

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	As at 30/06/2010 RM'000	(Audited) As at 31/12/2009 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment		859	966
Intangible assets		564	557
Investments in associated companies		-	141,443
Investments securities		161,776	59,638
		<b>163,199</b>	<b>202,604</b>
<b>Current assets</b>			
Investment securities		29,227	-
Derivative financial assets		13,337	-
Other investments		-	6,987
Trade, other receivables, deposit and prepayments		454	500
Tax recoverable		2,154	2,245
Amount due from former related companies		-	3,129
Amount due from associated companies		-	97
Cash, bank balances and deposits		20,503	15,892
		<b>65,675</b>	<b>28,850</b>
<b>TOTAL ASSETS</b>		<b>228,874</b>	<b>231,454</b>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Deferred tax liabilities		6,601	-
<b>Current liabilities</b>			
Deferred income		66	77
Other payables and accruals		465	817
Borrowings	B10	29,000	29,000
		<b>29,531</b>	<b>29,894</b>
<b>Total liabilities</b>		<b>36,132</b>	<b>29,894</b>
<b>EQUITY</b>			
Share capital		146,808	150,000
Treasury shares, at cost	A5(b)	(1)	(2,725)
		<b>146,807</b>	<b>147,275</b>
Reserves		39,551	46,618
Issued share capital and reserves attributable to owners of the Company		<b>186,358</b>	<b>193,893</b>
Minority interests		6,384	7,667
<b>Total equity</b>		<b>192,742</b>	<b>201,560</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>228,874</b>	<b>231,454</b>
Net Assets per share (RM) attributable to owners of the Company		<b>1.27</b>	<b>1.32</b>

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**  
**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Current quarter ended <b>30/06/2010</b>	Comparative quarter ended 30/06/2009	Current year to date ended <b>30/06/2010</b>	Preceding year to date ended 30/06/2009
Note	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>2,855</b>	1,855	<b>8,603</b>	3,282
Other income	<b>4</b>	30	<b>25</b>	45
Net fair value loss on financial instruments	<b>(21,076)</b>	-	<b>(16,279)</b>	-
Reversal of impairment loss	-	4,843	-	4,843
Administrative expenses	<b>(1,902)</b>	(4,723)	<b>(3,605)</b>	(5,918)
Finance cost	<b>(276)</b>	(173)	<b>(527)</b>	(265)
Share of losses after tax of associated companies	-	(4,431)	-	(8,932)
<b>Loss before tax</b>	<b>(20,395)</b>	(2,599)	<b>(11,783)</b>	(6,945)
Tax income / (expense)	<b>3,188</b>	(90)	<b>6,613</b>	(102)
<b>Loss after tax for the period</b>	<b>(17,207)</b>	(2,689)	<b>(5,170)</b>	(7,047)
(Loss) / Profit attributable to:				
Owners of the Company	<b>(17,521)</b>	(3,032)	<b>(5,899)</b>	(7,756)
Minority interests	<b>314</b>	343	<b>729</b>	709
	<b>(17,207)</b>	(2,689)	<b>(5,170)</b>	(7,047)
<b>Loss per share attributable to owners of the Company (sen):</b>				
Basic and Diluted	<b>(11.93)</b>	(2.07)	<b>(3.95)</b>	(5.28)

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Current quarter ended 30/06/2010</b>	<b>Comparative quarter ended 30/06/2009</b>	<b>Current year to date ended 30/06/2010</b>	<b>Preceding year to date ended 30/06/2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Loss after tax for the period</b>	<b>(17,207)</b>	<b>(2,689)</b>	<b>(5,170)</b>	<b>(7,047)</b>
<b>Other comprehensive loss</b>				
Share of associated companies' other comprehensive income	-	(341)	-	1,086
<b>Other comprehensive loss for the period, net of tax</b>	<b>-</b>	<b>(341)</b>	<b>-</b>	<b>1,086</b>
<b>Total comprehensive loss for the period, net of tax</b>	<b>(17,207)</b>	<b>(3,030)</b>	<b>(5,170)</b>	<b>(5,961)</b>
Total comprehensive loss / (income) attributable to:				
Owners of the Company	(17,521)	(3,373)	(5,899)	(6,670)
Minority interests	314	343	729	709
	<b>(17,207)</b>	<b>(3,030)</b>	<b>(5,170)</b>	<b>(5,961)</b>

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to owners of the Company							Minority interests	Total equity	
	Share capital	Treasury shares	Share premium	Capital redemption reserve	Equity compensation reserve	Other reserves	(Accumulated losses) / Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>As at 1.1.2010</b>										
As previously reported	150,000	(2,725)	104,396	-	423	50,725	(108,926)	193,893	7,667	201,560
Adoption of FRS 139	-	-	-	-	-	(50,725)	49,263	(1,462)	36	(1,426)
As restated	150,000	(2,725)	104,396	-	423	-	(59,663)	192,431	7,703	200,134
Total comprehensive income	-	-	-	-	-	-	(5,899)	(5,899)	729	(5,170)
Cancellation of treasury shares:										
- Issued capital diminished transfer to capital redemption reserve	(3,192)	-	-	3,192	-	-	-	-	-	-
- Cost of treasury shares cancelled by utilised share premium	-	2,725	(2,725)	-	-	-	-	-	-	-
Dividends paid to minority interest	-	-	-	-	-	-	-	-	(2,048)	(2,048)
Rights issue expenses	-	-	(173)	-	-	-	-	(173)	-	(173)
Share buybacks by the Company	-	(1)	-	-	-	-	-	(1)	-	(1)
Total transactions	(3,192)	2,724	(2,898)	3,192	-	-	-	(174)	(2,048)	(2,222)
<b>As at 30.6.2010</b>	<b>146,808</b>	<b>(1)</b>	<b>101,498</b>	<b>3,192</b>	<b>423</b>	<b>-</b>	<b>(65,562)</b>	<b>186,358</b>	<b>6,384</b>	<b>192,742</b>
As at 1.1.2009	150,000	(2,724)	104,396	-	423	50,364	4,528	306,987	5,985	312,972
Total comprehensive income	-	-	-	-	-	1,086	(7,756)	(6,670)	709	(5,961)
Share buybacks	-	(1)	-	-	-	-	-	(1)	-	(1)
As at 30.6.2009	150,000	(2,725)	104,396	-	423	51,450	(3,228)	300,316	6,694	307,010

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Current year to date ended 30/06/2010 RM'000</b>	<b>Preceding year to date ended 30/06/2009 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(11,783)	(6,945)
Adjustments for non-cash items	<b>12,638</b>	7,137
Operating profit before changes in working capital	<b>855</b>	192
Changes in working capital:		
Net changes in current assets	<b>6,360</b>	(14,489)
Net changes in current liabilities	<b>(371)</b>	(652)
Net cash generated from operations	<b>6,844</b>	(14,949)
Interest received	<b>400</b>	254
Income tax refund	<b>107</b>	1,119
Income tax paid	<b>(71)</b>	-
Net cash generated from/(used in) operating activities	<b>7,280</b>	(13,576)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	<b>19</b>	3
Proceed from disposals of interests in associated companies	-	3,332
Purchase of equipment	<b>(11)</b>	(178)
Purchase of software licences	<b>(10)</b>	-
Net cash (used in)/from investing activities	<b>(2)</b>	3,157
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	<b>(541)</b>	(270)
Acquisition of treasury shares	<b>(1)</b>	(1)
Drawdown of revolving credits	-	19,000
Rights issue expenses	<b>(174)</b>	-
Dividend paid to minority interest	<b>(2,047)</b>	-
Net cash (used in)/from financing activities	<b>(2,763)</b>	18,729
<b>Net increase in cash and cash equivalents</b>	<b>4,515</b>	8,310
Effect of exchange rate changes	<b>96</b>	(573)
<b>Cash and cash equivalents at beginning of period</b>	<b>15,892</b>	39,361
<b>Cash and cash equivalents at end of period</b>	<b>20,503</b>	47,098
Cash and cash equivalents at end of period comprised:		
Cash and bank balances	<b>700</b>	803
Deposit with licensed banks and investment banks within one month	<b>19,803</b>	46,295
	<b>20,503</b>	47,098

(The accompanying explanatory notes form an integral part of and should be read in conjunction with this quarterly report).

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010****PART A - Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB")****A1. Basis of preparation**

The quarterly report has been prepared in accordance with the requirements of FRS 134 issued by the MASB. The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009 and the accompanying explanatory notes. These explanatory notes 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 significant accounting policies and methods of computation adopted by the Group in this quarterly report are consistent with those of the annual financial statements for the year ended 31 December 2009 except for the adoption of the following FRSs, amendments to FRSs and Issues Committee ("IC") Interpretations, which effective for annual periods beginning on and after:

**1 July 2009**

FRS 8    Operating Segments

**1 January 2010**

FRS 4    Insurance Contracts

FRS 7    Financial Instruments: Disclosures

FRS 101                                        Presentation of Financial Statements

FRS 123                                        Borrowing Costs

FRS 139                                        Financial Instruments: Recognition and Measurement

Amendments to FRS 1                      First-time Adoption of Financial Reporting Standards

Amendments to FRS 2                      Share-based Payment: Vesting Conditions and Cancellations

Amendments to FRS 5                      Non-current Assets Held for Sale and Discontinued operations

Amendments to FRS 7                      Financial Instruments: Disclosures

Amendments to FRS 8                      Operating Segments

Amendments to FRS 107                    Statements of Cash Flows

Amendments to FRS 108                    Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to FRS 110                    Events After the Reporting Period

Amendments to FRS 116                    Property, Plant and Equipment

Amendments to FRS 117                    Leases

Amendments to FRS 118                    Revenue

Amendments to FRS 119                    Employee Benefits

Amendments to FRS 120                    Accounting for Government Grants and Disclosure of Government Assistance

Amendments to FRS 123                    Borrowing Costs

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010****A1. Basis of preparation (Cont'd)****1 January 2010 (Cont'd)**

Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 132	Financial Instruments: Presentation - paragraphs 95A, 97AA and 97AB
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property
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

FRS 4, Amendments to FRS 120, 123 and FRS 129 and IC Interpretations 13 and 14 are not applicable to the Group. The adoption of amendments to FRSs and IC Interpretations did not have any significant effect on the financial performance or position of the Group. The adoption of FRSs is discussed below:

- (a) FRS 8 : Operating Segments – FRS 8 requires a retrospective disclosure of information about the Group’s operating segments and replaced the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The Group concluded that the operating segments determined in accordance with FRS 8 are the same as the business segments previously adopted per FRS 114 Segment Reporting. Adoption of FRS 8 did not have any effect on the financial position or performance of the Group.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**A1. Basis of preparation (Cont'd)**

- (b) FRS 7 : Financial Instruments: Disclosures – FRS 7 requires a retrospective disclosures in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed during the period and at the reporting date, and how the entity manages those risks. The principles in this FRS complement the principles for recognising, measuring and presenting financial assets and financial liabilities in FRS 132 Financial Instruments: Presentation and FRS 139 Financial Instruments: Recognition and Measurement.

FRS 7 requires disclosures on the significance of financial instruments for financial position (i.e. Categories of financial assets and financial liabilities, Financial assets or financial liabilities at fair value through profit or loss, Reclassification, Derecognition, Collateral, Allowance account for credit losses, Compound financial instruments with multiple embedded derivatives and Defaults and breaches); performance (i.e. Items of income, expense, gains or losses); and other disclosures (i.e. Accounting policies, Hedge accounting and Fair value).

FRS 7 also requires disclosures on the risks that arise from financial instruments and how they have been managed. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk. The adoption of FRS 7 did not impact the financial position or results of the Group.

- (c) FRS 101 : Presentation of Financial Statements – FRS 101 requires the Group to present all owner changes in equity and all non-owner changes be presented in either in one statement of comprehensive income or in two separate statements of income and comprehensive income. FRS 101 also requires that the income tax effect of each component of comprehensive income be disclosed. FRS 101 requires retrospective restatement of comparative statement of financial position as at the beginning of the earliest comparative period.

The Group has adopted to present the comprehensive income in two separate statements of income and comprehensive income where the individual components of comprehensive income and the related tax effects have been disclosed therein. The Group has not provided a restated comparative set of financial position for the earliest comparative period, as it has not adopted any new accounting policies retrospectively, or has made a retrospective restatement, or retrospectively reclassified items in the financial statements. The adoption of FRS 101 did not impact the financial position or results of the Group as the changes introduced are presentational in nature.



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**A1. Basis of preparation (Cont'd)**

- (d) FRS 139 : Financial Instruments: Recognition and Measurement – FRS 139 establishes the principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The adoption of FRS 139 has resulted in change in accounting policies. Retrospective application of FRS 139 is not permitted and financial effects for the current year are shown in financial statements and prior year effects are reflected as restatement of opening reserves as disclosed in statement of changes in equity for the current year to date.

**Equity instruments**

Prior to 1 January 2010, investments in equity instruments which the Group has significant influence but not control, over the financial and operating policies, as associates and accounted for in accordance with FRS 128 Investment in Associates ("FRS 128"). Other investments in shares were classified as other investments and measured at cost less impairment losses. Upon the adoption of FRS 139, these investment securities are designated at 1 January 2010 as financial assets at fair value through profit or loss and accordingly are stated at their fair values, with changes in fair value recognised in the statement of comprehensive income in the period of change.

**Debts instruments**

Prior to 1 January 2010, investments in debt securities were stated at cost less accumulated impairment. Upon the adoption of FRS 139, investments in debt securities are designated at fair value through profit or loss.

**Derivatives**

Prior to 1 January 2010, derivatives, such as quoted warrants in associates, were stated at cost less accumulated impairment, included within investments in associated companies. Upon the adoption of FRS 139, investments in derivatives are classified as derivative financial assets and are recognised at their fair values.

With the adoption of FRS 139 on 1 January 2010 and as permitted under FRS 128, the Group had adopted fair valuation for its investments in associated companies and its other investments and classified such investments as investment securities Fair Value Through Profit or Loss ("FVTPL") with effect from 1 January 2010. The Group re-designated all investments in associated companies and other investment securities at FVTPL and accounted for in accordance with FRS 139, with fair value recognised in the income statement in the period of change. This fair valuation of investment securities provides fairer financial performance and position of the Group.

For quoted investments, fair value is measured using the available last bid price at the reporting date from the stock exchanges when these respective investments are quoted. For unquoted investments and when there is no active market for a quoted investment, the Group adopts appropriate valuation techniques as permitted under FRS 139 to determine the fair value of these investments.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**A1. Basis of preparation (Cont'd)**

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted as restated in the statement of changes in equity as at 1 January 2010.

As a result of change of fair valuation from equity accounting for associated companies, the income statement, statement of comprehensive income and statement of financial position as of 31 March 2010 are restated as follows:

	Previously reported quarter / year to date ended 31/03/2010 RM'000	Effect of reversal of FRS 128 RM'000	Effect of adoption of FRS139, re- designation of securities RM'000	As restated quarter / year to date ended 31/03/2010 RM'000
<b>INCOME STATEMENTS</b>				
<b>Revenue</b>	5,748	-	-	5,748
Other income	21	-	-	21
Net fair value gain on financial instruments	-	-	4,797	4,797
Administrative expenses	(1,703)	-	-	(1,703)
Finance cost	(251)	-	-	(251)
Share of losses after tax of associated companies	(7,135)	7,135	-	-
<b>(Loss) / profit before tax</b>	(3,320)	7,135	4,797	8,612
Tax (expense) / income	(3)	-	3,428	3,425
<b>(Loss) / profit after tax for the period</b>	(3,323)	7,135	8,225	12,037
<b>(Loss) / Profit attributable to:</b>				
Owners of the Company	(3,738)	7,135	8,225	11,622
Minority interests	415	-	-	415
	(3,323)	7,135	8,225	12,037
<b>(Loss) / profit per share attributable to owners of the Company (sen):</b>				
Basic and Diluted	(2.55)	-	-	7.64

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**A1. Basis of preparation (Cont'd)**
**STATEMENTS OF COMPREHENSIVE INCOME**

	Previously reported quarter / year to date ended 31/03/2010 RM'000	Effect of reversal of FRS 128 RM'000	Effect of adoption of FRS139, re- designation of securities RM'000	As restated quarter / year to date ended 31/03/2010 RM'000
<b>Loss after tax for the period</b>	(3,323)	7,135	8,225	12,037
<b>Other comprehensive income</b>				
Unrealised net gain on revaluation of securities available-for-sale	1,785	-	(1,785)	-
Share of associated companies' other comprehensive income	16	-	(16)	-
Income tax relating to components of other comprehensive income	(372)	-	372	-
<b>Other comprehensive income for the period, net of tax</b>	1,429	-	(1,429)	-
<b>Total comprehensive loss for the period, net of tax</b>	(1,894)	7,135	6,796	12,037
Total comprehensive loss / (income) attributable to:				
Owners of the Company	(2,309)	7,135	6,796	11,622
Minority interests	415	-	-	415
	(1,894)	7,135	6,796	12,037

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**A1. Basis of preparation (Cont'd)**
**STATEMENTS OF FINANCIAL POSITION**

	Previously reported as at 31/03/2010 RM'000	Effect of reversal of FRS 128 RM'000	Effect of adoption of FRS139, re- designation of securities RM'000	As restated as at 31/03/2010 RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Equipment	915	-	-	915
Intangible assets	565	-	-	565
Investments in associated companies	138,341	(138,341)	-	-
Deferred tax assets	40	-	-	40
Available for sale investment securities	68,659	-	(68,659)	-
Investment securities	-	131,213	56,372	187,585
	<u>208,520</u>	<u>(7,128)</u>	<u>(12,287)</u>	<u>189,105</u>
<b>Current assets</b>				
Investment securities	4,772	-	15,634	20,406
Derivative financial assets	4	5,000	13,380	18,384
Trade, other receivables, deposit and prepayments	317	-	-	317
Tax recoverable	2,219	-	-	2,219
Cash, bank balances and deposits	21,353	-	-	21,353
	<u>28,665</u>	<u>5,000</u>	<u>29,014</u>	<u>62,679</u>
<b>TOTAL ASSETS</b>	<u>237,185</u>	<u>(2,128)</u>	<u>16,727</u>	<u>251,784</u>
<b>LIABILITIES</b>				
<b>Non-current liability</b>				
Deferred tax liabilities	2,229	-	7,615	9,844
<b>Current liabilities</b>				
Deferred income	78	-	-	78
Other payables and accruals	694	-	-	694
Borrowings	29,000	-	-	29,000
	<u>29,772</u>	<u>-</u>	<u>-</u>	<u>29,772</u>
<b>Total liabilities</b>	<u>32,001</u>	<u>-</u>	<u>7,615</u>	<u>39,616</u>

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**A1. Basis of preparation (Cont'd)**
**STATEMENTS OF FINANCIAL POSITION (Cont'd)**

	Previously reported as at 31/03/2010 RM'000	Effect of reversal of FRS 128 RM'000	Effect of adoption of FRS139, re- designation of securities RM'000	As restated as at 31/03/2010 RM'000
<b>EQUITY</b>				
Share capital	146,808	-	-	146,808
Reserves	50,258	(2,128)	9,112	57,242
Issued share capital and reserves attributable to owners of the Company	197,066	(2,128)	9,112	204,050
Minority interests	8,118	-	-	8,118
<b>Total equity</b>	<b>205,184</b>	<b>(2,128)</b>	<b>9,112</b>	<b>212,168</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>237,185</b>	<b>(2,128)</b>	<b>16,727</b>	<b>251,784</b>
<b>Net Assets per share (RM) attributable to owners of the Company</b>	<b>1.34</b>	<b>-</b>	<b>-</b>	<b>1.39</b>

The Group has not adopted the following FRSs, Amendments to FRSs and IC Interpretations effective for annual periods beginning on and after:

**1 March 2010**

Amendments to FRS 132      Financial Instruments: Presentation - paragraphs 11, 16 and 97E

**1 July 2010**

FRS 1      First-time Adoption of Financial Reporting Standards  
 FRS 3      Business Combinations  
 FRS 127      Consolidated and Separate Financial Statements  
 Amendments to FRS 2      Share-based Payment  
 Amendments to FRS 5      Non-current Assets Held for Sale and Discontinued operations  
 Amendments to FRS 138      Intangible Assets  
 IC Interpretation 12      Service Concession Arrangements  
 IC Interpretation 15      Agreements for the Construction of Real Estate  
 IC Interpretation 16      Hedges of a Net Investment in a Foreign Operation  
 IC Interpretation 17      Distributions of Non-cash Assets to Owners  
 Amendments to IC  
 Interpretation 9      Reassessment of Embedded Derivatives

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**A1. Basis of preparation (Cont'd)**

**1 January 2011**

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

FRS 1 and IC Interpretations 12 and 15 are not applicable to the Group. The other FRSs, amendments to FRSs, IC Interpretations above are expected to have no significant impact on the financial statements upon their initial application.

**A2. Seasonal or cyclical factors**

There were no significant seasonal or cyclical factors that will materially affect the business of the Group in the current year to date. However, the Group's results are influenced by, amongst others, the share of associated companies' results as well as the timing of disposal of investments by the Group.

**A3. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting the financial statements for the current year to date.

**A4. Material changes in estimates**

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect in the current year to date.

**A5. Changes in debt and equity securities**

**(a) Executive Share Option Scheme ("ESOS") of the Company**

On 11 April 2007, the Company had granted 1,314,100 options to the eligible executives and Directors of the Company and its subsidiary companies. There were no ESOS option being exercised or forfeited during the current year to date and the remaining options are as follows:

Date of offer	Exercise price (RM)	No. of options over ordinary shares of RM1.00 each			
		As at 1.1.2010	Exercised	Forfeited	As at 30.6.2010
11.4.2007	2.57	900,000	-	-	900,000

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010****A5. Changes in debt and equity securities (Cont'd)****(b) Share buybacks / Treasury shares of the Company**

On 2 March 2010, the Company cancelled 3,191,600 ordinary shares of RM1.00 each for a total cost of RM2,725,299 by utilising share premium account. Pursuant to Section 67A(3E) of the Companies Act, 1965, the Company is required to create a capital redemption reserve for the issued capital diminished, which may be applied for bonus issue subsequently.

During current year to date, the Company has purchased 1,000 ordinary shares for a total cash consideration of RM521.00 from the open market at an average cost of RM0.52 per share. The shares repurchased previously are being held as treasury shares and treated in accordance with the requirements of Section 67A of the Companies Act, 1965. Summary of share buybacks is as follows:

	Number of shares	Highest price RM	Lowest price RM	Average cost (including transaction costs) RM	Total amount paid RM
As at 1.1.2010	3,191,600	1.55	0.55	0.85	2,725,299
Cancellation on 2.3.2010	(3,191,600)	1.55	0.55	0.85	(2,725,299)
	-	-	-	-	-
Share buyback on 24.5.2010	1,000	0.48	0.48	0.52	521
	1,000	0.48	0.48	0.52	521
As at 30.6.2010	1,000	0.48	0.48	0.52	521

**A6. Dividends paid**

There were no payment of dividend during the current year to date.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**A7. Segmental information**

The segment information has been prepared in accordance with the disclosure requirements of FRS 8 Operating Segments. For management purposes, the Group is organised into the following major business segments based services, which are regularly provided to and reviewed by the chief operating decision maker :

- |   |  |
|---|--|
| 1. Venture Capital Business                       | - Venture capital business and investment in growth entities                       |
| 2. Private Equity Business and Investment Holding | - Management of private funds and holding of long term investments                 |
| 3. Internet Financial Solutions Business          | - Development and provision of internet financial solutions and related activities |
| 4. Holding Entity                                 | - Investment Holding Company   |

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The inter-segment transactions have been entered into in the ordinary course of business at terms mutually agreed between the companies concerned and are not more favourable than those arranged with independent third parties have been eliminated to arrive at the Group's results.



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**A7. Segmental information (Cont'd)**
**Business Segments**

	Venture capital businesses	Private equity businesses and investment holding	Internet financial solutions businesses	Holding entity	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current year to date ended 30 June 2010</b>						
<b>Revenue</b>						
External revenue	7,114	405	1,001	83	-	8,603
Inter-segment revenue	3,499	-	-	-	(3,499)	-
Total	10,613	405	1,001	83	(3,499)	8,603
<b>Results</b>						
(Loss)/Profit from operations with external parties	(13,082)	403	1,834	(411)	-	(11,256)
Add : Inter segment revenue	3,499	-	-	-	(3,499)	-
Less : Inter segment expenses	(2,633)	(866)	-	-	3,499	-
Segment results	(12,216)	(463)	1,834	(411)	-	(11,256)
Finance cost						(527)
<b>Loss before tax</b>						(11,783)
Tax income						6,613
<b>Loss for the period</b>						(5,170)
Minority interests						(729)
<b>Loss for the period attributable to owners of the Company</b>						(5,899)

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**A7. Segmental information (Cont'd)**
**Business Segments (Cont'd)**

	Venture capital <u>businesses</u> RM'000	Private equity businesses and <u>investment holding</u> RM'000	Internet financial solutions <u>businesses</u> RM'000	<u>Holding entity</u> RM'000	<u>Eliminations</u> RM'000	<u>Consolidated</u> RM'000
<b>Preceding year to date ended 30 June 2009</b>						
<b>Revenue</b>						
External revenue	8	313	2,902	59	-	3,282
Inter-segment revenue	2,261	-	-	-	(2,261)	-
	<u>2,269</u>	<u>313</u>	<u>2,902</u>	<u>59</u>	<u>(2,261)</u>	<u>3,282</u>
<b>Results</b>						
Profit/(Loss) from operations with external parties	547	317	1,871	(483)	-	2,252
Add : Inter segment revenue	2,261	-	-	-	(2,261)	-
Less : Inter segment expenses	(1,440)	(821)	-	-	2,261	-
Segment results	<u>1,368</u>	<u>(504)</u>	<u>1,871</u>	<u>(483)</u>	<u>-</u>	<u>2,252</u>
Finance cost						(265)
Share of losses of associated companies						(8,932)
<b>Loss before tax</b>						<u>(6,945)</u>
Income tax expense						(102)
<b>Loss for the period</b>						<u>(7,047)</u>
Minority interests						(709)
<b>Loss for the period attributable to owners of the Company</b>						<u><u>(7,756)</u></u>

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**
**A7. Segmental information (Cont'd)**
**Geographical Segments**

The Group operates in 2 geographical locations: Malaysia (Domestic), China and Hong Kong. Revenue is based on geographical locations of business operations. Non-current assets are presented based on the geographical locations of assets, which consist of Equipment and Intangible assets.

Domestic	Foreign			Total
Malaysia	China and Hong Kong	Singapore	Total	
RM'000	RM'000	RM'000	RM'000	RM'000

**Current year to date ended 30 June 2010**

Revenue	<b>8,603</b>	-	-	-	<b>8,603</b>
Loss before tax	<b>(11,057)</b>	<b>(726)</b>	-	<b>(726)</b>	<b>(11,783)</b>
Non-current assets as at 30.6.2010	<b>1,423</b>	-	-	-	<b>1,423</b>

**Preceding year to date ended 30 June 2009**

Revenue	3,236	23	23	46	3,282
Loss before tax	(5,311)	(1,634)	-	(1,634)	(6,945)
Non-current assets as at 31.12.2009	160,096	42,508	-	42,508	202,604

**A8. Valuations of property, plant and equipment**

There were no revaluation of equipment during the current year to date.

**A9. Material events subsequent to the end of the quarter**

Capital Reduction and Proposed Rights Issue of the Company

On 12 August 2010, the sealed order of the High Court of Malaya in Kuala Lumpur confirming the capital reduction has been lodged with the Companies Commission of Malaysia, which marks the completion of the Proposed Capital Reduction exercise. The capital reduction does not affect the number of ordinary shares or rights attaching to the ordinary shares held by them. All the ordinary shares of the Company standing to the credit of the securities account of the Company's shareholders shall not be affected, except for the reduction in par value of each ordinary share of the Company from RM1.00 to RM0.50. The capital reduction will not adjust the share price of the Company.

The capital reduction is related to the Proposed Right Issue as disclosed in Note B9.

**A10. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current year to date.

**A11. Changes in contingent liabilities or contingent assets since 31 December 2009**

As at 20 August 2010 no material contingent liabilities or assets have arisen since 31 December 2009.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for ACE MARKET**

**B1. Review of the performance of the Company and its principal subsidiaries**

The Group's loss after tax ("LAT") was RM5.17 million for the six months ended 30 June 2010 ("6M10") as compared to the LAT for the six months ended 30 June 2009 ("6M09") of RM7.05 million. The group also registered a 162% increase in revenue to RM8.60 million compared to RM3.28 million in the previous corresponding period.

With the adoption of FRS 139, the Group has accounted its investment in associated companies by Fair Value Through Profit or Loss (listed associated companies are marked to market) to reflect a fairer financial performance and profit as compared to equity accounting previously adopted.

**B2. Material change in quarterly results before taxation for the current quarter compared with the immediate preceding quarter**

The Group recorded a loss before taxation of RM20.40 million for the current quarter as compared to the preceding quarter's profit before tax of RM8.61 million mainly due to changes in fair valuation of investment securities.

**B3. Current year prospects and progress on previously announced revenue or profit forecast**

**(a) Current year prospects**

The fair valuation of the investment securities, which is largely based on the market performance, will be reflected in the Group's financial results. The Board of Directors is of the view that the remaining year continues to be challenging.

**(b) Progress and steps to achieve revenue or profit estimate, forecast, projection and internal targets previously announced**

There was no revenue or profit forecast announced by the Group.

**B4. Statement of the Board of Directors' opinion on achievability of revenue or profit estimate, forecast, projection and internal targets previously announced**

There was no revenue or profit forecast announced by the Group.

**B5. Profit forecast / profit guarantee**

There were no profit forecast or profit guarantee issued by the Group.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010****B6. Income tax expense**

	<b>Current quarter ended <u>30/06/2010</u> RM'000</b>	<b>Current year to date ended <u>30/06/2010</u> RM'000</b>
In respect of the current quarter / year to date:-		
- Malaysian income tax	(15)	(55)
- Deferred tax	3,203	6,668
	<u>3,188</u>	<u>6,613</u>

The current taxation of the Group was mainly in relation to non core income of a subsidiary company as other income is exempted from tax. The deferred tax was arisen from the fair valuation of investment securities.

**B7. Sale of unquoted investments and/or properties**

- (a) Pursuant to the waiver obtained from Bursa Securities in compliance with Chapter 10 of the Listing Requirements of Bursa Securities for ACE Market, disclosure on the purchase and sale of unquoted investments as well as its net effect is exempted.
- (b) There were no sale of properties during the current year to date.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**B8. Purchase or disposal of quoted securities**

Particulars of purchase and disposal of quoted securities by the Group are as follows:

- (a) Pursuant to the waiver obtained from Bursa Securities in compliance with Chapter 10 of the Listing Requirements of Bursa Securities for ACE Market, disclosure on the purchase and sale of quoted securities as well as its net effect is exempted except for the investments managed by a fund management company which are as follows:

	Current quarter ended <u>30/06/2010</u> RM'000	Current year to date ended <u>30/06/2010</u> RM'000
Total purchase consideration	<u>4,099</u>	<u>6,791</u>
Total sale proceeds	<u>4,502</u>	<u>6,954</u>
Net gain on disposals	<u>1</u>	<u>111</u>

- (b) Investments in quoted securities as at 30 June 2010 are as follows:-

	Quoted Investment Securities RM'000
Quoted in Malaysia, at cost	185,171
Quoted outside Malaysia, at cost	2,872
Impairment loss	(39,757)
Fair valuation	20,281
At carrying value	<u>168,567</u>
At market value	<u>168,567</u>

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**B9. Status of corporate proposals announced but not completed as at 18 May 2010**

**Proposed Capital Reduction, Proposed Amendment to the M&A and Proposed Rights Issue of the Company**

On 21 May 2010, the Company proposes to undertake the following corporate proposals:-

- (i) Proposed capital reduction by the cancellation of RM0.50 of the par value of every existing ordinary share of RM1.00 each in the Company together with the reduction of the share premium account of the Company, to be off-set against the accumulated losses of the Company (“Proposed Capital Reduction”);
- (ii) Proposed amendment to the Memorandum and Articles of Association of the Company (“M&A”) to facilitate the change in the par value of the ordinary shares in the Company resulting from the Proposed Capital Reduction (“Proposed Amendment to the M&A”); and
- (iii) Proposed renounceable rights issue of up to 48,936,133 new ordinary shares of RM0.50 each in the Company (“Rights Share(s)”) on the basis of one (1) Rights Share for every three (3) the Company ordinary shares of RM0.50 each held after the Proposed Capital Reduction (“OSKVI Share(s)”), together with up to 97,872,266 new free detachable warrants (“Warrant(s)”) on the basis of two (2) Warrants for every one (1) Rights Share subscribed (“Proposed Rights Issue”).

(Collectively referred to as the “Proposals”)

The proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants as well as the exercise price of the Warrants, which will be determined at a later date. Such proceeds will be used for the Group’s working capital requirements which include amongst others, investment activities and general operating expenses.

The Proposed Capital Reduction is intended to eliminate all of the accumulated losses of the Company and to meet its objective to attain a stronger financial position moving forward. The Proposed Capital Reduction is also intended to facilitate the Proposed Rights Issue.

The Proposed Amendment to the M&A is intended to facilitate the implementation of the Proposed Capital Reduction.

The Proposed Rights Issue will allow the existing shareholders of OSKVI to increase their equity participation in the Company at a discount to the prevailing market price and to raise funds without incurring interest cost as compared to bank borrowings. The Warrants will enable the Company to raise further proceeds from the equity market and the free Warrants attached to the Rights Shares are expected to provide OSKVI shareholders with an incentive to subscribe for the Rights Shares.



**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010**

**B9. Status of corporate proposals announced but not completed as at 18 May 2010 (Cont'd)**

**Proposed Capital Reduction, Proposed Amendment to the M&A and Proposed Rights Issue of the Company (Cont'd.)**

On 3 June 2010, Bursa Malaysia Securities Berhad approved the listing of and quotation for the Rights Shares, Warrants and new OSKVI Shares to be issued pursuant to the exercise of the Warrants on the ACE Market of Bursa Securities.

The shareholders approved the Proposals at the Extra Ordinary Meeting held on 1 July 2010.

On 7 June 2010, Bank Negara Malaysia approved the Company's issuance of Warrants to the entitled non-resident shareholders of the Company pursuant to the Proposed Rights Issue.

On 12 August 2010, the sealed order of the High Court of Malaya in Kuala Lumpur confirming the capital reduction has been lodged with the Companies Commission of Malaysia, which marks the completion of the Proposed Capital Reduction exercise. The capital reduction does not affect the number of ordinary shares or rights attaching to the ordinary shares held by them. All the ordinary shares of the Company standing to the credit of the securities account of the Company's shareholders shall not be affected, except for the reduction in par value of each ordinary share of the Company from RM1.00 to RM0.50. The capital reduction will not adjust the share price of the Company.

**B10. Borrowings**

As at 30 June 2010, the borrowings represent the unsecured revolving credit facilities of RM29 million denominated in Ringgit Malaysia.

**B11. Disclosure requirements pursuant to implementation of FRS 139**

**(a) Disclosure of derivatives**

**(i) Nature of outstanding derivatives as at end of period**

Futures

Futures are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements.

**(ii) The rationale for entering into new derivatives and the expected benefit accruing to the Group**

There were no new derivatives during the current year to date.

**(iii) Changes in derivatives since last financial year**

There have been no changes since the end of the previous year in respect of the followings:

- a) the cash requirements of the derivatives, if any;
- b) the policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

**(b) Disclosure of gains/losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities at the end of the period.

**B12. Material litigation**

As at 20 August 2010 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report), the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceeding pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010****B13. Dividend**

No dividend has been proposed or declared for the current year to date ended 30 June 2010 (30 June 2009: Nil).

**B14. Loss Per Share (“LPS”) attributable to owners of the Company**

	<b>Current quarter ended 30/06/2010</b>	Comparative quarter ended 30/06/2009	<b>Current year to date ended 30/06/2010</b>	Preceding year to date ended 30/06/2009
Loss attributable to owners of the Company (RM'000)	<b>(17,521)</b>	(3,032)	<b>(5,899)</b>	(7,756)
Weighted average number of ordinary shares in issue ('000 shares)	<b>146,808</b>	146,811	<b>149,453</b>	146,811
Basic and diluted loss per share (sen)	<b>(11.93)</b>	(2.07)	<b>(3.95)</b>	(5.28)

The outstanding share options have been excluded from the computation of fully diluted loss per shares as their conversion to ordinary shares would be anti dilutive.

**B15. Auditors' report on preceding annual financial statements**

The auditors' report of the Group's preceding audited financial statements was not qualified.

**By Order of the Board**

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**YEE CHEE WAI**  
**Executive Director**

Kuala Lumpur  
23 August 2010