

Notes to the Quarterly Report – 30 June 2010

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010.

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 financial year ended 31 March 2010.

Save as disclosed below, all significant accounting policies and methods of computation adopted by the Group are consistent with those of the audited financial statements for the financial year ended 31 March 2010.

The accounting policies and method of computation and presentation are consistent with those adopted in the consolidated financial statements for the financial year ended 31 March 2010. The Group has adopted the following new and revised Financial Reporting Standards (“FRS”), amendments to FRSS and IC Interpretations which are relevant to the Group’s operations with effect from financial year starting from 1 April 2010:

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
Revised FRS 1 (2010) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011

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A1. Basis of preparation (cont'd)

FRSs and IC Interpretations (including the Consequential Amendments) (Cont'd)	Effective date
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
Annual Improvements to FRSs (2009)	1 January 2010

The revised FRS 3 (2010) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

The Group considers financial guarantee contracts entered into 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 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a “management approach”, under which segment information is presented on the same basis 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 no material impact on the financial statements of the Group upon its initial application.

A1. Basis of preparation (cont'd)

The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard only impact the form and content of the presentation of the Group's financial statements in the current financial year.

The revised FRS 123 (2009) removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. In accordance with the transitional provisions, the Group will apply this revised standard to borrowing costs related to qualifying assets for which the commencement date of capitalisation is on or after 1 January 2010. This change in accounting policy will not have any financial impact on the financial statements for the current financial year but may impact the accounting for future transactions or arrangements.

The revised FRS 127 (2010) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of the revised FRS 127 (2010) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

Amendments to FRS 1 and FRS 127 remove the definition of 'cost method' currently set out in FRS 127, and instead require an investor to recognise all dividend from subsidiaries, jointly controlled entities or associates as income in its separate financial statements. In addition, FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its new parent. Under this circumstance, the new parent shall measure the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Company for the current financial year but may impact the accounting for future transactions or arrangements.

A1. Basis of preparation (cont'd)

IC Interpretation 9 requires embedded derivatives to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date the entity first became a party to the contract. The possible impacts of IC Interpretation 9 on the financial statements upon its initial application are not disclosed by virtue of the exemptions given under the revised FRS 139 (2010).

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 no material impact on the financial statements of the Group upon its initial application.

Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments have no material impact on the financial statements of the Group upon its initial application.

Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for leasehold land where in substance a finance lease will be reclassified from prepaid lease payments to property, plant and equipment and measured as such retrospectively.

The following new and revised Financial Reporting Standards (“FRS”), amendments to FRSs and IC Interpretations which are effective with the financial year started from 1 January 2010 but not relevant to the Group’s operations as follow:

FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments	1 January 2010/ 1 March 2010
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12 Service Concession Arrangements	1 July 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
IC Interpretation 15 Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010

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A2. Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2010 was not qualified.

A3. Seasonal or cyclical factors

The Group's operations are not materially affected by seasonal or cyclical changes during the current financial quarter under review.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group since the last annual audited financial statements.

A5. Material changes in estimates

There were no changes in accounting estimates made that would materially affect the financial statements of the Group for the current financial quarter under review.

A6. Debts and equity securities

There was no issuance and repayment of debt and equity securities, shares buy back or share cancellation and resale of treasury shares for the current financial quarter under review.

A7. Dividend paid

There was no dividend paid during the current financial quarter under review.

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A8. Segment information

Segmental reporting for the financial year ended 30 June 2010.

	Manufacturing RM'000	Marketing and distribution of products RM'000	Others RM'000	Eliminations RM'000	Group RM'000
REVENUE					
External sales	2,259	16,995	-	-	19,254
Inter-segment sales	2,844	192	-	(3,036)	-
	<u>5,103</u>	<u>17,187</u>		<u>(3,036)</u>	<u>19,254</u>
RESULTS					
Segment results	<u>382</u>	<u>1,633</u>	<u>(117)</u>	<u>(26)</u>	<u>1,872</u>
Finance costs	(15)	(47)	-	-	(62)
Interest income	(7)	18	16		27
Profit before taxation					<u>1,837</u>
Taxation					<u>(34)</u>
Profit after taxation					<u><u>1,803</u></u>

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A8. Segment information (Cont'd)

	Manufacturing RM'000	Marketing and distribution of products RM'000	Others RM'000	Eliminations RM'000	Group RM'000
OTHER INFORMATION					
Segment assets	33,652	38,193	25,107	(27,249)	69,703
Unallocated corporate assets					176
Consolidated total assets					<u>69,879</u>
Segment liabilities	16,799	38,081	1,431	(27,249)	29,062
Unallocated corporate liabilities					300
Consolidated total liabilities					<u>29,362</u>
Capital expenditure	449	61	-	-	510
Depreciation	354	243	-	-	597
Amortisation	1	-	-	-	1
Non-cash income other than depreciation	(11)	(85)	-	-	(96)
Non-cash expenses other than depreciation	743	51	-	-	794

A9. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment for the current financial quarter under review.

A10. Material events subsequent to the end of the quarter

There was no material event subsequent to the end of the current financial quarter under review save as disclosed in Section B8 of the notes to the quarterly report.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review except for the acquisition of a 100% owned subsidiary company, namely Healthy Life Software Sdn Bhd (formerly known as Nilam Positif Sdn Bhd) ("HLS") on 7 June 2010.

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A11. Changes in the composition of the Group (Cont'd)

HLS was incorporated on 10 May 2010 in Malaysia under the Companies Act, 1965 as a private limited company. On 4 August 2010, the authorised share capital of HLS was increased from RM100,000.00 divided into 100,000 shares of RM1.00 each to RM500,000.00 divided into 500,000 shares of RM1.00 each and with an increase of paid-up capital from RM2.00 divided into 2 shares of RM1.00 each to RM200,000.00 divided into 200,000 shares of RM1.00 each. HLS principal activities are to conduct all kinds of trainings, camps and workshops and trading in healthcare products.

A12. Changes in contingent assets and contingent liabilities

There were no material contingent assets as at the date of this report.

Contingent Liabilities	Note	The Group 30.06.2010 RM'000	The Company 30.06.2010 RM'000
Corporate guarantees given to financial institutions for facilities granted to the subsidiaries, unsecured		-	3,385
Claim of royalty by a former director	(a)	278	-
		<u>278</u>	<u>3,385</u>

(a) A civil suit under Kuala Lumpur High Court Suit No. S2-22-198-2006 was served on Easy Pha-Max Marketing Sdn Bhd ("EPMSB") and The Origin Foods Sdn Bhd ("TOF") by Lim Soon Hooi ("LSH") on 14 June 2006 to claim for payment RM277,960.00 for royalty payable to LSH as at 31 December 2004, interest on the sum of RM277,960.00 at a rate which the Court think fit and proper from 1 January 2005 until the date of judgment and interest on the sum of RM277,960.00 from the date of judgment until the date of full realisation.

The Plaintiff had withdrawn the suit during the Mediation Hearing held on 18 August 2010.

A13. Capital commitments

	As at 30.06.2010 RM'000
Approved and contracted for:-	
-Computer equipment	1,748
-Contract sum for construction of R&D centre in College of Food Science & Nutritional Engineering, China Agriculture University, Beijing	701
-Club membership	27
	<u>2,476</u>

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A14. Significant related party transactions

There were no significant related party transactions for the financial period ended 30 June 2010 other than those disclosed as follows:-

	RM'000
* INS Holdings Berhad Office rental paid	94
GD Development Sdn Bhd (Formerly known as Oasis Wealth Development Sdn Bhd) Office rental received	* <u>12</u>

A14. Significant related party transactions (cont'd)

Notes:-

- * A company in which Datuk Yeat Sew Chuong, Wong Seng Tong, and Khoo Keat are shareholders and directors.
- ** A company in which Datuk Yeat Sew Chuong is a shareholder and director.
- *** The amount of RM12,000 consist of the office rental received from the month of January 2010 to June 2010 with RM2,000 per month and the office rental received for the month of January 2010 to March 2010 amounted to RM6,000 only recognise in the financial statement of April 2010.

The directors are of the opinion that the above transactions have been entered into the normal course of business and have been established under terms that were mutually agreed between the parties.

A15. Cash and cash equivalents

	As at 30.06.2010 RM'000
Other investment	1,123
Fixed deposits with licensed banks	7,446
Cash and bank balances	6,302
Bank overdrafts	<u>(220)</u>
	<u><u>14,651</u></u>

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1. Review of performance

The Group's total revenue for the quarter under review increased to RM19.254 million as compared to RM13.847 million in the corresponding period of the preceding year. The Group's profit before tax was RM1.837 million as compared to the RM217,000 in the corresponding period of the previous year. The increase in revenue for the current quarter as compared to the corresponding period of the preceding year was mainly due to increase in both local and overseas sales derived from sales of herbal supplement. This has subsequently contributed to the increase in profit before tax of approximately RM1.620 million.

B2. Variation of results against preceding quarter

	Apr – Jun'10	Jan – Mar'10
	(1st Q)	(4th Q)
	(Unaudited)	(Audited)
	RM'000	RM'000
Revenue	19,254	23,714
Profit before tax ("PBT")	1,837	2,486
Profit after tax ("PAT")	1,803	2,536

For the current financial quarter ended 30 June 2010, the Group recorded a total revenue and profit before taxation of RM19.254 million and RM1.837 million respectively, as compared to a total revenue and profit before taxation of RM23.714 million and RM2.486 million respectively as recorded in the preceding financial quarter ended 31 March 2010.

The Group recorded a decrease in revenue of approximately RM4.460 million in the current quarter as compared to the preceding quarter, mainly attributable to the decrease in overseas sales.

B3. Prospects

In line with the business expansion, the Group will open more franchise outlets, namely "Easy Mall", as a "herbs and health care" one-stop-shop solution for end consumers. The Group will continue to attract new consumer base by introducing loyalty card.

The Group will continue to market and distribute the products locally through Easy Mall and various distributions channels such as petrol station, supermarket, hypermarket and convenient stores. The Group will also continue to distribute INS Wheatgrass canned drinks to oversea market such as China, Thailand, South Africa, Hong Kong and Philippines.

The prospects of the Group are also dependent on the progress of the market penetration of the Group's products.

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B4. Profit forecast and profit guarantee

The Group did not announce or disclose any profit forecast or profit guarantee during the current financial quarter under review.

B5. Taxation

	3 months quarter ended 30.06.2010 RM'000	3 months (Cumulative) ended 30.06.2010 RM'000
Current period taxation	<u>34</u>	<u>34</u>

The effective tax rate for current financial period presented above is lower than the statutory tax rate principally due to utilisation of unabsorbed losses and capital allowances brought forward.

B6. Disposal of unquoted investments and/or properties

There were no disposals of unquoted investments and/or properties of the Group during the current financial quarter under review.

B7. Quoted securities

There were no acquisitions or disposals of quoted and marketable securities during the current financial quarter under review.

B8. Status of corporate proposals

Save as disclosed below, there are not other corporate proposals announced but not completed as at 20 August 2010:

- (a) On 13 January 2010, OSK Investment Bank Berhad on behalf of the Board of Directors of INSBIO announced that the Company proposed to undertake a special Bumiputera issue of 41,000,000 new ordinary shares of RM0.10 each in INSBIO to the Bumiputera investors to be identified and/or approved by the Ministry of International Trade and Industry ("Proposed Special Bumiputera Issue").

The Proposed Special Bumiputera Issue is intended for the Company to comply with the Bumiputera Equity Condition by raising its Bumiputera equity to 12.5% of its enlarged issued and paid-up share capital and to raise additional funds to finance the working capital requirement of the INSBIO Group.

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B8. Status of corporate proposals (Cont'd)

Securities Commission ("SC") had, vide its letter dated 24 February 2010 (which was received on 25 February 2010), approved the Proposed Special Bumiputera Issue subject to the condition that the Special Issue Shares shall be allocated by the Ministry of International Trade and Industry ("MITI"). In the event the Special Issue Shares are not fully subscribed by the Bumiputera investors or the MITI is unable to allocate the Special Issue Shares within one (1) year, INSBIO will be deemed to have met the Bumiputera equity condition.

Subsequently, MITI had vide its letter dated 9 April 2010 (which was received on 12 April 2010), agreed to take note of the Proposed Special Bumiputera Issue without restrictions subject to the approval of the SC for the Proposed Special Bumiputera Issue.

Bursa Securities has resolved to approve INSBIO's application for the listing of and quotation for 41,000,000 new ordinary shares of RM0.10 each in INSBIO subject to conditions as per announcement on 15 June 2010.

- (b) The Company's entire issued and paid up capital of 286,680,020 ordinary shares of RM0.10 each were listed and quoted on 26 July 2005 on the ACE market of Bursa Securities. The proceeds from the Public Issue were received after the Company's listing.

As at 20 August 2010, the status of utilisation of the proceeds from the Public Issue is as follows:-

		Proceeds from IPO	Revision as approved by the Securities Commission (a)	Actual utilisation as at 20.08.2010	Intended timeframe for utilization (b)	Balance unutilised	% unutilised
		RM'000	RM'000	RM'000		RM'000	
1	R&D Centre and Manufacturing Plant	18,000	12,000	11,457	25 July 2012	543	4.53%
2	R&D Expenditure	4,000	4,000	2,143	25 July 2012	1,857	46.42%
3	Working Capital	1,088	5,088	5,088		-	-
4	Estimated Listing Expenses	2,000	2,000	2,000		-	-
5	Repayment of hire purchase facilities	-	2,000	2,000		-	-
		<u>25,088</u>	<u>25,088</u>	<u>22,688</u>		<u>2,400</u>	<u>9.56%</u>

Notes:-

- (a) On 16 January 2006, the Securities Commission had approved the reallocation of RM6 million from the unutilised proceeds for research and development ("R&D") centre and manufacturing plant to working capital (RM4 million) and repayment of hire purchase facilities (RM2 million) respectively.
- (b) On 23 July 2010, the Company announced for the extension of intended timeframe for utilisation of IPO funds from 25 July 2010 to 25 July 2012.

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B9. Group's borrowings and debt securities

Details of Group's bank borrowings as at 30 June 2010 which are denominated in Ringgit Malaysia were as follows :-

	As at 30.06.2010 RM'000
Short term borrowings:	
Secured	
- Hire purchase payables	278
- Term loan	203
	<u>481</u>
Long term borrowings:	
Secured	
- Hire purchase payables	981
- Term loan	4,069
	<u>5,050</u>
Total borrowings	<u>5,531</u>

B10. Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this announcement.

B11. Material litigations

There were no other material litigations since the last financial year ended 31 March 2010 except for the following:-

- (i) Legal proceedings commenced by Easy Pha-Max Marketing Sdn Bhd ("EPMSB") against Yigaho Corporation Sdn Bhd ("Yigaho")

A civil suit under Kuala Lumpur High Court Suit No. S3-23-1-2006 was filed by EPMSB against Yigaho on 4 January 2006 seeking, amongst others, damages for libel, aggravated and exemplary damages, interest and costs and an injunction restraining Yigaho from further publishing any publications containing statements or any similar words defamatory to EPMSB.

The next case management has been fixed on 14 October 2010.

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B11. Material litigations (Cont'd)

- (ii) Legal proceedings commenced by Lim Soon Hooi (“LSH”) against Easy Pha-Max Marketing Sdn Bhd (“EPMSB”) and The Origin Foods Sdn Bhd (“TOF”), wholly owned subsidiaries of INSBIO.

A civil suit under Kuala Lumpur High Court Suit No. S2-22-198-2006 was filed by LSH against EPMSB and TOF on 14 June 2006 to claim for payment RM277,960.00 for royalty payable to LSH as at 31 December 2004, interest on the sum of RM277,960.00 at a rate which the Court think fit and proper from 1 January 2005 until the date of judgment and interest on the sum of RM277,960.00 from the date of judgment until the date of full realisation.

The Plaintiff had withdrawn the suit during the Mediation Hearing held on 18 August 2010.

- (iii) Legal proceedings commenced by Easy Pha-Max Marketing Sdn Bhd (“EPMSB”) against Lim Chiew Yin (“LCY”) and Yigaho Corporation Sdn Bhd (“Yigaho”)

EPMSB had on 15 June 2006 filed a Writ of Summons and Statement of Claim against LCY and Yigaho in the Kuala Lumpur High Court bearing Civil Suit No. S5-23-62-2006 for having published or caused to be published the defamatory statement against EPMSB on page 71 of the 10th Edition (September 2005 issue) of the Global Business Magazine, which at all material time was a popular business magazine widely read by the Malaysian direct sales circles, under the sub-title “Yigaho Group”.

EPMSB is seeking, amongst others, general damages, aggravated and exemplary damages, an injunction restraining LCY, Yigaho and/or their servants or agents or otherwise from repeating the above statement, or any part thereof, interest and cost and such other relief which the Court may deem fit and proper to grant.

EPMSB had on 19 August 2010 filed a Notice of Discontinuance of the suit against the Defendants.

- (iv) Legal proceedings commenced by Visiber Sdn Bhd (“Plaintiff”) against Bio K Energy Marketing Sdn Bhd (“First Defendant”) and EPMSB

EPMSB, a wholly-owned subsidiary of INSBIO had on 19 June 2009 been served with a Writ of Summons dated 25 May 2009, Amended Statement of Claim dated 4 June 2009, Summons in Chambers dated 10 June 2009 and Affidavit in Support affirmed on 9 June 2009 bearing Kuala Lumpur High Court Civil Suit No. D-22-972-2009 (“the Civil Suit”).

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B11. Material litigations (Cont'd)

(iv) Legal proceedings commenced by Visiber Sdn Bhd (“Plaintiff”) against Bio K Energy Marketing Sdn Bhd (“First Defendant”) and EPMSB (cont'd)

The Plaintiff claims to own the following Intellectual Property Rights (“IPR”) in its products: registered Industrial Designs, registered Trade Marks and Get Up. The First Defendant consigned its products to EPMSB to be sold via EPMSB’s physical shop and website. The Plaintiff alleges that these products infringed its IPR. As a result of this, EPMSB was named as a defendant in the Civil Suit wherein the Plaintiff’s claim is, inter alia, for the alleged infringement of the Plaintiff’s industrial designs and/or trademark. The Plaintiff seeks, inter alia, a declaration of infringement and passing off, injunctive relief, an inquiry as to damages and costs against First Defendant and EPMSB.

The solicitors of EPMM had on 21 August 2009 successfully argued and opposed the Plaintiff’s application for an interim injunction against EPMM. The Court allowed the Plaintiff’s Application only as against the First Defendant.

The Court has fixed the matter for Pre-Trial Case Management again on 22 October 2010 due to the Plaintiff’s solicitors have not complied with the Court’s directions to prepare the Bundle of Pleadings, Bundle of Documents, Statements of Agreed Facts, List of Issues to be Tried and Summary of Case.

The Court has fixed the case for Trial commencing on 3 January 2011 till 7 January 2011.

B12. Dividends

The Board of Directors did not recommend any interim dividends in respect of the current financial quarter under review.

The Company had on 26 July 2010 recommended a first and final single-tier dividend of 5.5% per ordinary share of RM0.10 each for the financial year ended 31 March 2010. The declaration of the first and final dividend is subject to the approval of the Company’s shareholders at the forthcoming Seventh Annual General Meeting of the Company. The dividend entitlement and payment date will be determined and announced by the Company in due course.

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B13. Earnings per share

	Individual Quarter Current Quarter Ended 30.06.2010	Cumulative Quarter Current Year-To- date 30.06.2010
(a) Basis earnings per share attributable to equity holders of the parent		
Net profit after tax attributable to equity holders of the parent (RM'000)	1,857	1,857
Weighted average number of ordinary shares ('000)	286,038	286,038
Earnings per share (sen)	<u>0.65</u>	<u>0.65</u>
(b) Fully diluted earnings per share	<u>N/A</u>	<u>N/A</u>

B14. Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 August 2010.

By Order of the Board,
 Ng Heng Hooi (MAICSA NO: 7048492)
 Company Secretary
 Kuala Lumpur
 Date: 25 August 2010.