

NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) NO. 134 – INTERIM FINANCIAL REPORTING

1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention unless specifically stated otherwise, as modified by the revaluation of certain properties.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Chapter 9.22 of the Main Market Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. The 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 year ended 31 December 2009.

2. Changes in accounting policies

The same accounting policies and methods of computation are followed in the interim financial statements as in the audited annual financial statements for the year ended 31 December 2009 except for the adoption of the following new/revised FRSs, IC Interpretations and Amendments to FRSs that are effective for financial periods beginning 1 July 2009 or 1 January 2010:-

FRS 4	<i>Insurance Contracts</i>
FRS 7	<i>Financial Instruments: Disclosures</i>
FRS 8	<i>Operating Segments</i>
FRS 101	<i>Presentation of Financial Statements</i>
FRS 127	<i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
FRS 136	<i>Impairment of Assets</i>
FRS 139	<i>Financial Instruments: Recognition and Measurement</i>
Amendment to FRS 1	<i>First-time Adoption of Financial Reporting Standards</i>
Amendment to FRS 2	<i>Share-based Payment: Vesting Conditions and Cancellations</i>
Amendment to FRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations</i>
Amendment to FRS 7	<i>Financial Instruments: Disclosures</i>
Amendment to FRS 8	<i>Operating Segments</i>
Amendment to FRS 107	<i>Statement of Cash Flows</i>
Amendment to FRS 108	<i>Accounting Policies, Change in Accounting Estimates and Errors</i>
Amendment to FRS 110	<i>Events after the Reporting Period</i>
Amendment to FRS 116	<i>Property, Plant and Equipment</i>
Amendment to FRS 117	<i>Leases</i>
Amendment to FRS 118	<i>Revenue</i>
Amendment to FRS 119	<i>Employee Benefits</i>
Amendment to FRS 123	<i>Borrowing Costs</i>
Amendment to FRS 127	<i>Consolidated and Separate Financial Statements</i>
Amendment to FRS 128	<i>Investments in Associates</i>

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Amendment to FRS 129	<i>Financial Reporting in Hyperinflationary Economies</i>
Amendment to FRS 132	<i>Financial Instruments: Presentation</i>
Amendment to FRS 134	<i>Interim Financial Reporting</i>
Amendment to FRS 136	<i>Impairment of Assets</i>
Amendment to FRS 138	<i>Intangible Assets</i>
Amendment to FRS 139	<i>Financial Instruments: Recognition and Measurement</i>
IC Interpretation 9	<i>Reassessment of Embedded Derivatives</i>
IC Interpretation 10	<i>Interim Financial Reporting and Impairment</i>
IC Interpretation 11	<i>FRS 2 - Group and Treasury Share Transactions</i>

The adoption of the above new/revised FRSs, IC Interpretations and Amendments to FRSs do not have any significant financial impact on the Group except for the following:-

(a) FRS 4: Insurance Contracts

The Group has adopted FRS 4 in relation to the financial guarantee contracts.

(b) FRS 8: Operating Segments

FRS 8 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. This standard does not have any impact on the financial position and results of the Group.

(c) FRS 101: Presentation of Financial Statements

FRS 101 introduces the titles 'statement of financial position' and 'statement of cash flows' to replace the current titles 'balance sheet' and 'cash flow statement' respectively. A new statement known as the 'statement of comprehensive income' is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

(d) Amendment to FRS 117: Leases

Prior to the adoption of the Amendment to FRS 117, leasehold land that has an indefinite economic life and with title that is not expected to pass to the lessee by the end of the lease term is classified as operating lease. Upfront payments for the rights to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and amortised over the period of its remaining lease term.

Upon adoption of the Amendment to FRS 117 in relation to classification of leasehold land, the Group reassessed the classification of leasehold land as a finance lease or an operating lease based on the extent of risks and rewards associated with the land. The Group has determined that all leasehold land of the Group is in substance finance leases and has reclassified its leasehold land from prepaid lease payments to property, plant and equipment. The reclassification of leasehold land as property, plant and equipment has been accounted for retrospectively and the comparatives in the Statement of Financial Position as at 1 January 2010 have been restated as shown below:

	As previously stated (RM'000)	Effects on adoption of FRS 117 (RM'000)	As restated (RM'000)
Property, plant and equipment	172,425	38,853	211,278
Prepaid lease payments	38,853	(38,853)	-

(e) FRS 139: Financial Instruments: Recognition and Measurement

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. The Group determines the classification at initial recognition and for the purpose of the first-time adoption of the standard, as at transitional date on 1 January 2010.

The Group categories financial instruments as follows:

Financial assets

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss category comprise equity investments that are initially measured at fair value. Any subsequent gain or loss arising from changes in fair value of the financial assets is recognised through profit or loss. The fair values of investments that are actively traded in organised financial markets are determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the reporting date. For investments that do not have quoted market price in an active market, the fair values are measured based on the net tangible assets of the latest available financial statements.

(ii) Loans and receivables

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses arising from the derecognition of the loans and receivables, EIR, amortisation and impairment loss are recognised in profit or loss.

Financial liabilities

All financial liabilities are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method.

Impact on opening balance

In accordance with the transitional provisions of FRS 139, the above changes have been applied prospectively and the comparatives as at 31 December 2009 have not been restated. The changes have been accounted by the Group by restating the following opening balances in the statement of financial position as at 1 January 2010.

	As previously stated (RM'000)	Effects on adoption of FRS 139 (RM'000)	As restated (RM'000)
Non-Current Assets			
Other Investments	12	(12)	-
Financial assets at fair value through profit or loss	-	21	21
Equity			
Retained Earnings	(19,514)	9	(19,505)

The adoption of FRS 139 does not have any significant impact on profit or loss for the financial year to date.

3. Status of Annual Report 2009

The auditors' report on the Group's most recent annual audited financial statements for the year ended ("FYE") 31 December 2009 was qualified in respect of the impairment of property, plant and equipment and prepaid lease payments of certain subsidiaries as well as the impairment on investment in subsidiaries. Please refer to the Company's Audited Financial Statement FYE 31 December 2009 announced on 30 April 2010 for details.

4. Seasonal or cyclical factors

The business operations of the Group are generally not affected by any major seasonal or cyclical factors, except for the China's TCL operations which are affected by winter season in the country.

5. Unusual item

There were no unusual items affecting assets, liabilities, equity, net income or cash flows to date.

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6. Changes in estimates

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

7. Issuance/repayment of debts and equity securities

There was no issuance, cancellation, repurchase, resale or repayment of debts and equity securities in the current quarter.

The cumulative shares bought back since the previous financial years and up to the current quarter ended 31 December 2010 was 7,604,100 shares and held as treasury shares in accordance with Section 67A of the Companies Act, 1965. As at 31 December 2010, the number of outstanding shares issued and fully paid with voting rights were 80,540,900 ordinary shares of RM0.50 each.

8. Dividends paid

No dividends were paid during the current quarter under review.

9. Segmental reporting

The financial results by business segments for the twelve (12) months period ended 31 December 2010 are as follows:

	-----Continuing operations-----						Discontinued operations	Consolidated Amount
	Engineering	Ice Manufacturing	Temperature-controlled logistics/warehousing	Others	Elimination	Total	Engineering (MMG)*	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE								
-External	13,905	9,745	41,127	2		64,779	26,884	91,663
-Internal segment only	9,391	484	8,981	3,979	(22,835)	-	-	-
Total revenue	23,296	10,229	50,108	3,981	(22,835)	64,779	26,884	91,663
RESULT								
Segments Result	1,619	(1,742)	(10,063)	3,185	(1,818)	(8,819)	1,032	(7,787)
Interest income	10	9	194	2,664	(2,664)	213	0	213
Unallocated corporate expenses						(6,912)		(6,912)
Operating profit						(15,518)	1,032	(14,486)
Share of profit of associate						1		1
Finance costs						(12,641)	(594)	(13,235)
Loss before tax						(28,158)	438	(27,720)
Taxation						(317)	(174)	(491)
Loss after tax						(28,475)	264	(28,211)

* MMG - Malaysian Mega Galvaniser Sdn Bhd and Malaysian Mega Galvaniser (Kuantan) Sdn Bhd

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The financial results by business segments for the twelve (12) months period ended 31 December 2009 are as follows:

	←-----Continuing operations ----->						Discontinued	Consolidated Amount
	Engineering	Ice Manufacturing	Temperature- controlled logistics/ warehousing	Others	Elimination	Total	Engineering (MMG)*	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
REVENUE								
-External	3,951	9,774	42,493	43		56,261	29,853	86,114
-Internal segment or	(932)	518	8,876	7,544	(16,006)	-	-	-
Total revenue	3,019	10,292	51,369	7,587	(16,006)	56,261	29,853	86,114
RESULT								
Segments Result	(5,195)	(518)	(4,954)	6,908	(13,682)	(17,440)	5,572	(11,868)
Interest income	22	4	18	2,626	(2,616)	54	4	58
Unallocated corporate expenses						(7,762)	-	(7,762)
Operating profit						(25,148)	5,576	(19,572)
Share of loss of associate						(22)	-	(22)
Finance costs						(13,752)	(465)	(14,217)
Loss before tax						(38,922)	5,111	(33,811)
Taxation						317	(1,238)	(921)
Loss after tax						(38,605)	3,873	(34,732)

* MMG - Malaysian Mega Galvaniser Sdn Bhd and Malaysian Mega Galvaniser (Kuantan) Sdn Bhd

10. Valuations of Property, Plant and Equipment

The valuations of land and buildings have been brought forward from the annual audited financial statements for the year ended 31 December 2009 and amended as per valuation by independent qualified valuers on 1 December 2010 for the year ended 31 December 2010. The net deficit arising is charged as an impairment to the income statement. The valuation surplus is credited to the re-valuation reserve.

11. Material events subsequent to end of the interim period

There was no material events subsequent to the end of the current quarter ended 31 December 2010 up to the date of this announcement.

12. Changes in the composition of the Company

There were no significant changes in the composition of the Group for the current quarter ended 31 December 2010.

13. Capital commitments

Capital commitments for the Group in respect of property, plant and equipment not provided for as of 31 December 2010 are as stated below:

Approved and contracted for	RM'000 <u>10,108</u>
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14. Contingent liabilities and contingent assets

The Company provided corporate guarantee amounting to RM137,591,472 (as at 31 December 2009: RM105,438,309) in favour of financial institutions for credit facilities granted to subsidiaries.

NOTES TO BURSA MALAYSIA SECURITIES BERHAD REVISED LISTING REQUIREMENTS

15. Performance review

The Group reported revenue of RM14.98 million during the fourth quarter of 2010 ("Q4 2010"), an increase of 23.7% over RM12.11 million from the corresponding quarter of the preceding year ("Q4 2009"), and is attributable to a higher contract revenue from the Engineering division. In tandem with the higher revenue and lower costs, the Group's net loss before minority interest is reduced to RM18.31 million compared to the net loss of RM23.93 million in Q4 2009.

16. Material change in quarterly results

For the immediate preceding quarter ("Q3 2010"), the Group announced revenue of RM29.84 million (includes revenue from the discontinued operations of MMG of RM8.06 million in Q3 2010). The Group's Q4 2010 revenue of RM14.98 million as compared to the Q3 2010 revenue excludes the revenue of MMG of RM8.06 million in Q3 2010, which is RM21.78 million, has been reduced by 31.2%, attributable to lower contract revenue recognised from the Engineering division. The lower revenue with higher costs increases the Group's net loss before minority interest from RM3.97 million in Q3 2010 to RM18.31 million in Q4 2010.

17. Prospects for the financial year

During the financial year under review, the Company has been classified as a Practice Note 17 ("PN 17") company pursuant to Paragraph 8.04 and Paragraph 2.1(e) and 2.1 (f) of PN 17 of the LR of Bursa Securities. The Company has appointed a Scheme Adviser, UHY Diong Advisory (KL) Sdn Bhd, to formulate a conclusive debt restructuring proposal ("Proposed Debt Restructuring"). The Proposed Debt Restructuring is expected to form an integral part of the overall Regularisation Plan to revive and reorganise the financial condition of the Company.

The Corporate Debt Restructuring Committee ("CDRC") had accepted the Company's application to mediate between the Company and its subsidiaries and its financial creditors, and had allowed the Company a period of six (6) months commencing from 8 October 2010 to complete the Proposed Debt Restructuring Scheme. The Company has on 3 January 2011 submitted the draft Proposed Debt Restructuring Scheme and Regularisation Plan to the CDRC for review and approval.

Furthermore, the Company are embarking on two disposals i.e. the proposed disposal of its entire stake in Malaysian Mega Galvaniser Sdn Bhd as stated in section 22(a) below and the proposed sale and leaseback arrangement of IGLO (Shanghai) Co., Ltd as stated in section 22(c) below.

The Board is of the opinion that, upon completion of the above-mentioned corporate exercises, the financial position of the Group shall be improved and strengthened.

18. Profit forecast

Not applicable in this Quarterly Report.

19. Taxation

	Current quarter RM'000	Financial period to-date RM'000
Malaysian tax		
- Continuing operations		
Current taxation	243	243
Deferred taxation	-56	74
	187	317
- Discontinued operations		
Current taxation	-296	179
Deferred taxation	21	-5
	-275	174
Total taxation	-88	491

The effective tax rate for the current quarter and the financial period to-date is higher than the statutory tax rate mainly due to losses of subsidiary companies that are not available for set-off against taxable profits of other subsidiary companies.

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20. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for this reporting quarter and financial period to-date.

21. Quoted investments

As at 31 December 2010, the Group did not hold any quoted securities, nor were there any purchase or disposal of quoted securities during the reporting quarter and financial period to-date.

22. Status of corporate proposals

(a) On 23 April 2010, the Company announced that the Company entered into a Share Sale Agreement for the Proposed Disposal of its entire investment of 750,000 ordinary shares of RM1.00 each in Malaysian Mega Galvaniser Sdn Bhd ("MMG") representing 50% of the entire issued and paid up capital in MMG to Acepoint Ventures Sdn Bhd for a cash consideration of RM16.0 million ("Proposed Disposal"). The cash consideration had been revised to RM12.0 million ("Proposed Revision") as announced on 17 January 2011. The Proposed Revision is pending shareholders' approval at an Extraordinary General Meeting ("EGM") to be held on 12 March 2011.

(b) The Company is a PN 17 Company as it have been triggered the following criteria pursuant to paragraph 8.04 (2) of PN 17 of the LR of Bursa Securities:-

(i) Paragraph 2.1(e) of PN 17 whereby "the auditors have expressed a modified opinion with emphasis on the listed issuer's going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of the issued and paid-up capital (excluding treasury shares) of the listed issuer" pursuant to our announcements dated 9 and 10 June 2010; and

(ii) Paragraph 2.1(f) of PN 17 whereby "a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to Practice Note 1 and the listed issuer is unable to provide a solvency declaration to Bursa Securities" pursuant to our announcement dated 1 July 2010.

On 7 September 2010, the Company announced that the regularisation plan to regularise the Company's PN 17 status ("Regularisation Plan") will not result in a significant change in the business direction or policy presently adopted by the Company.

Further on 8 October 2010, the Company had announced that the CDRC had on even date accepted the Company's application to mediate between HAISAN and its subsidiaries and its financial creditors. The CDRC has allowed the Company a period of six (6) months commencing from 8 October 2010 to complete the Proposed Debt Restructuring Scheme.

On 3 January 2011, the Company had also announced that the Company and its Scheme Adviser, UHY Diong Advisory (KL) Sdn.Bhd. had submitted the draft Proposed Debt Restructuring Scheme and Regularisation Plan to CDRC for review and approval.

(c) On 8 December 2010, the Company announced that IGLO International Limited ("IIL") has through its wholly-owned China subsidiary, IGLO Shanghai (Co.) Ltd ("IGLO SH"), entered into agreements with Shanghai Cang Shuo Cold Storage Co., Ltd ("SCSCS") in connection with a proposed sale and leaseback arrangement between IGLO SH and SCSCS in respect of the Property and the Equipment of IGLO SH with the sale consideration for the Property is RMB96.0 million or equivalent to approximately RM45.12 million and for the Equipment is RMB22.0 million or equivalent to approximately RM10.34 million (based on the exchange rate of RMB1.00 to RM0.47) ("Proposed Sale and Leaseback"). The lease back period for the Property and the Equipment is fifteen (15) years and thirteen (13) years respectively. The Proposed Sale and Leaseback is pending shareholders' approval at an EGM to be held on 12 March 2011.

(d) On 23 February 2011, the Company announced that IIL has signed a Memorandum of Understanding ("MOU") with Glacier Refrigerated Services Corporation ("Glacier") to explore the cooperation potential in cold storage business in the Philippines.

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23. Group borrowings and debt securities

Total Group borrowings as at 31 December 2010 are as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Secured			
Denominated in RM			
Term loan	21,378	-	21,378
Revolving credits	520	-	520
Bank overdraft	27,530	-	27,530
Hire purchase & lease payables	27	64	91
	<u>49,455</u>	<u>64</u>	<u>49,519</u>
Unsecured			
Denominated in RM			
Revolving credits	4,244	-	4,244
Bank overdraft	16,264	-	16,264
Term loan	40,000	-	40,000
	<u>60,508</u>	<u>-</u>	<u>60,508</u>
Denominated in foreign currency (*)			
Term loan			
RMB 76,063,500	35,420	-	35,420
VND 34,174,272,995	5,468	-	5,468
Revolving credits			
USD 1,027,635	3,210	-	3,210
RMB 7,500,175	3,493	-	3,493
	<u>47,591</u>	<u>-</u>	<u>47,591</u>
Unsecured			
Denominated in foreign currency (*)			
Total	<u>157,554</u>	<u>64</u>	<u>157,618</u>

* translated using exchange rate as at 31 December 2010

24. Off balance sheet risks

There were no financial instruments with off balance sheet risk as at the date of issue of this report.

25. Material Litigation

(a) A third party has initiated a legal proceeding against a subsidiary and the Company for a sum of RM4,760,064.25 as at 11 July 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement. The Writ of Summons together with the Statement of Claim dated 1 September 2010 was served on the subsidiary and the Company. The subsidiary and the Company have filed in their Notice of Appearance on 21 September 2010. The matter is now fixed for Case Management on 9 December 2010. From a letter dated 8 October 2010 issued by a party to the third party, the third party has now agreed to hold its action in abeyance. The matter came up for Case Management on 17 December 2010 before High Court Judge. The Court gave directions to parties with regards to Summary Judgment application on 17 December 2010. The matter came up for Case Management on 6 December 2010 before High Court Judge. The tentative hearing date of the Summary Judgment application is on 15 April 2011. This is to accommodate the 6 months time frame granted by CDRC which expires on 8 April 2011. As of to date, we have not been served with the Summary Judgment application. There was a case management on 16 February 2011 to monitor the progress of this matter and on 16 February 2011, the Court directed that the Summary Judgment be heard as per the dated fixed earlier i.e. 15 April 2011.

(b) A third party has initiated a legal proceeding against two (2) subsidiaries for a sum of RM872,061.73 as at 11 July 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the

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date of full settlement. The Writ of Summons together with the Statement of Claim dated 1 September 2010 was served on the subsidiaries. The subsidiaries have filed in their Notice of Appearance on 21 September 2010. From a letter dated 8 October 2010 issued by a party to the third party, the third party has now agreed to hold its action in abeyance. The matter came up for Case Management on 6 December 2010 before High Court Judge. The Court directed Summary Judgment application to be filed and all affidavits be exchanged before the Case Management date on 16 February 2011. The Court also fixed 15 April 2011 as the hearing date of the Summary Judgment application. This is to accommodate the 6 months time frame granted by CDRC which expires on 8 April 2011. As of to date, we have not been served with the Summary Judgment application. On 16 February 2011, the Court directed that the Summary Judgment be heard as per the dated fixed earlier i.e. 15 April 2011.

- (c) A third party has initiated a legal proceeding against the Company for a sum of RM3,753,009.44 as at 11 July 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement. The Writ of Summons together with the Statement of Claim dated 1 September 2010 was served on the Company. The Company has filed in their Notice of Appearance on 21 September 2010. The matter is now fixed for Case Management on 18 November 2010. From a letter dated 8 October 2010 issued by a party to the third party, the third party has now agreed to hold its action in abeyance. The matter came up for Case Management on 30 November 2010 before High Court Judge. The Court directed Summary Judgment application to be filed and all affidavits be exchanged before the next Case Management date which is 13 April 2011. The hearing of the Summary Judgment application will be fixed on 13 April 2011. This is to accommodate the 6 months time frame granted by CDRC which expires on 8 April 2011. As of to date, we have not been served with the Summary Judgment application.
- (d) A third party has issued a notice dated 7 September 2010 to claim RM4,798,977.54 as amount owing ("the Notice"), against a subsidiary. The subsidiary immediately applied for leave to take out judicial review proceeding to inter alia quash the Notice and for an injunction. The decision for the interlocutory injunction came up on 24 November 2010 before the Shah Alam High Court Judge. The Injunction was disallowed. The subsidiary immediately on 24 November 2010 applied for an Erinford Injunction orally, the judge reserved decision to 1 December 2010. In the meantime, status quo is maintained with an ad interim injunction in place. On 24 November 2010, the subsidiary has lodged an appeal to the Court of Appeal against the decision, disallowing the interlocutory injunction. On 1 December 2010, Shah Alam High Court dismissed the subsidiary's application for an Erinford Injunction, the subsidiary applied for the Notice of Motion to the Court of Appeal. The Court of Appeal allowed the motion and granted an Erinford Injunction. The Case Management for substantive judicial review came up for Case Management on 14 December 2010. The Registrar fixed 17 February 2011 as the Hearing of the Judicial Review application. The subsidiary had file its affidavit in reply on 14 January 2011. On 17 February 2011, the Learned Judge directed that the matter be postponed for four (4) months pending the decision by the Federal Court. The matter is now fixed for hearing on 14 July 2011.
- (e) A third party has initiated a legal proceeding against a subsidiary and the Company for a sum of RM929,507.70 as at 11 July 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement. The Writ of Summons together with the Statement of Claim dated 23 September 2010 was served on the subsidiary and the Company. The subsidiary and the Company have filed in their Notice of Appearance on 14 October 2010. The third party also issued a Form 16D Notice pursuant to Section 254 of the National Land Code, 1965 - Notice of Default with respect to a charge dated 23 September 2010 on the subsidiary. From a letter dated 8 October 2010 issued by a party to the third party, the third party has now agreed to hold its action in abeyance. The matter is now fixed for a further Mention on 13 April 2011.

In addition to the above, the matter was called up for Case Management on 30 November 2010 wherein the Court gave the following directions:-

- (i) EBB to file and serve their Summary Judgment application;
- (ii) The subsidiary and the Company to file their affidavit in reply within the time prescribed in the Rules of the High Court 1980;
- (iii) The Hearing of the Summary Judgment application will be heard on 13 April 2011 before the Learned Judge.
- (f) A third party issued a Form 16D Notice pursuant to Section 254 of the National Land Code, 1965 - Notice of Default with respect to a charge dated 23 September 2010 to the subsidiary for a sum of RM151,236.57 as at 11 July 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement. The third party withdrew the suit with no order as to costs on 21 January 2011.
- (g) A third party has initiated a legal proceeding against subsidiary and the Company for a sum of RM3,153,326.93 as at 30 June 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement. The Writ of Summons together with the Statement of Claim dated 27 September 2010 was served on the subsidiary and the Company. The subsidiary and the Company

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have filed in their Notice of Appearance on 26 October 2010. From a letter dated 8 October 2010 issued by a party to the third party, the third party has now agreed to hold its action in abeyance. There is no Court date fixed in respect of this matter.

- (h) A third party has initiated a legal proceeding against subsidiary and the Company for a sum of RM22,025,765.28 as at 27 September 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement. The Writ of Summons together with the Statement of Claim dated 27 September 2010 was served on the subsidiary and the Company. The subsidiary and the Company have filed in their Memorandum of Appearance on 24 November 2010 on 25 November 2010. The third party also issued a Form 16D Notice pursuant to Section 254 of the National Land Code, 1965 - Notice of Default with respect to a charge dated 29 September 2010 on the subsidiary. From a letter dated 8 October 2010 issued by a party to the third party, the third party has now agreed to hold its action in abeyance.
- (i) A third party has initiated a legal proceeding against the Company for a sum of RM42,210,461.78 as at 28 June 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement. The Writ of Summons dated 4 October 2010 together with the Statement of Claim dated 1 October 2010 was served on the Company. The Company had filed their Notice of Appearance on 27 October 2010. The matter was fixed for Case Management on 25 November 2010. On 25 November 2010, the registrar in the High Court disallowed the Company's application for an adjournment. The Court further instructed the Plaintiffs to proceed or to withdraw their suit against the Company. The Plaintiffs claim that they will proceed with the suit. The Court instructed the Plaintiffs to file the application for Summary Judgment by 25 November 2010 afternoon, and to serve on the Company's lawyers by 26 November 2010. The Court further instructed the Company to file the Affidavit in Reply by 8 December 2010. The matter was fixed for Case Management on 22 December 2010 and the Plaintiffs withdrew the suit with no order as to costs on 27 December 2010 with liberty to file after 8 April 2011.
- (j) A third party issued a Form 16D Notice pursuant to Section 254 of the National Land Code, 1965 - Notice of Default with respect to a charge dated 28 October 2010 to the subsidiary for a sum of RM929,404.69 as at 17 June 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement.

26. Loss/Earnings per share

	Individual quarter		Cumulative period	
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
Loss from continuing operations for the period (RM'000)	(18,422)	(26,081)	(28,475)	(38,605)
a) <u>Basic</u>				
Weighted average number of ordinary shares in issue ('000)	80,541	80,541	80,541	80,541
Basic (loss)/earnings per share (sen)				
- Continuing operations	(22.87)	(32.38)	(35.35)	(47.93)
- Discontinued operations	0.15	2.67	0.33	4.81
b) <u>Diluted</u>				
Weighted average number of ordinary shares in issue ('000)	80,541	80,541	80,541	80,541
Effect of share options ('000)	*	*	*	*
Weighted average number of ordinary shares ('000)	*	*	*	*
Diluted loss per share (sen)	*	*	*	*

* No diluted EPS is disclosed as the effect is anti-dilutive

Notes to the Fourth Quarter Report
For The Financial Period Ended 31 December 2010

27. Dividend

No interim dividend has been declared for the current quarter under review.

28. Realised and unrealised profits/ losses disclosure:

The accumulated losses as at 31 December 2010 and 30 September 2010 are analysed as follows:-

	As at end of Current Quarter 31/12/2010 RM'000	As at end of Preceding Quarter 30/09/2010 RM'000
Total accumulated losses of the Company and the subsidiaries:-		
- Realised losses	(46,645)	(26,795)
- Unrealised losses	(855)	(2,504)
	<u>(47,500)</u>	<u>(29,299)</u>

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 28 February 2011.