PART A. PLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRSs") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 31 March 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2015.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 March 2015.

The financial statements of the Group and the Company have been prepared with the re-adoption of Financial Reporting Standards (“FRSs”) as further explained below and in accordance with the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Reversion from Malaysian Financial Reporting Standards (“MFRSs”) to FRSs

On 19 November 2011, MASB issued a new MASB approved accounting framework, the MFRS Framework. The MFRSs Framework is mandatory for adoption by all Entities other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including its parent, significant investor and venture (hereinafter called “Transitioning Entities”).

The Transitioning Entities will be allowed to defer adoption of the new MFRs Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.
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Being Transitioning Entities as defined above, the Group and the Company will have elected to continue preparing their financial statements in accordance with FRSs for the financial year ending 31 March 2016 and 2017 and will present its first MFRS financial statements for the financial year ending 31 March 2018.

Adoption of new and amended standards and IC Interpretation

The accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statements for the financial year ended 31 March 2015 except discussed below:-

During the financial year, the Group and the Company have adopted the following amendments to FRSs, IC Interpretation issued by the MASB that are mandatory for current financial year.

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of above amendments to FRSs and IC Interpretation did not have any significant impact on the financial statements of the Group and of the Company.

Standards issue but not yet effective

The Group and the Company have not applied the following FRSs and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group and the Company.

		Effective date for financial periods beginning on or after
FRS 14	Regulatory Deferred Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to FRSs 2012-2014 Cycle		1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The Group and the Company intend to adopt the FRSs when they become effective.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report for the audited financial statements of the Company and its subsidiaries for the financial year ended 31 March 2015 were not subject to any qualification.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's business operational results were not materially affected by any major seasonal or cyclical factors.

A4. UNUSUAL ITEM DUE TO THEIR NATURE, SIZE OR INCIDENCE

During the current quarter under review, there were no unusual items or events that affecting the assets, liabilities, equity, net income or cash flows, to the effect that is unusual nature, size or incidence.

A5. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the current quarter and financial period-to-date results under review.

A6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayment of debt securities during the period under the review and up to the date of this report

A7. DIVIDEND DECLARED

No dividend has been declared or paid by the Company during the current quarter under review.

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.

A8. SEGMENT INFORMATION

Segment information is provided based on three (3) major business segments, i.e. investment holding, manufacturing and property development.

Business segments in revenue and results of the Group for the current quarter and current year to date for 30 June 2015 are as follows:-

3 months ended 30 June 2015	**Investment holding RM'000**	**Manufacturing RM'000**	**Property development RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue					
Segment revenue	-	9,752	627		10,379
Elimination- inter segment	60	-	-	(60)	-
Total revenue	60	9,752	627	(60)	10,379
Results	(85)	424	785		1,124
Finance costs					(176)
Loss before taxation					948
Tax expense					-
Loss after taxation					948

Business segments in revenue and results of the Group for the current quarter and current year to date for 30 June 2014 are as follows:-

3 months ended 30 June 2014	Investment holding RM'000	Manufacturing RM'000	Property development RM'000	Elimination RM'000	Total RM'000
Revenue					
Segment revenue	-	10,517	-		10,517
Elimination- inter segment	60	-	-	(60)	-
Total revenue	60	10,517	-	(60)	10,517
Results	8,654	1,256	-	(9,240)	665
Finance costs					(255)
Loss before taxation					410
Tax expense					-
Loss after taxation					410

A9 SUBSEQUENT EVENTS

There were no other material events during the current quarter of 30 June 2015 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial year ended 31 March 2015.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There are no changes in the composition of the Group during the quarter under review.

A12. CONTINGENT ASSETS AND LIABILITIES

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 March 2015.

A13. CAPITAL COMMITMENTS

There are no capital expenditure commitments contracted and not provided for in the interim financial statements as at 30 June 2015.

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B. ADDITIONAL INFORMATION REQUIRED BY "BURSA SECURITIES"

B1. REVIEW OF PERFORMANCE

CURRENT QUARTER COMPARED TO THE CORRESPONDING QUARTER OF LAST YEAR (1Q 15 vs 1Q 14)

	3 months ended	
	30.06.2015	**30.06.2014**
	RM'000	**RM'000**
Revenue	10,379	10,517
Profit before taxation ("PBT")	948	410

For the 1st quarter ended 30 June 2015, the Group revenue decrease marginally from RM10.52 million in the corresponding quarter to RM10.38 million in the current quarter, represent a reduction of RM0.14 million or 1.31% due to the reduction of revenue from the Manufacturing segment.

The Group registered higher profit before taxation of RM0.95 million in the current quarter as against RM0.41 million of the corresponding quarter of last year due to profit contribution from the Property Development segment.

B2. COMPARISON OF CURRENT QUARTER RESULTS WITH THE PRECEDING QUARTER

1Q 15 vs 4Q 14

	3 months ended	3-months ended
	30.06.2015	**31.03.2015**
	RM'000	**RM'000**
Revenue	10,379	10,654
PBT	948	(1,826)

For the three months period ended 30.June 2015, the Group registered a 2.58% reduction of revenue from RM0.27 million in the previous quarter to RM10.38 million in the current quarter. The reduction in revenue is mainly due to reduction of revenue contribution from Manufacturing segment.

The Group registered higher profit before taxation of RM0.95 million in the current quarter as against loss before taxation of RM1.83 million in the preceding quarter due to higher gross profit margin for its furniture products and lower administrative expenses during the period.

B3. COMMENTARY ON PROSPECTS

The Malaysian economy is expected to sustain its growth momentum between 5% to 6%, driven by resilient domestic demand and improvement in external environment. Domestic demand is expected to be led by private expenditure that is forecast to register an increase of 6.7% in 2015. The Malaysian Government has reiterated its intention to continue focusing on accelerating the national transformation process and supporting growth while improving public finance and ensuring fiscal sustainability.

Construction sector is forecasted to grow at 10.7% while manufacturing sector and services sector forecasted to grow at 5.5% and 5.6% respectively, which lead economic drive in year 2015. The strong performance of the construction sector is expected to continue, largely supported by the civil engineering and residential sub-sectors. Inflation is expected to remain manageable despite trending above the long term average, partly due to the implementation of Goods and Service Tax ("GST") and spill-over effect of the recent subsidy rationalization.

The potential of the furniture industry is evidenced by its market size globally and the high compound annual growth rate (CAGR) of the world furniture trade of 6.5% as compared to the CAGR of the world furniture production of 3.5%. Demand for furniture is estimated to exhibit positive growth with the higher levels of world furniture trade as compared to the world furniture production. The demand for furniture is currently driven by three (3) key factors, including the continuous growing population, development of the economies and growing urbanisation which fuel the need for housing and commercial building and thus the demand for furniture.

Taking into account of the above growth prospects of the furniture industry, the Board is of the view that the future prospects of our furniture products are encouraging and the Group will potentially benefit from the outlook of the global furniture industry which is expected to improve our financial performance.

Meanwhile, the Group will also focus on property development sector to drive its growth and the Group's profitability. Barring any unforeseen circumstances, our Board is confident that the Group will continue to be resilient and remain profitable in the financial year ending 31 March 2016.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast or profit guarantee

B5. NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30.06.2015 RM'000	30.06.2014 RM'000
Profit for the period is arrived at		
After charging		
Amortisation and depreciation	1,117	1,263
Loss on disposal of subsidiary	-	(211)
After crediting		
Gain on foreign exchange	-	85

	-	85

B6. **INCOME TAX EXPENSE**

	3 months ended	
	3.06.2015	**30.06.2014**
	RM	**RM**
	-	-
Deferred tax		
Current tax	-	-
Tax Expenses	-	-

B7. **STATUS OF CORPORATE PROPOSALS**

There are no corporate proposals announced but not completed as at the reporting date.

B8. **GROUP BORROWINGS AND DEBT SECURITIES**

The details of the Group's borrowings as at 30 June 2015 are as follows:

	As at 30.06.2015 RM'000	**As at 31.03.2015 RM'000**
Current		
Term loan- secured	5,493	6,664
Bank overdraft- secured	657	272
Finance lease creditors	117	137
	6,267	7,073
Non-current		
Term loan-secured	--	-
Term loan- unsecured		-
Finance lease creditors	-	-
	-	-
Total Bank borrowings	**6,267**	**7,073**

The Group does not have any foreign borrowings as at the date of this report.

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B9. MATERIAL LITIGATION

Save for the following, the Group is not engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies as at the date of this report:-

Shantawood Sdn Bhd ("SSB") ***("Plaintiff") vs Hong Leong MSIG Takaful Berhad ("MSIG") ("Defendant")*****- High Court of Shah Alam Civil No: 22NCVC-1488-12/2012**

SSB had on 29 December 2012 filed a suit at the High Court in Shah Alam against MSIG to recover the loss and damages of RM24,219,074.00 ("Fire Claim") as a result of MSIG repudiating the claims made by SSB under the fire insurance policies taken up by SSB from MSIG for the Fire Incidents. MSIG had on 25 February 2013 filed its Statement of Defence disputing the Fire Claim.

On 26 September 2014, the Court had allowed SSB's claim and had awarded SSB a sum of RM19,496,398.90 ("Judgment Sum") and the cost of RM50,000.00 together with the interest rate of 5% per annum to be calculated from 14 July 2011 until the full and final settlement of the same ("Judgment"). MSIG subsequently filed a notice of appeal to the Court of Appeal against the Judgment and made an application for stay of execution of the Judgment with the High Court on 20 October 2014.

On 17 November 2014, High Court allowed the stay of execution of the Judgment but ordered the Judgment Sum be deposited into the plaintiff's solicitor account.

Numerous case management had been held pending compiling, finalising, submitting documents for appeal. Finally, the voluminous notes of evidence of more than 30 witnesses has been completed and is pending filing. On 16 June 2015, the Court has fixed the matter for hearing before a panel of 3 judges on 21 October 2015.

The solicitors acting for SSB is of the opinion that, based on the numerous rulings made by the Court on admission of documents and the testimonies of witnesses and experts from SSB and MSIG, SSB has a reasonably fair chance of success in dismissing MSIG's appeal against the Judgment.

B10. PROPOSED DIVIDEND

No dividend has been declared or paid during the current quarter under review and financial year-to-date.

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B11. EARNINGS/ (LOSS) PER SHARE

Basic

Basic loss per ordinary share is calculated by dividing the net loss for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	3 months ended		Current year to date	
	30.06.2015	**30.06.2014**	**30.06.2015**	**30.06.2014**
Profit attributable to equity holders of the parent (RM;000)	948	410	948	410
Weighted average number of Ordinary shares in issue ('000)	587,770	264,000	587,770	264,000
Basic earnings per Ordinary Share (sen)	0.16	0.16	0.16	0.16

The fully diluted earnings per ordinary share for the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.

B12. STATUS OF UTILISATION OF PROCEEDS

On 22 January 2015, the Company had completed the Rights Issue of Shares with Warrants with the listing of 323,769,580 Rights Shares together with 194,261,746 Rights Warrants on the Main Market of Bursa Securities.

The proceeds of RM32,376,958 raised from the Rights Issue of Shares with Warrants was fully utilised on 30.06.2015. The details of the utilisation are as follows:-

Details of utilisation	**Actual utilisation**	**Date of completion of utilisation**
	RM	
Repayment of bank borrowings	16,098,135	28.02.2015
DPS Realty Sdn Bhd's entitlement pursuant to the joint ventures ("JVs")	3,974,292	22.01.2015
Property development cost pursuant to the JVs	3,257,000	28.02.2015
Working capital	7,698,785	30.06.2015
Defraying expenses in relation to the Corporate Exercises	1,348,746	31.05.2015
Total	**32,376,958**	

B13. REALISED AND UNREALISED PROFIT OR LOSSES

Breakdown of the Group's realised and unrealised profit or losses as at 30 June 2015 is as follows:-

		As at 30.06.2015 RM'000	As at 31.03.2015 RM'000
Total retained earnings of the Company and its subsidiaries:-			
-	Realised	58,600	57,652
-	Unrealised	1,621	1,621
		60,221	59,273
Less:	Consolidation adjustments	(9,240)	(9,240)
Total retained earnings as per statement of financial position		**50,981**	**50,033**

B14. AUTHORITY FOR ISSUE

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.