

**CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE PERIOD ENDED 31 MAY 2008**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/05/2008	31/05/2007	31/05/2008	31/05/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	6,062	N/A	30,464	N/A
Cost of sales	(5,918)	N/A	(24,927)	N/A
Gross profit	144	N/A	5,537	N/A
Other operating income	791	N/A	21,400	N/A
Distribution costs	(226)	N/A	(899)	N/A
Administration expenses	(2,601)	N/A	(9,688)	N/A
Other operating expenses	(27,771)	N/A	(29,301)	N/A
Loss from operations	(29,663)	N/A	(12,951)	N/A
Finance costs	(2,952)	N/A	(10,529)	N/A
Share of profit after tax and minority interest of associate	350	N/A	1,270	N/A
Loss before tax	(32,265)	N/A	(22,210)	N/A
Income tax expense	(8,743)	N/A	(10,204)	N/A
Loss for the period	(41,008)	N/A	(32,414)	N/A
Attributable to:				
Shareholders of the company	(40,998)	N/A	(33,419)	N/A
Minority interests	(10)	N/A	1,005	N/A
Loss for the period	(41,008)	N/A	(32,414)	N/A
Basic loss per ordinary share (sen)	(6.31)	N/A	(5.14)	N/A
Diluted loss per ordinary share (sen)	-	-	-	-

Note:

The comparative figures are not applicable due to the change of financial year as detailed in Note A1.
 The current year-to-date figures are for the 10 month period ended 31 May 2008.

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2007.

**CONDENSED CONSOLIDATED BALANCE SHEET
 AS AT 31 MAY 2008**

	(Unaudited) 31/05/2008 RM'000	(Audited) 31/07/2007 RM'000
Non-current Assets		
Property, Plant and Equipment	41,027	76,108
Investment Properties	289,584	308,582
Prepaid Lease Payments	3,354	4,026
Investment in an Associate	24,315	23,383
Other Long Term Investments	6,881	6,873
Deferred Tax Asset	1,275	1,887
Other Intangible Asset	538	399
Goodwill	-	839
	<u>366,974</u>	<u>422,097</u>
Current Assets		
Property Development Costs	88,226	87,598
Inventories	886	3,427
Trade Receivables	52,219	54,670
Other Receivables, Deposits and prepayments	6,735	10,449
Tax Recoverable	172	172
Fixed Deposit with Licensed Bank	976	1,422
Cash and Cash Equivalents	2,010	2,715
	<u>151,224</u>	<u>160,453</u>
TOTAL ASSETS	<u>518,198</u>	<u>582,550</u>
Equity		
Share Capital	325,074	325,074
Reserves	(93,064)	(55,131)
Equity attributable to shareholders of the Company	<u>232,010</u>	<u>269,943</u>
Minority Interest	<u>14,946</u>	<u>31,002</u>
Total Equity	<u>246,956</u>	<u>300,945</u>
Non-current liabilities		
Hire Purchase Liabilities	803	126
Borrowings	102,178	99,057
Deferred Taxation	-	2,713
	<u>102,981</u>	<u>101,896</u>
Current Liabilities		
Trade Payables	5,896	11,116
Amount due to an Associate	3,100	37
Other Payables and Accruals	96,399	94,861
Hire Purchase Liabilities	197	180
Short Term Borrowings	29,022	51,148
Taxation	33,647	22,367
	<u>168,261</u>	<u>179,709</u>
TOTAL EQUITY AND LIABILITIES	<u>518,198</u>	<u>582,550</u>
Net Assets per share attributable to ordinary equity holders of the Company (RM)	0.3569	0.4152

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2007.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 MAY 2008**

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 1 August 2007	325,074	295,727	4,398	(3,581)	(351,675)	269,943	31,002	300,945
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	(16)	(510)	-	(526)	-	(526)
Realisation of reserves on disposal of subsidiaries	-	-	(2,948)	(1,040)	-	(3,988)	(17,061)	(21,049)
Net (loss)/profit for the period	-	-	-	-	(33,419)	(33,419)	1,005	(32,414)
Balance as at 31 May 2008	325,074	295,727	1,434	(5,131)	(385,094)	232,010	14,946	246,956

Note:

The comparative figures are not applicable due to the change of financial year as detailed in Note A1.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2007.

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT
 FOR THE PERIOD ENDED 31 MAY 2008**

	Ten Months Ended 31/05/2008 RM'000	Ten Months Ended 31/05/2007 RM'000
Cash Flows from Operating Activities		
Loss Before Tax	(22,210)	N/A
Adjustments for:		
Non-Cash Items	2,040	N/A
Non-Operating Items	13,825	N/A
Operating Loss Before Working Capital Changes	<u>(6,345)</u>	<u>N/A</u>
Changes in Working Capital	<u>3,214</u>	<u>N/A</u>
Cash Used in Operations	<u>(3,131)</u>	<u>N/A</u>
Net Tax Refunded	<u>2,322</u>	<u>N/A</u>
Net Cash Used in Operating Activities	<u><u>(809)</u></u>	<u><u>N/A</u></u>
Cash Flows from Investing Activities		
Equity Investments	30,291	N/A
Others	<u>(8,087)</u>	<u>N/A</u>
Net Cash Generated from Investing Activities	<u><u>22,204</u></u>	<u><u>N/A</u></u>
Cash Flows from Financing Activities		
Bank Borrowings	(25,814)	N/A
Others	<u>461</u>	<u>N/A</u>
Net Cash Used in Financing Activities	<u><u>(25,353)</u></u>	<u><u>N/A</u></u>
Net Decrease in Cash and Cash Equivalents	(3,958)	N/A
Effects of Exchange Rate Changes	4,927	N/A
Cash and Cash Equivalents at Beginning of Period	(1,254)	N/A
Effect of Exchange Rate Changes	-	N/A
Cash and Cash Equivalents at End of Period	<u><u>(285)</u></u>	<u><u>N/A</u></u>

The Cash and Cash Equivalents comprise the following balance sheet amounts:

	RM'000	RM'000
Cash and Bank Balances	2,010	N/A
Deposits	976	N/A
Bank Overdrafts	<u>(2,331)</u>	<u>N/A</u>
	655	N/A
Fixed Deposits Pledged to Banks	<u>(940)</u>	<u>N/A</u>
	<u><u>(285)</u></u>	<u><u>N/A</u></u>

Note:

The comparative figures are not applicable due to the change of financial year as detailed in Note A1.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 July 2007.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MAY 2008

A. *DISCLOSURE REQUIREMENTS AS PER FRS 134*

1. **Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with requirements of FRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the same accounting policies adopted in 2007 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2008 annual financial statements. Details of these changes in accounting policies are set out in Note 2.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 July 2007. These explanatory notes attached to the financial statements provided 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 July 2007.

As announced on 1 April 2008, the Company has changed its financial year-end from the existing 31 July to 31 May. The comparative figures are not applicable for the current financial period due to the change of financial year end.

2. **Changes in accounting policies**

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB's Issues Committee's Interpretations) that are effective for accounting periods beginning on or after 1 January 2006.

The FRS that will be effective in the annual financial statements for the year ending 31 May 2008 may be affected by the issue of additional interpretation(s) or other changes announced by the MASB subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for the period cannot be determined with certainty at the date of issuance of this interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 August 2007:

- **FRS 117 Leases**

With the adoption of FRS 117, leasehold land is no longer classified as property, plant and equipment but classified as 'prepaid lease payment (interest in leasehold land)' and amortised over the lease term.

3. **Qualification of Audit Report**

The audit report of the financial statement of the Group for the year ended 31 July 2007 was not qualified.

4. Seasonal or Cyclical Factors

There are no seasonal factors affecting the Group performance.

5. Material Changes In Estimates

There were no material changes in estimates that have had a material effect in the current quarter and financial period-to-date results.

6. Debt and Equity Securities

There were no cancellation, repurchases, resale and repayments of debts and equity securities during the financial period-to-date.

7. Dividends Paid

There were no dividends paid during the financial period-to-date.

8. Segmental Reporting

	Gross Operating Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
Plantations/ Palm Oil Mills	10,011	2,087
Property/ Construction	10,278	(1,031)
Manufacturing	91	(6,564)
Investment & Others	12,356	12,657
	<u>32,736</u>	<u>7,149</u>
Elimination	(2,272)	(397)
Fair Value Adjustment of Properties	-	(19,703)
Financing Costs	-	(10,529)
Share of Profit of An Associate	-	1,270
	<u>30,464</u>	<u>(22,210)</u>

9. Valuation of Property, Plant & Equipment

The valuation of land and building have been brought forward, without amendments from the previous annual report.

10. Material Subsequent Events

There were no material events subsequent to the end of the interim period to 25 July 2008 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) that have not been reflected in the financial statements for the financial period ended 31 May 2008.

11. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter.

12. Changes in Contingent Liabilities/Contingent Assets

The contingent liabilities as at financial period ended 31 May 2008 are as follows:

	RM'000
Guarantees and Contingencies Relating to:	
- Affiliated Companies	10,218
- Third Party	648
	<u>10,866</u>

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

The Group achieved a revenue of RM30.5 million for the 10 month period ended 31 May 2008. No comparison was made against the previous corresponding quarter/period as the Group had changed its financial year end from 31 July to 31 May as detailed in Note A1.

The Group recorded a loss before tax of RM22.2 million for the same period under review. The lacklustre market affecting some of the Group's properties resulting in the Group incurring losses of RM19.7 million due to adjustments made to reflect fair value of the properties.

2. Variation of results against preceding quarter

The Group recorded a loss before tax of RM32.3 million for the current quarter largely due to adjustments made to reflect fair value of the properties as mentioned above. This is in comparison to the previous quarter's loss of RM2.0 million, which was for a period of one month only due to the change in financial year end reporting.

3. Current year prospects

Despite the current challenging economic environment, the Group shall continue with its cost efficient measures and prudent expansion plans.

Businesses under the property/construction, network marketing and food services divisions will continue to be strengthened through more operational efficiencies.

4. Variance of Profit Forecast / Profit Guarantee

Not applicable.

5. Income Tax Expense

	Current Quarter Ended 31 May 2008 RM'000	Cumulative Year-To-Date 31 May 2008 RM'000
Under provision in prior years	8,038	9,552
Current year provision	40	40
	<u>8,078</u>	<u>9,592</u>
Deferred tax		
- prior year	1,110	1,057
- current year	(445)	(445)
	<u>8,743</u>	<u>10,204</u>

6. Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the current quarter.

7. Purchase or Disposal of Quoted Investments

(a) There was no acquisition of quoted investments during the current quarter.

(b) Total investments in quoted securities as at the end of the financial period-to-date are as follows:

	RM'000
(i) At cost	73,002
(ii) At book value	30,058
(iii) At market value	20,962

8. Status of Corporate Proposals Announced

There are no corporate proposals announced but not completed as at 25 July 2008.

9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 May 2008 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long Term Borrowings</u>			
Amount repayable after twelve months	101,178	-	101,178
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>101,178</u>	<u>1,000</u>	<u>102,178</u>

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short Term Borrowings</u>			
Bank overdrafts	2,331	-	2,331
Revolving credits	2,394	-	2,394
Current portion of long term loans	24,297	-	24,297
	<u>29,022</u>	<u>-</u>	<u>29,022</u>
Total Group Borrowings	<u>130,200</u>	<u>1,000</u>	<u>131,200</u>

Included in the above Group borrowings are the following loans denominated in Solomon Dollars (SBD):

Secured Borrowings:

	Foreign Currency SBD'000	RM'000 (equivalent)
Short term bank borrowings	511	214

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 25 July 2008 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Changes in Material Litigation

Further to the disclosure in the previous quarter's report on material litigation, the changes in material litigation as at 25 July 2008 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are as follows:

- (i) *The Company v Individual (1st defendant) and Astounding Holdings Sdn Bhd (2nd defendant) for RM15 million*

The case is now consolidated with another suit between Pica (M) Corporation Berhad Vs Individual (1st defendant). It is pending the setting down for trial.

- (ii) *Jiddi Joned Enterprises Sdn Bhd and 3 other subsidiary companies v Yeng Chong Realty Sdn Bhd (1st defendant)/ Louis KH Wong (2nd defendant)*

The Court of Appeal has on 25 February 2008 allowed the plaintiffs' appeal against the striking out of the plaintiffs' suit by the 1st defendant. The matter is now reinstated in the High Court and fixed for case management on 16 September 2008.

- (iii) *56 purchasers of South City Condominiums v Pujian Development Sdn Bhd ("Pujian"), a subsidiary company, and seven others.*

Matter is fixed for case management on 24 October 2008.

- (iv) *24 purchasers of South City Plaza v Pujian*

Matter is fixed for hearing of Summary Judgement on 24 October 2008.

- (v) *Pujian v Arab-Malaysian Assurance Berhad*

Pujian's claim has been dismissed with costs. Pujian has since filed an appeal on 30 August 2007.

- (vi) *The Government of Malaysia (Inland Revenue Board) ("IRB") v 4 Subsidiary companies, Mudek Sdn Bhd ("Mudek"), Seri Jasin Sdn Bhd ("Seri Jasin"), Berembang Sdn Bhd ("Berembang") and Jiddi Joned Sdn Bhd ("Jiddi Joned") in individual cases*

Mudek was successful in its application to set aside the judgement in default obtained earlier by IRB. The court has dismissed IRB's application to renew the summons with costs on 3 October 2007. IRB has since filed and served a fresh writ of summons of which the defence has been filed by Mudek on 22 May 2008.

In respect of Seri Jasin's suit, the matter is pending extraction of IRB's summary judgement application.

Jiddi Joned and Berembang have both filed their defences. In respect of Jiddi Joned's suit, the plaintiff has filed an application for summary judgement, of which the decision has been fixed to be delivered on 10 September 2008.

The said subsidiary companies have initiated another legal proceeding against Yeng Chong Realty Bhd similar to (ii) above, for part of the said real property gains tax withheld from the purchase consideration for the disposal of the properties concerned. The defendant has again filed an application to strike out the action which was dismissed. The defendant's further appeal was also dismissed on 12 July 2007. Matter is now fixed for case management on 18 September 2008.

- (vii) *Yeng Chong Realty Bhd ("Yeng Chong") v Tenaga Nasional Bhd ("TNB"), Mudek and Berembang*

Yeng Chong has also applied for an injunction against TNB to prevent TNB from entering into the property and making compensation to Mudek and Berembang, the injunction of which was refused on 27 September 2006. Yeng Chong has since filed an appeal against the decision. Matter fixed for further decision on 16 October 2008 for both applications to transfer proceedings to Kuala Lumpur and for leave to file Rejoinder.

- (viii) *IRB v Pujian*

The Government of Malaysia is claiming for tax assessment for the year 1998, 1999, 2000 in one action and for year 1999 (Tambahan) in another action, and for year 2001 in another action, and for year 2004 in another action. For the first action, Pujian succeeded in setting aside the judgement in default of appearance. IRB has since filed an appeal against the said decision. In relation to the second action, Pujian's defence was filed on 29 August 2007. In relation to the third action, Pujian succeeded in striking out the action on 27 December 2006. IRB has since filed and served a fresh suit for the same subject matter and Pujian's defence was filed on 29 August 2007. In respect of the fourth action, Pujian's defence was filed on 2 November 2006. No new developments in respect of the 1st, 2nd and 3rd action. As for the 4th action, the plaintiff's application for summary judgement is fixed for decision on 6 August 2008.

(ix) *IRB v Tashima Development Sdn Bhd ("Tashima")*

IRB commenced two actions against Tashima for income tax outstanding for assessment years 2000 in one action, and 2001 and 2002 in another action. In the first action, Tashima has filed its statement of defence on 10 April 2007. In respect of the second action, the court has allowed the plaintiff's summary judgement application on 12 February 2008. Tashima has since filed its appeal against the said decision. Matter is now fixed for mention on 31 July 2008 of our stay application.

12. Dividend

No dividend has been declared for the current financial period-to-date.

13. Loss Per Share

The basic loss per share have been calculated based on the consolidated net loss attributable to ordinary shareholders for the period and the weighted average number of ordinary shares in issue during the period.

Basic loss per share

	Current Quarter Ended 31/05/08 (RM'000)	Comparative Quarter Ended 31/05/07 (RM'000)	Cumulative Period-To-Date	
			31/05/08 (RM'000)	31/05/07 (RM'000)
Loss				
Net loss attributable to ordinary shareholders	(40,998)	N/A	(33,419)	N/A
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares	650,148	N/A	650,148	N/A

Note:

The comparative figures are not applicable due to the change of financial year as detailed in Note A1.

There is no dilution in the earnings per share as the average market value of the Company's ordinary shares during the period was lower than the exercise price of the outstanding warrants 2004/2009. Accordingly, there would be no conversion of these outstanding instruments for the purposes of calculating the fully diluted earnings per share.

30 July 2008