

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
 FOR THE YEAR ENDED 31 MAY 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/05/2009	31/05/2008	31/05/2009	31/05/2008
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	11,582	6,062	43,731	30,464
Cost of sales	(10,790)	(5,894)	(38,062)	(24,903)
Gross profit	792	168	5,669	5,561
Other operating income	22,779	791	23,251	21,400
Distribution costs	(247)	(226)	(850)	(899)
Administration expenses	(1,705)	(2,609)	(7,278)	(9,696)
Other operating expenses	(98,496)	(27,772)	(101,242)	(29,302)
<b>Loss from operations</b>	(76,877)	(29,648)	(80,450)	(12,936)
Finance costs	(2,726)	(2,952)	(11,716)	(10,529)
Share of profit after tax and minority interest of associate	1,653	350	2,082	1,270
<b>Loss before tax</b>	(77,950)	(32,250)	(90,084)	(22,195)
Income tax expense	(333)	(8,743)	(382)	(10,204)
<b>Loss for the year/period</b>	(78,283)	(40,993)	(90,466)	(32,399)
Attributable to:				
Shareholders of the company	(78,229)	(40,983)	(90,331)	(33,404)
Minority interests	(54)	(10)	(135)	1,005
<b>Loss for the year/period</b>	(78,283)	(40,993)	(90,466)	(32,399)
Basic loss per ordinary share (sen)	(12.03)	(6.30)	(13.89)	(5.14)
Diluted loss per ordinary share (sen)	-	-	-	-

## Note:

The comparative figures are for 10 months period due to the change of financial year as detailed in Note A1.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the financial period ended 31 May 2008.

**CONDENSED CONSOLIDATED BALANCE SHEETS  
 AS AT 31 MAY 2009**

	(Unaudited) 31/05/2009 RM'000	(Audited) 31/05/2008 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	15,391	41,027
Investment properties	263,247	289,584
Prepaid lease payments	1,289	1,090
Investment in an associate	41,359	24,315
Other long-term investments	5,248	6,881
Deferred tax assets	912	1,276
Intangible asset	-	538
	<u>327,446</u>	<u>364,711</u>
<b>Current assets</b>		
Inventories	1,052	886
Non-current asset held for sale	2,250	2,250
Property development costs	81,268	88,226
Trade receivables	16,497	49,219
Other receivables, deposits and prepayments	4,502	6,735
Prepaid lease payments	14	14
Tax recoverable	226	172
Fixed deposits with licensed banks	91	976
Cash and bank balances	661	2,010
	<u>106,561</u>	<u>150,488</u>
<b>TOTAL ASSETS</b>	<b><u>434,007</u></b>	<b><u>515,199</u></b>
<b>Equity</b>		
Share Capital	325,074	325,074
Reserves	(179,373)	(93,047)
<b>Equity attributable to shareholders of the Company</b>	<u>145,701</u>	<u>232,027</u>
<b>Minority interests</b>	<u>15,111</u>	<u>14,946</u>
Total equity	<u>160,812</u>	<u>246,973</u>
<b>Non-current liabilities</b>		
Hire purchase liabilities	798	803
Long-term borrowings	107,384	102,178
	<u>108,182</u>	<u>102,981</u>
<b>Current liabilities</b>		
Trade payables	9,206	5,896
Amount due to an associate	2,814	3,100
Other payables and accruals	92,689	93,383
Hire purchase liabilities	227	197
Short-term borrowings	26,409	29,022
Tax payable	33,668	33,647
	<u>165,013</u>	<u>165,245</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>434,007</u></b>	<b><u>515,199</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.2241	0.3569

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the financial period ended 31 May 2008.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 MAY 2009**

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange translation reserve RM'000	Accumulated losses RM'000	Shareholders' equity 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	-	-	(15)	(510)	-	(525)	-	(525)
Disposal of subsidiaris	-	-	(2,947)	(1,040)	-	(3,987)	(17,061)	(21,048)
Net (loss)/profit for the period	-	-	-	-	(33,404)	(33,404)	1,005	(32,399)
<b>Balance as at 31 May 2008</b>	<b>325,074</b>	<b>295,727</b>	<b>1,436</b>	<b>(5,131)</b>	<b>(385,079)</b>	<b>232,027</b>	<b>14,946</b>	<b>246,973</b>
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	(1)	4,006	-	4,005	-	4,005
Subscription of shares in subsidiaries	-	-	-	-	-	-	300	300
Net loss for the year	-	-	-	-	(90,331)	(90,331)	(135)	(90,466)
<b>Balance as at 31 May 2009</b>	<b>325,074</b>	<b>295,727</b>	<b>1,435</b>	<b>(1,125)</b>	<b>(475,410)</b>	<b>145,701</b>	<b>15,111</b>	<b>160,812</b>

## Note:

The comparative figures are for 10 months period due to the change of financial year as detailed in Note A1.

The Condensed Consolidated Statements Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the financial period ended 31 May 2008.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
 FOR THE YEAR ENDED 31 MAY 2009**

	Twelve Months Ended 31/05/2009 RM'000	Twelve Months Ended 31/05/2008 RM'000
<b><u>Cash flows from/(used in) operating activities</u></b>		
Loss before taxation	(90,084)	(22,195)
Adjustments for:		
Non-cash items	1,160	2,403
Non-operating items	80,901	16,690
<b>Operating loss before working capital changes</b>	<b>(8,023)</b>	<b>(3,102)</b>
Changes in working capital	14,303	1,681
<b>Cash generated from/(used in) operations</b>	<b>6,280</b>	<b>(1,421)</b>
Income tax (paid)/refunded - net	(52)	1,943
<b>Net cash from operating activities</b>	<b>6,228</b>	<b>522</b>
<b><u>Cash Flows from/(used in) investing activities</u></b>		
Equity investments	3,174	23,809
Others	243	(4,957)
<b>Net cash generated from investing activities</b>	<b>3,417</b>	<b>18,852</b>
<b><u>Cash flows from/(used in) financing activities</u></b>		
Bank borrowings	(10,169)	(20,011)
Others	1,171	425
<b>Net cash used in financing activities</b>	<b>(8,998)</b>	<b>(19,586)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>647</b>	<b>(212)</b>
Effects of exchange rate changes	(2,853)	1,171
<b>Cash and cash equivalents at beginning of year/period</b>	<b>(285)</b>	<b>(1,254)</b>
Foreign exchange differences on opening cash and cash equivalents	(1)	10
<b>Cash and cash equivalents at end of year/period</b>	<b>(2,492)</b>	<b>(285)</b>
Cash and cash equivalents comprise:		
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	661	2,010
Fixed deposits	91	976
Bank overdrafts	(3,175)	(2,331)
	(2,423)	655
Less: Fixed deposits pledged	(69)	(940)
	(2,492)	(285)

## Note:

The comparative figures are for 10 months period due to the change of financial year as detailed in Note A1.

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the period ended 31 May 2008.

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2009

### 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 2008 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2009 annual financial statements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the period ended 31 May 2008. 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 period ended 31 May 2008.

As announced on 1 April 2008, the Company changed its financial year-end from 31 July to 31 May. The comparative figures are for 10 months period due to the change of financial year end.

#### 2. **Qualification of Audit Report**

The audit report of the financial statement of the Group for the period ended 31 May 2008 was not qualified.

#### 3. **Seasonal or Cyclical Factors**

There are no seasonal factors affecting the Group performance.

#### 4. **Material Changes In Estimates**

There were no material changes in estimates that have had a material effect in the financial year to-date results.

#### 5. **Debt and Equity Securities**

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

#### 6. **Dividends Paid**

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

## 7. Segmental Reporting

	Gross Operating Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
Construction	27,122	219
Property	6,063	(66,048)
Network Marketing	8,735	(212)
Investment & Others	4,331	(14,409)
	<u>46,251</u>	<u>(80,450)</u>
Elimination	(2,520)	-
Financing Costs	-	(11,716)
Share of Profit of An Associate	-	2,082
	<u><u>43,731</u></u>	<u><u>(90,084)</u></u>

## 8. Valuation of Property, Plant & Equipment

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

## 9. Material Subsequent Events

There were no material events subsequent to the end of the interim period to 20 July 2009 (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 year ended 31 May 2009.

## 10. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current interim period.

## 11. Changes in Contingent Liabilities/Contingent Assets

The contingent liabilities as at financial year ended 31 May 2009 are as follows:

	RM'000
Guarantees and Contingencies Relating to:	
- An affiliated company	<u><u>4,926</u></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 revenue of RM43.7 million for the financial year ended 31 May 2009. The main revenue contributors are from the construction, property and network marketing divisions.

The Group recorded a loss before tax of RM90.1 million for the financial year ended 31 May 2009. The losses were mainly due to adjustments of RM34 million made to reflect fair value of Group properties. In addition, an impairment loss of RM31 million of the Group's leasehold plantation has also been recognised arising from indication of a lower recoverable amount due to temporary stoppage of plantation work. The Group has also made provisions for doubtful debts of RM29 million for the financial year ended 31 May 2009.

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

The Group recorded a loss before tax of RM78.0 million for the current quarter compared to a loss of RM4.5 million in the previous quarter. The higher losses were mainly due to adjustments made to reflect fair value of properties, impairment of leasehold plantation and provision for doubtful debts as mentioned above.

**3. Prospects for the next financial year**

The Group will focus on streamlining its existing businesses and implementing cost cutting measures to achieve better operational efficiencies.

Businesses under the construction, property and network marketing divisions will continue to be strengthened to increase contribution to the Group.

**4. Variance of Profit Forecast / Profit Guarantee**

Not applicable.

**5. Income Tax Expense**

	Current Quarter Ended 31 May 2009 RM'000	Cumulative Year To-Date 31 May 2009 RM000
Under provision in prior years	(81)	(54)
Current year tax expenses	51	73
	<hr style="width: 100%; border: 0.5px solid black;"/> (30)	<hr style="width: 100%; border: 0.5px solid black;"/> 19
Deferred tax		
- current year	196	196
- under provision in prior years	167	167
	<hr style="width: 100%; border: 0.5px solid black;"/> 333	<hr style="width: 100%; border: 0.5px solid black;"/> 382

## 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) During the quarter, the Group disposed quoted shares for RM1.21 million realising a loss of RM0.21 million.

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

	RM'000
(i) At cost	69,250
(ii) At book value	45,469
(iii) At market value	21,240

## 8. Status of Corporate Proposals Announced

There are no corporate proposals announced but not completed as at 20 July 2009.

## 9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 May 2009 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long-Term Borrowings</u>			
Amount repayable after twelve months	106,384	-	106,384
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>106,384</u>	<u>1,000</u>	<u>107,384</u>
<u>Short-Term Borrowings</u>			
Bank overdrafts	3,175	-	3,175
Revolving credits	3,049	-	3,049
Current portion of long term loans	20,185	-	20,185
	<u>26,409</u>	<u>-</u>	<u>26,409</u>
Total Group Borrowings	<u>132,793</u>	<u>1,000</u>	<u>133,793</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	643	322

**10. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 20 July 2009 (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 20 July 2009 (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 (1<sup>st</sup> defendant). This matter is now fixed for hearing of pre-trial case management on 16 September 2009.

- (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 1<sup>st</sup> defendant. The matter is now reinstated in the High Court and fixed for further case management on 2 September 2009. Our application for further and better particulars was allowed on 29 June 2009.

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

Matter is fixed for further case management on 18 August 2009.

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

Matter is fixed for mention of summary judgement on 18 August 2009.

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

Pujian's claim has been dismissed with costs. Pujian has since filed an appeal to the Court of Appeal on 30 August 2007. It is pending fixture of hearing date from the Court of Appeal.

- (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. IRB has applied for summary judgement and is fixed for mention on 10 September 2009. In respect of Seri Jasin's suit, the matter is pending extraction of IRB's sealed 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 which is fixed for mention on 10 September 2009. In respect of Berembang's suit, the Plaintiff has filed an application for summary judgement which is fixed for mention on 29 September 2009.

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 further case management on 17 August 2009.

- (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 but no hearing date was obtained from the Court. Both our applications to transfer proceedings to Kuala Lumpur and for leave to file Rejoinder were dismissed by the Court with costs.

- (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. IRB has filed an application for summary judgement and it is fixed for mention on 18 August 2009. As for the fourth action, the plaintiff's application for summary judgement was allowed with costs on 6 August 2008. Pujian has since filed an appeal against the decision and it is now fixed for hearing on 10 August 2009. Pujian has also filed a stay application which is fixed for hearing on 30 July 2009.

(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. IRB had on 2 January 2009 served on Tashima the unsealed summary judgement application. 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 which is pending fixture of date. Our stay of execution application is pending fixture of date.

(x) *IRB v Sawitani Sdn Bhd ("Sawitani")*

IRB filed a suit against Sawitani for real property gains tax outstanding for assessment year 2000. Sawitani has filed its statement of defence on 9 September 2008. Matter is fixed for mention on 28 July 2009.

## 12. Dividend

No dividend has been declared for the current financial year 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 year and the weighted average number of ordinary shares in issue during the year.

<i>Basic loss per share</i>	Current	Comparative	Cumulative	
	Quarter Ended	Quarter Ended	Year/Period To-Date	
	31/05/09	31/05/08	31/05/09	31/05/08
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Loss</b>				
Net loss attributable to ordinary shareholders	(78,229)	(40,983)	(90,331)	(33,404)
<b>Weighted average number of ordinary shares</b>	(‘000)	(‘000)	(‘000)	(‘000)
	650,148	650,148	650,148	650,148

Note:

The comparative figures are for 10 months period due to the change of financial year as detailed in Note A1.

The warrants 2004/2009 expired on 18 March 2009 and hence there is no calculation of diluted earnings per share.