

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 Standard (“FRS”) 134₂₀₀₄, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 January 2009. 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 January 2009.

2. Changes in Accounting Policies

The significant accounting policies adopted in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 January 2009 except for the adoption of the following Financial Reporting Standards (FRS), Amendment to FRS and IC Interpretations issued by MASB that is effective for the Group’s annual financial period commencing 1 February 2009.

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach to FRS 129 ₂₀₀₄ Financial Accounting in Hyperinflationary Economics
IC Interpretation 8	Scope of FRS 2

The adoption of the above FRSs, Amendments to FRS and IC Interpretation does not have any significant financial impact on the Group.

**2. Auditors' report on preceding annual financial statements**

The Group's audited financial statements for the financial year ended 31 January 2009 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 and current financial year-to-date, there were no issuances and repayment of debt and equity securities.

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

7. Dividends paid

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

8. Segmental reporting

	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	45,817	345	-	632	10	-	46,804
Inter-segment sales	69	11,063	-	1,079	-	(12,211)	-
Total revenue	45,886	11,408	-	1,711	10	(12,211)	46,804
RESULTS							
Segment result	1,386	77	(42)	108	(793)	39	775
Investing results	-	-	-	-	(709)	-	(709)
Interest expense	(611)	-	-	-	(128)	-	(739)
Income taxes	(283)	-	-	(27)	-	-	(310)
Net profit/(loss)	492	77	(42)	81	(1,630)	39	(983)
OTHER INFORMATION							
Segment assets	145,365	680	19,704	1,290	98,084	(70,336)	194,787
Segment liabilities	41,590	2,646	3,106	600	4,741	(757)	51,926
Depreciation	1,556	5	-	75	162	-	1,798
Non-cash expenses other than depreciation	-	-	-	-	-	-	-

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 2009.

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 under review.

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 2009.

	As At 31 July 2009 RM'000	As At 31 January 2009 RM'000
Corporate Guarantee	<u>29,512</u>	<u>27,894</u>

13. Capital commitments

There were no material capital commitments for the current quarter under review.

14. Review of performance of the Group

The Group's current quarter revenue has shown a slight increase of RM1.5 million or 7% compared to last quarter's result. Both ready mixed concrete and HDPE pipes divisions have seen their income increased by RM2.4 million and RM0.9 million respectively in this quarter. However the timber division continues to underperform with revenue dropped from RM5.6 million to RM4.0 million in this quarter due to lower demand.

The revenue to date for the Group stood at RM46.8 million which fall short of the RM56.6 million recorded in the corresponding period of last year mainly attributed by the significant drop in revenue of RM7.8 million by the timber division in the period under review.

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

The Group has registered a PBT of RM0.3 million after taken into account an investing loss arising from the disposal of quoted shares amounting to RM0.7 million in the current quarter. In the previous quarter, the Group has a LBT of RM1.0 million. The improvements in PBT was mainly due to higher profit recorded by both RMC and HDPE pipes division.

However, the Group's LBT for the six months period is at RM0.7 million whereas for the same corresponding period of last year, the Group has managed to register a PBT of RM1.5 million due to higher profit recorded by the RMC division.

16. Current year prospects

Barring any unforeseen circumstances, the management expects the Group to be able to achieve a favourable financial result in the coming financial year in view of the recovery shown in the local and global financial market.

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 31/07/2009 RM'000	Cumulative year-to-date 31/07/2009 RM'000
- Current period taxation	243	310
- Over/(Under) provision of taxation	-	-
- Deferred taxation	-	-
	<u>243</u>	<u>310</u>

The Group's effective tax rate for the current quarter ended 31 July 2009 and the current financial year-to-date is higher than the statutory tax rate of 25% due to losses from certain subsidiaries which cannot be set off against taxable profits from other subsidiaries, and certain expenses which are not deductible for tax purpose.

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	7,262	7,262
Total disposals	5,035	5,035
Total net (loss)/gain on disposal	(709)	(709)

- (b) Total investments in quoted securities as at 31 July 2009 were as follows:

	RM'000
At cost	15,499
At carrying value/book value	15,499
At market value	15,976

There was no provision for the diminution in the value of quoted share investment for the quarter under review.

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 31/07/2009 Total RM'000
Unsecured:	
Bank overdrafts	4,383
Revolving credit	1,000
Bankers' acceptance	21,579
	<u>26,962</u>
Secured:	
Term loans	380
Bank overdrafts	2,170
	<u>2,550</u>
	<u>29,512</u>
Repayable within twelve months	29,349
Repayable after twelve months	163
	<u>29,512</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 which were disclosed both in the Company's Circular to Shareholders dated 3 June 2009 and previously announced quarterly reports except for the date of the court hearing for Quality Concrete Holding Berhad's Ex-Parte Summons In Chambers for the order to examine an Officer of Classic Ceiling Manufacturer (M) Sdn. Bhd. (Civil suit no. 22-96-99-III (II)) which has been further adjourned from 21 July 2009 to 12 November 2009.

25. Earnings per share

	Individual quarter ended	
	31/07/2009	31/07/2008
	RM'000	RM'000
Net profit for the period	86	1,497
	<u>86</u>	<u>1,497</u>
Weighted average number of ordinary shares	Individual quarter ended	
	31/07/2009	31/07/2008
	'000	'000
Issued and fully paid share capital at beginning of the financial period	57,962	57,962
Effect of shares issued during the 3 months period ended 31 July 2009 / 2008	-	-
Weighted average number of ordinary shares	<u>57,962</u>	<u>57,962</u>
Effect of ESOS share options	-	-
Weighted average number of ordinary shares (diluted)	<u>57,962</u>	<u>57,962</u>
Basic (sen)	0.15	2.58
Fully diluted (sen)	0.15	2.58
	Cumulative year to date	
	31/07/2009	31/07/2008
	RM'000	RM'000
Net (loss)/profit for the period	(1,030)	836
	<u>(1,030)</u>	<u>836</u>
Weighted average number of ordinary shares	Cumulative year to date	
	31/07/2009	31/07/2008
	'000	'000
Issued and fully paid share capital at beginning of the financial year	57,962	57,962
Effect of shares issued during the 3 months period ended 31 July 2009 / 2008	-	-
Weighted average number of ordinary shares	<u>57,962</u>	<u>57,962</u>
Effect of ESOS share options	-	-
Weighted average number of ordinary shares (diluted)	<u>57,962</u>	<u>57,962</u>
Basic (sen)	(1.78)	1.44
Fully diluted (sen)	(1.78)	1.44



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 September 2009.