

V. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. Borrowings and debt securities

Details of Group borrowings and debt securities as at 30 September 2010 are as follows:

	Long term borrowings			Short term borrowings		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Debt securities</u>						
Domestic	-	-	-	-	14,000	14,000
Foreign -IDR	-	-	-	-	37,123	37,123
						-
TOTAL	-	-	-	-	51,123	51,123

20. Realised and Unrealised Profits of the Group

	As at 30/09/2010
	RM'000
Realised profits	299,509
Unrealised loss	(949)
Total retained profits	<u>298,560</u>

The unrealised portion within unappropriated profit (retained earnings) as at 30 September 2010 mainly relate to foreign currency translation losses of cash balances, receivables and payables as at 30 September 2010 (RM0.9 million)

21. Material litigation

Since the preceding financial year ended 31 December 2009, there are no changes in material litigation as at the date of this announcement except for the following:

Danaharta Urus Sdn. Bhd. vs Safri bin Nawawi ("Safri") and Hamimah Binti Idruss ("Hamimah") (by original action) Safri bin Nawawi & Anor vs Danaharta Urus Sdn. Bhd. and 6 others (action by counterclaim)

On 28 December 2004, Safri bin Nawawi and Hamimah binti Idruss, former directors of Safire, had each commenced an action by way of Counterclaim against the Company and its wholly-owned subsidiary, Safire Pharmaceuticals (M) Sdn Bhd ("Safire"), respectively in the legal suit originally filed by Danaharta Urus Sdn. Bhd. against them. The Company and Safire were named 4th Defendant and 3rd Defendant respectively and were served with the court papers on 11 January 2005. The Company and Safire had filed the Memorandum of Appearance in Court on 14 January 2005 and 18 January 2005 in respect of the Counterclaim.

The Company and Safire had both filed their respective defense to the Action by Counterclaim on 31 January 2005. The Company and Safire had further filed applications to strike out the Counterclaim on 3 March 2005.

The High Court had allowed the Company and Safire's applications to strike out the counterclaim on 14 July 2009. Subsequently, Safri filed the Notice of Appeal against the decision on 15 July 2009. The court has yet to fix any date for the case management on Safri's appeal.

The Board of Directors of the Company upon consultation with the solicitors is of the opinion that the positions of both the Company and Safire are defensible.

