

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
 FOR THE PERIOD ENDED 30 NOVEMBER 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/11/2009	30/11/2008	30/11/2009	30/11/2008
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	6,244	11,756	13,051	22,302
Cost of sales	(4,618)	(10,006)	(10,424)	(18,863)
Gross profit	1,626	1,750	2,627	3,439
Other operating income	42	179	294	238
Distribution costs	(133)	(188)	(453)	(387)
Administration expenses	(1,597)	(1,917)	(3,168)	(3,872)
Other operating expenses	(1,168)	(619)	(1,874)	(1,338)
<b>Loss from operations</b>	(1,230)	(795)	(2,574)	(1,920)
Finance costs	(2,688)	(2,980)	(5,461)	(6,073)
Share of profit after tax and minority interest of associate	739	235	814	330
<b>Loss before tax</b>	(3,179)	(3,540)	(7,221)	(7,663)
Income tax expense	(7)	(9)	(12)	(40)
<b>Loss for the period</b>	(3,186)	(3,549)	(7,233)	(7,703)
Attributable to:				
Shareholders of the company	(3,163)	(3,533)	(7,190)	(7,648)
Minority interests	(23)	(16)	(43)	(55)
<b>Loss for the period</b>	(3,186)	(3,549)	(7,233)	(7,703)
Basic loss per ordinary share (sen)	(0.49)	(0.54)	(1.11)	(1.18)
Diluted loss per ordinary share (sen)	-	-	-	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2009.

**CONDENSED CONSOLIDATED BALANCE SHEETS  
 AS AT 30 NOVEMBER 2009**

	(Unaudited) 30/11/2009 RM'000	(Audited) 31/05/2009 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	12,000	15,588
Investment properties	263,247	263,247
Prepaid lease payments	1,159	1,277
Investment in an associate	41,788	41,359
Other long-term investments	4,190	5,248
Deferred tax assets	912	912
	<u>323,296</u>	<u>327,631</u>
<b>Current assets</b>		
Inventories	896	1,052
Non-current asset held for sale	2,250	2,250
Property development costs	81,268	81,268
Trade receivables	13,795	16,497
Other receivables, deposits and prepayments	4,040	3,886
Prepaid lease payments	19	19
Tax recoverable	226	226
Fixed deposits with licensed banks	2	91
Cash and bank balances	804	661
	<u>103,300</u>	<u>105,950</u>
<b>TOTAL ASSETS</b>	<b><u>426,596</u></b>	<b><u>433,581</u></b>
<b>Equity</b>		
Share capital	325,074	325,074
Reserves	(189,062)	(179,811)
<b>Equity attributable to shareholders of the Company</b>	<u>136,012</u>	<u>145,263</u>
<b>Minority interests</b>	<u>15,068</u>	<u>15,111</u>
<b>Total equity</b>	<u>151,080</u>	<u>160,374</u>
<b>Non-current liabilities</b>		
Hire purchase liabilities	553	798
Long-term borrowings	100,101	103,909
	<u>100,654</u>	<u>104,707</u>
<b>Current liabilities</b>		
Trade payables	8,246	9,206
Amount due to an associate	2,843	2,813
Other payables and accruals	92,557	92,702
Hire purchase liabilities	216	227
Short-term borrowings	37,337	29,884
Tax payable	33,663	33,668
	<u>174,862</u>	<u>168,500</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>426,596</u></b>	<b><u>433,581</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.2092	0.2234

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2009.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE PERIOD ENDED 30 NOVEMBER 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
<b>Balance as at 1 June 2009</b>	325,074	295,727	1,436	(1,319)	(475,655)	145,263	15,111	160,374
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	-	(2,061)	-	(2,061)	-	(2,061)
Net loss for the period	-	-	-	-	(7,190)	(7,190)	(43)	(7,233)
<b>Balance as at 30 November 2009</b>	<b>325,074</b>	<b>295,727</b>	<b>1,436</b>	<b>(3,380)</b>	<b>(482,845)</b>	<b>136,012</b>	<b>15,068</b>	<b>151,080</b>
<b>Balance as at 1 June 2008</b>	325,074	295,727	1,436	(5,131)	(385,079)	232,027	14,946	246,973
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	(1)	1,499	-	1,498	-	1,498
Subscription of shares in subsidiaries	-	-	-	-	-	-	300	300
Net loss for the period	-	-	-	-	(7,648)	(7,648)	(55)	(7,703)
<b>Balance as at 30 November 2008</b>	<b>325,074</b>	<b>295,727</b>	<b>1,435</b>	<b>(3,632)</b>	<b>(392,727)</b>	<b>225,877</b>	<b>15,191</b>	<b>241,068</b>

The Condensed Consolidated Statements Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2009.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
 FOR THE PERIOD ENDED 30 NOVEMBER 2009**

	<b>Six Months Ended 30/11/2009 RM'000</b>	<b>Six Months Ended 30/11/2008 RM'000</b>
<b><u>Cash flows from/(used in) operating activities</u></b>		
Loss before taxation	(7,221)	(7,663)
Adjustments for:		
Non-cash items	432	1,023
Non-operating items	5,567	5,581
<b>Operating loss before working capital changes</b>	<b>(1,222)</b>	<b>(1,059)</b>
Changes in working capital	2,100	4,416
<b>Cash generated from operations</b>	<b>878</b>	<b>3,357</b>
Income tax (paid)/refunded - net	(17)	(115)
<b>Net cash generated from operating activities</b>	<b>861</b>	<b>3,242</b>
<b><u>Cash Flows from/(used in) investing activities</u></b>		
Equity investments	1,170	-
Others	(261)	(211)
<b>Net cash generated from/(used in) investing activities</b>	<b>909</b>	<b>(211)</b>
<b><u>Cash flows from/(used in) financing activities</u></b>		
Bank borrowings	(1,927)	(5,098)
Others	69	1,009
<b>Net cash used in financing activities</b>	<b>(1,858)</b>	<b>(4,089)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(88)</b>	<b>(1,058)</b>
Effects of exchange rate changes	356	(708)
<b>Cash and cash equivalents at beginning of period</b>	<b>(2,491)</b>	<b>(285)</b>
Foreign exchange differences on opening cash and cash equivalents	(1)	-
<b>Cash and cash equivalents at end of period</b>	<b>(2,224)</b>	<b>(2,051)</b>
Cash and cash equivalents comprise:		
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	804	958
Fixed deposits	2	253
Bank overdrafts	(3,030)	(3,031)
	(2,224)	(1,820)
Less: Fixed deposits pledged	-	(231)
	(2,224)	(2,051)

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 May 2009.

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED  
30 NOVEMBER 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 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2010 annual financial statements.

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

**2. Qualification of Audit Report**

The audit report of the financial statement of the Group for the year ended 31 May 2009 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 period to-date results.

**5. Debt and Equity Securities**

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

**6. Dividends Paid**

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

## 7. Segmental Reporting

	Gross Operating Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
Construction	7,277	866
Property	3,137	(472)
Network Marketing	2,413	(923)
Investment & Others	952	(2,051)
	<u>13,779</u>	<u>(2,580)</u>
Elimination	(728)	6
Financing Costs	-	(5,461)
Share of Profit of An Associate	-	814
	<u><u>13,051</u></u>	<u><u>(7,221)</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 25 January 2010 (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 30 November 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 period ended 30 November 2009 are as follows:

	RM'000
Guarantees and Contingencies Relating to:	
- An affiliated company	<u><u>3,977</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 a revenue of RM13 million for the financial period ended 30 November 2009. The main revenue contributor was from the construction division.

The Group recorded a loss before tax of RM7.2 million for the financial period ended 30 November 2009. The losses were mainly due to high finance costs incurred during the period to-date.

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

The Group recorded a loss before tax of RM3 million for the current quarter compared to a loss of RM4 million in the previous quarter.

**3. Current year prospects**

The Group will focus on tighter cash management and more efficient use of resources 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 30 November 2009 RM'000	Cumulative Year To-Date 30 November 2009 RM000
Current year provision	7	12
	<u>7</u>	<u>12</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) During the quarter, the Group disposed quoted shares for RM0.4 million realising a loss of RM56,000.
- (c) Total investments in quoted securities as at the end of the financial period to-date are as follows:

	RM'000
(i) At cost	67,429
(ii) At book value	44,840
(iii) At market value	22,657

## 8. Status of Corporate Proposals Announced

There are no corporate proposals announced but not completed as at 25 January 2010.

## 9. Group Borrowings and Debt Securities

Total Group borrowings as at 30 November 2009 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long-Term Borrowings</u>			
Amount repayable after twelve months	99,101	-	99,101
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>99,101</u>	<u>1,000</u>	<u>100,101</u>
<u>Short-Term Borrowings</u>			
Bank overdrafts	3,030	-	3,030
Revolving credits	3,404	-	3,404
Current portion of long term loans	30,903	-	30,903
	<u>37,337</u>	<u>-</u>	<u>37,337</u>
Total Group Borrowings	<u>136,438</u>	<u>1,000</u>	<u>137,438</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	295



## 10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 25 January 2010 (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 January 2010 (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). The company has obtained judgement in default against both defendants on 10 December 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 mention on 10 February 2010. Our application for further and better particulars was allowed on 29 June 2009 and the defendants are applying to set aside the further and better particulars order and is now fixed for mention on 24 February 2010.

- (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 17 March 2010.

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

Matter is fixed for hearing of the plaintiffs' summary judgement application on 25 March 2010.

- (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 which is now fixed for hearing on 5 April 2010.

- (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 case management on 9 March 2010. In respect of

Seri Jasin's suit, the matter is fixed for case management on 11 March 2010 for 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 which is fixed for case management on 8 April 2010. In respect of Berembang's suit, the Plaintiff has filed an application for summary judgement which is fixed for clarification/decision on 28 April 2010.

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 11 February 2010.

(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 and it is fixed for hearing on 12 April 2010. 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. IRB has filed an application for summary judgement which is fixed for case management on 19 March 2010. 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 9 February 2010. 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 mention on 9 February 2010. Pujian has also filed a stay application which is fixed for clarification on 9 February 2010.

(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 has filed an application for summary judgement which is fixed for mention on 4 March 2010. 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 fixed for mention on 4 March 2010.

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 case management on 19 April 2010 for IRB's summary judgement 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.

<i>Basic loss per share</i>	Current Quarter Ended	Comparative Quarter Ended	Cumulative Period To-Date	
	30/11/09 (RM'000)	30/11/08 (RM'000)	30/11/09 (RM'000)	30/11/08 (RM'000)
<b>Loss</b> Net loss attributable to ordinary shareholders	(3,163)	(3,533)	(7,190)	(7,648)
<b>Weighted average number of ordinary shares</b>	( <sup>'000</sup> ) 650,148	( <sup>'000</sup> ) 650,148	( <sup>'000</sup> ) 650,148	( <sup>'000</sup> ) 650,148

27 January 2010