

**WIJAYA BARU GLOBAL BERHAD (8184-W)**  
**(Incorporated in Malaysia)**

**Notes to the Interim Financial Statements**  
**For the quarter ended 30 June 2010**

**Explanatory Notes Pursuant to the Financial Reporting Standard (“FRS”) 134**

**1. Basis of Preparation**

The interim financial statements have been prepared under the historical cost convention except for the revaluation of leasehold land and building and medical equipment. The timber concession rights are stated at fair value as at date of acquisition of the subsidiary.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

**2. Changes in Accounting Policies**

The significant accounting policies and presentation adopted by the Group in this interim financial statement are consistent with those adopted in the audited financial statements for the year ended 31 December 2009 except for the following new and revised Malaysia Financial Reporting Standards (FRSs), amendments and other interpretations that are effective and applicable for financial year beginning on or after 1 January 2010.

|                      |   |
|----------------------|---|
| FRS 7                | Financial Instruments Disclosures                               |
| FRS 8                | Operating Segments  |
| FRS 101 (Revised)    | Presentation of Financial Statements                            |
| FRS 123              | Borrowing Costs   |
| FRS 127              | Consolidated and Separate Financial Statements                  |
| Amendments to FRS 7  | Financial Instruments Disclosures                               |
| Amendment to FRS 8   | Operating Segments  |
| Amendment to FRS 107 | Statement of Cash Flows   |
| Amendment to FRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors |
| Amendment to FRS 110 | Events after the Balance Sheet Date                             |
| Amendment to FRS 116 | Property, Plant and Equipment                                   |
| Amendment to FRS 117 | Leases  |
| Amendment to FRS 118 | Revenue   |
| Amendment to FRS 123 | Borrowing Costs   |
| Amendment to FRS 127 | Consolidated and Separate Financial Statements                  |
| Amendment to FRS 128 | Investments in Associates                                       |
| Amendment to FRS 132 | Financial Instruments: Presentation                             |
| Amendment to FRS 134 | Interim Financial Reporting                                     |
| Amendment to FRS 136 | Impairment of Assets  |
| Amendment to FRS 138 | Intangible Assets   |
| Amendment to FRS 139 | Financial Instruments: Recognition and Measurement              |

## 2. Changes in Accounting Policies (Continued)

|                      |  |
|----------------------|--|
| IC Interpretation 9  | Reassessment of Embedded Derivatives   |
| IC Interpretation 10 | Interim Financial Reporting and Impairment   |
| IC Interpretation 11 | FRS 2 – Group and Treasury Share Transactions  |
| IC Interpretation 14 | FRS 119 – The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |

The adoption of the new and revised FRS, amendments to FRS and IC 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: -

### **FRS 101: Presentation of Financial Statements**

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The foreign currency gain or losses arising on translating of foreign operations that were recognised directly in equity in the preceding year/corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The statement of comprehensive income for preceding year/corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

The total comprehensive income is presented as a one-line item in the statement of changes in equity and the comparative information has been re-presented in order to conform with the revised standard. This standard only affects the presentation aspects and will not have any impact on the earnings per share.

### **FRS 139: Financial Instruments: Recognition and Measurement**

FRS139 set out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard as at transitional date on 1 January 2010.

In accordance with the transitional provisions of this standard, the required changes are applied prospectively and the comparative information are not restated. This standard does not have any impact on the financial position and results of the Group.

**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report of the annual financial statements of the Group for the financial year ended 31 December 2009 was not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The business of the Group was not affected by any significant seasonal or cyclical factors during the quarter under review.

**5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial quarter under review.

**6. Changes in Estimates**

There were no changes in the estimates that have had a material effect in the current quarter results under review.

**7. Debt and Equity Securities**

During the current quarter, a total of 101,100 treasury shares were sold to the open market for a total consideration of RM0.0359 million; the gain on these sales have been recorded in the share premium account of the Company.

The details of shares held as treasury shares as at 30 June 2010 are as follows:

|                             | <b>Number of treasury shares<br/>(‘000 units)</b> | <b>Cost (RM'000)</b> |
|-----------------------------|---|----------------------|
| Balance as at 1 March 2010  | 575   | 188                  |
| Purchase of treasury shares | -   | -                    |
| Re-sale of treasury shares  | (101)   | (33)                 |
| Balance as at 30 June 2010  | 474   | 155                  |

**8. Dividends Paid**

There was no dividend paid for the financial period ended 30 June 2010 (30 June 2009: Nil).

## 9. Segmental Reporting

Segmental information is presented in respect of the Group's business segment.

| Business Activity                             | 2 <sup>nd</sup> Quarter<br>3 months ended |                                     |               |                                     | Cumulative<br>6 months ended |                                     |               |                                     |
|---|---|-------------------------------------|---------------|-------------------------------------|------------------------------|-------------------------------------|---------------|-------------------------------------|
|   | 30/06/2010                                |                                     | 30/06/2009    |                                     | 30/06/2010                   |                                     | 30/06/2009    |                                     |
|   | Revenue                                   | Profit/(Loss)<br>Before<br>Taxation | Revenue       | Profit/(Loss)<br>Before<br>Taxation | Revenue                      | Profit/(Loss)<br>Before<br>Taxation | Revenue       | Profit/(Loss)<br>Before<br>Taxation |
|   | RM'000                                    | RM'000                              | RM'000        | RM'000                              | RM'000                       | RM'000                              | RM'000        | RM'000                              |
| Timber  | 12,046                                    | 319                                 | 12,046        | (26)                                | 24,091                       | 464                                 | 24,091        | 325                                 |
| Investment holding                            | -   | (859)                               | -             | (1,161)                             | -                            | (1,733)                             | -             | (2,196)                             |
| Property development                          | -   | -                                   | -             | -                                   | -                            | -                                   | -             | (1)                                 |
| Medical centre                                | 3,275                                     | (2,396)                             | 2,486         | (2,593)                             | 6,310                        | (4,735)                             | 6,118         | (4,046)                             |
| Others  | 146                                       | 29                                  | 211           | 142                                 | 293                          | 141                                 | 390           | 223                                 |
|   | <u>15,467</u>                             | <u>(2,907)</u>                      | <u>14,743</u> | <u>(3,638)</u>                      | <u>30,694</u>                | <u>(5,863)</u>                      | <u>30,599</u> | <u>(5,695)</u>                      |
| Share of net results of an associated company | -   | 4,234                               | -             | 25                                  | -                            | 4,680                               | -             | 1,232                               |
|   | <u>15,467</u>                             | <u>1,327</u>                        | <u>14,743</u> | <u>(3,613)</u>                      | <u>30,694</u>                | <u>(1,183)</u>                      | <u>30,599</u> | <u>(4,463)</u>                      |

No geographical segment information is presented as the Group operates principally in Malaysia.

## 10. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 December 2009.

## 11. Subsequent Material Events

There were no material events subsequent to the end of the current financial quarter under review to the date of announcement which were likely to substantially affect the results and the operations of the Group.

## 12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial quarter under review.

**13. Changes in Contingent Liabilities and Contingent Assets**

There were no additional contingent liabilities or contingent assets since 31 December 2009 till the date of announcement of this quarterly report.

**14. Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2010 are as follows:

|   | RM'000        |
|---|---------------|
| a) Approved and contracted for:                                 |               |
| Automatic Instant Rice Cooking and Packaging Plant              |               |
| - Plant and equipment (USD9,799,600)*                           | 32,652        |
| - Management and operation service fee payable<br>(USD500,000)* | 1,666         |
| Land  | 2,406         |
|   | <u>36,724</u> |

\* The foreign exchange rate used as at 30 June 2010 are as follows:

USD 1.00 : RM3.3320

Rmb 1.00 : RM0.4960

**Additional Explanatory Notes in compliance with Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**15. Review of Performance**

**Revenue**

The Group recorded a revenue of RM30.694 million for cumulative quarter ended 30 June 2010, an increase of RM0.095 million or 0.31% as compared to the corresponding cumulative quarter ended 30 June 2009.

For the current quarter ended 30 June 2010, the Group recorded a revenue of RM15.467 million compared to RM 14.743 million in the corresponding quarter ended 30 June 2009, representing an increase of RM0.724 million or 4.91%.

An increase in revenue are mainly from Medical Centre due to the increase in its patient load during the current and cumulative quarter ended 30 June 2010 as compared to corresponding current and cumulative quarter ended 30 June 2009.

**Loss before taxation**

The Group recorded a pre-tax loss of RM1.183 million for the cumulative quarter ended 30 June 2010, an improvement in result of RM3.280 million as compared to a pre-tax loss of RM4.463 million recorded in the corresponding cumulative quarter ended 30 June 2009.

For the current quarter ended 30 June 2010, the Group recorded a pre-tax profit of RM1.327 million as compared to a pre-tax loss of RM3.613 million for the corresponding quarter ended 30 June 2009, which represents a favourable variation of RM4.940 million.

The favourable variation was mainly due to higher share of profit from associated company, Wijaya Baru Sdn Bhd (“WBSB”).

**16. Variation of Results Against Preceding Quarter**

Group’s pre-tax profit for current quarter ended 30 June 2010 was RM1.327 million as compared to Group’s pre-tax loss of RM2.510 million for the preceding quarter ended 31 March 2010.

The favourable variance of RM3.837 million was mainly due to a higher share of profit from associated company, Wijaya Baru Sdn Bhd (“WBSB”).

**17. Current Year Prospects**

As the timber license had expired in July 2010, and no indication thus far that it can be renewed, the Group shall be looking at new sources of revenue.

We anticipate that our associated company will continue to contribute significantly to the overall performance of the Group in the following quarter as the Kelantan flood mitigation project is expected to progress well during the next quarter.

With the above, the prospects of the Group for the year 2010 should show some improvement.

**18. Profit Forecast and Profit Guarantee**

There is no profit forecast and profit guarantee that is applicable to the Group.

**19. Taxation**

Taxation comprises the following:

|   | Current Quarter<br>(3 months ended) |                      | Cumulative Quarter<br>(6 months ended) |                      |
|---|-------------------------------------|----------------------|--|----------------------|
|   | 30.06.2010<br>RM'000                | 30.06.2009<br>RM'000 | 30.06.2010<br>RM'000                   | 30.06.2009<br>RM'000 |
| Current tax:  |                                     |                      |  |                      |
| Malaysian income tax  | 803                                 | (39)                 | 1,566                                  | 772                  |
|   | <u>803</u>                          | <u>(39)</u>          | <u>1,566</u>                           | <u>772</u>           |
| Under/(Over) provision of<br>Malaysian income tax in<br>prior years | -                                   | 298                  | -                                      | 298                  |
|   | <u>803</u>                          | <u>259</u>           | <u>1,566</u>                           | <u>1,070</u>         |
| Deferred tax  | (320)                               | (343)                | (644)                                  | (688)                |
| Total income tax expense  | <u>483</u>                          | <u>(84)</u>          | <u>922</u>                             | <u>382</u>           |

The Group's effective tax rate is higher than the statutory tax rate mainly due to the absence of the Group's tax relief in respect of losses suffered by certain companies and certain expenses which are not deductible for tax purpose.

Included in the income tax figure for the quarter ended 30 June 2010 are the net adjustment for deferred tax charges in respect of timber concession rights, ICULS liability component and revaluation of medical equipment, leasehold land and building.

**20. Sale of Unquoted Investments and / or Properties**

There was no sale of unquoted investments or properties during the quarter under review.

**21. Purchase or Disposal of Quoted Securities**

There was no purchase or sale of quoted securities during the quarter under review.

**22. Corporate Proposals**

There are no major developments on the corporate proposals since last financial year.

**23. Group Borrowings and Debts Securities**

Group borrowings are as follows:-

|                                     | As at<br>30.06.2010<br>RM'000 | As at<br>31.12.2009<br>RM'000 |
|-------------------------------------|-------------------------------|-------------------------------|
| (a) Current borrowing – secured     |                               |                               |
| Hire purchase payable               | 137                           | 129                           |
| (b) Non-current borrowing – secured |                               |                               |
| Hire purchase payable               | 54                            | 44                            |

(c) There were no borrowings or debt securities denominated in foreign currencies.

**24. Financial Instruments****(a) Derivatives**

There were no outstanding derivatives as at 30 June 2010 except for the Company has provided various financial guarantees to suppliers for the guarantee of credit facilities granted to its subsidiary. As at 30 June 2010, the amount of financial guarantee granted to its subsidiary amounted to RM600,000/-. The Company monitors the performance of its subsidiary closely to ensure they meet all their financial obligations. In view that there is minimal risk of default, the Company has not recognised the value of the obligation under the Financial Guarantee in its books.

**(b) Gain / (losses) arising from fair value changes in financial liabilities**

The Group policy is to categories all financial liabilities at amortised cost. Hence, there was no fair value gain/ (loss) on fair value changes in financial liabilities.



## 25. Material Litigation

Other than the cases shown below, there was no other material litigation pending.

### (A) Usama Industries Sdn. Bhd. Cases

#### (1) **Civil Suit No: 22-98-2006-II at the High Court of Kuching, and Appeal to the Court of Appeal by the Plaintiff, Suit No. Q-02-1307-09** **Usama Industries Sdn. Bhd. vs Jati Bahagia Sdn. Bhd.**

This case is about the Usama Industries Sdn. Bhd. (“UISB”) claiming against Jati Bahagia Sdn. Bhd. for the sum of RM21,814,790.48 with interest as at June 2006 for premium underpaid. (However, due to the time barred of the earlier period, the claim had been reduced to RM17,820,140.00)

This case was originally filed under Civil Suit No: 22-164-2004. The Writ of Summons was not served and had expired. The previous solicitors’ firm Messrs Victor Wong & Co. had filed a new writ under Civil Suit No: 22-98-2006 and updated the claim to June 2006 for RM21,814,790.48. Judgment in default of Appearance was obtained on 10 October 2006. The Defendant had filed an Application to set aside the Judgment and the Judgment was set aside.

The Defendant’s solicitors had also filed their Defence and Counter-claim for a sum of RM6,688,300.18.

The case really turns to the interpretation of the Variation Agreement no. 2, on whether the payment of the premium to be paid by the Defendant to the Plaintiff is based on the market price of Meranti as published in the International Tropical Timber Organisation (“ITTO”) journal or the sale price of the Meranti as alleged by the Defendant. The Plaintiff’s solicitors contention is that the price should be based on the market price of Meranti as published by ITTO in the Asia Pacific region.

As to the counterclaim of the Defendant, the Plaintiff is pleading estoppel in that all payments paid by the Defendant to the Plaintiff were based on the volume of timber calculated and tabulated by the Defendant to the Plaintiff. The case was heard on 27 and 28 April, 2009. Both parties’ counsels were asked to give their written submissions and the court has fixed 15 June 2009 for a decision.

The Court had on 15<sup>th</sup> June, 2009 dismissed the Plaintiff’s case and the Plaintiff had filed the Notice of Appeal on 16<sup>th</sup> June, 2009. The Court had also dismissed the Defendant’s counter-claim and the Defendant had also filed a Cross-Appealed on 17 August, 2009.

We are now waiting for the Court of Appeal to fix the date of hearing for both Appeals in September 2010.

The outcome of the above legal case has no adverse financial impact to the Group.

25. **Material Litigation (cont'd)**

**(A) Usama Industries Sdn. Bhd. Cases (cont'd)**

**(2) Civil Suit No: 22-11-2009 at the High Court in Sabah and Sarawak at Miri  
Usama Industries Sdn. Bhd. vs Victor L.F. Wong trading as Victor Wong & Chiew  
Advocates and Solicitors and Victor Wong & Chiew Advocates and Solicitors (a firm)**

Usama Industries Sdn. Bhd. filed a suit against Victor L.F. Wong trading as Victor Wong & Chiew (1<sup>st</sup> Defendant) and Victor Wong & Chiew Advocates and Solicitors (2<sup>nd</sup> Defendant) for professional negligence and claiming Special Damages in the sum of RM27,440,000.00, General Damages, interest at such and for such period as the Court shall think fit and costs. This is due to the fact that Victor L.F. Wong had failed to take active steps or sufficient actions to prosecute our claims nor serve the summons of the three cases after the same had been filed, sealed and issued by the High Court in Kuching i.e. Kuching High Court Suit No.22-164-2004-II, 22-165-2004-II and 22-166-2004-I resulting in UISB's claim for damages against Jati Bahagia Sdn. Bhd. to become statute barred by virtue of Section 2 of the Limitation Act Ordinance. Victor Wong & Chiew, as Usama's solicitors had misinformed the Company on 14 November 2007 that the Writ Of Summons together with the Statement of Claim had been served on both the 1<sup>st</sup> and 2<sup>nd</sup> Defendants when that was not so.

In the meantime, the defence of the Defendants has yet to be filed, our solicitors had filed in a Judgment in Default of Defence. The High Court allowed the application of the Defendants, set aside the judgement in default and ordered the defendants to file the defence within two weeks from 5 May 2010.

The Defendants had filed their defence and counter-claim. Our solicitors have to file its Reply and Defence to the counter-claim by 21 May 2010.

The case is fixed for hearing on 7 July 2010 and later adjourned to reschedule to 22 September 2010.

The outcome of the above legal case has no adverse financial impact to the Group.

**(3) Civil Suit No: 22-42-2009 at the High Court in Sabah and Sarawak at Sib  
Usama Industries Sdn. Bhd. vs Jati Bahagia Sdn. Bhd.**

UISB filed a Writ of Summons and Statement of Claim ("Writs") on 17 August 2009 which has been served on the advocates of Jati Bahagia Sdn Bhd on 2 September 2009.

This suit arose due to the breach of the Deed of Variation No. 2 dated 15 October 1998 by the Defendant. Despite repeated protests and demands, the Defendant refused to pay the Plaintiff premium for the logs purchased based on market price of Meranti timber of standard quality and above but continued to pay the Plaintiff premium based on the arbitrary price set up by the Defendant on Meranti timber which has no reference to the market price of Meranti in open market at all.

**25. Material Litigation (cont'd)**

**(3) Civil Suit No: 22-42-2009 at the High Court in Sabah and Sarawak at Sibu Usama Industries Sdn. Bhd. vs Jati Bahagia Sdn. Bhd.**

The Plaintiff claims against the Defendant for:-

1. The sum of RM15,570,644.00 being the amount of underpaid premium due and owing from the sale of logs under the Deed of Variation No. 2 from August 2006 to July 2009.
2. Interest at the rate of 8% per annum from the date of the Writs until Judgment and thereafter interests at the rate of 8% per annum from the date of the Judgment until full payment.
3. Such further and other relief as the Court deems fit and proper.
4. Costs.

Summons had been served and the case came up for case management on 19<sup>th</sup> April 2010. The case was fixed for hearing on 27<sup>th</sup> September 2010 and to continue from 24<sup>th</sup> to 26<sup>th</sup> November 2010. Evidence will be by affidavits to be served on the other party one week before the hearing and to the court during the trial.

The outcome of the above legal case has no adverse financial impact to the Group.

**(B) Civil Suit No: SK 22-01-2007 at the High Court of Kota Kinabalu - Wijaya Baru Global Berhad vs Crest Megaway Sdn. Bhd.**

This suit is filed for the recovery of the sum of RM2,500,000.00. The Civil Suit was filed on 3 January 2007 and the Defendant has filed its Defence on 5 February 2007.

A trial date has been fixed on 31 March 2010.

On 31<sup>st</sup> March 2010, the court had recorded a consent order whereby CMSB has agreed to pay a sum of RM500,000/- over 9 monthly installments with the 9<sup>th</sup> installment on 3<sup>rd</sup> November 2010. As such, the Court has fixed on 22<sup>nd</sup> November 2010 for mention date to ascertain whether or not all the installments are paid.

The directors of the Company and the Company's solicitors are confident that all post dated cheques will be honoured by Crest Megaway Sdn. Bhd.

**25. Material Litigation (cont'd)**

**(C) Winding-up petition (Shah Alam High Court, winding –up No: MT FLJC – 28-195 of 2009) on Wijaya Baru Sdn Bhd (“WBSB”), a 45%-owned associated company of WBGB.**

The winding-up petition is scheduled for hearing on 30 October 2009. The Petitioner claims against WBSB pertaining to a written notice pursuant to section 218 of the Companies Act, 1965 dated 2 June 2009 calling upon WBSB to made payment of the sum of RM2,746,121.52 together with interest at the rate of 8% per annum from 8 July 2008 to the date of realization, being alleged balance outstanding for works done at “ The Proposed Construction and Completion of Main Water Supply Pipeworks to the development at Free Zone on Lot 67894, Pulau Indah, Mukim Klang, Selangor Darul Ehsan – Contract No. 1002/INFRA/02” projects.

The claim of the Petitioner arose from dispute on the variation order for works done at “The Proposed Construction and Completion of Main Water Supply Pipeworks to the development of Free Zone on Lot 67894, Pulau Indah, Mukim Klang, Selangor Darul Ehsan – Contract No. 1002/INFRA/02” projects. However, the accounts have not been finalized.

WBSB has appointed solicitor to oppose and file an application for striking off the said winding-up petition which was filed on 6<sup>th</sup> August, 2009. The hearing date for this Notice of Motion was fixed on 1<sup>st</sup> October 2009. On that day, the matter is fixed for Pre Trial Case Management on 18<sup>th</sup> November 2009.

The matter was now fixed for Mention on 04 January 2010 for the Petitioner to file and serve their Affidavit in Reply to our Application.

The matter was then fixed for Pre Trial Case Management on 7 July 2010 for Application to Oppose Winding-Up Petition and the Petitioners Application for winding-up. Parties are to file and serve their respective written submissions.

However, the parties have finally entered into a Settlement and the Petitioner has agreed to withdraw the Winding-Up Petition.

**26. Dividend Payable**

No interim ordinary dividend has been declared for the financial period ended 30 June 2010 (30 June 2009: Nil).

**27. Loss Per Share**

## (a) Basic Loss Per Share

The basic loss per share for the current quarter and cumulative quarter ended 30 June 2010 are calculated by dividing the Group's net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the current quarter and cumulative quarter ended 30 June 2009.

|   | Current Quarter<br>(3 months ended) |               | Cumulative Quarter<br>(6 months ended) |               |
|---|-------------------------------------|---------------|--|---------------|
|   | 30.06.2010                          | 30.06.2009    | 30.06.2010                             | 30.06.2009    |
| Net loss attributable to ordinary equity holders of the parent (RM'000) | (844)                               | (3,529)       | (2,105)                                | (4,845)       |
| Weighted average number of ordinary shares in issue ('000)              | 276,327                             | 276,493       | 276,299                                | 276,497       |
| Basic loss per share (sen)  | <u>(0.31)</u>                       | <u>(1.28)</u> | <u>(0.76)</u>                          | <u>(1.75)</u> |

## (b) Diluted Loss Per Share

For the purpose of calculating diluted loss per share, the net loss for the current quarter and cumulative quarter ended 30 June 2010 attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the current quarter and cumulative quarter ended 30 June 2010 have been adjusted for the dilutive effects of all potential ordinary shares, i.e. ICULS and Warrants during the current quarter and cumulative quarter ended 30 June 2010.

The effects on the basic loss per share for the current quarter and cumulative quarter ended 30 June 2010 and 30 June 2009 arising from the assumed conversion of ICULS and Warrants are anti-dilutive.

**28. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 August 2010.