

**Notes to the Third Quarter Report**  
**For The Financial Period Ended 30 September 2011**

**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 (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements have been reviewed by the Company’s external auditors in accordance with the International Standards on Review Engagements (“ISRE”) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. 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 2010.

**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 2010 except for the adoption of the following new/revised FRSs, IC Interpretations and Amendments to FRSs.

		Effective for financial period beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1.7.2010
Amendments to FRS 1	- Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters	1.1.2011
Amendments to FRS 1	- Additional Exemption for First-time Adopters	1.1.2011
FRS 3	Business Combinations (revised)	1.7.2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1.7.2010
Amendments to FRS 7	Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments	1.1.2011
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues	1.3.2010
Amendments to FRS 138	Intangible Assets	1.7.2010
IC Interpretation 4	Determining whether on Arrangement contain a Lease	1.1.2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1.7.2010
IC Interpretation 12	Service Concession Arrangements	1.7.2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1.7.2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operations	1.7.2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1.7.2010
IC Interpretation 18	Transfer of Assets from Customers	1.1.2011

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

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**3. Status of Annual Audited Financial Statements 2010**

The auditors' report on the Group's most recent annual audited financial statements for the year ended 31 December 2010 was not subject to any audit qualification.

**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 temperature-controlled logistics operations which are affected by winter season in the country.

**5. Unusual item**

As stated in section 22(c) below, the sale of Shanghai property and assets has been completed on 16 September 2011 and therefore the assets held for sales has been written off and the Group borrowings has been reduced to RM121.54 million for the financial period ended 30 September 2011 from RM169.91 million for the financial period ended 30 June 2011.

Other than the above, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period ended 30 September 2011.

**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 other than as stated in section 5 above.

The cumulative shares bought back since the previous financial years and up to the current quarter ended 30 September 2011 was 7,604,100 shares and held as treasury shares in accordance with Section 67A of the Companies Act, 1965. As at 30 September 2011, 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 nine (9) months period ended 30 September 2011 are as follows:

	Engineering	Ice Manufacturing	Temperature- controlled logistics/ warehousing	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
-External	4,741	6,719	31,994	5		43,459
-Internal segment only	1,548	341	7,206	798	(9,893)	-
Total revenue	6,289	7,060	39,200	803	(9,893)	43,459
RESULT						
Segment Results	3,298	(7,138)	(5,177)	97	2,188	(6,732)
Interest income	15	5	9	2,328	(2,324)	33
Unallocated corporate expenses						(2,152)
Operating profit						(8,851)
Share of profit of associate						-
Finance costs						(10,943)
Loss before tax						(19,794)
Taxation						112
Loss after tax						(19,682)

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**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 2010. The carrying value is based on valuations carried out in year 2010 by independent qualified valuers.

**11. Material events subsequent to end of the interim period**

There was no material events subsequent to the end of the current quarter ended 30 September 2011 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 30 September 2011.

**13. Capital commitments**

Capital commitments for the Group not provided for as of 30 September 2011 are as stated below:

	<b>RM'000</b>
Approved and contracted for	<u>4,177</u>

**14. Contingent liabilities**

The Company provided corporate guarantee amounting to RM109,610,852 (as at 31 December 2010: RM136,004,858) 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 RM15.55 million during the third quarter of 2011 ("Q3 2011"), a decrease of 28.6% over RM21.77 million from the corresponding quarter of the preceding year ("Q3 2010"), mainly due to lower revenue generated from the Engineering division. The Group's net profit before minority interest is at RM1.49 million compared to the net loss before minority interest of RM2.47 million in Q3 2010 primarily as a result from other income arising from the consultancy and management fees as stated in section 22(c)(iv).

**16. Material change in quarterly results**

For the immediate preceding quarter ("Q2 2011"), the Group announced revenue of RM13.10 million. The Group's Q3 2011 revenue of RM15.55 million as compared to the Q2 2011 revenue had improved by 18.7% mainly due to the increased revenue from temperature-controlled logistics operation in China especially IGLO (Guangzhou) Co., Ltd. The Group's net profit before minority interest at RM1.49 million in Q3 2011 against the net loss before minority interest of RM12.40 million in Q2 2011 is mainly due to other income arising from the consultancy and management fees as stated in section 22(c)(iv) in Q3 2011. Furthermore, part of the net loss in Q2 2011 was attributed to a provision made for the utilities claim of RM4.80 million.

**17. Prospects for the financial year**

The Company had 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 MMLR of Bursa Securities in the previous year. The Company had since appointed a Scheme Adviser, UHY Advisory (KL) Sdn Bhd, to formulate a conclusive Proposed Debt Restructuring Scheme ("PDRS"). The PDRS 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. On 12 September 2011, the Company had entered into the debt restructuring agreement ("DRA") with certain of the secured lenders and unsecured lenders of the Group.

The sale of its Shanghai property and assets for total cash consideration of RMB165.00 million has been completed on 16 September 2011 as stated in section 22(c) below. The proceeds of this disposal will reduce the debts of the Group.

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.

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18. **Profit forecast**  
Not applicable in this Quarterly Report.

19. **Taxation**

	Current quarter RM'000	Financial period to-date RM'000
<b>Malaysian tax</b>		
Current taxation	(25)	(25)
Deferred taxation	(29)	(87)
	<u>(54)</u>	<u>(112)</u>

The effective tax rate for the current quarter and the financial period to-date are disproportionate to the statutory tax rate due to losses of certain subsidiary companies that are not available for set-off against taxable profits of profitable subsidiary companies, non-deductibility of certain expenses and availability of unabsorbed losses and capital allowances.

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 30 September 2011, 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) The Company is a PN 17 Company as it has triggered the following criteria pursuant to paragraph 8.04 (2) of PN 17 of the MMLR 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. On 13 May 2011, the Company had submitted the final PDRS to CDRC.

On 3 June 2011, the Company had announced that the Company had on 2 June 2011 submitted an application to Bursa Securities for an extension of time to submit its Regularisation Plan to Bursa Securities ("Application").

On 9 June 2011, Bursa Securities informed the Company that the suspension on the trading of the Company's securities and the delisting of the Company in accordance with Paragraph 8.04 of the MMLR shall be deferred pending the decision of Bursa Securities on the Company's application for the extension of time to submit the Company's Regularisation Plan to the relevant authorities pursuant to the provision of PN17 of the MMLR.

On 29 June 2011, Bursa Securities informed the Company that after due consideration of all facts and circumstances of the matter, Bursa Securities has decided to reject the Company's Application.

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On 30 June 2011, the Company had announced that Bursa Securities has vide its letter dated 29 June 2011 informed that the Company has failed to submit its regularisation plan to the Securities Commission or Bursa Securities for approval within 12 months from the Company's First Announcement in accordance with paragraph 8.04(3)(a)(i) of the MMLR i.e. on or before 8 June 2011 and further, the Company's Application was rejected, as communicated by Bursa Securities to the Company on 29 June 2011.

In the circumstances and pursuant to paragraph 8.04(5) of the MMLR:-

- (i) the trading in the securities of the Company will be suspended with effect from 7 July 2011; and
- (ii) the securities of the Company will be de-listed on 11 July 2011 unless an appeal is submitted to Bursa Securities on or before 6 July 2011 ("the Appeal Timeframe"). Any appeal submitted after the Appeal Timeframe will not be considered by Bursa Securities.

In the event the Company submits an appeal to Bursa Securities within the Appeal Timeframe, the removal of the securities of the Company from the Official List of Bursa Securities on 11 July 2011 shall be deferred pending the decision on the Company's appeal.

The Company had on 6 July 2011, submitted an Appeal to Bursa Securities against the decision of Bursa Securities to reject the Company's Application. On 11 August 2011, the Company had a meeting with the Listing Committee of Bursa Securities to review the Application on the extension for the submission of the regularization plan. The Company is awaiting the decision from the Listing Committee of Bursa Securities.

On 11 August 2011, the Company had announced that it had obtained more than 75% approval from both its secured and unsecured financial creditors for its revised PDRS, as informed by CDRC.

Further on 23 August 2011, the Company had announced that Bursa Securities had decided to grant HAIKAN an extension of time of four (4) months i.e. until 22 December 2011 to submit the regularisation plan to the relevant authorities for approval ("the Extended Timeframe") provided that:-

- (1) HAIKAN appoint a Principal Adviser and announce the appointment of the Principal Adviser within two (2) weeks from the date of the letter i.e. on or before 6 September 2011; and
- (2) The DRA would be executed with the Company's lenders and announced within thirty (30) days from the date of the Corporate Debt Restructuring Committee's letter dated 10 August 2011 i.e. on or before 9 September 2011.

On 6 September 2011, the Company had announced that HAIKAN had appointed Public Investment Bank Berhad ("PIVB") as the Principal Adviser to the Company for the Regularisation Plan.

On 12 September 2011, the Company had announced that Bursa Securities had decided to grant HAIKAN an extension of time until 23 September 2011 to execute the DRA with the Company's lenders and announce the execution of the same. On the same day, PIVB had announced of behalf of the Company that Haisan had on even date entered into the DRA with certain of the secured lenders and unsecured lenders of the Group.

- (b) 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. There is no further development on the MOU at this point of time.
- (c) On 26 April 2011, the Company announced that the Company's wholly-owned subsidiary, IIL and its wholly-owned China subsidiaries, IGLO SH and IGLO (Shanghai) Logistics Co., Ltd ("IGLO LOG") entered into the following agreements:
  - (i) a standard form of Sale and Purchase Agreement stipulated by the Shanghai Housing and Land Administration Bureau and Shanghai Industrial and Commercial Administrative Bureau, and its Supplementary Clauses entered into between IGLO SH and Xinchang Company Limited ("XCL") ("PA") in respect of the proposed disposal by IGLO SH of a piece of leasehold industrial land measuring approx. 35,156 square metres located at No. 357, Jizhan Road, Minhang District, Shanghai, the People's Republic of China together with a single storey cold storage warehouse with ancillary facilities with a gross floor area of approx. 22,109 sq.m. erected thereon ("Property") to XCL for a cash consideration of RMB96.0 million or equivalent to approximately ("approx.") RM44.16 million ("Proposed Disposal of Property");
  - (ii) a Sale and Purchase Agreement entered into between IGLO SH and Shanghai DCH Warehousing & Transportation Company Limited ("DCH") ("AA I") in respect of the proposed disposal by IGLO SH of machinery, facilities and equipment ("IGLO SH's Assets") to DCH for a cash consideration of RMB52.0 million or equivalent to approx. RM23.92 million ("Proposed Disposal of IGLO SH's Assets");

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- (iii) a Sale and Purchase Agreement entered into between IGLO LOG and DCH ("AA II") in respect of the proposed disposal by IGLO LOG of machinery, facilities and equipment ("IGLO LOG's Assets") to DCH for a cash consideration of RMB2.0 million or equivalent to approx. RM0.92 million ("Proposed Disposal of IGLO LOG's Assets"); and
- (iv) a Tripartite Agreement entered into between IIL, Charm Shine Limited ("CSL") and Main Logistics Ltd ("TA") in respect of the proposed transfer of non-tangible assets, restrictive terms, undertakings, staff and operation of the business of IGLO SH and IGLO LOG to SCL as well as rendering of consultancy and management services by IIL to CSL for a cash consideration of RMB15.0 million or equivalent to approx. RM6.9 million ("Proposed Transfer").

*The exchange rate of Renminbi (RMB) and Ringgit Malaysia (RM) used is RMB1.00:RM0.46 as published by Bank Negara Malaysia at the close of trading on 26 April 2011.*

The Proposed Disposal of Property, Proposed Disposal of IGLO SH's Assets, Proposed Disposal of IGLO LOG's Assets and Proposed Transfer are inter-conditional upon each other, and are hereinafter collectively referred to as the "Proposed Disposal".

Subsequently, the Company had made further announcements on the following dates:

- (i) 24 June 2011 - the Company had announced that that IGLO SH has on 22 June 2011 entered into a Revocation Agreement with XCL and CSL where IGLO SH has agreed to XCL's and CSL's request to substitute XCL with Shanghai Yinchang Warehousing Co., Ltd ("SYWCL"), a company related to XCL and a wholly-owned subsidiary of CSL, to purchase the Property from IGLO SH. Pursuant to and concurrently with the execution of the RA, IGLO SH and SYWCL have entered into a Shanghai Real Estate Sales and Purchase Contract for the sale and purchase of the Property ("SPA") on the even date.
- (ii) 27 June 2011 - to clarify the reference made to DCH in the announcement made on 24 June 2011;
- (iii) 7 July 2011 - the exchange of letter between IGLO SH and DCH, clarifying that the intellectual property rights and goodwill under the definition of Assets in Clause 1.1 of AA I does not include the trade marks owned by IGLO SH; and
- (iv) 29 July 2011 – to clarify i) the references made to the definition of Proposed IGLO LOG's Assets Disposal and Proposed Transfer in announcements made on 26 April 2011, 24 June 2011, 27 June 2011 and 7 July 2011 respectively, and ii) the reference to TA in the announcement made on 26 April 2011.

The Company had obtained its shareholders' approval for the above-mentioned Proposed Disposal in the EGM held on 18 August 2011. The Proposed Disposal has been completed on 16 September 2011.

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**23. Group borrowings and debt securities**

Total Group borrowings as at 30 September 2011 are as follows:

	Short term RM'000	Long term RM'000	Total RM'000
<b>Secured</b>			
<b>Denominated in RM</b>			
Term loan	21,456	-	21,456
Revolving credits	549	-	549
Bank overdraft	29,073	-	29,073
Hire purchase & lease payables	50	132	182
	<u>51,128</u>	<u>132</u>	<u>51,260</u>
<b>Unsecured</b>			
<b>Denominated in RM</b>			
Revolving credits	4,398	-	4,398
Bank overdraft	17,213	-	17,213
Term loan	40,000	-	40,000
	<u>61,611</u>	<u>-</u>	<u>61,611</u>
<b>Denominated in foreign currency (*)</b>			
Term loan			
VND 34,174,272,995	5,304	-	5,304
Revolving credits			
USD 1,056,410	3,368	-	3,368
	<u>8,672</u>	<u>-</u>	<u>8,672</u>
<b>Total</b>	<u><b>121,411</b></u>	<u><b>132</b></u>	<u><b>121,543</b></u>

\* translated using exchange rate as at 30 September 2011

**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. On 15 April 2011, the Learned High Court Judge adjourned the hearing to 18 May 2011. On 18 May 2011, the third party withdrew the suit and with liberty to file afresh.

(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 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

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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. On 15 April 2011, the Learned High Court Judge adjourned the hearing to 18 May 2011. On 18 May 2011, the third party withdrew the suit and with liberty to file afresh.

- (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. On 13 April 2011, the Learned High Court Judge adjourned the hearing to 18 May 2011. On 18 May 2011, the hearing is further adjourned to 18 July 2011. On 18 July 2011, the third party withdrew the suit and with liberty to file afresh.
- (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 fixed for hearing on 14 July 2011. On 14 July 2011, the matter is adjourned to 13 September 2011 for hearing and is further adjourned to 18 January 2012.
- (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. On 13 April 2011, the Learned High Court Judge adjourned the hearing to 18 May 2011. On 18 May 2011, the hearing is further adjourned to 18 July 2011. On 18 July 2011, the third party withdrew the suit and with liberty to file afresh.
- (f) 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 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.
- (g) 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.
- (h) 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



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June 2010 being the outstanding repayment due to the third party plus the interest accrued therein until the date of full settlement.

- (i) On 10 May 2011, a subsidiary of the Company filed an action against a third party for the rental amounting to RM622,722.00 as of 30 April 2011 together with interest and the rental from 1 May 2011 until the removal of their products from the subsidiary's premises. The third party filed a defence and a counter-claim on 7 June 2011 claiming for losses purported to have occurred to their products during storage at the subsidiary's premises. The subsidiary had filed a reply and a defence to the counter claim on 20 June 2011. The third party intends to file an application to amend their statement of defence. The case management before the Learned Deputy Registrar were held on 7 September 2011, 21 September 2011, 30 September 2011, 24 October 2011, 4 November 2011, 14 November 2011 and 15 November 2011. The third party had withdrawn the application for stay with no order as to costs during the hearing held on 28 October 2011. The Learned Deputy Registrar has set the matter for hearing on 29 November 2011 and 30 November 2011.
- (j) On 6 June 2011, the Company has received a letter dated 31 May 2011 from a third party ("the Letter"). The Company only came to know of the summons by the Letter informing the Company to attend the continued hearing fixed on 13 June 2011, 14 June 2011 and 15 June 2011 respectively. The Company is been sued as 3rd Defendant in the dependency suit filed by the widow and the deceased in a railroad accident involving a locomotive and a motorcyclist, in front of the Company's main entrance. And there is also another Plaintiff in the suit who was a pillion rider, who was injured in the same accident. The summons is to claim for general and special damages or injury suffered and there was no amount stated under the summons. The Company has applied to the Judge for the suit against it as 3rd Defendant be struck out. The matter is further fixed for hearing on 19 July 2011. On 19 July 2011, the hearing is postponed to 11 August 2011 and 15 August 2011. On 11 August 2011, the Judge was on leave and the matter is postponed to 19 September 2011. On 19 September 2011, the Plaintiff withdrew the suit against the Company without liberty to file afresh.

**26. Loss per share**

	Individual quarter 3 months ended		Cumulative period 9 months ended	
	30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10
<b>Profit/(Loss) attributable to equity holders for the period (RM'000)</b>				
- Continuing operations	1,496	(1,716)	(19,670)	(10,123)
- Discontinued operations	-	(1,502)	-	147
a) <u>Basic</u>				
Weighted average number of ordinary shares in issue ('000)	80,541	80,541	80,541	80,541
<b>Basic profit/(loss) per share (sen)</b>				
- Continuing operations	1.86	(2.13)	(24.42)	(12.57)
- Discontinued operations	-	(1.87)	-	0.18
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)	*	*	*	*
<b>Diluted loss per share (sen)</b>				
	*	*	*	*

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

**Notes to the Third Quarter Report**  
**For The Financial Period Ended 30 September 2011**

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**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 30 September 2011 and 31 December 2010 are analysed as follows:-

	<b>As at 30 September 2011 RM'000</b>	<b>As at 31 December 2010 RM'000</b>
Total accumulated loss of the Company and its subsidiaries		
- Realised	(63,212)	(10,249)
- Unrealised	(6,431)	(8,087)
Less: Consolidation adjustments	548	(31,620)
Accumulated loss as per financial statements	<u>(69,095)</u>	<u>(49,956)</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 29 November 2011.