

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

The interim financial statements have been prepared using the historical cost basis (except where indicate otherwise) and should be read in conjunction with the Group's financial statements for the financial year ended 28 Feb 2006. 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 28 Feb 2006.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in these financial statements are consistent with those adopted in the financial statements for the year ended 28 Feb 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 Mar 2006.

FRS 2	: Share-based payment
FRS 3	: Business Combinations
FRS 5	: Non-current Assets Held for Sale and Discontinued Operations
FRS 101	: Presentation of Financial Statements
FRS 102	: Inventories
FRS 108	: Accounting Policies, Changes in Estimates and Errors
FRS 110	: Event after the Balance Sheet Date
FRS 116	: Property, Plant and Equipment
FRS 121	: The Effects of changes in Foreign Exchange Rate
FRS 127	: Consolidated and separate Financial Statements
FRS 128	: Investment in Associates
FRS 131	: Interest in Joint Ventures
FRS 132	: Financial Instruments : Disclosure and Presentation
FRS 133	: Earning per share
FRS 136	: Impairment of Assets
FRS 138	: Intangible Assets
FRS 140	: Investment Property

In addition to the above, the Group has also taken the option of early adoption of the revised FRS 117 : Leases, for the financial period beginning 1 Mar 2006 .

The principle effect of the changes are discussed below:-

(a) *FRS 3 : Business Combination*

(i) Goodwill

The adoption of FRS 3 has resulted in the Group ceasing goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Prior to 1 Mar 2006, goodwill was amortised from the date of initial recognition on a straight-line basis over its estimated useful life

of 20 years. The carrying amount of goodwill as at 1 Mar 2006 of RM58.810 million (including the unamortised goodwill on acquisition of associated company of RM17.1 million) ceased to be amortised. This has the effect of reducing the amortisation charges by RM2.410 million for the financial period ended 30 Nov 2006.

(ii) Reserve on consolidation

FRS 3 requires that, after reassessment, any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition, should be recognized immediately in profit or loss. FRS 3 prohibits the recognition of negative goodwill in the balance sheet. Prior to 1 Mar 2006, the Group had reflected the negative goodwill as reserve on consolidation under Equity and it was amortised from the date of initial recognition on a straight-line basis over its estimated useful life of 20 years. The carrying amount of reserve on consolidation as at 1 Mar 2006 of RM12.87 million was derecognised with a corresponding increase in the retained earnings.

(b) *FRS 5 : Non-current Assets Held for Sale and Discontinued Operations*

The Group has applied FRS 5 prospectively in accordance with its transitional provisions, which has resulted in a change in accounting policy on the recognition of a discontinued operations. FRS 5 requires a component of an entity to be classified as discontinued when the criteria to be classified as held for sale have been met or it has been disposed off .

(c) *FRS 101 : Presentation of Financial Statements*

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associated and other disclosures. In the consolidated balance sheet, minority interest are now presented within total equity while in the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(d) *FRS 117 : Leases*

Upon the adoption of the revised FRS 117, the unamortized cost / revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117.

Prior to 1 Mar 2006, leasehold land was classified as property, plant and equipment and was stated at cost / valuation less accumulated depreciation and impairment losses.

3. **QUALIFICATION OF AUDIT REPORT**

There were no qualification on the audit report of the preceding annual financial statements.

4. SEASONAL OR CYCLICAL FACTORS

The Group's operations was not affected by any seasonal factor during the quarter.

5. UNUSUAL ITEMS AFFECTING ASSETS , LIABILITIES , EQUITY , NET INCOME , OR CASH FLOW

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

6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years which have a material effect in the current interim period.

7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases , resale and repayments of debt and equity securities for the current financial period ended 30 Nov 2006 except for :

- (a) the conversion of 30,000 ICPS into ordinary shares at a conversion price of RM1.67 by partly tendering one ICPS for one new ordinary share and the remaining balance by cash.

After taking into account the above, the paid-up capital of the Company as at 30 Nov 2006 was increased to 192,419,500 ordinary shares and 2,339,600 ICPS.

- (b) the redemption of 11,610,334 Redeemable Preference Shares ("RPS-A") at 80% of the nominal value for RM9.29 million from the minority shareholder of its subsidiary company, Atlan Properties Sdn Bhd.
- (c) the repurchase of its 2,000 ordinary shares of RM1.00 each at RM2.12 per ordinary share.
- (d) the repayment and cancellation of Murabahah Underwritten Notes Issuance Facility/Islamic Medium Term Notes of RM45.00 million ("MUNIF/IMTN") and the Al-Bai Bithaman Ajil Islamic Debt Securities of RM40.0 million ("BalDS").

8. DIVIDENDS PAID

	Period ended 30 Nov 2006 <u>RM'000</u>
<u>Dividends paid on Ordinary share</u>	
4 sen per share tax exempt, paid on 15 Nov 2006	<u>7,697</u>
 <u>Dividends paid on ICPS</u>	
3 sen per share tax exempt, paid on 10 Mar 2006	<u>71</u>

9. SEGMENT ANALYSIS

	Investment Holdings RM'000	Retail and Trading RM'000	Manufac- turing RM'000	Elimi- nation RM'000	Consolidati on RM'000
REVENUE					
Revenue from continuing operations:-					
External sales	-	59,657	38,404	-	98,061
Inter-segment sales	36,031	-	-	(36,031)	-
	<u>36,031</u>	<u>59,657</u>	<u>38,404</u>	<u>(36,031)</u>	<u>98,061</u>
Revenue from discontinued Operations	-	-	-	-	11,175
Total	<u>36,031</u>	<u>59,657</u>	<u>38,404</u>	<u>(36,031)</u>	<u>109,236</u>

RESULTS

Results from continuing operation:-

Segment operation profit / (loss)	(1,240)	4,644	3,299	-	6,703
Share of profit of associated company					3,112
Gain on disposal of subsidiary					4,371
Gain on share redemption					2,322
Interest income					935
Finance cost					(5,271)
Taxation					(1,348)
Results from discontinued operations					<u>3,523</u>
Total					<u>14,347</u>

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuation of property, plant and equipment have been brought forward without any amendments from the previous annual financial statements.

11. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the end of the quarter under review except as disclosed in Note 23.

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter under review except for the striking off of the following wholly owned subsidiaries of AHB:-

- i) Edenfield International Corp (“EIC”)
- ii) Leconfield Holdings Limited (“LHL”)

The striking off of EIC and LHL did not have any material financial impact on AHB.

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date as at 28 Feb 2006, except for an increase in corporate guarantee of RM19,940,000 to RM46,603,425 for new banking and hire purchase facilities granted to a subsidiary company.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no related party transactions other than those inter-company transactions incurred in the ordinary course of business. There were also no transactions with the directors and key management personnel of the Group other than the remuneration paid to them in accordance with the terms and conditions of their appointment.

15. DISCONTINUED OPERATIONS

The disposal of the entire equity interest in Courseville Holdings Limited (“CVL”), a wholly-owned subsidiary of AHB for a cash consideration of GBP 23 million was completed on 14 Jul 2006 .

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

	Current Year 3 rd Quarter 30 Nov 2006 RM'000	Preceding Year Corresponding Quarter 30 Nov 2005 RM'000	Current Year To date 30 Nov 2006 RM'000	Preceding Year Corresponding Year to date 30 Nov 2005 RM'000
Revenue	-	8,430	11,175	25,849
Profit before tax	-	1,534	3,634	4,736
Income tax expense	-	-	(111)	-
Profit after tax	-	1,534	3,523	4,736
Cash flows from operating activities	-	8,388	1,718	10,214
Cash flows from investing activities	-	604	20,443	2,116
Cash flows used in financing activities	-	(8,624)	(23,437)	(14,590)
Effect on foreign exchange translation	-	1,039	2,755	3,598
Total cash flows	-	1,407	1,479	1,338

16. REVIEW OF PERFORMANCE

During the current quarter ended 30 Nov 2006, Group revenue reduced to RM28.54 million from RM35.82 million (of both continuing and discontinued operations) in the corresponding quarter of the preceding year. The Group recorded a lower profit before taxation of RM1.77 million as compared to a profit of RM2.31 million (of both continuing and discontinued operations) achieved in the corresponding quarter of the preceding year.

The lower profit before taxation was mainly due to the decreased contribution from the associated company and nil contribution from the hospitality division this quarter following the disposal of CVL during the preceding quarter.

17. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group achieved a profit before taxation of RM1.77 million during the current quarter as compared to a profit of RM10.20 million (of both continuing and discontinued operations) in the preceding quarter. The lower profit was mainly due to no contribution from the hospitality division this quarter following the disposal of CVL . Moreover during the preceding quarter, there were gains arising from the disposal of CVL.

18. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

With regards to the Proposed Acquisition of the entire business undertakings of Naluri, disclosed in Note 23, FRS 5 requires that assets and liabilities relating to a business undertakings (“disposal group”) which are subject to disposal be measured at the lower of the carrying amount and fair value less costs to sell. Thus, Naluri is expected to impair its assets in accordance with the FRS. This in turn will affect the fair value of the investment in Naluri in AHB Group accounts. In view of this impending impairment of assets by Naluri, the Directors of AHB anticipate to make a corresponding impairment on its 38.06% equity interest in Naluri in the next quarter.

19. PROFIT FORECAST / PROFIT GUARANTEED

Not applicable.

20. TAXATION

Taxation includes:-

	Current year 3rd Quarter 30 Nov 2006 RM'000	Current year to date 30 Nov 2006 RM'000
(i) Current period	415	1,490
(ii) Deferred Tax	(8)	(31)
	<u>407</u>	<u>1,459</u>

The effective tax rate for the current quarter and year to date were lower than the statutory tax rate . This was mainly due to the utilisation of unabsorbed capital and reinvestment allowance of certain subsidiary companies.

21. SALE OF UNQUOTED INVESTMENTS AND / OR PROPERTIES

There were no sale of unquoted investments and properties during the current financial period except for the disposal of the entire equity interest in CVL as disclosed in Note 15 above.

22. QUOTED SECURITIES

There were no purchases and disposal of quoted securities during the current financial period.

23. STATUS OF CORPORATE PROPOSALS

On 28 Nov 2006, Aseambankers Malaysia (“Aseambankers”) announced that the Board of Directors of AHB had proposed the acquisition of the entire business undertakings of Naluri including all its assets and liabilities and all the holdings in all its subsidiaries and associated companies for a total purchase consideration of approximately RM435.432 million (or equivalent to RM0.75 per ordinary share of RM1.00 each in Naluri) to be satisfied entirely by cash (“Proposed Acquisition”).

Pursuant to the above, Aseambankers further announced on 5 Jan 2007 that AHB had entered into a conditional subscription agreement with Darul Metro Sdn Bhd (“DMSB”), a RM2.00 wholly-owned subsidiary of Naluri, to subscribe for 1,000,000 ordinary shares of RM1.00 each in DMSB.

On the same date, Aseambankers on behalf of the Board of Naluri also announced that Naluri had entered into a conditional sale of business agreement with DMSB for the proposed disposal of its business to DMSB for a total sale consideration of RM435.432 million payable in cash.

The Proposed Acquisition is expected to be completed by the middle of 2007.

Following the completion of the above Proposed Acquisition, Naluri has proposed to undertake a proposed capital repayment to return at least RM0.75 per Naluri Share to all its shareholders (“Proposed Capital Repayment”). Upon completion of the Proposed Capital Repayment, Naluri will be de-listed from the Official List of the Main Board of Bursa Malaysia Securities Berhad.

24. GROUP BORROWINGS AND DEBT SECURITIES as at 30 Nov 2006 are as follow:-

(a) (i) *Short Term Borrowings – Secured*

	Total RM'000
Bank overdrafts	3,486
Bankers Acceptance	6,181
	<u>9,667</u>

(ii) *Short Term Borrowings - Unsecured*

Bank overdrafts	1,450
Hire purchase payable	666
	<u>2,116</u>

(b) (i) *Long Term Borrowings – Secured*

Islamic private debt securities	45,000
	<u>45,000</u>

(ii) *Long Term Borrowings - Unsecured*

Hire Purchase payable	1,373
	<u>1,373</u>

Note : (1) Bankers’ Acceptance were included under Trade Payables in the Balance Sheet.

25. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any financial instruments with off-balance sheet risk as at 24 Jan 2007, the

latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

26. MATERIAL LITIGATION

(a) Originating Summons by Shaidan Bin Shafie

As disclosed in the previous quarter ended 31 Aug 2006, a shareholder of the Company, Shahidan bin Shafie, had brought an action against the Company and Atlan Properties Sdn Bhd (“APSB”) seeking inter alia that the proposals relating to the Naluri shares acquisition, funding structure and bond issue be declared void on grounds that the proposals were in breach of section 67(1) of the Companies Act, 1965 and seeking an injunction to restrain AHB and APSB from proceeding with the proposals. The Plaintiff’s case was dismissed with cost on 26 Apr 2004. The hearing of the Bill of Costs has been fixed by the Court of Appeal on 2 Mar 2007.

The Plaintiff appealed against the decision. The Court of Appeal allowed the Appeal and the Plaintiff was given leave to amend the Originating Summons (“OS”) to include a declaration that it is ultra vires APSB to enter into and carrying out the agreement dated 11 Aug 2003 by virtue of Section 64 of the Companies Act, 1965.

The hearing for the amended OS and AHB and APSB’s application to the High Court to strike out the amended OS fixed for hearing on 30 Oct 2006 has been adjourned to 30 Apr 2007.

As at 31 Jan 2007, there were no changes in the above suit, since the last annual balance sheet date of 28 Feb 2006, except as disclosed above.

(b) Writ of Summons and Statement of Claim by Shahidan Bin Shafie

As disclosed in the previous quarter ended 31 Aug 2006, a shareholder of Naluri Corporation Bhd (formerly known as Naluri Bhd) (“Naluri”), Shahidan bin Shafie had brought an action against AHB and APSB seeking an order that AHB and APSB jointly and severally make a mandatory take-over offer to all the shareholders of Naluri except Danaharta, Danaharta Urus Sdn Bhd and Danaharta Managers Sdn Bhd at an offer price of RM1.98 per ordinary share and for damages to be assessed, interest and cost. AHB and APSB had applied to the High Court for the suit to be struck off but was unsuccessful.

The Plaintiff had also filed an application to amend the Writ of Summons and Statement of Claim, which was allowed by the Senior Assistant Registrar on 17 Jan 2006.

AHB and APSB’s appeal against the decision of the Registrar to allow the Plaintiff’s application to amend the Statement of Claim was allowed with costs. The Plaintiff has filed an appeal against the decision of the Judge.

The Plaintiff’s application to adduce further evidence and case management for AHB and APSB’s striking out application are all fixed for hearing on 22 Feb 2007 before the Judge.

As at 31 Jan 2007, there were no changes in the above suit, since the last annual balance sheet date of 28 Feb 2006, except as disclosed above.

(c) Writ of Summons and Statement of Claim by Hazman Bin Ahmad

As disclosed in the previous quarter ended 31 Aug 2006, a shareholder of Naluri, Hazman bin Ahmad (“Hazman”) had brought an action against AHB and 8 others for, inter alia, the following orders:

- (a) that AHB and/or APSB be compelled to make the mandatory general offer to purchase the share of Hazman and to offer to purchase the shares of all the shareholders of Naluri at a purchase price of RM1.98 per share ;
- (b) that the shares held directly and indirectly by Tan Sri Dato' Tajuddin Ramli amounting to approximately 309,648,000 representing 44.84% of the paid-up share capital of Naluri, shall not be registered in the name of AHB and/or APSB or any of their nominees and that AHB/APSB shall not be entitled to appoint any members of the Board of Directors of Naluri until implementation of the mandatory take over bid;
- (c) that all the defendants other than Naluri jointly and severally pay Hazman and/or Naluri, damages for conspiracy;
- (d) that all the defendants other than Naluri jointly and severally pay Hazman and/or Naluri, damages for misrepresentation;
- (e) that all the defendants other than Naluri jointly and severally pay Hazman and/or Naluri, interest on damages assessed in the Statement of Claim at such rate for such period as determined by the Court;
- (f) a declaration that the appointment of the Scheme Administrators ("SAs") is invalid and a consequential order that all transactions entered into by the SAs purportedly for and on behalf of Naluri are null and void;
- (g) that all the defendants other than Naluri jointly and severally pay Hazman the costs of and occasioned by this action.

AHB and APSB have applied to the Court to strike out the suit.

The Plaintiff's application for case management and show cause has been fixed for hearing on 28 May 2007. AHB's application for striking out is fixed for further mention on 6 Mar 2007.

As at 31 Jan 2007, there were no changes in the above suit, since the last annual balance sheet date of 28 Feb 2006, except as disclosed above.

(d) **Petition by Adenan Bin Ismail**

As disclosed in the previous quarter ended 31 Aug 2006, a shareholder of Naluri, Adenan Bin Ismail had brought an action against Naluri and others seeking, inter alia :-

(a) the following orders:

(i) that AHB and/or APSB be:-

- compelled to make a mandatory general offer to purchase the shares of Naluri;
- restrained and an injunction be granted restraining AHB and/or APSB;
- from appointing any director to the Board of Directors ("Board") of Naluri or exercise and voting rights attached to the voting share of Naluri which have been acquired from Danaharta until the provisions of the Malaysian Code on Take-Overs and Mergers 1998 ("Code") have been complied with;

- in the event that AHB and/or APSB have appointed any directors to the Board of Naluri, AHB and/or APSB be restrained and an injunction be granted compelling AHB and/or APSB to ensure that the said directors do not hold themselves out and/or act as directors of Naluri until the provisions of the Code have been complied with ;
 - from registering the shares of Naluri acquired from Danaharta in the name of APSB or any of its nominees until the provisions of the Code have been complied with;
 - from charging, selling/or dealing with shares of Naluri acquired from Danaharta until the provisions of the Code have complied with;
- (ii) that any resolutions passed by the shareholders and/or directors of Naluri approving the related party transactions (“RPTs”) as set out in the petition be cancelled;
- (iii) that the Listing Requirements in relation to the RPTs as set out in the petition be complied with by all respondent except Naluri;
- (iv) that DFZ Capital Bhd pay to Naluri the monies paid to the financial institutions who received monies pursuant to the RPTs as set out on petition;
- (v) that Naluri be paid by all respondents damages resulting from the oppressive acts as set out in the petition;
- (vi) that all respondents except Naluri, jointly and severally pay the Plaintiff costs; and
- (b) declarations that the transactions as set out in the petition are RPTs and that the respondents named therein are obliged to abstain from voting at the Naluri’s Shareholders’ meeting.

On 17 Jun 2005, the High Court of Kuala Lumpur dismissed the petitioner’s applications for injunction with costs and also allowed with costs the application by AHB and APSB to strike out the petition.

The Court of Appeal has yet to fix a date for the Petitioner’s appeal to the Court of Appeal against the High Court decision in dismissing the Petitioner’s application for injunction with cost and allowing the application by AHB and APSB to strike out the petition.

As at 31 Jan 2007, there were no changes in the above suit, since the last annual balance sheet date of 28 Feb 2006.

(e) **Counter Claim by Tan Sri Dato’ Tajudin Ramli**

Since the previous quarter ended 31 Aug 2006, AHB and its wholly-owned subsidiary, APSB have been served each with a copy of a Defence and Counterclaim dated 29 Jun 2006 by Tan Sri Dato’ Tajudin Ramli’s (“TSDTR”) solicitors making AHB and APSB parties to the legal proceedings commenced by Pengurusan Danaharta Nasional Berhad, Danaharta Urus Sdn Bhd and Danaharta Managers Sdn Bhd (herinafter collectively referred to as “Danaharta”) against TDSTR in the High Court of Malaya.

TSDTR is seeking from AHB, APSB, Danaharta, Commerce International Merchant Bankers Berhad (“CIMB”), Mohamad Raslan Abdul Rahman (“Raslan”), Ooi Woon Chee (“Ooi”), Gan Ah Tee (“Gan”) (hereinafter collectively referred to as “SAs”) , Naluri and Multi Esprit Sdn Bhd (“MESB”) jointly and/or severally the following relief in the Counterclaim:

- (i) a Declaration that the consideration or object of the Agreement dated 11 Aug 2003

between Danaharta and APSB is illegal and therefore void;

- (ii) a Declaration that Danaharta, CIMB, Raslan, Ooi, Gan, Naluri, AHB, APSB and/or MESB have acted ultra vires their respective powers by causing APSB to enter into the Agreement dated 11 Aug 2003 between Danaharta and APSB;
- (iii) a Declaration that Danaharta, CIMB, Raslan, Ooi, Gan, Naluri, AHB and APSB have acted in bad faith and ultra vires their respective powers by causing Naluri to enter into the Naluri Scheme (including the Capital Repayment and the Naluri Acquisitions) and accordingly that the Capital Repayment and the Naluri Acquisitions are illegal and/or against public policy under S.24 of the Contracts Act, 1950 and therefore void;
- (iv) a Declaration that all transactions (including but not limited to Capital Repayment, the Naluri Acquisitions and any agreement to borrow monies and issue new shares and securities) proposed or entered into by Danaharta, CIMB, Raslan, Ooi, Gan, Naluri, AHB, APSB and/or MESB in relation to the Agreement dated 11 Aug 2003 between Danaharta and APSB are part of a scheme to commit or perpetuate an illegal act and are therefore void;
- (v) such consequential Orders as may be necessary and just to restore all persons to their positions prior to the execution and/or purported completion of the aforesaid illegal transactions and agreements;
- (vi) such consequential Orders and directions as may be required to give effect to the Orders prayed for before;
- (vii) general damages to be assessed;
- (viii) an Account of all dividends and/or other payments received by APSB arising out of or in relation to the Naluri Shares;
- (ix) an Order that APSB forthwith pays all sums adjudged to be paid to TSDTR under prayer (viii).

Further and/or in the alternative, TSDTR is also seeking from Danaharta, CIMB, Raslan, Ooi, Gan, AHB, APSB, Dato' Seri Adam Sani Abdullah (formerly known as Maung Ng We @ Lim Yong Tong [George Lim]) ("DSASA"), Dato' Ong Kim Hoay ("DOKH"), Dato' Khalid Bin Mohamad Jiwa ("DKBMJ") and/or Dato' Ong Kar Beau ("DOKB") jointly and/or severally the following relief in the Counterclaim;

- (i) an Order that Danaharta, CIMB, Raslan, Ooi, Gan, AHB, APSB, DSASA, DOKH, DKBMJ and/or DOKB jointly and severally do make a Mandatory Take-Over Offer to all shareholders of Naluri at an offer price of RM1.98 per ordinary share in accordance with the terms of the Securities Commission Act, 1993 and the Take-over Code;
- (ii) an Order that Danaharta, CIMB, Raslan, Ooi, Gan, AHB, APSB, DSASA, DOKH, DKBMJ and/or DOKB jointly and severally pay TSDTR the sum of RM613,103,040.00 pursuant to the Mandatory Takeover being the sum that should have been paid to TSDTR;
- (iii) damages to be assessed.

Further in addition, TSDTR is also seeking, inter alia, from all the 24 Defendants to the Counterclaim the following relief:

- (i) the sum of RM7,214,909,224.01;
- (ii) damages for conspiracy to be assessed;

- (iii) a Declaration that the purported Vesting, pursuant to the Vesting , Certificates, namely No 1998-00174-DM (1/2) dated 15 Dec 1998, 1999-00183-DA (1/2) dated 29 Apr 1995 and 1999-00502-DU dated 7 May 1999 ('the Vesting Certificates") and all other securities held by Danaharta derived from TSDTR are illegal and ultra vires that the Danaharta Act and/or unconstitutional against the provisions of the Federal Constitution and/or against Public Policy and void;
- (iv) a Declaration that the Settlement Agreement dated 8 Oct 2001 is illegal and ultra vires the Danaharta Act, and/or Federal Constitution and is void and unenforceable pursuant to S.24 of the Contracts Act, 1950 inter alia as being against Public Policy;
- (v) a Declaration that all acts and deeds carried out and all agreements executed by Danaharta and the SAs or any other person or persons, pursuant to or predicated on the purported Vestings pursuant to the Vesting Certificates and/or Settlement Agreement aforesaid are illegal void and unenforceable;
- (vi) an Order that all contracts, agreements, transfers, conveyances, dealings, acts or deeds whatsoever carried out and executed by Danaharta and the SAs and any other person or persons pursuant to or predicated on the purported vestings pursuant to the Vesting Certificates be and are hereby declared null and void and set aside and that all persons be ordered and directed to return and restore all assets and monies received by them pursuant to any such contract, agreement, transfer, conveyance, dealing, payment, act or deed whatsoever;
- (vii) all necessary and fit Orders and directions as may be required to give full effect to the aforesaid Declarations and Orders;
- (viii) damages to be assessed;
- (ix) aggravated and exemplary damages to be assessed;
- (x) interest at the rate of 8% per annum on all sums adjudged to be paid by the respective Defendants to the Counterclaim to TSDTR from the date such loss and damage was incurred to the date of full payment; and
- (xi) costs.

AHB and APSB's application to strike out the action is fixed for mention on 27 Feb 2007.

Atlan and APSB's solicitors had been served a copy of Summons in Chambers (Mareva Injunction) dated 19 Jan 2007 together with an Affidavit (No. 1) in support of Mareva Injunction affirmed by TSDTR by TSDTR's solicitors. However, TSDTR has not claimed any relief against AHB and APSB.

As at 31 Jan 2007, there were no changes to the above suit, since the last annual balance sheet date of 28 Feb 2006, except as disclosed above.

27. **DIVIDEND**

The directors do not recommend any interim dividend for the current financial period under review.

28. **EARNINGS PER SHARE**

(i) **Basic earnings per share**

Earnings per share was calculated based on the Group's profit for the period attributable to ordinary shareholders and the weighted average number of ordinary shares.

The basic earnings per share was calculated as follows:-

	Individual Quarter Current year 30 Nov 2006 RM'000	Individual Quarter Preceding year 30 Nov 2005 RM'000	Cumulative Period Current year 30 Nov 2006 RM'000	Cumulative Period Preceding year 30 Nov 2005 RM'000
Profit from continuing operations	1,364	4,437	10,824	12,913
Adjustment for the dividends on ICPS (equity component)	(15)	(16)	(47)	(48)
Profit from continuing operations	1,349	4,421	10,777	12,865
Profit from discontinued operations	-	1,534	3,523	4,736
Profit attributable to ordinary equity holders of the parent	1,349	5,955	14,300	17,601
Weighted average number of ordinary shares ('000)	192,408	192,390	192,395	192,390
Basic earnings per share (sen) for :				
Profit from continuing operations	0.70	2.30	5.60	6.69
Profit from discontinued operations	-	0.80	1.83	2.46
Profit for the period	0.70	3.10	7.43	9.15

(ii) **Diluted earnings per share**

The diluted earnings per share was calculated using the Group's profit attributable to ordinary shareholders and the enlarged weighted average number of ordinary shares after adjusting for the dilutive effect on the unconverted ESOS and ICPS as at 30 Nov 2006.

The adjusted weighted average number of ordinary shares was calculated as follows:-

	Individual Quarter Current year 30 Nov 2006 RM'000	Individual Quarter Preceding year 30 Nov 2005 RM'000	Cumulative Period Current year 30 Nov 2006 RM'000	Cumulative Period Preceding year 30 Nov 2005 RM'000
Profit from continuing operations	1,364	4,437	10,824	12,913
Adjustment for the dividends on ICPS (liability component)	2	2	5	5
Profit from continuing operations	1,366	4,439	10,829	12,918
Profit from discontinued operations	-	1,534	3,523	4,736
Profit attributable to ordinary equity holders of the parent	1,366	5,973	14,352	17,654
Weighted average number of ordinary shares ('000)	192,408	192,390	192,395	192,390
Adjustment for the unconverted ESOS('000)	-	23	-	69
Adjustment for the unconverted ICPS('000)	2,349	2,369	2,363	2,369
Adjusted weighted average number of ordinary shares ('000)	194,757	194,782	194,758	194,828
Diluted earnings per share (sen) for:				
Profit from continuing operations	0.70	2.28	5.56	6.63
Profit from discontinued operations	-	0.79	1.81	2.43
Profit for the period	0.70	3.07	7.37	9.06

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 31 Jan 2007.

BY ORDER OF THE BOARD
TOH CHEE SEONG
LIM SAW IM
COMPANY SECRETARIES
PENANG
DATED THIS 31 JAN 2007