NOTES

1. **Basis of preparation**

The interim financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain property, plant and equipment. The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 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 year ended 31 December 2009.

The interim financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000).

2. **Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSs and Interpretations which have effective dates as follows:

FRSs , Amendments to FRSs and Interpretations	**Effective for financial periods beginning on or after**
FRS 8: Operating Segments	1 July 2009
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 101: Presentation of Financial Statements	1 January 2010
FRS 123: Borrowing Costs	1 January 2010
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 127 : Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Share-based Payment- Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132: Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRSs 'Improvements to FRSs issued in 2009'	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 : FRS 2- Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12: Service Concession Agreements	1 January 2010
IC Interpretation 13 : Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 : FRS 119- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Tri-3: Presentation of Financial Statements of Islamic Financial Institutions	1 January 2010

NOTES (cont'd)

2. **Changes in accounting policies (cont'd)**

Other than the principal effects as discussed below, the adoption of the above FRSs, Amendments and Interpretations do not have significant financial impact on the Group's results.

(i) FRS 8: Operating Segment
FRS 8 requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on that used for internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(ii) FRS 101: Presentation of Financial Statements (revised)
The revised FRS 101 has introduced changes in terminology used, format and contents of financial statements. Amongst others, components of interim financial statements presented now consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements. This standard separates owner and non-owner changes in equity. Therefore, the statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognized in the income statement, together with all other items of recognized income and expense, either in one single statement, or in two linked statements. The revised FRS does not have any impact on the financial position and results of the Group.

(iii) FRS 139: Financial Instruments- Recognition and Measurement
FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. A financial asset or a financial liability shall be 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 asset or financial liability is recorded at fair value upon initial recognition plus, in the case of financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets
Subsequent to initial recognition, financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets or as derivatives designated as hedging instruments as appropriate. The Group's financial assets include trade and other receivables (exclude prepayments), cash and short term deposits which are categorized as loans and receivables. Prior to 1 January 2010, loans and receivables were stated at gross receivables less allowance for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. An impairment loss is recognized when there is objective evidence that an impairment loss has been incurred. The amount of loss is measured as the difference between receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate ("EIR"). Gains and losses arising from the derecognition of the loans and receivables, amortization process and impairment losses are recognized in the income statement.

NOTES (cont'd)

2. **Changes in accounting policies (cont'd)**

Financial liabilities
Subsequent to initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost or as derivatives designated as hedging instruments as appropriate. The Group's financial liabilities include borrowings, trade and other payables which are categorized as financial liabilities at amortised cost.

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

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

4. **Segmental information**

Results for 3 months ended 30 June 2010

	Manu-facturing RM'000	**Property trading RM'000**	**Const-ruction RM'000**	**Others RM'000**	**Consolidated RM'000**
Segment Revenue					
Total revenue including inter-segment sales	10,142	-	981	-	11,123
Less: Inter-segment sales	(702)	-	-	-	(702)
External revenue	9,440	-	981		10,421
Segment Results					
Results	(218)	(9)	62	(1)	(166)
Finance costs	(322)	-	-	-	(322)
Share of results of an associate	-	-	-	-	-
Profit before tax	(540)	(9)	62	(1)	(488)
Income tax expense	-	-	-	-	-
	(540)	(9)	62	(1)	(488)
Other information					
Interest income	4	-	-	-	4

4. **Segmental information (cont'd)**

Results for 3 months ended 30 June 2009

	Manu-facturing RM'000	Property trading RM'000	Const-ruction RM'000	Others RM'000	Consolidated RM'000
Segment Revenue					
Total revenue including inter-segment sales	9,755	1,556	-	-	11,311
Less: Inter-segment sales	-	-	-	-	-
External revenue	9,755	1,556	-	-	11,311
Segment Results					
Results	(397)	137	(105)	40	(325)
Finance costs	(473)	-	-	-	(473)
Share of results of an associate	-	-	-	-	-
Profit before tax	(870)	137	(105)	40	(798)
Income tax expense	-	-	-	-	-
Profit after tax	(870)	137	(105)	40	(798)
Other information					
Interest income	-	-	-	-	-

Results for 6 months ended 30 June 2010

	Manu-facturing RM'000	Property trading RM'000	Const-ruction RM'000	Others RM'000	Consolidated RM'000
Segment Revenue					
Total revenue including inter-segment sales	20,350	-	1,593	-	21,943
Less: Inter-segment sales	(1,148)	-	-	-	(1,148)
External revenue	19,202	-	1,593	-	20,795

NOTES (cont'd)

4. **Segmental information (cont'd)**

Segment Results

Results	51	(21)	64	(1)	93
Finance costs	(532)	-	-	-	(532)
Share of results of an associate	-	-	-	-	-
Profit before tax	(481)	(21)	64	(1)	(439)
Income tax expense	-	-	-	-	-
Profit after tax	(481)	(21)	64	(1)	(439)
Other information					
Interest income	4	-	-	-	4

Results for 6 months ended 30 June 2009

	Manu-facturing RM'000	**Property trading RM'000**	**Const-ruction RM'000**	**Others RM'000**	**Consolidated RM'000**
Segment Revenue					
Total revenue including inter-segment sales	16,852	6,258	-	-	23,110
Less: Inter-segment sales	-	-	-	-	-
External revenue	16,852	6,258	-	-	23,110

Segment Results

Results	(1,865)	563	(105)	(1)	(1,408)
Finance costs	(1,000)	-	-	-	(1,000)
Share of results of an associate	-	-	-	-	-
Profit before tax	(2,865)	563	(105)	(1)	(2,408)
Income tax expense	-	-	-	-	-
Profit after tax	(2,865)	563	(105)	(1)	(2,408)
Other information					
Interest income	-	-	-	-	-

5. **Unusual items due to their nature, size and incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2009 except as disclosed in Note 2.

NOTES (cont'd)

6. **Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

7. **Comments about seasonal or cyclical factors**

The business of the Group was not affected by any significant seasonal or cyclical factors.

8. **Dividend**

The Company did not declare or pay any dividend during the quarter and financial period ended 30 June 2010.

9. **Carrying amount of revalued assets**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2009.

10. **Investment in an associate**

	As At 30.06.2010 RM'000	**As At 31.12.2009 RM'000**
Unquoted shares, at cost	3,000	3,000
Share of post-acquisitions reserves	(12)	(12)
	2,988	2,988

Details of the associate are as follows:

Name of associate	**Country of incorporation**	**Principal activities**	**Proportion of ownership interest As at 30.06.2010 %**	**As at 31.12.2009 %**
Held through SCIB Properties Sdn. Bhd. :				
Influx Meridian Sdn. Bhd.	Malaysia	Property development	40%	40%

11. **Debt and equity securities**

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year-to-date.

As at 30 June 2010, 14,530,600 warrants are outstanding with exercise price of RM1.00 for one new ordinary share of RM1.00 each. The fair value of these warrant are expected to be nil as it is out of the money with exercise price that is more than the traded price in view that the warrants shall expire on 23 December 2010.

12. **Changes in composition of the Group**

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

NOTES (cont'd)

13. **Capital commitments**

	As At 30.06.2010 RM'000	As At 31.12.2009 RM'000
Capital expenditure not provided for in the financial statements:		
Authorised and contracted for	167	1,598
	======	======

14. **Contingent liabilities – Unsecured**

	As At 30.06.2010 RM'000	As At 31.12.2009 RM'000
Corporate guarantee given to bank/ third party for credit facilities granted to a subsidiary	24,350	14,350
	======	======

15. **Subsequent event**

There were no material events subsequent to the end of the current quarter.

16. **Performance review**

The Group recorded revenue of RM20.8 million in the first half of year 2010 out of which approximately 92% was contributed by the manufacturing division. Revenue from the manufacturing division has increased by 14% as compared to revenue posted in the first half of year 2009 which was driven by the higher sales volume for its foundation piles despite the challenging business environment. Higher revenue registered in the first half of last year was attributed to sales of 17 apartment units at Santubong Suites by its properties division which contributed RM6.26 million to the last year's group revenue. However, there has been no contribution from the properties division for the current quarter under review.

The Group registered a net loss of RM439,000 in the first half of 2010 as compared to net loss of RM2.408 million in the first half of 2009. This was mainly due to improvement in the contribution margins from the sales of traditional concrete products. Low contribution margin reported in the corresponding quarter last year was caused by the properties division as most of the apartment units at Santubong Suites were sold at lower selling prices in view of slowdown in the property market. Besides, the finance cost has decreased by 47% as compared to the corresponding quarter of 2009 associated with the substantial settlement of the Group's borrowings.

17. **Variation of results against preceding quarter**

The Group registered a net loss of RM488,000 from a revenue of RM10.42 million for the current quarter as compared to a net profit of RM49,000 from a revenue of RM10.37 million in the preceding quarter.

NOTES (cont'd)

18. **Current year prospects**

The board of directors expects better performance in view of government infrastructure projects being implemented in the remaining part of the year.

19. **(a) Variance of actual profit from forecast profit**
Not applicable

(b) Shortfall in the profit guarantee
Not applicable

20. **Income tax expense**

	3 months ended		6 months ended	
	30.06.2010 RM'000	**30.06.2009 RM'000**	**30.06.2010 RM'000**	**30.06.2009 RM'000**
Current tax	-	-	-	-
(Over)/underprovision of tax in prior year	-	-	-	-
	-	-	-	-
Deferred tax	-	-	-	-
Total income tax expense	-	-	-	-

21. **Sales of unquoted investments and properties**

There were no sales of unquoted investments and properties for the current quarter and financial period ended 30 June 2010.

22. **Quoted securities**

a) Purchases and disposals of quoted securities
There were no purchases or disposals of quoted securities for the current quarter and financial period ended 30 June 2010.

b) Investment in quoted securities
There were no investments in quoted shares as at the reporting period.

23. **Corporate Proposals**

Status of corporate proposal announced

The Internal Group Rationalisation exercise has been completed except for the legal transfer of the land and buildings which are still in progress.

NOTES (cont'd)

24. **Borrowings**

	As at 30.06.2010 RM'000	As at 31.12.2009 RM'000
Short term borrowings		
Secured	3,242	1,135
Unsecured	42	140
	3,284	1,275
Long term borrowings		
Secured	13,768	5,644
	17,052	6,919

All of the above borrowings are denominated in Ringgit Malaysia.

25. **Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at the date of this announcement.

26. **Derivatives financial instruments**

There were no outstanding derivatives as at the end of the reporting period.

27. **Material litigation**

- On 6 November 2003, the Company announced that it had entered into a Conditional Sale Share Agreement ("SSA") to acquire the entire issued and paid-up capital of Eurologic Sdn Bhd. Eurologic Sdn Bhd has 65% interest in N S Water Konsortium Sdn Bhd ("**Konsortium**"), the water concession company which has been granted the exclusive rights and responsibilities to undertake the privatisation of water supply in the State of Negeri Sembilan upon the terms and conditions to be agreed upon between the State Government of Negeri Sembilan and the Konsortium.

  On 16 January 2008, the Company through its solicitor had demanded refund of all monies paid under the SSA amounting RM5.8 million as the vendors failed to fulfill the conditions precedent. On 21 January 2008, the Company received Letter of Settlement from Tiara Senja Sdn Bhd. On 14 March 2008, the Writ of Summons was filed and served on Alcovest Connection Sdn Bhd and Orionsun Gains Sdn Bhd. The RM5.8 million paid has been fully provided as doubtful debts in 2007.

- A claim by the Konsortium and two individuals ("**the Plaintiffs**") was filed against the Company, Zecon Bhd. and a director of the Company for breach of fiduciary duties, breach of confidential information and for committing tort of conspiracy, whereby causing injury to the Plaintiffs. The Plantiffs claimed that certain contract works relating to the Privatisation project in Negeri Sembilan has been obtained by Zecon Bhd via Zecon Bhd's access to confidential information obtained from the Company in view of a director's relationship with Zecon Bhd and intended acquisition of Eurologic Sdn. Bhd as mentioned above. The directors are of the opinion that no provision is required as the Company is not directly a party to the claim.

NOTES (cont'd)

28. **Dividend payable**

No interim ordinary dividend has been declared for the financial period ended 30 June 2010 (31 December 2009: Nil).

29. **Basic loss per share**

	3 months ended		6 months ended	
	30.06.2010 RM'000	**30.06.2009 RM'000**	**30.06.2010 RM'000**	**30.06.2009 RM'000**
Loss attributable to ordinary equity holders of the Company	(488)	(798)	(439)	(2,408)

	3 months ended		6 months ended	
	30.06.2010	**30.06.2009**	**30.06.2010**	**30.06.2009**
Weighted average number of ordinary shares in issue	73,577,500	73,577,500	73,577,500	73,577,500

	3 months ended		6 months ended	
	30.06.2010 Sen	**30.06.2009 Sen**	**30.06.2010 Sen**	**30.06.2009 Sen**
Basic and diluted loss per share for loss for the period	(0.66)	(1.08)	(0.60)	(3.27)

30. **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 2 August 2010 .