

1. Basis of Preparation

The Interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards (MFRS) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and should be read in conjunction with the financial statements of the Group for the year ended 30 November 2012.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework and MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards for the first time in these condensed interim financial statements. The transition to MFRS framework does not have any material financial impact to the financial statements of the Group.

2. Changes in Accounting Policies

The audited financial statements of the Group for the year ended 30 November 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 November 2012 except as follows:

- a. MFRS 1 provides the option to apply MFRS 3- Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- i. The classification of former business combinations under FRS is maintained;
- ii. There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- iii. The carrying amount of goodwill recognized under FRS is not adjusted.

- b. Property, plant and equipment

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116: Property, Plant and equipment, where there is no change to net assets.

- c. Foreign currency translation reserve

Under FRS, the Group recognized translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation

differences for all foreign operations are deemed to be nil as at date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM521,913 (30 November 2012: RM521,913) were adjusted to retained earnings.

The reconciliations of equity for comparative periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 December 2011

RM'000	FRS as at 01.12.2011	Reclassification	MFRS as at 01.12.2011
Equity			
Foreign currency translation reserve	(522)	522	-
Retained earnings	146,007	(522)	145,485

Reconciliation of equity as at 30 November 2012

RM'000	FRS as at 30.11.2012	Reclassification	MFRS as at 30.11.2012
Equity			
Foreign currency translation reserve	(853)	522	(331)
Retained earnings	159,979	(522)	159,457

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRS, Amendments to MFRS and IC Interpretations	Effective for annual periods beginning on or after
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosures of Interest in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits (as amended in June 2011)	1 January 2013
MFRS 127 Separate Financial Statements (as amended by IASB in May 2011)	1 January 2013
MFRS 128 Investment in Associates and Joint Ventures (as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income	1 January 2013
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2013

- 3. Auditors' Report on Preceding Annual Financial Statements**
The auditors' report on the financial statements of the Group for year ended 30 November 2012 were not qualified.
- 4. Seasonality or cyclical Factors**
The Group's operations were not materially affected by any seasonal or cyclical factors.
- 5. Unusual items due to their Nature, Size or Incidence**
There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence.
- 6. Material Changes in Estimates**
There were no material changes in estimates used in the preparation of the financial statements in the current financial period as compared with the previous financial period or previous year.
- 7. Issuance, cancellation, repurchases, resale and repayments of debts and equity securities**
There were no issuance, cancellation, repurchases, resale and repayments of debts and equity securities for the current financial year to date.
- 8. Dividend paid**
There was no dividend paid during the current financial quarter.
- 9. Segmental Reporting**
The Group is principally involved in the manufacture and supply of materials used in the construction and building based industries in Malaysia. Hence no segment information is provided.
- 10. Material Events Subsequent to the End of Period**
There were no material events subsequent to the period ended 31.05.2013.
- 11. Changes in Composition of the Group**
There were no changes in the composition of the Group during the financial quarter.
- 12. Capital Commitments**
There are no commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31.05.2013.
- 13. Changes in Contingent Liabilities or Contingent Assets**
There were no contingent liabilities/assets in respect of the Group since the last annual balance sheet date.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

14. Review of Performance

For the quarter under review, the Group achieved a turnover of RM100.131 million, which is 2% higher compared to preceding year corresponding quarter of RM97.665 million.

The increase was mainly due to the increase in demand for the Group's products.

15. Material changes in profit before taxation for the quarter against the immediate preceding quarter

The Group recorded a profit before tax of RM10.304 million for the current quarter compared to immediate preceding quarter of RM6.853 million. The increase was mainly due to increase in turnover of certain higher margin products.

The Group recorded a profit before tax of RM10.304 million for the current quarter compared to preceding year corresponding quarter of RM8.993 million. The increase was mainly due to increase in turnover.

16. Commentary on Prospects

The government's ETP continues to be a main factor in generating demands for the building materials sector, which will contribute positively to the Group's turnover. With its investment in Thailand, it should further enhance the Group's future expansion and growth prospects in both Thailand and Indochina.

17. Profit Forecast

Not applicable as the Company did not provide any profit forecast in public documents.

18. Profit before tax

Profit for the period is arrived after charging/(crediting):

	Current Quarter 31.05.2013 RM'000	Year to date 31.05.2013 RM'000
Interest income	(155)	(265)
Other income including investment income	(539)	(826)
Interest expense	177	384
Depreciation and amortization	1,981	3,928
Provision for and write off of receivables	7	163
Provision for and write off of inventories	-	-
(Gain)/Loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange (gain)/loss	(112)	(229)
(Gain)/loss on derivatives	-	-
Exceptional items	-	-

19. Taxation

The Taxation of the Group for the financial period under review is as follows:-

	Current Quarter Ended 31-05-2013 (RM'000)	Current Year Totale 31-05-2013 (RM'000)
Current Tax	1,880	3,535
Under/(over) provision of tax	<u>(156)</u>	<u>(156)</u>
	<u>1,724</u>	<u>3,379</u>
Effective tax rate	17%	20%
Statutory tax rate	25%	25%
Variance	8%	5%

The Effective Tax Rate is different from Statutory Tax Rate for current year to date due to the utilisation of capital allowances.

20. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at to date.

21. Borrowing and Debt Securities as at quarter ended 31-05-2013:-

	<u>Unsecured (RM)</u>	<u>Total (RM)</u>
Long term borrowing:	20,000,000	20,000,000
Short term borrowing:	12,597,000	12,597,000

22. Realised and Unrealised Profits

The breakdown of the retained profits of the Group into realized and unrealized profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31-05-2013 <u>RM</u>	As at 30-11-2012 <u>RM</u>
Total retained profits		
-Realised	250,184,227	240,132,018
-Unrealised	<u>(12,253,838)</u>	<u>(12,253,838)</u>
	237,930,389	227,878,180
Less: Consolidation adjustments	<u>(72,240,505)</u>	<u>(72,733,684)</u>
Retained profits as per financial statements	<u>165,689,884</u>	<u>155,144,496</u>

23. Changes In Material Litigation

The Group is not involved in any material litigation as at the date of this report.

24. Dividend

No dividend payment is recommended for the quarter ended 31-05-2013.

25. Earning per share

The basic earnings per share of 9.49 sen for the current quarter is calculated by dividing the Group's profit attributable to ordinary equity holders of the parent of RM6,570,000 by the number of 69,223,821 ordinary shares in issue.

By order of the Board
Chong Wui Koon (secretary)
Date : 24-07-2013