

A1) Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

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

In the current period, the Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of the authorization of these financial statements but are not yet effective for the Group:

- (i) FRS issued and effective for the financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a “management approach”, under which segment information is presented on the same basic as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

- (ii) FRSs issued and effective for the financial periods beginning on or after 1 January 2010:

FRS 4 Insurance Contracts
FRS 7 Financial Instruments: Disclosures
FRS 123 Borrowing Costs
FRS 139 Financial Instruments: Recognition and Measurement

The Group considers financial guarantee contracts entered to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemption given in these standards.

The possible impact of FRS 123 on the financial statements upon its initial application is not disclosed as the existing accounting policies of the Group are consistent with the requirements under the new standard.

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- (iii) Amendments issued and effective for the financial periods beginning on or after 1 January 2010:

Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Vesting Conditions and Cancellations

The above amendments are not relevant to the Group's operations.

- (iv) IC Interpretations issued and effective for the financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC Interpretations are not relevant to the Group's operations except for IC Interpretation 10.

IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2009 was unqualified.

A3) Seasonality or Cyclicity of Operations

There was no seasonal factor directly affecting the operations of the Group, except for economic cyclical factors which will have an impact on the property and construction sectors.

A4) Unusual Events

There was no unusual event recorded during the financial period under review.

A5) Changes in Estimates

There was no change in estimates since the financial year ended 31 March 2009.

A6) Issuance and Repayment of Debt and Equity Securities

There were no issues or repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period under review.

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A7) Dividend Paid

There was no dividend paid during the financial period under review.

A8) Segmental Reporting

Business Segments:-

	Turnover RM'000	Profit Before Tax RM'000	Assets Employed RM'000
Construction	20,220	1,338	98,914
Property Development	22,082	1,960	301,930
Manufacturing and Trading	140	47	2,434
Investment	2,659	2,348	346,467
Less : Inter-segment	(22,879)	(1,928)	(432,987)
Group	<u>22,222</u>	<u>3,765</u>	<u>316,758</u>

A9) Valuation of Property, Plant and Equipment

The Group's landed properties are stated at cost. There is no policy of regular revaluation of its landed properties as at the end of the financial period under review.

A10) Material Subsequent Events

There was no material event subsequent to the end of the financial period under review.

A11) Changes in Corporate Structure

On 9th June 2009, SBC Corporation Berhad ("SBC") had acquired 8,000 ordinary shares of RM1 each representing 80% of the issued and paid-up capital of Armada Bayumas Sdn.Bhd. for a total cash consideration of RM8,000.

A12) Contingent Liabilities / Assets

There were no contingent liabilities for the Group as at the date of this announcement.

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B1) Performance Review

The Group revenue recorded RM22.22 million for the period ended 30 June 2009 compared to the corresponding period of the preceding year of RM27.06 million, a reduction of RM4.84 million due to the completion of the construction work for the International Islamic University Malaysia Project in the preceding year. However, the profit after taxation (“PAT”) was higher compared to the preceding corresponding period partly contributed by the recovery of bad debt from the litigation as stated under Note B11 and the reduction in operation expenses and finance cost.

B2) Comparatives Results with the Preceding Quarter

The current quarter recorded a revenue of RM22.22 million against RM16.20 million for the preceding quarter, an increase of RM6.02 million. The higher PAT for the current quarter was partly contributed by the recovery of bad debt from the litigation as stated under Note B11 compared to the preceding quarter after the reversal of the unrealized profit for in-house construction activities.

B3) Business Prospects

In view of the on-going progress of the existing projects such as The Peak Vista, Kota Kinabalu and PJX in Petaling Jaya, the Board of Directors expects the financial results for the year ending 31st March 2010 to be satisfactory.

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current year Quarter ended 30.06.2009 RM'000	Preceding year Corresponding Quarter ended 30.06.2008 RM'000	Current year To date 30.06.2009 RM'000	Preceding year Corresponding Period 30.06.2008 RM'000
Current taxation	963	566	963	566
	<u>963</u>	<u>566</u>	<u>963</u>	<u>566</u>

The effective tax rate is very much higher than the statutory tax rate of 25% largely attributed to certain expenses being disallowed for taxation purposes for the financial period under review.

B6) Sale of Unquoted Investments and / or Properties

There was no profit on sale of properties outside the ordinary course of the Group’s business for the financial period under review.

B7) Purchase or Disposal of Quoted Securities

There was no purchase and sale of quoted securities by the Group for the financial period under review.

B8) Status of Corporate Proposals

On 11th August 2009, the Company announced that it proposes to undertake and seek a mandate from the shareholders of the Company for the purchase of its own ordinary shares on Bursa Malaysia Securities Berhad of not more than ten percent (10%) of the issued and paid-up share capital of the Company (“Proposed Share Buy-Back”).

The Proposed Share Buy-Back is subject to and conditional upon the approval of the shareholders of the Company at the Annual General Meeting to be convened on 16th September 2009.

B9) Group Borrowings and Debt Securities

Group Borrowings

	Group 30 June 2009 RM'000	Group 31 March 2009 RM'000
Short Term (Unsecured)	18,966	20,369
Short Term (Secured)	18,795	20,011
Long Term (Secured)	34,990	26,291
	72,751	66,671

B10) Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk for the financial period under review.

B11) Material Litigation

Save as disclosed below, the Company and / or its subsidiaries were not engaged in any material litigation either as plaintiff or defendant and the Directors of the Company are not aware of any proceedings pending or threatening against the Company and / or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company and / or its subsidiaries.

SBC Corporation Berhad (“SBC”)

On 31 December 1997, SBC filed a civil suit against Henry Sum Agong and Awang Karim bin Awang Saman for the recovery of the deposit sum of RM2.13 million paid to the defendants on a share sale agreement entered on 27 November 1996 for the acquisition of the entire equity interest comprising 10,000 shares of RM1.00 each in Perfect Landmark Sdn Bhd for a cash consideration of RM8,330,231, which has since been terminated due to non-fulfilment of conditions precedent by the vendors. SBC has obtained a judgement in default of appearance against the first and second defendants. The said solicitors have also applied to have the Writ of Summons served on the third defendant, Gor Kaya @ Michael Lisa Kaya by way of substituted services. The Kuala Lumpur High Court has ruled that the defendants repay to SBC the sum of RM2.13 million with interest accrued to be calculated at a rate of 10% per annum until full settlement.

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The Bankruptcy Notice (“BN”) has been served on Gor Kaya @ Michael Lisa Kaya, by the solicitors representing SBC on 27 May 2000. The Company’s solicitors have then proceeded with the Creditor’s Petition (“CP”) and filed a Proof of Debt against him on 2 August 2001.

As for Henry Sum Agong and Awang Karim Bin Awang Saman, our solicitors has obtained Order for Substituted Service against these two defendants, and the defendants have until 19 August 2000 to accept service of the said BN, failing which the Substituted Service will be served by way of Advertisement in the local and national newspapers.

The BN has eventually been served on Henry Sum Agong on 25 August 2000 and in view of the fact that Henry Sum Agong is not challenging the BN, our solicitors have filed a CP on 24 February 2001 and the hearing of the CP has been fixed on 17 July 2001. Whereas for Awang Karim Bin Awang Saman, our solicitors have obtained Order in term of extension in servicing the BN and have served the BN by personal service in Lawas and Affidavit of Service on 13 October 2000.

Hearing of CP against Henry Sum Agong was first adjourned from 17 July 2001 to 30 October 2001. At the hearing at the Limbang Court on 30 October 2001, it was then adjourned to 9 April 2002. However, at the hearing on 9 April 2002, the Court granted a 3rd and final adjournment to 9 July 2002 on the ground that the defendant is proposing settlement to the Company.

At the hearing on 9 July 2002, the Honourable Court has refused to grant any further adjournment upon application by the defendant’s advocate based on the ground that the proposed settlement by the defendant to the Company is still on-going. Under these circumstances, our solicitors have applied to withdraw the said CP with liberty to file afresh. On 19 July 2002, a fresh BN claiming RM3,322,195.32 inclusive of interest and costs has been filed against Henry Sum Agong, pending finalisation of the proposed settlement by the defendant.

Following the filing of the fresh BN against Henry Sum Agong, our solicitors are making attempts to personally serve the BN on the aforesaid defendant. On 10 March 2004, the Company via its solicitors has filed the Notice of Discontinuance in respect of the Bankruptcy proceedings against Henry Sum Agong, based on the ground that the defendant will be settling the outstanding debts out of court.

On 26 June 2009, the Company has reached out an out-of –court settlement by entering into a Debt Settlement Agreement (“Settlement Agreement”) with Henry Sum Agong and Awang Karim Bin Awang Saman (“Defendants”).

Pursuant to the Settlement Agreement, the Company agrees to accept a payment of RM2,500,000 by the Defendants towards settlement in full of the judgment obtained by the Company against the Defendants in November 1998 for RM2,130,000 together with interest thereon.

Upon receipt and subsequent clearance of all the payments, the Company will release the Defendants from any further claim or liability and the Company shall discontinue all execution (including bankruptcy) proceedings whatsoever against the Defendants.

On 21st August 2009, the Company has received the full payments totaling RM2,500,000 from the Defendants.

Consequently, the Company will release the Defendants from any further liability and will discontinue all execution proceedings against the Defendants.

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B12) Dividend

Not applicable.

B13) Earnings per ordinary share

Basic earnings per share (“EPS”) is derived by dividing the profit after taxation attributable to shareholders by weighted average number of 82,435,000 (1st quarter 2009 – 82,435,000) ordinary shares of the Company in issue during the financial period under review.

The computation of diluted EPS in respect of the financial period under review is not applicable.