

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2010

Part A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the investment properties which are stated at fair value, in accordance with Financial Reporting Standards (“FRS”) 140. The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 with the exception for

- i) FRS 139, whereby unrealised gains on quoted investments are not recognised in the financial statements until year end. Unrealised losses on quoted investments are recognised immediately whilst unrealised gains will only be recognised at the year end; and
- ii) the adoption of the following FRS, amendments to FRSs, and IC interpretations:

FRS 8	Operating Segments
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowings Costs
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in Subsidiary, Jointly Controlled Entity or Associate;	
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations	
Amendments to FRS 132 Financial Instruments: Presentation and FRS 101 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation	
Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	
Improvements to FRSs (2009)	

The adoption of the above FRSs, amendments to FRSs and IC Interpretations did not have any material impact on the financial of the Group.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2009 was not subjected to any qualification.

3. Segmental Information

3 months ended	
31.03.2010	31.03.2009
RM'000	RM'000

Segment Revenue

Revenue from continuing operations:

Energy Sector	43,830	37,288
F&B and Tourism Sector	6,633	6,971
Manufacturing Sector	4,866	5,154
Investment Sector	1,230	1,737
Others	-	-
Total revenue including inter-segment sales	56,560	51,150
Elimination of inter-segment sales	(1,273)	(1,813)
Total revenue from continuing operations	55,286	49,337
Revenue from discontinued operation	599	391
Total	55,886	49,728

3 months ended	
31.03.2010	31.03.2009
RM'000	RM'000

Segment Results

Results from continuing operations:

Energy Sector	3,566	5,544
F&B and Tourism Sector	547	128
Manufacturing Sector	(104)	(92)
Investment Sector	(2,757)	(2,905)
Others	(5)	(0)
	1,247	2,675
Eliminations	155	269
Total results from continuing operations	1,402	2,943
Results from discontinued operation	(40)	(322)
Total	1,362	2,621

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2010.

5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

6. Comments about Seasonal or Cyclical Factors

There is no seasonal or cyclical effect for the Energy and Manufacturing Sector. However, the performance of Food & Beverages and Tourism Sector is affected positively by major festivals and school holidays.

7. Dividends Paid

There was no dividend paid to the shareholders for the current financial period to date.

8. Carrying Amount of Revalued Assets

The carrying amount of property, plant and equipment is recorded at cost and has been brought forward without amendment from the financial statements for the year ended 31 December 2009.

9. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury in the current quarter.

10. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

11. Disposal Group Held for Sale

The Group is in the midst of disposing two subsidiaries namely Green Electric Limited ("GEL") and Swiss Confiserie Sdn Bhd ("SCSB"). The Major classes of assets and liabilities of the two (2) subsidiaries classified as The Disposal Group Held For Sale as at 31st March 2010 are as follows;

	As at 31.03.2010 RM'000	As at 31.12.2009 RM'000
Assets		
Property, plant and equipment	12,845	12,882
Intangible assets	191	191
Inventories	83	87
Trade and other receivables	379	293
Cash and bank balances	41	41
Assets of disposal group classified as held for sale	<u>13,540</u>	<u>13,494</u>

	As at 31.03.2010 RM'000	As at 31.12.2009 RM'000
Liabilities		
Borrowings	8	8
Trade and other payables	8,782	8,909
Liabilities directly associated with disposal group classified as held for sale	<u>8,790</u>	<u>8,917</u>

12. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2010 is as follows:

	RM'000
Approved and contracted for	297
Approved and not contracted for	-
	297

13. Changes in Contingent Liabilities and Contingent Assets

13.1 Contingent Liabilities

The total contingent liabilities of the Group as at 31 March 2010 is RM40.66 million consisting of corporate guarantees to banks to secure general banking facilities granted to the subsidiaries.

13.2 Contingent Assets

Under the Clause 6.6 Other Payments of the PPA, Stratavest is entitled to claim late payment charges from SESB on overdue payment from the date on which such payment became overdue and until the date such payment is paid in full.

An amount of RM3.33 million late payment charges for the period up to March 2010 has not been recognised in the period under review.

14. Material Events Subsequent to the Balance Sheet Date

The Company had on 11th May 2010 made an announcement to Bursa Malaysia that the disposal of Swiss Confiserie Sdn Bhd, one of its wholly owned subsidiaries has been completed.

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

15. Performance Review

For the quarter under review, Group registered revenue of RM55.9million, an increased of 12% against the corresponding quarter ended 31 March 2009. This was primarily due to higher Medium fuel price used in billing the Energy Payment to Sabah Electric Sdn Bhd (SESB) as well as improvement in Tourism segment.

Despite the increases in revenue, The Group recorded a lower Profit Before Tax (“PBT”) of RM1.36 million in the current quarter compared to the Profit Before Tax of RM2.6 million recorded in the corresponding quarter ended 31 March 2009. The decreased in PBT was mainly due to lower gross profit margin resulting from the higher fuel price and the dry season affecting the performance of the Energy Sector.

16. Comment on Material Change in Profit Before Taxation (“PBT”)

The Group recorded an improved PBT of RM1.36 million for the quarter under review, compared to the Loss Before Tax of RM0.53 million for the preceding quarter ended 31 December 2009. This was primarily due to absence of the written off of assets by Energy Sector during the quarter ended 31 December 2009.

17. Commentary on Prospects

The anticipation of economic recovery in the beginning of 2010 reflected in several countries has been weighted down by the financial crisis in Dubai and Europe as well as Korean conflict that has affected the global economic recovery once again. In view of the above uncertainties, the Group will remain focused on the strategies to strengthen its business by improving its operational efficiency and productivity as well as continuing to remain cautious in any business expansion or opportunities.

18. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter under review.

19. Income Tax Expense

	3 months ended	
	31.03.2010	31.03.2009
	RM'000	RM'000
Current tax:		
Malaysian income tax	(112)	(213)
Deferred tax	(948)	(1,303)
Total income tax expense	<u>(1,060)</u>	<u>(1,516)</u>

The effective tax rates for the year was higher than the statutory tax rate of 25% principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

20. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties in the current quarter under review.

21. Quoted Securities

There was no purchase or disposal of quoted securities in the current quarter under review.

22. Corporate Proposals

There were no corporate proposals in the current quarter under review.

23. Borrowings

Group borrowings and debt securities as at 31 March 2010 denominated in Ringgit Malaysia were:

	As at 31.03.2010 RM'000	As at 31.12.2009 RM'000
Short term borrowings		
Secured	40,905	41,751
Unsecured	30,000	30,000
	<u>70,905</u>	<u>71,751</u>
Long term borrowings		
Secured	192,336	203,777
Unsecured	15,000	15,000
	<u>207,336</u>	<u>218,777</u>
	<u>278,241</u>	<u>290,528</u>

Included in the short term borrowings are bank overdrafts amounting to RM6.25 million (2009: RM5.42 million).

24. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk in the current quarter under review.

25. Changes in Material Litigations

As at the reporting date, there were no changes in material litigations, except for the following pending material litigations since the last annual balance sheet date of 31 December 2009:

- i) Defamation suit by LKE Electric (M) Sdn Bhd ("LKE") naming a director and shareholder of Time Era Sdn Bhd (Time Era), as the First Defendant, and Cur (Far East) Sdn Bhd ("Cur"), a subsidiary of Time Era, as the Second Defendant for RM5 million for exemplary and aggravated damages, interest and cost. The matter is fixed for further Case Management on 24th June 2010;
- ii) A suit by Eden Inc. Berhad ("EDEN") against Sriwani Duty Free Centre (Langkawi) Sdn. Bhd. ("SDFC") as the First Defendant, Dato' Chuan Hooi Huat (who is the former director of EDEN

and Sriwani Holdings Berhad (“SHB”) as the Second Defendant and Mr. Terry Wong Soo Teng, (who is the former Director of EDEN and the present director of SHB) as the Third Defendant, for Tort of Conspiracy in respect of a lease agreement entered into between EDEN and SDFC on 20 August 2002 (“Lease Agreement”) for RM52,657,920. The matter has been fixed for Case Management on 27th May 2010;

- iii) A suit by SHB as the Plaintiff, naming Zil Enterprise Sdn Bhd (being a major shareholder of EDEN) as the First Defendant and EDEN as the Second Defendant alleging that EDEN Group owed the Plaintiff RM3,043,537.93 by way of inter company debts. The court has yet to fix the date for mention as the parties concerned are still reconstructing the Court’s lost file.
- iv) Two (2) former employees of the Company have initiated a claim for constructive dismissal against the Company.
 - (a) Goh Hoe Kong (“Plaintiff”) has referred the award of the Industrial Court case dated 22 April 2008 to the High Court. During the decision on 25 February 2010, the High Court had dismissed the Plaintiff’s application for judicial review. The Plaintiff has filed an appeal on this matter on 24 March 2010 at the Court of Appeal and is waiting for the hearing date to be fixed.
 - (b) Meanwhile, Thum Soon Yin’s (“TSY”) claim was for compensation amounting to RM1,284,118.82 was dismissed by the Industrial Court. TSY has referred the case to the High Court and the matter has been fixed for Case Management on 15 July 2010.

26. Dividend Payable

No dividend has been declared for the year.

27. Earnings Per Share

(a) Basic

The basic earning per share of the Group was calculated by dividing the net profit for the year by the weighted average number of ordinary shares of RM1.00 each in issue to the public as follows:

	3 months ended	
	31.03.2010	31.03.2009
	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	336	1,148
Profit from discontinued operation attributable to ordinary equity holders of the parent	-	-
Profit attributable to ordinary equity holders of the parent	336	1,148
Weighted average number of ordinary shares in issue	311,362	311,362
Basic earnings per share (sen) for:		
Profit from continuing operations	0.11	0.37
Profit from discontinued operation	-	-
Profit for the period	0.11	0.37

(b) Diluted

For the purpose of calculating diluted earnings per share, was calculated by dividing the adjusted net profit for the year by the weighted average number of ordinary shares of RM1.00 each, ICULS and warrants in issue to the public as follows:

	3 months ended	
	31.03.2010	31.03.2009
	RM'000	RM'000
Profit from continuing operations attributable to ordinary equity holders of the parent	336	1,148
After-tax effect of interest on ICULS (RM'000)	-	-
Profit from continuing operations attributable to equity holders of the parent including assumed conversion	336	1,148
Profit from discontinued operation attributable to ordinary equity holders of the parent	-	-
Profit attributable to ordinary equity holders of the parent including assumed conversion	336	1,148
Weighted average number of ordinary shares in issue	311,362	311,362
Effects of dilution:		
Weighted average number of warrants	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	311,362	311,362
Diluted earnings per share (sen) for:		
Profit from continuing operations	0.11	0.37
Profit from discontinued operation	-	-
Profit for the period	0.11	0.37

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors on 26 May 2010.

By order of the Board.

Date: 26 May 2010