

QUARTERLY REPORT
**Unaudited Condensed Consolidated Income Statements
For the year ended 31 January 2006**

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT QUARTER ENDED 31/01/06 RM'000	CORRESPONDING QUARTER ENDED 31/01/05 RM'000	12 MONTHS CUMULATIVE TO DATE 31/01/06 RM'000	12 MONTHS CUMULATIVE TO DATE 31/01/05 RM'000 (Audited)
Revenue		36,693	35,580	130,655	156,158
Operating expenses		(35,058)	(35,344)	(127,224)	(149,457)
Other operating income		<u>1,555</u>	<u>1,160</u>	<u>2,582</u>	<u>4,263</u>
Profit from operations		3,190	1,396	6,013	10,964
Finance costs		(361)	(235)	(1,726)	(2,136)
Investing results	20	<u>(500)</u>	<u>(335)</u>	<u>(996)</u>	<u>(2,278)</u>
Profit before taxation		2,329	826	3,291	6,550
Taxation	18	<u>(869)</u>	<u>1,241</u>	<u>(1,572)</u>	<u>(2,135)</u>
Profit after taxation		1,460	2,067	1,719	4,415
Minority interest		<u>(139)</u>	<u>(121)</u>	<u>(139)</u>	<u>(120)</u>
Net profit for the period		<u><u>1,321</u></u>	<u><u>1,946</u></u>	<u><u>1,580</u></u>	<u><u>4,295</u></u>
EPS (sen) - Basic		<u><u>2.28</u></u>	<u><u>3.36</u></u>	<u><u>2.73</u></u>	<u><u>7.43</u></u>
- Diluted		<u><u>2.19</u></u>	<u><u>3.25</u></u>	<u><u>2.63</u></u>	<u><u>7.20</u></u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Report for the financial year ended 31 January 2005 and the accompanying explanatory notes attached to the interim financial statements)

**Unaudited Condensed Consolidated Balance Sheet
As at 31 January 2006**

	AS AT 31/01/2006 RM'000	AS AT 31/01/2005 RM'000 (Audited)
Non-Current Assets		
1 Property, plant and equipment	61,619	61,400
2 Long term investments	9,749	8,668
3 Goodwill on consolidation	970	1,028
4 Land held for property development	11,375	6,450
5 Current Assets		
<i>Inventories</i>	40,122	27,553
<i>Property Development cost</i>	-	10,404
<i>Trade receivables</i>	52,216	53,596
<i>Other receivables</i>	19,381	19,335
<i>Fixed deposits with a licence bank</i>	100	300
<i>Cash and bank balances</i>	1,983	4,902
	113,802	116,090
6 Current Liabilities		
<i>Trade payables</i>	6,997	9,597
<i>Other payables</i>	7,383	10,794
<i>Short term borrowings</i>	37,104	30,959
<i>Lease payables</i>	251	733
<i>Tax payable</i>	148	461
	51,883	52,544
7 Net Current Assets	61,919	63,546
	145,632	141,092
8 Shareholders' Funds		
Share capital	57,962	57,953
Reserves		
<i>Share premium</i>	24,994	24,990
<i>Revaluation reserve</i>	5,797	5,797
<i>Capital & Foreign exchange reserves</i>	862	846
<i>Retained profit</i>	45,443	43,863
9 Minority interests	392	-
	135,450	133,449
10 Long term borrowings	2,797	1,049
11 Other long term liabilities	953	284
12 Deferred taxation	6,432	6,310
	10,182	7,643
	145,632	141,092
Net Assets	135,450	133,449
Net assets per share (RM)	2.34	2.30

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Report for the financial year ended 31 January 2005 and the accompanying explanatory notes attached to the interim financial statements)

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the year ended 31 January 2006**

	----- Non - Distributable -----				Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign exchange Reserves RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	Minority Interest RM'000	
12 months ended 31 January 2006							
At 1 February 2005	57,953	24,990	846	5,797	43,863	-	133,449
Movements during the year (cumulative)	9	4	16	-	1,580	392	2,001
At 31 January 2006	<u>57,962</u>	<u>24,994</u>	<u>862</u>	<u>5,797</u>	<u>45,443</u>	<u>392</u>	<u>135,450</u>
12 months ended 31 January 2005 (Audited)							
At 1 February 2004	57,413	24,777	846	7,045	38,320	-	128,401
Movements during the year (cumulative)	540	213	-	(1,248)	5,543	-	5,048
At 31 January 2005	<u>57,953</u>	<u>24,990</u>	<u>846</u>	<u>5,797</u>	<u>43,863</u>	<u>-</u>	<u>133,449</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Report for the financial year ended 31 January 2005 and the accompanying explanatory notes attached to the interim financial statements)

**Unaudited Condensed Consolidated Cash Flow Statement**
For the year ended 31 January 2006

	12 MONTHS ENDED 31/01/2006 RM'000	12 MONTHS ENDED 31/01/2005 RM'000 (Audited)
Profit before taxation	3,291	6,550
Adjustments for non-cash items	6,974	7,972
Operating profit before changes in working capital	<u>10,265</u>	<u>14,522</u>
Decrease in WIP/inventories/receivables/payables	(5,761)	(1,814)
Adjustment for non-operation expenses	(4,092)	(7,113)
Net cash generated from operating activities	<u>412</u>	<u>5,595</u>
Net cash used in investing activities	(11,243)	(1,391)
Net cash generated from/(used in) financing activities	6,626	(3,463)
Effect of exchange rate changes on cash and cash equivalents	17	-
Net (decrease)/increase in cash and cash equivalents	<u>(4,188)</u>	<u>741</u>
Cash and cash equivalents at the beginning of the year	(1,967)	(2,708)
Cash and cash equivalents at the end of the year	<u><u>(6,155)</u></u>	<u><u>(1,967)</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Report for the financial year ended 31 January 2005 and the accompanying explanatory notes attached to the interim financial statements)

**NOTES TO THE INTERIM FINANCIAL REPORT****1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134₂₀₀₄ (formerly MASB 26: Interim Financial Reporting) and paragraph 9.22 of Bursa Malaysia Securities Berhad’s Listing Requirements and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 January 2005. The 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 January 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 January 2005.

2. Auditors’ report on preceding annual financial statements

The Group’s audited financial statements for the financial year ended 31 January 2005 were reported on by its external auditors, Ernst & Young without any qualifications.

3. Seasonal or cyclical factors

The performance of the Group was not affected by any significant seasonal or cyclical factors during the period under review.

4. Unusual items

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual due to their nature, size and incidence.

5. Changes in estimates

There were no changes in the estimates of amounts reported in prior quarters which have a material impact on the interim financial statements.



6. Debt and equity securities

During the quarter under review, there were no issuances and repayments of debt and equity securities.

For the current financial year-to-date, a total of 9,000 new ordinary shares of RM1.00 each (“Share”) pursuant to the Company’s Employees’ Share Option Scheme at an option price of RM1.38 per share were issued in the previous quarter.

Apart from the above, there were no other issuances and repayments of debt and equity securities for the financial year-to-date.

7. Dividends paid

During the financial year-to-date, the Company did not pay any dividend.

8. Segmental reporting for financial year-to-date

	Manufacturing	Trading	Property development	Quarry operation	Investment & mgt services	Eliminations /Adjustment	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
REVENUE							
External sales	122,010	2,023	5,933	266	423	-	130,655
Inter-segment sales	33	-	-	2,224	7,400	(9,657)	-
Total revenue	122,043	2,023	5,933	2,490	7,823	(9,657)	130,655
RESULTS							
Segment result	4,126	989	609	302	6,143	(6,907)	5,262
Investing results	-	-	-	-	(996)	-	(996)
Interest expense	(1,197)	(171)	-	-	(358)	-	(1,726)
Interest income	576	175	-	-	-	-	751
Income taxes	(1,542)	-	(140)	(45)	(1,763)	1,918	(1,572)
Minority interest	-	-	-	-	-	(139)	(139)
Net profit/(loss)	1,963	993	469	257	3,026	(5,128)	1,580
OTHER INFORMATION							
Segment assets	157,037	1,183	17,995	1,099	19,231	970	197,515
Segment liabilities	50,982	1,888	6,354	658	2,183	-	62,065
Depreciation	4,122	16	-	213	320	-	4,671
Non-cash expenses other than depreciation	891	-	-	-	500	(57)	1,334

No geographical analysis has been prepared as the Group’s business operations are predominantly located in Malaysia.

9. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the financial statements for the financial year ended 31 January 2005.

10. Subsequent events

No material events have arisen during the interval between the end of the current quarter and the date of this announcement which have not been reflected in the current quarterly report.

11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date except for the following:

The Company has acquired and subscribed 55% equity interest in a new subsidiary Company known as Polyflow (B) Sdn. Bhd. (“PBSB”). PBSB was incorporated under the Law of Brunei Darussalam with an authorised capital of Brunei Dollars (“B\$”) 250,000 divided into 250,000 registered shares of B\$1.00 each. The balance of 45% equity interest is taken up by Pahaytc Sdn. Bhd. (“Pahaytc”), a Company incorporated in Brunei Darussalam under the Law of Brunei Darussalam.

PBSB principal activity is manufacturing and production of high density polyethylene pipes for supply, sale and trade of the same in Brunei Darussalam.

12. Contingent liabilities and assets

There were no changes in contingent liabilities or assets since the last audited annual balance sheet as at 31 January 2005, except for the quarter under review where an additional corporate guarantee amounting to RM3.7 million was given by the Company to bankers for credit facilities granted to a subsidiary.

For the current financial year-to-date, an additional corporate guarantee amounting to RM5.7 million was given by the Company to bankers for credit facilities granted to subsidiaries while corporate guarantee of RM0.3 million was redeemed due to settlement of credit facilities by one of the subsidiaries.

	RM'000
As at 1 February 2005	86,600
Additional corporate guarantee	5,700
Redeemed corporate guarantee	(300)
As at 31 January 2006	<u>92,000</u>

In addition, one of the subsidiaries company, Quality Concrete Sdn. Bhd. (“QCSB”) was awarded a contract to construct a school which it later sub-contracted to another party with progress claims payable on a “back-to-back” basis. Following the delay in the completion of the project, there are potential liquidated ascertained damages (“LAD”) in the region of RM2 million which may be imposed by the external party. However, in the event the LAD charges are imposed on QCSB, the company will pass on the LAD claims (if any) to its sub-contractor based on the “back-to-back” agreements with its sub-contractor.


13. Capital commitments

	RM'000
Capital expenditure approved and contracted for	<u><u>227</u></u>

14. Review of performance of the Group

For the quarter under review, the Group recorded total revenue of RM36.7 million, representing an increase of RM1.7 million (4.9%) compared to that of the preceding quarter. The increase in revenue in the current quarter was contributed mainly from the timber and HDPE pipe manufacturing division.

Compared to the corresponding period of last financial year, the Group's revenue showed an increase of RM1.1 million from RM35.6 million. The improvement was contributed mainly from the HDPE pipe manufacturing division and partly from the property development and quarry divisions during the period under review.

15. Comment on material change in profit before taxation ("PBT")

The Group recorded PBT of RM2.3 million for the current quarter, an improvement of RM1.0 million compared to the preceding quarter. This is contributed by the higher revenue recorded from the timber and HDPE pipe manufacturing divisions.

Compared to the Group's PBT of RM0.8 million recorded in the same quarter of last financial year, there is an increase of RM1.5 million in PBT in the current quarter. This is mainly due to the higher profit margin recorded in the timber division during the period under review.

16. Current year prospects

The Group is optimistic that it will be able to perform better in the coming year amidst in a very challenging economic environment. The Group expects its property division to contribute better profit in year 2006 with the launching of several development projects. While manufacturing and timber divisions will continue to be the main profits contributors, the ready-mixed concrete division continues to experience escalating fuel cost and increasing raw materials prices. In view of the current challenging environment, the Board and management will continue to work hard to achieve greater efficiency and productivity through rationalisation of organisation structure and cost cutting exercises in order to achieve better results.

17. (a) Variance of actual profit from forecast profit

Not applicable as no profit forecast was published.

(b) Shortfall in the profit guarantee

There was no profit guarantee for the current year under review.


18. Taxation

	3 months ended 31/01/06 RM'000	Cumulative year-to-date 31/01/2006 RM'000
- Current period taxation	(1,096)	(1,799)
- Over provision of taxation	105	105
- Deferred taxation	122	122
	<u>(869)</u>	<u>(1,572)</u>

The Group's effective tax rate for the current quarter ended 31 January 2006 is higher than the statutory tax rate due to certain expenses which are not deductible for tax purposes.

The Group's effective tax rate for the year-to-date is higher than the statutory tax rate principally due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

19. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and properties for the quarter under review.

20. Quoted securities

- (a) Purchases and disposals of quoted securities during the current quarter and financial year-to-date were as follows:

	Current quarter RM'000	Current year-to-date RM'000
Total purchases	-	5,589
Total disposals	-	3,513
Total net loss on disposal	-	496

- (b) Total investments in quoted securities as at 31 January 2006 were as follows:

	RM'000
At cost	10,814
At carrying value/ book value	9,749
At market value	8,520

A provision for the diminution in the value of quoted share investment of RM0.5 million was provided for the financial year-to-date.


21. Status of corporate proposals announced but not completed

There were no corporate proposals which have been announced but not yet been completed as at the date of this announcement.

22. Group borrowings and debt securities

	As at 31/10/2006 Total RM'000
Unsecured:	
Bank overdrafts	3,728
Revolving credit	3,000
Bankers' acceptance	24,915
	<u>31,643</u>
Secured:	
Term loans	3,748
Bank overdrafts	4,510
	<u>8,258</u>
	<u>39,901</u>
Repayable within twelve months	37,104
Repayable after twelve months	2,797
	<u>39,901</u>

The above borrowings are denominated in Ringgit Malaysia.

23. Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

**24. Changes in material litigation**

As at the date of this announcement, there were no changes in all the existing material litigations of the Group except for an appeal against the High Court decisions to allow Classic Ceiling Manufacturer (M) Sdn. Bhd. (“the Defendant/Judgment Debtor”) to counterclaim losses suffered on a turnkey contract from Quality Concrete Holdings Berhad (“the Plaintiff/Judgment Creditor”) as disclosed in the Company’s Circular to Shareholders dated 14 June 2005 and as previously announced in the quarterly report dated 19 December 2005.

On 10 August 2005, the Court of Appeal allowed the Plaintiff’s appeal and at the same time dismissed the Defendant’s Cross-Appeal. The Plaintiff was awarded costs for the Appeal and Cross-Appeal as well as costs in respect of the High Court action. Following this, a garnishee application was filed by the Plaintiff and heard by the High Court, Kuching on 9 September 2005, a sum of RM414,690.00 was paid as part settlement of the Judgment sum RM784,870.20 awarded to the Plaintiff together with interest at the rate of 8% per annum on the said sum to be calculated from July 1998 until full and final settlement.

The Defendant being dissatisfied with the decision given by the Court of Appeal on 10 August 2005 has applied to the Federal Court for leave to appeal against the whole decision. On 7 September 2005, the solicitor for the Defendant has served an unsealed Notice of Motion on the Plaintiff’s solicitor.

On 18 November 2005, the Plaintiff’s solicitors filed an application by way of an Ex-Parte Summons In Chambers to the Court for an order to examine an Officer of the Judgment Debtor’s Company. The new hearing date is fixed on 23 May 2006.


25. Earnings per share

	Individual quarter ended	
	31/01/2006	31/01/2005
	'000	'000
Net profit for the period (RM)	<u>1,321</u>	<u>1,946</u>
Weighted average number of ordinary shares		
Issued and fully paid share capital at beginning of the financial period	57,962	57,885
Effect of shares issued during the 3 months period ended 31 January 2006 / 2005	-	53
Weighted average number of ordinary shares	<u>57,962</u>	<u>57,938</u>
Effect of ESOS share options	<u>2,422</u>	<u>1,918</u>
Weighted average number of ordinary shares (diluted)	<u>60,384</u>	<u>59,856</u>
Basic (sen)	2.28	3.36
Fully diluted (sen)	2.19	3.25
Cumulative year to date		
	31/01/2006	31/01/2005
	'000	'000
Net profit for the period (RM)	<u>1,580</u>	<u>4,295</u>
Weighted average number of ordinary shares		
Issued and fully paid share capital at beginning of the financial year	57,953	57,413
Effect of shares issued during the 12 months period ended 31 January 2006 / 2005	8	372
Weighted average number of ordinary shares	<u>57,961</u>	<u>57,785</u>
Effect of ESOS share options	<u>2,202</u>	<u>1,848</u>
Weighted average number of ordinary shares (diluted)	<u>60,163</u>	<u>59,633</u>
Basic (sen)	2.73	7.43
Fully diluted (sen)	2.63	7.20



26. Dividend payable

No dividends have been declared for the financial year-to-date.

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 March 2006.