NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

This interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (ñMASBò) and paragraph 9.22 of the Bursa Malaysia Securities Berhad (ñBursa Securitiesò) Main Market Listing Requirements (ñMMLRò). The interim financial statements should be read in conjunction with the Groupøs audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements. 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 year ended 31 December 2012.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2012.

In the previous financial year, the Group has adopted the new IFRS-compliant framework, Malaysian Financial Reporting Standards (ñMFRSsò). The financial statements of the Group for the financial year ended 31 December 2012 are the first set of financial statements prepared in accordance with the MFRSs, including MFRS 1 óFirst-time adoption of MFRSsö.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2013 or later are provided in note 2 to the audited financial statements of the Group for the financial year ended 31 December 2012. The adoption of the new standards and amendments/annual improvements to existing standards did not have any significant impact to the Group during the current quarter and financial period to date.

2. Audit Report of Preceding Audited Financial Statements

The preceding yearøs annual audited financial statements were not subject to any qualifications from the auditors.

3. Seasonal or Cyclical Factors

The operations are subject to the cyclical nature of the property and construction industry especially in the commercial and hospitality segments.

4. Unusual items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that were material and unusual because of their nature, size or incidence in the current quarter.

5. Changes in estimates

There were no material changes in estimates of amount reported in prior interim periods or in previous financial years which have a material effect in the current quarter.

6. Debt and equity securities

There were no issuances, cancellation, repurchase, resale and repayments of debt and equity securities during the current quarter.

7. Dividends paid

There were no dividends paid during the current quarter.

Period ended 31 March 2013	**Turnover RM '000**	**Profit /(Loss) Before Taxation RM '000**	**Total Assets Employed RM '000**
Manufacture and export	7,427	269	21,553
Trading and retail	7,315	1,938	17,428
Interior fit-out	2,069	(254)	10,707
Investment holding	-	(531)	444
Others	-	(2)	1
Total before Group elimination	16,811	1,420	50,133
Inter segment elimination	(3,715)	-	-
After elimination	**13,096**	**1,420**	**50,133**

Period ended 31 March 2012	**Turnover RM '000**	**Profit /(Loss) Before Taxation RM '000**	**Total Assets Employed RM '000**
Manufacture and export	6,280	268	24,935
Trading and retail	3,515	980	8,263
Interior fit-out	4,455	(474)	8,432
Investment holding	-	(255)	559
Others	-	(38)	1
Total before Group elimination	14,250	481	42,190
Inter segment elimination	(2,816)	-	-
After elimination	**11,434**	**481**	**42,190**

9. Valuation of Property, Plant and Equipment

There were no changes in the valuation of the property, plant and equipment reported in the previous audited financial statements that will have an effect in the current financial quarter under review.

10. Material Events Subsequent to the Quarter End

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements of the interim period.

11. Changes in Group Composition

There were no changes in the composition of the Group for the financial quarter under review.

12. Changes in Contingent Liabilities

There were no changes in contingent liabilities or contingent assets as at the date of this announcement.

13. Related party transactions

There were no related party transactions for the financial quarter under review except for

(All figures in RMô000)	Current	Year-to-

	quarter	Date
	11	11
Sales to Lingkaran Naga Sdn Bhd	6	6
Sales to Permodalan Masteron Sdn Bhd	17	17
Sales to Pagoda Canggih Sdn Bhd	8	8

The above sales were made at publicly listed selling prices without any preferential discount.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. Review of Performance

Group turnover grew by 15% quarter on quarter contributed by higher sales from the manufacturing and trading operations. Turnover for the manufacturing operation expanded by 10% to RM3.8 m from RM3.5m a year ago underpinned by the 29% increase in casework sales. All Asia Pacific countries increased their orders except for Korea. The key markets Japan, Korea, Philippines, Thailand and Malaysia continue to contribute the bulk of the sales accounting for 93% of total sales for the quarter. Despite the improvement in turnover the divisionôs operating profit for the quarter was the same as the corresponding period last year due to lower margin and back charges. Turnover for the trading and retail division increased two folds to RM7.3m from RM3.5m previously on higher on higher sales of building materials and project secured for kitchen products. The kitchen operations registered the most significant improvement with a turnaround in operating profit to RM0.7m compared to a loss of RM0.2m for the same period last year as a result of the higher project turnover. The interior fit-out divisionôs turnover was down by 56% on lower progress billings during the quarter. Significantly, the division has secured a number of sizeable projects including the St Regis Hotel during the quarter, but these projects are slotted to be carried out only in the second half year. Despite the lower turnover, the division reduced it operating to RM0.3m from RM0.5m on higher margin and project management fee earned from other operating divisions. The group as a whole registered an almost two fold increase in operating profit to RM1.4m from RM0.5m for the same period a year ago principally from the higher turnover and margin from the trading and retail division.

15. Comparison with Preceding Quarter

Pre-tax profit for the quarter increased to RM1.4m from RM1.2m from RM1.2m in the preceding quarter due to one-time price readjustment to construction materials supplied that were applied retrospectively for the whole year in the preceding quarter. This had an adverse effect on the margin for that quarter.

16. Current Year Prospects.

After 2 years of phenomenal growth, the manufacturing division expects growth in caseworks sales to take a breather with lower export sales in 2013 with the possible exception of Thailand and Malaysia. The depreciation of the Yen against the US Dollar will have an adverse impact on costs for its Japanese customer. Turnover will also be adversely affected by the cessation of the supply of commercial shop fixtures for another US retail chain but this will have little impact on bottom line due to the high wastage and rework cost incurred in 2012. The implementation of the minimum wage will increase production cost although this will be mitigated somewhat by lower overtime from addition foreign workers recruited during the 2nd half of 2012. The prospect for 2013 will orders for new commercial fixtures from another US he outcome of new supply contract negotiation for

The trading operations is expected to continue to contribute positively to the Groupôs profit based on supply contracts secured for supply of building materials for the construction industry. The retail operations is expected to grow its turnover with the full year impact of the new Kitchen Plus retail outlet but this operation is not expected to make a positive contribution as the operations need to continue to augment its market presence and customer awareness with aggressive marketing and promotional campaigns in 2013. However income from the project sales is expected to make up the loss from the retail operations.

The interior fit-out division is expected to build on the solid performance in 2012 and achieve another record breaking turnover in 2013 based on contracts already secured and those in advanced negotiations. However most of these projects such as the St Regis Hotel will be completed in the 2nd half of the year and the first half year activity will be rather subdued. The prospect for the division will hinge on the ability to execute these projects successfully and manage costs effectively to improve margin yields. The prospect for the Kitchen Project operations will hinge on the success in securing contracts that are available in the second half year. Margin yields are expected to be lower and for the kitchen project operations, the increasing use of online tender bidding system has made the bid so much more competitive.

The Board is however reasonably confident that barring any unforeseen circumstances, the Group will be able to improve on the 2012 financial results in 2013.

17. Profit Forecast and Profit Guarantee

Not applicable.

18. Taxation

	Current Quarter RMô000	Year-to-date RMô000
Current year provision / (write-back)	-	-
Under/(over) provision in prior years	-	-
Deferred tax	-	-
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Total tax	-	-
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19. Status of corporate proposal

None

20. Group borrowings and debt securities as at end of reporting period

- **Group Borrowings :**

RM'000	**Short term**	**Long term**
Secured :		
Bank overdrafts	-	-
Bankers acceptances	700	-
Hire Purchase	135	694
Unsecured :		
Bank overdrafts	2,219	-
Bankersô acceptances	1,129	-
Revolving credit	90	-

	4,273	**694**

- **Debt Securities :**

Secured :	**Short term**	**Long term**
Redeemable Secured Loan Stocks	950	237
Interest accrued	14	-
Total debt securities	**964**	**237**

21. Off Balance Sheet Financial Instruments.

There were no off balance sheet financial instruments at the date of this report other than as follows:-

The Company has provided various financial guarantees to banks for the guarantee of credit facilities granted to its various subsidiaries. The Company has carried out an assessment of the probability and timing of default, the sufficiency of assets to meet the financial obligations at subsidiary level, assets pledged as security in respect of facility guaranteed in determining the necessity to fair value the financial guarantee in its books.

22. Changes in material litigation

There were no changes in material litigation during the interim period to-date except for

a) Forfeiture of the Terengganu land. ï The companyôs appeal was dismissed with cost

23. Dividend declared

No interim dividend has been declared for the period under review.

24. Basic/diluted earnings per share.

The basic earnings per share has been calculated based on the Groupôs profit attributable to shareholders of RM1,523,000 and the average number of shares in issue during the quarter of 82,695,900. The diluted earnings per share was calculated based on the average number of shares and warrants in issue during the quarter amounting to 114,267,328.

25. Realised and Unrealised Profits/(Losses)

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	31.3.2013 **RM '000**	**31.12.2012** **RM'000**
Total retained profits/(accumulated losses) of the Company and its subsidiaries:-		
- Realised profits/(Loss)	(19,751)	(21,271)
- Unrealised profits/(Loss)	2,589	2,585
Total Group retained profits/(accumulated losses) as per consolidated accounts	(17,162)	(18,686)

nd unrealised profits is based on the Guidance of 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* , issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

26. Additional notes to the Statement of Comprehensive Income

	Current Quarter	**Year- to-date**
	RM '000	**RM '000**
(Loss) / profit for the period / year is arrived at after charging / (crediting):		
Interest income	(2)	(2)
Other income		
Interest expenses	87	87
Depreciation and amortization	276	276
Provisions for and write off of		
- Receivables	-	-
- Inventories	-	-
(Gain)/Loss on disposal of		
- Property, plant and equipment	-	-
- Investments	-	-
Impairment of assets	(4)	(4)
Foreign exchange (gain)/loss	(56)	(56)

Other than the items highlighted above which have been included in the Statement of Profit or Loss and Other Comprehensive Income, there were no gain or loss on derivatives and exceptional items for the current quarter and period ended 31 March 2013.