

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MAY 2011**

|  | INDIVIDUAL PERIOD       |  | CUMULATIVE PERIOD       |   |
|--|-------------------------|--|-------------------------|---|
|  | Current Year<br>Quarter | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To Date | Preceding Year<br>Corresponding<br>Period |
|  | 31-05-2011<br>RM'000    | 31-05-2010<br>RM'000                       | 31-05-2011<br>RM'000    | 31-05-2010<br>RM'000                      |
| <b>Revenue</b>   | <b>12,071</b>           | 2,694                                      | <b>24,976</b>           | 21,073                                    |
| Cost of sales  | <b>(8,625)</b>          | (2,620)                                    | <b>(17,779)</b>         | (17,824)                                  |
| Gross profit   | <b>3,446</b>            | 74   | <b>7,197</b>            | 3,249                                     |
| Other income   | <b>11,323</b>           | 24,731                                     | <b>47,268</b>           | 25,716                                    |
| Distribution costs   | <b>(305)</b>            | (82)                                       | <b>(499)</b>            | (725)                                     |
| Administration expenses  | <b>(6,867)</b>          | (1,404)                                    | <b>(11,569)</b>         | (5,870)                                   |
| Other expenses   | <b>(1,890)</b>          | (39,177)                                   | <b>(24,649)</b>         | (50,414)                                  |
| <b>Profit/(Loss) from operations</b>                               | <b>5,707</b>            | (15,858)                                   | <b>17,748</b>           | (28,044)                                  |
| Finance costs  | <b>1,622</b>            | (5,933)                                    | <b>(8,112)</b>          | (14,172)                                  |
| Share of profit after tax and<br>minority interest of associate    | -                       | -  | -                       | 826                                       |
| <b>Net profit/(loss) before tax</b>                                | <b>7,329</b>            | (21,791)                                   | <b>9,636</b>            | (41,390)                                  |
| Income tax expense   | <b>(950)</b>            | (98)                                       | <b>(959)</b>            | (78)                                      |
| <b>Net profit/(loss) for the period</b>                            | <b>6,379</b>            | (21,889)                                   | <b>8,677</b>            | (41,468)                                  |
| Attributable to:   |                         |  |                         |   |
| Equity holders of the Company                                      | <b>6,533</b>            | (21,865)                                   | <b>8,944</b>            | (41,375)                                  |
| Minority interests   | <b>(154)</b>            | (24)                                       | <b>(267)</b>            | (93)                                      |
| <b>Profit/(Loss) for the period</b>                                | <b>6,379</b>            | (21,889)                                   | <b>8,677</b>            | (41,468)                                  |
| <b>Other comprehensive income, net of tax</b>                      |                         |  |                         |   |
| Available-for-sales financial assets<br>- fair value gain          | <b>(2,334)</b>          | -  | <b>3,490</b>            | -   |
| Foreign currency translation differences<br>for foreign operations | -                       | -  | <b>5</b>                | -   |
| <b>Total comprehensive income for the period</b>                   | <b>4,045</b>            | (21,889)                                   | <b>12,172</b>           | (41,468)                                  |
| Attributable to:   |                         |  |                         |   |
| Equity holders of the Company                                      | <b>4,199</b>            | (21,865)                                   | <b>12,439</b>           | (41,375)                                  |
| Minority interests   | <b>(154)</b>            | (24)                                       | <b>(267)</b>            | (93)                                      |
|  | <b>4,045</b>            | (21,889)                                   | <b>12,172</b>           | (41,468)                                  |
| Basic earnings/(loss) per ordinary share (sen)                     | <b>1.00</b>             | (3.36)                                     | <b>1.38</b>             | (6.36)                                    |
| Diluted earnings/(loss) per ordinary share (sen)                   | -                       | -  | -                       | -   |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2010.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 MAY 2011**

|  | (Unaudited)<br>31-05-2011<br>RM'000 | (Audited)<br>31-05-2010<br>RM'000 |
|--|-------------------------------------|-----------------------------------|
| <b>Non-current assets</b>  |                                     |                                   |
| Property, plant and equipment  | 1,661                               | 3,296                             |
| Investment properties  | 318,265                             | 263,247                           |
| Available-for-sales financial assets   | 7,781                               | 3,366                             |
| Deferred tax assets  | 226                                 | 812                               |
|  | <u>327,933</u>                      | <u>270,721</u>                    |
| <b>Current assets</b>  |                                     |                                   |
| Inventories  | 328                                 | 429                               |
| Property development costs   | 56,831                              | 54,944                            |
| Trade receivables  | 12,420                              | 1,516                             |
| Other receivables, deposits and prepayments                                      | 13,210                              | 4,676                             |
| Tax recoverable  | 214                                 | 227                               |
| Fixed deposits with licensed banks   | -                                   | 22,291                            |
| Cash and bank balances   | 3,451                               | 3,880                             |
|  | <u>86,454</u>                       | <u>87,963</u>                     |
| <b>TOTAL ASSETS</b>  | <u>414,387</u>                      | <u>358,684</u>                    |
| <b>Equity</b>  |                                     |                                   |
| Share capital  | 325,074                             | 325,074                           |
| Reserves   | (206,452)                           | (219,861)                         |
| <b>Equity attributable to shareholders of the Company</b>                        | <u>118,622</u>                      | <u>105,213</u>                    |
| <b>Minority interests</b>  | 14,751                              | 15,018                            |
| Total equity   | <u>133,373</u>                      | <u>120,231</u>                    |
| <b>Non-current liabilities</b>   |                                     |                                   |
| Hire purchase liabilities  | 277                                 | 457                               |
| Long-term borrowings   | 105,389                             | 77,085                            |
|  | <u>105,666</u>                      | <u>77,542</u>                     |
| <b>Current liabilities</b>   |                                     |                                   |
| Trade payables   | 24,991                              | 6,127                             |
| Other payables and accruals  | 88,184                              | 67,559                            |
| Hire purchase liabilities  | 190                                 | 190                               |
| Short-term borrowings  | 27,625                              | 53,413                            |
| Tax payable  | 34,358                              | 33,622                            |
|  | <u>175,348</u>                      | <u>160,911</u>                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <u>414,387</u>                      | <u>358,684</u>                    |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 0.1825                              | 0.1618                            |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2010.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MAY 2011**

|   | Share capital<br>RM'000 | Share premium<br>RM'000 | Revaluation reserve<br>RM'000 | Foreign exchange translation reserve<br>RM'000 | Available-for-sale Financial Assets reserve<br>RM'000 | Accumulated losses<br>RM'000 | Shareholders' equity<br>RM'000 | Minority interests<br>RM'000 | Total equity<br>RM'000 |
|---|-------------------------|-------------------------|-------------------------------|--|---|------------------------------|--------------------------------|------------------------------|------------------------|
| Balance as at 1 June 2010<br>(as previously stated)                                 | 325,074                 | 295,727                 | 1,436                         | 6  | -   | (517,030)                    | 105,213                        | 15,018                       | 120,231                |
| Effects of adopting FRS139  | -                       | -                       | -                             | -  | 970   | -                            | 970                            | -                            | 970                    |
| Balance as at 1 June 2010<br>(restated and adjusted)                                | 325,074                 | 295,727                 | 1,436                         | 6  | 970   | (517,030)                    | 106,183                        | 15,018                       | 121,201                |
| Total comprehensive income for the period   | -                       | -                       | -                             | 5  | 3,490   | 8,944                        | 12,439                         | (267)                        | 12,172                 |
| Balance as at 31 May 2011   | 325,074                 | 295,727                 | 1,436                         | 11   | 4,460   | (508,086)                    | 118,622                        | 14,751                       | 133,373                |
| Balance as at 1 June 2009   | 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 | -                       | -                       | -                             | (2,059)  | -   | -                            | (2,059)                        | -                            | (2,059)                |
| Disposal of subsidiary  | -                       | -                       | -                             | 3,384  | -   | -                            | 3,384                          | -                            | 3,384                  |
| Net loss for the period   | -                       | -                       | -                             | -  | -   | (41,375)                     | (41,375)                       | (93)                         | (41,468)               |
| Balance as at 31 May 2010   | 325,074                 | 295,727                 | 1,436                         | 6  | -   | (517,030)                    | 105,213                        | 15,018                       | 120,231                |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2010.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 MAY 2011**

|   | Twelve months<br>ended<br>31-05-2011<br>RM'000 | Twelve months<br>ended<br>31-05-2010<br>RM'000 |
|---|--|--|
| <b>Cash flows from/(used in) operating activities</b>         |  |  |
| Profit/(Loss) before taxation                                 | 9,636  | (41,390)                                       |
| Adjustments for :   |  |  |
| - Non-cash items  | 666  | 1,154  |
| - Non-operating items   | (43,571)                                       | 39,262   |
| <b>Operating loss before working capital changes</b>          | <b>(33,269)</b>                                | <b>(974)</b>                                   |
| Changes in working capital                                    | 14,935   | 1,751  |
| <b>Cash (used in)/generated from operations</b>               | <b>(18,334)</b>                                | <b>777</b>                                     |
| Income tax paid   | (12)   | (20)   |
| <b>Net cash (used in)/generated from operating activities</b> | <b>(18,346)</b>                                | <b>757</b>                                     |
| <b>Cash flows from/(used in) investing activities</b>         |  |  |
| - Equity investments  | -  | 37,684   |
| - Others  | (10,732)                                       | (414)  |
| <b>Net cash (used in)/generated from investing activities</b> | <b>(10,732)</b>                                | <b>37,270</b>                                  |
| <b>Cash flows from/(used in) financing activities</b>         |  |  |
| - Bank borrowings   | 6,353  | (7,527)  |
| - Others  | -  | (3,191)  |
| <b>Net cash generated from/(used in) financing activities</b> | <b>6,353</b>                                   | <b>(10,718)</b>                                |
| Net (decrease)/increase in cash and cash equivalents          | (22,725)                                       | 27,309   |
| Effects of exchange rate changes                              | 5  | 1,353  |
| Cash and cash equivalents at beginning of year                | 26,171   | (2,491)  |
| <b>Cash and cash equivalents at end of year</b>               | <b>3,451</b>                                   | <b>26,171</b>                                  |
| Cash and cash equivalents comprise:                           |  |  |
|   | RM'000   | RM'000   |
| Cash and bank balances  | 3,451  | 3,880  |
| Fixed deposits  | -  | 22,291   |
|   | <b>3,451</b>                                   | <b>26,171</b>                                  |

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 May 2010.

**NOTES TO THE INTERIM FINANCIAL REPORT  
 FOR THE PERIOD ENDED 31 MAY 2011**

**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 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2011 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 2010. The 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 year ended 31 May 2010.

**2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 May 2010, except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and IC Interpretations with effect from 1 January 2010:

**FRSs, Amendment to FRSs and IC Interpretations**

|                                    |  |
|------------------------------------|--|
| FRS 4                              | Insurance Contracts  |
| FRS 7                              | Financial Instruments: Disclosures   |
| Revised FRS 101 (2009)             | Presentation of Financial Statements   |
| Revised FRS 123 (2009)             | Borrowing Costs  |
| Revised FRS 139 (2010)             | Financial Instruments: Recognition and Measurement   |
| Amendments to FRS 1<br>and FRS 127 | First-time Adoption of Financial Reporting Standards and<br>Cost of an Investment in a Subsidiary, Jointly Controlled<br>Entity or Associate |
| Amendments to FRS 2                | Share-based Payment : Vesting Conditions and<br>Cancellations  |
| Amendments to FRS 7,<br>FRS 139    | Financial Instruments : Recognition and Measurement,<br>Disclosures and Reassessment of Embedded<br>Derivatives and IC Interpretation 9      |

**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

|                                    |  |
|------------------------------------|--|
| Amendments to FRS 132              | Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments |
| IC Interpretation 9                | Reassessment of Embedded Derivatives   |
| IC Interpretation 10               | Interim 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 |
| Annual Improvements to FRSs (2009) |  |

The adoption of the above standards, amendments and interpretations has resulted in changes of certain accounting policies and classification adopted by the Group as well as presentation of financial statements as described hereunder:-

**(a) FRS 101 (revised): Presentation of Financial Statements (FRS 101)**

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in a single statement.

**(b) FRS 139: Financial Instruments: Recognition and Measurement (FRS 139)**

The Group classifies its financial assets in the following categories: at fair value through profit or loss, receivables, held to maturity and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at the initial recognition. Set out below are the major changes in classifications of financial assets of the Group:

**(i) Other receivables**

Non-current receivables, previously measured at invoice amount and subject to impairment, are now classified as other receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**(i) Other receivables (continued)**

When other receivables are impaired, the carrying amount of the asset is reduced and the amount of loss is recognised in profit or loss. Impairment loss is measured as difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

**(ii) Available-for-sale financial assets**

Non-current investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value.

Changes in the fair values of the available-for-sale debt securities denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and other changes are recognised in other comprehensive income. If there is any objective evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**(ii) Available-for-sale financial assets (cont'd)**

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss.

**Impact on opening balances**

In accordance with the transitional provisions for FRS 139, the above changes are applied prospectively and the comparatives as at 31 May 2010 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the statement of financial position as at 1 June 2010:

|  | As previously<br>reported<br>RM'000 | Effect of<br>FRS 139<br>RM'000 | As restated<br>RM'000 |
|--|-------------------------------------|--------------------------------|-----------------------|
| Non-Current Assets                     |                                     |                                |                       |
| - Available-for-sale financial assets  | 3,366                               | 970                            | 4,336                 |
| Equity                                 |                                     |                                |                       |
| - Available-for-sale financial reserve | -                                   | 970                            | 970                   |

**3. Qualification of Audit Report**

The audit report of the financial statement of the Group for the financial year ended 31 May 2010 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 financial year to-date results.



**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**6. Debt and Equity Securities**

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

**7. Dividends Paid**

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

**8. Segmental Reporting**

|   | Gross<br>Operating<br>Revenue<br>RM'000 | Profit/(Loss)<br>Before<br>Taxation<br>RM'000 |
|---|---|---|
| Construction                            | 9,274                                   | 373   |
| Property Management/Property Investment | 15,621                                  | 23,681 (a)                                    |
| Network Marketing                       | 451                                     | (1,462)                                       |
| Investment & Others                     | 2,942                                   | (4,843)                                       |
|   | <u>28,288</u>                           | <u>17,749</u>                                 |
| Elimination                             | (3,312)                                 | -   |
| Financing Costs                         | -                                       | (8,113)                                       |
|   | <u>24,976</u>                           | <u>9,636</u>                                  |

(a) Profit before tax of RM23.681 million includes the net effect of RM38.37 million write back of doubtful debts provisions less revocation of property sales of RM21.2 million for the financial year to date.

**9. Valuation of Property, Plant & Equipment**

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

**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**10. Material Subsequent Events**

There were no material events subsequent to the financial year ended 31 May 2011 up to the date of this report.

**11. Effect of Changes in the Composition of the Group**

There were no changes in composition of the Group during the interim period except for the completion on 3 May 2011 of the acquisition of 500,000 ordinary shares of RM1.00 each in Curah Bahagia Sdn Bhd, representing 100% equity interest for a total purchase consideration of RM4,500,000.

**12. Changes in Contingent Liabilities/Contingent Assets**

The contingent liabilities as at financial year ended 31 May 2011 are as follows:

|   | RM'000    |
|---|-----------|
| Guarantees and Contingencies Relating to: |           |
| - An affiliated company                   | <u>80</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 recorded a revenue of RM24.98 million and profit before tax of RM9.6 million for the financial year ended 31 May 2011.

**2. Variation of Results against Preceding Quarter**

The Group continued to record a profit before tax in the current quarter at RM7.3 million. This compares to RM7.9 million profit before tax recorded in the preceding quarter. The current quarter's results included RM4 million of doubtful debts recovered and RM3.5 million of accretion in fair value of investment property.

**3. Next Financial Year's Prospects**

The Group's other newly constructed retail mall known as 1Segamat in Segamat, Johor is due to be opened for business by November 2011. Together with the retail mall in Seri Kembangan, Selangor, rental income derived from these two investment properties will form a substantial source of recurring income for the Group.

Contribution from the Group's wholly owned subsidiary, Curah Bahagia Sdn Bhd is expected to contribute significantly to the Group's revenue and profit in the next financial year.

The machinery and processing equipment of the Group's iron ore operations in Kalimantan, Indonesia were installed and commissioned in July 2011. Commercial production is expected to commence by September 2011. This is in line with the Group's intention to diversify its business portfolio to operations which are more sustainable.

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

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

Not applicable

**5. Income Tax Expense**

|   | Current Quarter Ended<br>31 May 2011<br>RM'000 | Cumulative Year To-Date<br>31 May 2011<br>RM'000 |
|---|--|--|
| Current income tax :                      |  |  |
| - Malaysian tax                           | 351  | 360  |
| - Reversal of deferred tax                | 586  | 586  |
| - Under provision of tax in previous year | 13   | 13   |
|   | <u>950</u>                                     | <u>959</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 or disposal of quoted investments during the current quarter.
- (b) The investments in quoted securities have been reclassified from other investments to available-for-sale financial assets upon adoption of FRS139 on 1 June 2010.

|  | RM'000       |
|--|--------------|
| <b>Cost</b>  | 22,429       |
| <b>Carrying value</b>                                    |              |
| Opening balance as at 1 June 2010                        | 2,228        |
| Fair value adjustment upon the adoption of FRS139        | 970          |
| Fair value gain recognised in other comprehensive income | 3,449        |
| Foreign exchange loss recognised to profit or loss       | (64)         |
| Balance as at 31 May 2011                                | <u>6,583</u> |
| <b>Market value as at 31 May 2011</b>                    | <u>6,583</u> |

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

**8. Status of Corporate Proposals Announced**

There are no corporate proposals which has been announced by the Company but not completed as at 25 July 2011 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**9. Group Borrowings and Debt Securities**

Total Group borrowings as at 31 May 2011 are as follows:

|  | Secured<br>RM'000 | Unsecured<br>RM'000 | Total<br>RM'000 |
|--|-------------------|---------------------|-----------------|
| <b>Long-Term Borrowings</b>                  |                   |                     |                 |
| Amount repayable after twelve months         | 104,389           | -                   | 104,389         |
| Non-Convertible Redeemable Preference Shares | -                 | 1,000               | 1,000           |
|  | <u>104,389</u>    | <u>1,000</u>        | <u>105,389</u>  |
| <b>Short-Term Borrowings</b>                 |                   |                     |                 |
| Current portion of long term borrowings      | 27,625            | -                   | 27,625          |
|  | <u>27,625</u>     | <u>-</u>            | <u>27,625</u>   |

**10. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 25 July 2011 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

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

**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 2011 (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. The Company is in the process of execution of the Judgement against the Defendants.

- (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 was reinstated in the High Court and fixed for full trial. However, as a winding up order was made against the 1<sup>st</sup> defendant, the suit has been stayed until the sanction to proceed is obtained from the winding up court. However, on 19 April 2011, the Defendant's solicitor has obtained a stay against the winding up order and now the matter will proceed for trial. Trial date has yet to be fixed by the Court.

- (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 13 October 2011 and for trial on 27 and 28 October 2011.

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

The Court has awarded the plaintiffs' claims and Pujian has filed for appeal. The Court of Appeal has yet to fix a hearing date.

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

- (v) *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 applied for summary judgement and was allowed by the court on 14 January 2011. Our Appeal is now fixed for hearing on 28 July 2011. Mudek has filed stay of execution on 30 June 2011 and it is now fixed for case management on 8 August 2011.

In respect of Seri Jasin's suit, IRB has obtained summary judgement on 1 April 2010. Our appeal was dismissed by the Court with costs on 15 March 2011.

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 was allowed on 1 April 2010. Our application for stay of execution was dismissed and we have filed a Notice of Motion at the Court of Appeal. The appeal was heard on 21 April 2011 and the Court dismissed the appeal with costs.

In respect of Berembang's suit, the Plaintiff's application for summary judgement was heard on 12 July 2010 whereby the application was dismissed on the basis that there are triable issues. The plaintiff has filed an appeal to the Court of Appeal and it is now fixed for hearing on 28 July 2011.

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. The Defendant has filed appeal to the Court of Appeal which has been adjourned from 21 July 2011 to a later date to be informed by the Court. Plaintiff's action at the High Court is now fixed for case management on 4 August 2011.

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

- (vi) *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 has withdrawn it on 12 April 2010. The High Court matter is pending. Both our applications to transfer proceedings to Kuala Lumpur and for leave to file Rejoinder were dismissed by the Court with costs. Notice of pre-trial case management was filed by Yeng Chong but pending extraction. The Court has fixed 8 August 2011 for further case management.

- (vii) *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 appealed and it was allowed on 8 June 2010. We have filed to the Court of Appeal which was dismissed with cost on 12 July 2011. In relation to the second action, Pujian’s defence was filed on 29 August 2007. IRB has filed an application for summary judgement which was allowed with cost on 29 April 2011. Pujian has filed an Appeal on 5 May 2011 to the Court of Appeal which is pending hearing date. In relation to the third action, Pujian succeeded in striking out the action in 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 which was allowed. We have filed an appeal which is pending hearing date. 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. Pujian’s application for a stay application was dismissed on 25 November 2010. We have filed an appeal.



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

*(viii) 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 was allowed on 4 January 2011. We have filed our appeal to the Court of Appeal which is pending hearing of the same.. 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 was dismissed on 17 June 2010 and Tashima's appeal in relation to the stay application has been dismissed.

*(ix) 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. IRB has filed an application for summary judgement which is fixed for hearing on 27 September 2011.

**12. Dividend**

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

**13. Earnings/(Loss) Per Share**

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

| <b>Basic earnings/(loss) per share</b>  | Current Quarter Ended | Comparative Quarter Ended | Cumulative Period To-Date |            |
|---|-----------------------|---------------------------|---------------------------|------------|
|   | 31-05-2011            | 31-05-2010                | 31-05-2011                | 31-05-2010 |
|   | (RM'000)              | (RM'000)                  | (RM'000)                  | (RM'000)   |
| <b>Earnings/(Loss)</b><br>Net earnings/(loss) attributable to ordinary shareholders | 6,533                 | (21,865)                  | 8,944                     | (41,375)   |
|   | ('000)                | ('000)                    | ('000)                    | ('000)     |
| <b>Weighted average number of ordinary shares</b>                                   | 650,148               | 650,148                   | 650,148                   | 650,148    |

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

**14. Realised and Unrealised Profit/(Losses)**

|  | Group<br>31 May 2011<br>RM'000 | Group<br>28 February 2011<br>RM'000 |
|--|--------------------------------|-------------------------------------|
| Total accumulated losses of the Company and its subsidiaries |                                |                                     |
| - Realised   | (558,970)                      | (572,112)                           |
| - Unrealised   | (7,033)                        | (1,205)                             |
| Add : Consolidation adjustments                              | 57,917                         | 58,698                              |
| Total Group accumulated losses as per consolidated accounts  | <u>(508,086)</u>               | <u>(514,619)</u>                    |

27 July 2011