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") 134_{2004}, 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 2010. 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 2010.

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 2010 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 2010.

FRS 7	Financial instruments: Disclosure
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Cost
FRS 139	Financial instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 132	Financial Instruments: Presentation
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

Other than the adoption of FRS 8, FRS 101 and FRS 139, the application of the above FRSs, Amendments to FRSs and interpretations did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

(a) FRS 8: Operating Segments

The Group applied this standard from financial periods beginning on 1 February 2010. As this is a disclosure standard, there is no impact on the financial position or results of the Group. This new standard requires a 'management approach', under which segment information is presented on the same bases as that used for internal reporting purposes.

(b) FRS 101: Presentation of Financial Statements

The Group applies revised FRS101 (revised) which become effective as of 1 February 2010. As a result, income statements have been re-presented as statement of comprehensive income. All non-owner changes in equity that were presented in the statement of changes in equity are now in the statement of comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity. Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per ordinary share.

(c) FRS 139,Financial Instruments: Recognition and Measurement

FRS139 sets out principals for the recognition and measurement of financial instruments. A financial instrument is recognized in the statement of financial position when, and, only when, the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognized initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Subsequently measurement of these instruments at balance sheet date reflects the designation of the financial instruments. The adoption of FRS 139 has resulted in following changes to accounting policies:

Receivables

Prior to the adoption of FRS 139, receivables were initially recorded at their costs and subsequently stated at cost less allowance for doubtful debts. With the adoption of FRS 139, receivables that are financial assets are categorized as loans and receivables and are now recognized initially at their fair values and subsequently measured at amortised cost using the effective interest method.

Impairment of receivables

Prior to the adoption of FRS 139, an allowance for doubtful debts was made when a receivable is considered irrecoverable. With the adoption of FRS 139, an impairment loss for a receivable that is financial asset is recognized when there is objective evidence that an impairment loss has been incurred and is measured as the difference between the asset's carrying amount and the present value of estimated future cashflows discounted at the asset's original effective interest rate.

Payables

Prior to the adoption of FRS 139, payables were recorded at their costs. With the adoption of FRS 139, payables that are financial liabilities are now recognized initially at their fair values and subsequently measured at amortised cost using the effective interest method.

In accordance with the transitional provisions of FRS139 for the first time adoption, adjustments arising from remeasuring the financial instruments at the beginning of the financial period were recognized as adjustments of the opening balance of retained earnings as follows:

	Retained earnings
Group	**2010**
In thousand of RM	**RM'000**
As at 1 February, as previously stated	52,138
Effects on adopting FRS139:	1,892
As at1February,as restated	54,030

Comparatives are not adjusted. Consequently, the adoption of FRS139 does not affect the basic and diluted earnings per ordinary share for prior periods. The adoption of FRS139 does not have any significant impact on the earnings for the current financial year to date.

2. Auditors' report on preceding annual financial statements

The Group's audited financial statements for the financial year ended 31 January 2010 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

6 months ended 31 July 2010	Manufacturing RM '000	Trading RM '000	Property development RM '000	Quarry operation RM '000	Investment & mgt services RM '000	Eliminations /Adjustment RM '000	Total RM '000
REVENUE							
External sales	66,780	779	3,853	588	118	-	72,118
Inter-segment sales	-	12,575	-	628	-	(13,203)	-
Total revenue	66,780	13,354	3,853	1,216	118	(13,203)	72,118
RESULTS							
Segment result	3,818	85	135	38	(669)	-	3,407
Investing results	-	-	-	-	(91)	-	(91)
Interest expense	(836)	-	-	-	(128)	-	(964)
Income taxes	(346)	-	(34)	(10)	-	-	(390)
Net profit/(loss)	2,636	85	101	28	(888)	-	1,963

6 months ended 31 July 2009	Manufacturing RM '000	Trading RM '000	Property development RM '000	Quarry operation RM '000	Investment & mgt services RM '000	Eliminations /Adjustment RM '000	Total 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)
Share of associate results	-	-	-	-	-	-	-
Net profit/(loss)	492	77	(42)	81	(1,630)	39	(983)

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 2010.

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

	As At 31 July 2010 RM'000	As At 31 January 2010 RM'000
Corporate Guarantee	35,516	46,774

13. Capital commitments

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

14. Review of performance of the Group

Revenue was registered at RM72.1 million for the Group in the first half of the financial year which represents an increase of RM25.3 million or 54.1% compared to the corresponding period of last financial year. This was mainly due to more revenue generated from the RMC, HDPE pipes and timber products divisions as a result of strong economy recovery shown in current financial year.

The Group's revenue for the current quarter is at RM36.2 million compared to RM35.9 million recorded in the previous quarter while in the same quarter of last financial year, revenue was recorded at RM24.1 million.

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

The Group's PBT for the cumulative 6 months period stood at RM2.4 million which marked a significant improvement from the LBT of RM0.7 million recorded in previous year. Better profit was recorded from the HDPE pipes division as revenue increased coupled with lower production cost. The current quarter's PBT of RM2.2 million also compared favourably against the PBT of RM0.1 million in the preceeding quarter as the HDPE pipes and timber products division have shown higher profit margin.

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 overall improvement 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 31/07/2010 RM'000	**6 months ended 31/07/2010 RM'000**
- Current period taxation	366	390
- Over/(Under) provision of taxation	-	-
- Deferred taxation	-	-
	366	390

The Group's effective tax rate for the current quarter ended 31 July 2010 and the current financial year-to-date is lower than the statutory tax rate of 25% due to utilization of tax losses carried forward

19. Sales of unquoted investments and/or properties

During the quarter under review, the group has entered into an agreement to disposed its entire equity interest in Protoreka Perunding Sdn. Bhd., which is a dormant company. However, the sale is expected to complete in the following quarter.

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	1,461	2,303
Total disposals	13,025	14,573
Total net (loss)/gain on disposal	(84)	(91)

(b) Total investments in quoted securities as at 31 July 2010 were as follows:

	RM'000
At cost	2,631
At carrying value/book value	3,001
At market value	3,001

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 31/07/2010 Total RM'000
Unsecured:	
Bank overdrafts	1,703
Revolving credit	-
Bankers' acceptance	28,839
	30,542
Secured:	
Term loans	-
Bank overdrafts	4,974
	4,974
	35,516
Repayable within twelve months	35,516
Repayable after twelve months	-
	35,516

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 10 June 2010 and previously announced quarterly reports.

25. Earnings per share

	Individual quarter ended	
	31/07/2010	31/07/2009
	RM'000	RM'000
Net profit for the period	1,771	86

Weighted average number of ordinary shares	Individual quarter ended	
	31/07/2010	31/07/2009
	'000	'000
Issued and fully paid share capital at beginning of the financial period	57,962	57,962
Effect of shares issued during the 6 months period ended 31 July 2010 / 2009	-	-
Weighted average number of ordinary shares	57,962	57,962
Effect of ESOS share options	-	-
Weighted average number of ordinary shares (diluted)	57,962	57,962
Basic (sen)	3.06	0.15
Fully diluted (sen)	3.06	0.15

	Cumulative year to date	
	31/07/2010	31/07/2009
	RM'000	RM'000
Net profit/(loss) for the period	1,730	(1,030)

Weighted average number of ordinary shares	Cumulative year to date	
	31/07/2010	31/07/2009
	'000	'000
Issued and fully paid share capital at beginning of the financial year	57,962	57,962
Effect of shares issued during the 6 months period ended 31 July 2010 / 2009	-	-
Weighted average number of ordinary shares	57,962	57,962
Effect of ESOS share options	-	-
Weighted average number of ordinary shares (diluted)	57,962	57,962
Basic (sen)	2.98	(1.78)
Fully diluted (sen)	2.98	(1.78)

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 2010.