

# HOCK LOK SIEW CORPORATION BHD

(Company No: 463440-X)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011 (The figures have not been audited)

	As At 30.6.11 RM'000	(Audited) As At 31.12.10 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,364	8,801
Investment properties	189	189
Other Investments	4,040	3,713
	<u>12,593</u>	<u>12,703</u>
<b>Current assets</b>		
Inventories	3,996	4,384
Trade receivables	4,801	7,458
Other receivables	4,008	5,552
Tax recoverable	20	18
Fixed deposits with a licensed bank	-	-
Cash and bank balances	92	97
	<u>12,917</u>	<u>17,509</u>
Non-current assets held for sale	<u>738</u>	<u>1,723</u>
<b>TOTAL ASSETS</b>	<u>26,248</u>	<u>31,935</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the Company</b>		
Share capital	45,502	45,502
Reserves	1,389	1,062
Accumulated losses	(31,969)	(31,747)
<b>Total equity</b>	<u>14,922</u>	<u>14,817</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<u>254</u>	<u>254</u>
<b>Current liabilities</b>		
Trade payables	3,114	4,564
Other payables	945	1,997
Provision for liabilities	1,750	1,750
Amount owing to a director	-	3,933
Borrowings	5,263	4,620
	<u>11,072</u>	<u>16,864</u>
<b>Total liabilities</b>	<u>11,326</u>	<u>17,118</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>26,248</u>	<u>31,935</u>
Net assets per share (RM)	0.164	0.163

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.

# HOCK LOK SIEW CORPORATION BHD

(Company No: 463440-X)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011 (The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	30.6.11 RM'000	30.6.10 RM'000	30.6.11 RM'000	30.6.10 RM'000
Revenue	3,790	4,656	7,804	8,819
Operating expenses	(3,753)	(5,700)	(8,384)	(9,851)
Other operating income	362	136	500	247
Profit/ (Loss) from operations	<u>399</u>	<u>(908)</u>	<u>(80)</u>	<u>(785)</u>
Finance cost	(71)	(56)	(142)	(108)
Profit/ (Loss) before taxation	<u>328</u>	<u>(964)</u>	<u>(222)</u>	<u>(893)</u>
Taxation	-	-	-	-
Profit/ (Loss) for the period	<u><u>328</u></u>	<u><u>(964)</u></u>	<u><u>(222)</u></u>	<u><u>(893)</u></u>
Attributable to:				
Equity holders of the Company	328	(964)	(222)	(893)
Minority interest	-	-	-	-
	<u><u>328</u></u>	<u><u>(964)</u></u>	<u><u>(222)</u></u>	<u><u>(893)</u></u>
Basic earnings/ (loss) per share attributable to equity holders of the Company based on weighted average number of shares in issue (sen)	<u>0.36</u>	<u>(1.06)</u>	<u>(0.24)</u>	<u>(0.98)</u>
Diluted earnings per share (sen)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.

# HOCK LOK SIEW CORPORATION BHD

(Company No: 463440-X)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011

(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	30.6.11 RM'000	30.6.10 RM'000	30.6.11 RM'000	30.6.10 RM'000
Profit/ (Loss) for the period	328	(964)	(222)	(893)
Other investments' fair value movement	214	157	327	47
Total comprehensive profit/ (loss)	<u>542</u>	<u>(807)</u>	<u>105</u>	<u>(846)</u>
Total comprehensive income attributable to: Equity holders of the Company	542	(807)	105	(846)
Minority interest	-	-	-	-
	<u>542</u>	<u>(807)</u>	<u>105</u>	<u>(846)</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.

## HOCK LOK SIEW CORPORATION BHD

(Company No: 463440-X)  
(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011 (The figures have not been audited)

-- Attributable to the equity holders of the Company --

	Share Capital RM'000	Non- Distributable Fair Value Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
<u>6 months ended 30.6.11</u>				
Balance as at 1 January 2011	45,502	1,062	(31,747)	14,817
Profit/ (Loss) for the period	-	327	(222)	105
Balance as at 30 June 2011	<u>45,502</u>	<u>1,389</u>	<u>(31,969)</u>	<u>14,922</u>
<u>12 months ended 31.12.10</u>				
Balance as at 1 January 2010	45,502	-	(30,807)	14,695
Effect of adopting FRS 139		(195)		(195)
Profit/ (Loss) for the period	-	1,257	(940)	317
Balance as at 31 December 2010	<u>45,502</u>	<u>1,062</u>	<u>(31,747)</u>	<u>14,817</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.

(Company No: 463440-X)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 30 JUNE 2011  
(The figures have not been audited)**

	6 months ended	
	30.6.11 RM'000	30.6.10 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(222)	(893)
Adjustments for :		
- Non-cash items	431	461
- Non-operating items	(58)	108
Operating profit/ (loss) before working capital changes	151	(324)
Inventories	388	(1,691)
Receivables	5,211	(2,122)
Payables	(2,512)	2,817
Cash generated/ (used in) from operations	3,238	(1,320)
Interest paid	(142)	(108)
Income tax paid	(2)	(16)
Net cash from/ (used in) operating activities	3,094	(1,444)
<b>Cash flows from investing activities</b>		
Proceeds from disposal of assets held for sale	950	-
Purchase of property, plant and equipment	(760)	(61)
Net cash from/ (used in) investing activities	190	(61)
<b>Cash flows from financing activities</b>		
Payment of listing expenses	-	-
Director's account	(3,932)	1,595
Borrowings	591	(3)
Net cash (used in)/ from financing activities	(3,341)	1,592
Net (decrease)/ increase in cash and cash equivalents	(57)	87
Cash and cash equivalents at beginning	(182)	(341)
Cash and cash equivalents at end	(239)	(254)
<b>Represented by:</b>		
Cash and bank balances	92	167
Fixed deposits with a licensed bank	-	-
Bank overdrafts	(331)	(421)
	(239)	(254)

Note

**HOCK LOK SIEW CORPORATION BHD**  
**(Company No: 463440 –X)**  
**(Incorporated in Malaysia)**

**PART A – Explanatory Notes pursuant to Financial Reporting Standard 134 on “Interim Financial Reporting”**

**A1. Accounting Policies and Method of Computation**

**Basis of preparation**

The interim financial statements have been prepared under the historical cost convention.

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

The interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements for the year ended 31 December 2010. 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 Hock Lok Siew Corporation Bhd (“HLS Corp”) and its subsidiaries namely, Foremost Audio Sdn. Bhd. (“FASB”), HLS Manufacturing & Trading Sdn. Bhd. (“HLSM”), and HLS Properties Sdn. Bhd. (“HLSP”), (hereinafter referred to as the “Group”) since the financial year ended 31 December 2010.

**A2. Significant Accounting Policies**

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 December 2010 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC interpretations with effect from 1 January 2011.

<b>FRSs, Amendments to FRSs and Interpretations</b>	
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combination (revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132 FRS 134, FRS 139 and Amendments	Improvements to FRSs (2010)

to IC interpretation 13	
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC interpretation 9	Reassessment of Embedded Derivatives

The initial application of the aforesaid applicable standards, amendments or interpretations did not have any financial impact to the financial statements upon their first adoption.

**A3. Audit Report of the Preceding Annual Financial Statements**

The audit report of the Group's preceding year's annual financial statements for the year ended 31 December 2010 was not qualified.

**A4. Seasonality or Cyclicity of Operations**

The business operations of the Group are affected by the cyclical factors in the speakers manufacturing industry whereby major part of the invoicing and deliveries typically takes place towards later part of the financial year.

**A5. Exceptional or Unusual Items**

There were no exceptional items reported in the financial statements during the quarter ended 30 June 2011.

**A6. Changes in Estimation**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current financial quarter.

**A7. Changes in Debt and Equity Securities**

There was no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter ended 30 June 2011.

**A8. Dividends**

There was no dividend paid or declared during the current financial quarter ended 30 June 2011.

**A9. Segmental Reporting**

3 months ended 30/6/ 2011

	Manufacturing	Trading	Other	Total
	RM'000	RM'000	RM'000	RM'000
Revenue	3,762	28	900	4,690
Inter-segment revenue	-	-	(900)	(900)
Revenue from external customers	3,762	28	-	3,790

	Manufacturing	Trading	Other	Total
	RM'000	RM'000	RM'000	RM'000
Operating profit/ (loss)	(768)	7	1,160	399
Finance cost	(71)	-	-	(71)
Income tax expense	-	-	-	-
Inter-segment profit	897	-	(897)	-
Profit/ (Loss) from external customers	58	7	263	(328)

6 months ended 30/6/2011

	Manufacturing	Trading	Other	Total
	RM'000	RM'000	RM'000	RM'000
Revenue	7,755	49	900	8,704
Inter-segment revenue	-	-	(900)	(900)
Revenue from external customers	7,755	49	-	7,804

	Manufacturing	Trading	Other	Total
	RM'000	RM'000	RM'000	RM'000
Operating profit	(1,307)	27	1,200	(80)
Finance cost	(142)	-	-	(142)
Income tax expense	-	-	-	-
Inter-segment profit	897	-	(897)	-
Profit/ (Loss) from external customers	(552)	27	303	(222)

3 months ended 30/6/ 2010

	Manufacturing	Trading	Other	Total
	RM'000	RM'000	RM'000	RM'000
Revenue	4,533	123	-	4,656
Inter-segment revenue	-	-	-	-
Revenue from external customers	4,533	123	-	4,656

	Manufacturing	Trading	Other	Total
	RM'000	RM'000	RM'000	RM'000
Operating profit	(955)	20	27	(955)
Finance cost	(56)	-	-	(56)
Income tax expense	-	-	-	-
Profit/ (Loss) for the period	(1,011)	20	27	(964)

6 months ended 30/6/2010

	Manufacturing	Trading	Other	Total
	RM'000	RM'000	RM'000	RM'000
Revenue	8,127	692	-	8,819
Inter-segment revenue	-	-	-	-
Revenue from external customers	8,127	692	-	8,819

	Manufacturing	Trading	Other	Total
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	RM'000	RM'000	RM'000	RM'000
Operating profit	(872)	53	34	(785)
Finance cost	(108)	-	-	(108)
Income tax expense	-	-	-	-
Profit/ (Loss) for the period	(980)	53	34	(893)

**A10. Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward, without amendment from the most recent annual financial statements.

**A11. Material Events Subsequent to the End of the Current Interim Period**

There was no material events subsequent to the end of the period reported at the date of issuance of this report.

**A12. Effect of Changes in Composition of the Group**

There were no changes in the composition of the Group for the current financial quarter and financial year to-date including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuing operations.

**A13. Changes in Contingent Liabilities and Contingent Assets Since the Last Balance Sheet Date**

The Company has issued corporate guarantee amounting to RM5.50 million (as at 31.12.2010: RM5.50 million) to a financial institution for banking facilities granted to FASB of which approximately RM5.263 million (as at 31.12.2009: RM4.620 million) has been utilised as at 30 June 2011.

There were no further material contingent liabilities since the date of the last balance sheet date.

**A14. Capital commitment**

On 28 December 2009, The Company has entered into a Sale and Purchase Agreements with Duro Metal Industrial (M) Sdn. Bhd. to acquire all that piece of land known as lot No.17027, Mukim Setul, Daerah Seremban, Negeri Sembilan comprised in Geran No.135582 measuring approximately 279 square metres with premises erected thereon for a consideration of RM150,000.

**Part B – Additional Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Review of the Performance of the Company and its Principal Subsidiaries**

	3 months ended		6 months ended	
	30/6/2011 RM'000	30/6/2010 RM'000	30/6/2011 RM'000	30/6/2010 RM'000
Revenue	<u>3,790</u>	<u>4,656</u>	<u>7,804</u>	<u>8,819</u>
Profit / (Loss) before tax	<u>328</u>	<u>(964)</u>	<u>(222)</u>	<u>(893)</u>

The Group recorded revenue of RM3.79 million for the current quarter. This represents a decrease of 18.6% as compared to that of the previous year's corresponding quarter. The decrease in revenues was mainly due lower demand for the period.

The Group recorded profit before tax of RM328,000 for the current quarter mainly attributable to gain on disposal of properties and dividend income.

**B2. Material Changes in Quarterly Results of the Current Quarter as compared to the Results of the Immediate Preceding Quarter**

	3 months ended	
	30/6/2011 RM'000	31/3/2011 RM'000
(Loss)/ Profit before tax	<u>328</u>	<u>(551)</u>

The current quarter recorded a profit before tax of RM328,000 as compared to a loss in the immediate preceding quarter of RM551,000. This was mainly attributable to gain on disposal of properties and dividend income in the current quarter.

**B3. Prospects**

While there are signs of recovery in the 2011, the global outlook remains cautious. The Group is currently seeking alternative business strategies and is aggressively taking initiatives to diversify.

On 14 June 2011, a major customer of FASB has terminated their business with FASB. The operation and cash flow position of FASB has been affected by the said termination. Therefore, FASB is expected to incur losses in the coming quarters.

The Board of Directors wishes to draw attention to the recent legal suit with Maybank. In the event that judgment is not in favour of the Company, the Company is exposed to the losses resulted from the above claim, interest and legal cost in respect from the Writ of Summons. The amount involved is expected to have a major impact on HLS Corp Group's cash flow position. However, based on the legal opinions, the Board of Directors is confident that the Company has good defence on merit to resist Maybank's action.

**B4. Variance of Actual Profit from Forecast Profit and Profit Guarantee**

Not applicable.

**B5. Taxation**

Taxation comprises:

	3 months ended		6 months ended	
	30/6/2011	30/6/2011	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Based on result for the period:				
- Current tax expense	-	-	-	-

There is no taxation charge in the current quarter as the Group has no chargeable income.

**B6. Sale of Unquoted Investments and/or Properties**

There were no sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the quarter ended 31 December 2011.

**B7. Purchase or Disposal of Quoted Securities**

There were no purchases or disposal of quoted securities for the quarter ended 30 June 2011.

Total investments in quoted securities are as follows:

	RM'000
At cost	<u>2,630</u>
At carrying value	<u>4,005</u>
At market value as at 30 June 2011	<u>4,005</u>

**B8. Status of Corporate Proposals**

There is no outstanding corporate exercise which have been announced but not yet completed as at 30 June 2011.

**B9. Borrowings and Debt Securities**

Total Group borrowings as at 30 June 2011 were as follows:

	RM'000
Short Term – Unsecured	
Bank overdrafts	331
Bankers acceptance	<u>4,932</u>
	<u>5,263</u>

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

**B10. Off Balance Sheet Financial Instruments**

As at 30 June 2011, no forward exchange contracts were entered into by the Group.

**B11. Material Litigation**

As at 30 June 2011 not earlier than 7 days from the date of issue of this quarterly report, the Group is engaged in the following material litigations:-

	<b>Plaintiff(s)</b>	<b>Defendant(s)</b>	<b>Court Reference</b>	<b>Status as at 30 June 2011</b>
1	Gan Seng Biang ("GSB")	HLS Corp, KKAA, Dato' Mohammed Radzi @ Mohd Radzi bin Manan, Siow You & IPO Corporation Sdn Bhd	Kuala Lumpur High Court Suit No. D1-22-1947-2002	<p>GSB has filed a claim for a liquidated sum of RM665,142 plus interest 10% per annum in respect of a corporate guarantee issued by the Company over specific performance of the tenancy agreement previously signed by Kenn Kenn Auto Accessories &amp; Services Sdn. Bhn. ("KKAA").</p> <p>On 25 November 2009, the Court has allowed the Plaintiff's claims against HLS Corp as follows:-</p> <ul style="list-style-type: none"><li>a. Arrears of rental until 25 July 2003;</li><li>b. 8% of interest from the date of the Writ of Summons till the date of realisation;</li><li>c. Costs of RM50,000-00 to the Plaintiff; and</li><li>d. Costs of RM10,000-00 to the 3rd Defendant.</li></ul> <p>Nonetheless, the claims for damages were not allowed by the Court.</p> <p>The Company had appealed against the said decision and on 23 July 2010, the Company's appeal was rejected with cost by the Court of Appeal.</p> <p>GSB further filed an application to amend the judgment and statement of claim. However, the application was dismissed on 19 Jan 2011. Subsequently, the Plaintiff has filed a notice of appeal in the Court of Appeal on 26 Jan 2011. The appeal was dismissed with costs on 7.7.2011. Plaintiff filed Notice of Motion in Federal Court on 3.8.2011.</p>

	Plaintiff(s)	Defendant(s)	Court Reference	Status as at 30 June 2011
2	HLS Properties Sdn Bhd ("HLSP")	Fabina Properties Sdn. Bhd. ("Fabina")	Kuala Lumpur High Court Suit No. D3-22-774-2006	<p>HLSP filed a legal suit to recover RM5.5 million (with interest) or alternatively RM4.0 million (without interest) from Fabina being the loan granted to Fabina by HLSP. Fabina filed a defence and counter claimed for declarations that the loan granted is void and unenforceable, and damages to be assessed.</p> <p>On 3 December 2009, the Company entered into a Settlement Agreement with Fabina for the settlement of disputes and differences arisen in respect of and in connection with a loan agreement dated 2 September 2002, a supplemental agreement dated 5 September 2002, a project management services agreement dated 5 November 2002 and a debenture dated 1 October 2002, all executed between Fabina and HLSPROP.</p> <p>On 12 April 2011, HLSP entered into a supplemental agreement with Fabina whereas Fabina has agreed to dispose off some of its properties to repay HLSP.</p> <p>The matter is now pending completion of the disposal by Fabina.</p>
3	Fabina Properties Sdn. Bhd. ("Fabina")	HLS Properties Sdn Bhd ("HLSP")	Kuala Lumpur High Court Suit No. D3-22-1846-2006	<p>Fabina commenced action vide Kuala Lumpur High Court seeking declaration that the appointment of Receivers and Managers pursuant to the Debenture provided by Fabina is void and sought an injunction against the appointed Receivers and Managers from acting or holding out as such.</p> <p>On 3 December 2009, the Company entered into a Settlement Agreement with Fabina as mentioned above.</p> <p>On 12 April 2011, HLSP entered into a supplemental agreement with Fabina whereas Fabina has</p>

	Plaintiff(s)	Defendant(s)	Court Reference	Status as at 30 June 2011
				<p>agreed to dispose off some of its properties to repay HLSP.</p> <p>The matter is now pending completion of the disposal by Fabina.</p>
4	Malayan Banking Berhad ("Maybank")	HLS Corp	Penang High Court, Civil Suit No.: 22-752-2009	<p>On 6 January 2010, the Company had been served with a Writ of Summons dated 30 November 2009 in respect of a suit filed by Maybank through a firm of lawyers acting on behalf of Maybank for failure to repay Maybank the total sum of RM31,114,10184 with interest as agreed on 1 March 2009 until full payment is made, of which was the amount provided by corporate guarantees of the Company which the Company has no knowledge or records thereof.</p> <p>The Company had filed in its defence together with an application to strike out the Writ of Summons and Statement of Claim from Maybank. However, the application to strike out the Writ of Summons and Statement of Claim was dismissed by Court on 12 October 2010.</p> <p>The Company has instructed its lawyer to make several applications and proceed to prepare for full trial. The Board of Directors of the Company is confident that the Company has good merit to defend the case. Pending the report from the Forensic Expert, the Matter fixed for Case Management on 6.9.2011.</p>
5	HK Ang & Partners ("HK Ang")	HLS Properties Sdn Bhd ("HLSP")	Kuala Lumpur High Court Suit No.:S-22-774-2010	<p>On 14 September 2010, HLSP, a wholly owned subsidiary of the Company had been served with a Writ of Summons dated 18 August 2010 in respect of a suit filed by HK Ang &amp; Partners for failure to pay for the balance of the professional fee and out of pocket expenses at a total sum of RM998,490.00 for being the defence and litigation lawyer for</p>

	Plaintiff(s)	Defendant(s)	Court Reference	Status as at 30 June 2011
				<p>the following suit cases:</p> <p>a) Kuala Lumpur High Court Suit No. D3-22-774-2006 - Vintage Consortium Sdn. Bhd. v Fabina Properties Sdn. Bhd. ("Fabina"); and</p> <p>b) Kuala Lumpur High Court Suit No. D10(D3)-22-1846-2006 - Fabina Properties Sdn. Bhd. v Vintage Consortium Sdn. Bhd. &amp; Dato' Abu Hanifah</p> <p>HLSP was named the Defendant and HK Ang &amp; Partners as Plaintiff, claiming the following:</p> <p>a) Repayment sums of RM998,490.00;</p> <p>b) Interest claimed at the rate of 8% per annum on the repayment sums of RM998,490.00 and will be calculated from 6 January 2010 until full payment is made; and</p> <p>c) Other reliefs and damages deem fit by the court.</p> <p>On 3 December 2009, HLSP entered into a Settlement Agreement with Fabina to settle out of court for the recovery of the RM4million and all disputes and differences arisen therefrom. Therefore, the Management of the Company is of the opinion that the balance professional fees and out of pocket expenses of RM998,490 charged by HK Ang &amp; Partners is too excessive.</p> <p>On 11 February 2011, The Plaintiff's application for Summary Judgment was dismissed with costs. HLSP's application for extension of time and stay pending taxation was also allowed on the same day. The matter is now pending taxation of fee.</p> <p>On 28 February 2011 and 2 March 2011, the Plaintiff further filed Notice of Appeal for Enclosure 12 and Enclosure 6 to Court. The Appeal was dismissed with cost</p>

Plaintiff(s)	Defendant(s)	Court Reference	Status as at 30 June 2011
			on 11.8.2011.

### B12. Earnings/ (Loss) Per Share

Basic earnings/ (loss) per share is calculated by dividing profit/ (loss) for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue as at 30 June 2011.

	3 months ended		6 months ended	
	30/6/2011	30/6/2010	31/6/2011	31/6/2010
(Loss)/ Profit for the period attributable to the equity holders of the Company (RM'000)	328	(964)	(222)	(893)
Weighted average number of shares in issue during the quarter / year to date ('000)	91,005	91,005	91,005	91,005
Basic (loss)/ earnings per share attributable to the equity holders of the Company (sen)	0.36	(1.06)	(0.24)	(0.98)

Diluted earning per share has not been computed as the effect of the assumed conversion of warrants over shares is anti-dilutive in nature.

### B13. Realised and Unrealised Profit

	30/6/2011 RM'000
Total accumulated losses of Hock Lok Siew Corporation Bhd and its subsidiaries	
Realised	(16,759)
Unrealised	(426)
	<hr/>
	(17,185)
Less: Consolidated Adjustments	(14,784)
	<hr/>
Total accumulated losses as per statements of financial position	(31,969)
	<hr/>



By Order of the Board

NG KIM WENG  
MANAGING DIRECTOR