

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

Notes to the Interim Financial Statements
For the quarter ended 30 September 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 5	Non-current Assets Held for Sale and Discontinued Operations
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 except for an impairment loss of RM30.112 million for the disposal group classified as held for sale in order to comply with FRS5 "Non-current assets held for sale and discontinued operations" which required to carry disposal group at lower of carrying amount and fair value less costs to sell effectively prevents a deferment of a foreseeable loss. The foreseeable loss is recognized immediately by the impairment test.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter under review.

8. Dividends Paid

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

9. Segmental Reporting

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

Business Activity	3 rd Quarter 3 months ended		Cumulative 9 months ended	
	30/09/2010 Revenue RM'000	30/09/2009 Revenue RM'000	30/09/2010 Revenue RM'000	30/09/2009 Revenue RM'000
Segment Revenue				
<u>Revenue from continuing operations:</u>				
Timber	-	12,045	24,091	36,136
Investment holding	-	-	-	-
Property development	-	-	-	-
Others	148	67	440	457
Total revenue from continuing operations	148	12,112	24,531	36,593
Revenue from discontinued operation	3,100	2,656	9,410	8,774
Total Revenue	3,248	14,768	33,941	45,367
Segment Results				
<u>Results from continuing operations:</u>				
Timber	(472)	(107)	(8)	218
Investment holding	(975)	(1,131)	(2,708)	(3,327)
Property development	(125)	(2)	(125)	(3)
Others	181	5	322	228
Share of net results of an associated Company	8,126	199	12,806	1,431
Total results from continuing operations	6,735	(1,036)	10,287	(1,453)
Results from discontinued operation	(2,546)	(2,503)	(7,281)	(6,549)
Impairment loss for disposal group classified as held for sale	(30,112)	-	(30,112)	-
Total profit / (loss) before taxation	(25,923)	(3,539)	(27,106)	(8,002)

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 except for the announcement dated 1 November 2010 pertaining to disposal of Wijaya International Medical Centre Sdn Bhd (“WIMC”), a wholly owned subsidiary of the Company.

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. Discontinued Operation

On 1 November 2010, the Group publicly announced the decision to dispose of its wholly-owned subsidiary, WIMC. The disposal is due to be completed on 1 November 2010 when the Sale Share Agreement signed and as at 30 September 2010 negotiation for the sale is in progress. As at 30 September 2010, the subsidiary was classified as a disposal group held for sale.

The revenue, results and cash flows of the subsidiary was as follows:

	3rd Quarter		Cumulative	
	3 months ended		9 months ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	Revenue	Revenue	Revenue	Revenue
	RM'000	RM'000	RM'000	RM'000
Revenue	3,100	2,656	9,410	8,774
Loss before tax	(2,546)	(2,503)	(7,281)	(6,549)
Income tax expense – deferred tax released	19	19	57	57
Loss for the period from a discontinued operation	(2,527)	(2,484)	(7,224)	(6,492)
Cash flows from operating activities	74	(318)	(1,413)	(1,771)
Cash flows from investing activities	(498)	(558)	(2,039)	(584)
Cash flows from financing activities	325	734	3,274	1,691
Total cash flows	(99)	(142)	(178)	(664)

The major classes of assets and liabilities of the subsidiary classified as held for sale as at 30 September 2010 is as follows:

Assets:	RM'000
Property, plant and equipment	24,043
Inventories	709
Trade and other receivables	1,791
Tax recoverable	22
Cash and bank balances	227
Assets of disposal group classified as held for sale	26,792

13. Discontinued Operation (cont'd)

Liabilities:	RM'000
Hire purchase liabilities	(75)
Trade and other payables	(5,823)
Deferred tax liabilities	(894)
Liabilities directly associated with the assets classified as held for sale	<u>(6,792)</u>
Net assets attributable to discontinued operation	<u>20,000</u>

14. 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.

15. 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 September 2010 are as follows:

	RM'000
a) Approved and contracted for:	
Automatic Instant Rice Cooking and Packaging Plant	
- Plant and equipment (USD9,799,600)*	30,790
- Management and operation service fee payable (USD500,000)*	1,571
	<u>32,361</u>

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

USD 1.00 : RM3.1420
Rmb 1.00 : RM0.4808

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

16. Review of Performance

Revenue

The Group recorded a revenue of RM24.531 million for cumulative quarter ended 30 September 2010, a decrease of RM12.062 million or 32.96% as compared to the corresponding cumulative quarter ended 30 September 2009.

For the current quarter ended 30 September 2010, the Group recorded a revenue of RM0.148 million compared to RM12.112 million in the corresponding quarter ended 30 September 2009, representing a decrease of RM11.964 million.

This was mainly due to the expiration of Usama Industries Sdn. Bhd.'s timber license on 9 July 2010, thus resulting in the decrease in revenue during the current and cumulative quarter ended 30 September 2010 as compared to corresponding current and cumulative quarter ended 30 September 2009.

Profit / (Loss) before taxation

The Group recorded a pre-tax profit of RM10.287 million for the cumulative quarter ended 30 September 2010, an improvement in result of RM11.740 million as compared to a pre-tax loss of RM1.453 million recorded in the corresponding cumulative quarter ended 30 September 2009.

For the current quarter ended 30 September 2010, the Group recorded a pre-tax profit of RM6.735 million as compared to a pre-tax loss of RM1.036 million for the corresponding quarter ended 30 September 2009, which represents a favourable variation of RM7.771 million.

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

Profit / (Loss) after taxation

The Group recorded net loss of RM28.337 million for the cumulative quarter ended 30 September 2010, an increase in net loss by RM19.996 million as compared to a net loss of RM8.341 million recorded in the corresponding cumulative quarter ended 30 September 2009.

For the current quarter ended 30 September 2010, the Group recorded net loss of RM26.232 million as compared to net loss of RM3.496 million for the corresponding quarter ended 30 September 2009, which represents an increase in net loss by RM22.736 million.

This was mainly due to an impairment loss of RM30.112 million provided for WIMC (the disposal group classified as held for sale) in order to comply with FRS5 requirements.

17. Variation of Results Against Preceding Quarter

Group's pre-tax profit for current quarter ended 30 September 2010 was RM6.735 million as compared to Group's pre-tax profit of RM3.723 million (restated figure and excluded discontinued operation) for the preceding quarter ended 30 June 2010.

The favourable variance of RM3.012 million was mainly due to a higher share of profit from associated company, WBSB.

18. Current Year Prospects

As the Medical Centre will be disposed in subsequent quarter, the Group shall be looking for new business venture which will contribute positively to the Group's future performance.

We anticipate that our associated company will continue to contribute significantly to the overall performance of the Group in the following quarter.

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

19. Profit Forecast and Profit Guarantee

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

20. Taxation

Taxation comprises the following:

	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30.09.2010 RM'000	30.09.2009 RM'000	30.09.2010 RM'000	30.09.2009 RM'000
Current tax:				
Malaysian income tax	(42)	293	1,523	1,065
	<u>(42)</u>	<u>293</u>	<u>1,523</u>	<u>1,065</u>
Under/(Over) provision of Malaysian income tax in prior years	-	-	-	298
	<u>(42)</u>	<u>293</u>	<u>1,523</u>	<u>1,363</u>
Deferred tax	370	(317)	(235)	(967)
Total income tax expense	<u>328</u>	<u>(24)</u>	<u>1,288</u>	<u>396</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 September 2010 are the net adjustment for deferred tax charges in respect of timber concession rights, ICULS liability component and leasehold land and building.

21. Sale of Unquoted Investments and / or Properties

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

22. Purchase or Disposal of Quoted Securities

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

23. Corporate Proposals

There are no major developments on the corporate proposals since last financial year except for the following:

- (a) On 26 August 2010, Company has decided not to proceed with the MOU dated 29 January 2009 between WBGB and Djibouti, in relation to the submission of the relevant proposals for the following proposed projects:
- i) A beach satellite city in Doraleh
 - ii) An international university, to be listed in the satellite city
 - iii) A medical complex, to be sited in the satellite city
 - iv) An up market residential area in PK 12 Doraleh
 - v) Establishing an international bank to support Djibouti's fast expanding economy
 - vi) An international school
 - vii) A national scale English Language Development Program

Hence, the above MOU is deemed terminated.

- (b) On 1 November 2010, Company entered into a Share Sale Agreement with Prestige Precious Sdn Bhd ("Purchaser") to dispose of 100% equity interest in Wijaya International Medical Centre Sdn Bhd ("WIMC"), a wholly-owned subsidiary of the Company, comprising 50,000,000 ordinary shares of RM1.00 each, for a total consideration of RM20,000,000/-. The Sale Price was arrived at based on negotiations on a willing-buyer willing-seller basis after taking into consideration the financial performance, plant and machinery valuation and independent valuation on fair value of WIMC.

The purchase consideration shall be paid by the purchaser in the following manner:

- (i) A sum of RM2,000,000/- which is equivalent to 10% of the Sale Price as earnest deposit and part payment of the Sale Price upon execution of the Agreement.
- (ii) The balance Sale Price in the sum of RM18,000,000/- shall be paid by the purchaser within twelve months from the date of execution of the Agreement.

24. Group Borrowings and Debts Securities

Group borrowings are as follows:-

	As at 30.09.2010 RM'000	As at 31.12.2009 RM'000
(a) Current borrowing – secured		
Hire purchase payable	<u>77</u>	<u>129</u>
(b) Non-current borrowing – secured		
Hire purchase payable	<u>-</u>	<u>44</u>

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

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

There were no outstanding derivatives as at 30 September 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 September 2010, the amount of financial guarantee granted to its subsidiary amounted to RM600,000/-. However, as per Share Sale Agreement dated 1 November 2010 (in conjunction with the Note 23(b) regarding to the disposal of WIMC), the purchaser undertakes and covenants with the Company to discharge the Company as guarantor for the credit facilities within three months from the date of the Agreement. Pending the discharge, the purchaser indemnifies and keeps the Company indemnified of any claims, liabilities, damages, costs and expenses which may arise under the credit facilities.

The Company has not recognized 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.

26. 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. O-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 15th June, 2009 dismissed the Plaintiff’s case and the Plaintiff had filed the Notice of Appeal on 16th 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 early next year.

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

26. 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 (1st Defendant) and Victor Wong & Chiew Advocates and Solicitors (2nd 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 1st and 2nd 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 hearing of the full trial date which is now fixed on 15 to 18 February 2011.

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 Sibul

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.

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.

26. Material Litigation (cont'd)

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

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

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 19th April 2010. The case was originally fixed for hearing on the 27th September 2010 and our lawyer had apply for an adjournment.

The case came up for mention on the 22nd November 2010 and during which time the court ordered the party to come out with agreed facts and issues. We are waiting for the hearing date after filing the agreed facts and issues.

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 31st 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 9th installment on 3rd November 2010. As such, the Court has fixed on 22nd 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.

Since all cheques are now cleared, we are waiting for the court approval to close this civil suit case.

(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.

26. 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. (Cont'd)

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 6th August, 2009. The hearing date for this Notice of Motion was fixed on 1st October 2009. On that day, the matter is fixed for Pre Trial Case Management on 18th 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.

Notice of Discontinuance had been filed as per announcement dated 26 August 2010. Hence, this case was considered closed.

27. Dividend Payable

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

28. Earnings Per Share**(a) Basic Earnings / (Loss) Per Share**

The basic earnings /(losses) per share amounts 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 period.

	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30.09.2010 RM'000	30.09.2009 RM'000	30.09.2010 RM'000	30.09.2009 RM'000
Profit /(loss) from continuing operations attributable to ordinary equity holders of the parent	6,407	(1,012)	8,999	(1,849)
Loss from discontinued operation attributable to ordinary equity holders of the parent	(32,639)	(2,484)	(37,336)	(6,492)
Profit / (loss) attributable to ordinary equity holders of the parent	(26,232)	(3,496)	(28,337)	(8,341)
	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30.09.2010 RM'000	30.09.2009 RM'000	30.09.2010 RM'000	30.09.2009 RM'000
Weighted average number of ordinary shares in issue	276,371	276,404	276,323	276,466
	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30.09.2010 Sen	30.09.2009 Sen	30.09.2010 Sen	30.09.2009 Sen
Basic earnings/(loss) per share for:				
Profit / (loss) from continuing operations	2.32	(0.36)	3.25	(0.67)
Loss from discontinued operation	(11.81)	(0.90)	(13.51)	(2.35)
Profit / (loss) for the period	(9.49)	(1.26)	(10.26)	(3.02)

28. Earnings Per Share (cont'd)

(b) Diluted Earnings / (Loss) Per Share

For the purpose of calculating diluted earnings / (losses) per share, the net profit / (loss) for period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. ICULS and Warrants.

	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30.09.2010 RM'000	30.09.2009 RM'000	30.09.2010 RM'000	30.09.2009 RM'000
Profit / (loss) from continuing operations attributable to ordinary equity holders of the parent	6,407	(1,012)	8,999	(1,849)
Loss from continued operation attributable to ordinary equity holders of the parent	(32,639)	(2,484)	(37,336)	(6,492)
Profit / (loss) attributable to ordinary equity holders of the parent	(26,232)	(3,496)	(28,337)	(8,341)

	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30.09.2010 RM'000	30.09.2009 RM'000	30.09.2010 RM'000	30.09.2009 RM'000
Weighted average number of ordinary shares in issue	276,371	276,404	276,323	276,466
Effects of dilution:				
ICULS	-	-	-	-
Warrants	-	-	-	-
Adjusted weighted average number of ordinary share in issue and issuable	276,371	276,404	276,323	276,466

28. Earnings Per Share (cont'd)

(b) Diluted Earnings / (Loss) Per Share (cont'd)

	Current Quarter (3 months ended)		Cumulative Quarter (9 months ended)	
	30.09.2010 Sen	30.09.2009 Sen	30.09.2010 Sen	30.09.2009 Sen
Diluted earnings /(loss) per share for:				
Profit / (loss) from continuing operations	2.32	(0.36)	3.25	(0.67)
Loss from discontinued operation	(11.81)	(0.90)	(13.51)	(2.35)
Profit / (loss) for the period	<u>(9.49)</u>	<u>(1.26)</u>	<u>(10.26)</u>	<u>(3.02)</u>

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

29. 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 29 November 2010.