challenging. We foresee the construction industry in Malaysia to remain stable for the current year under review.

Barring any unforeseen circumstances, the Management will endeavour to achieve a satisfactory result for the Group.

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B4. Profit forecast

Not applicable as no profit forecast was published.

B5. Taxation

	Quarter Ended 31/3/13 <u>RM'000</u>	Year To-date <u>RM'000</u>
Current income tax	<u>510</u>	<u>510</u>

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

B6. Retained Earnings

	As at 31/03/2013 <u>RM'000</u>	As at 31/12/2012 <u>RM'000</u>
Total retained earnings of the Company and its subsidiaries:		
Realised	114,967	114,207
Unrealised	<u>(4,758)</u>	<u>(4,728)</u>
	110,209	109,479
Consolidation Adjustments	<u>(29,788)</u>	<u>(29,789)</u>
Total Group retained earnings as per consolidated accounts	<u>80,421</u>	<u>79,690</u>

B7. Status of Corporate Proposals Announced

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

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B8. Group borrowings and debt securities as at 31 March 2013

	<u>Secured (RM'000)</u>	<u>Unsecured (RM'000)</u>	<u>Total (RM'000)</u>
(a) (i) Short term			
Overdraft	-	4,209	4,209
Revolving credit	-	5,776	5,776
Trade facilities	-	65,069	65,069
Term loan	2,792	-	2,792
	<u>2,792</u>	<u>75,054</u>	<u>77,846</u>
(ii) Long term			
Term loan	17,224	-	17,224
Total	<u>20,016</u>	<u>75,054</u>	<u>95,070</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	12,000	4,776
Trade facilities	25,792	10,265
	<u>37,792</u>	<u>15,041</u>

B9. Material Litigation

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

B10. Proposed Dividend

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

B11. Earnings Per Share

	<u>Current quarter</u>	<u>Year to-date</u>
Basic earnings per share		
Net profit attributable to the Owners of the Company (RM'000)	1,506	1,506
<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>1.94</u>	<u>1.94</u>

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B12. Auditors' report

The annual auditors' report of the audited financial statements for the year ended 31 December 2012 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	Financial To-date RM'000
a)	Interest income	(1)	(1)
b)	Other income including investment income	(26)	(26)
c)	Interest expense	1,288	1,288
d)	Depreciation and amortization	1,585	1,585
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	-	-
h)	Impairment of assets	-	-
i)	Foreign exchange (gain) or loss	27	27
j)	(Gain) or loss on derivatives	-	-
k)	Exceptional items	-	-

On behalf of the Board

Koon Poh Ming
Chief Executive Officer
29 May 2013