

14. N/A.

15. Details of pending material litigations

i. Affin Bank Berhad

Affin Bank Berhad had filed a writ of summons against Ikman Industries Sdn Bhd, a wholly owned subsidiary of Long Huat Group Berhad for outstanding banking facilities totalling RM7,762,196.91 plus interest and other costs. Hearing had not been fixed.

ii. Affin Bank Berhad

Affin Bank Berhad had filed a writ of summons against Long Huat Group Berhad for outstanding banking facilities totalling RM6,011,590.71 plus interest and other costs. Case fixed for hearing on 11 June 2001.

ii. Hong Leong Bank Berhad

Hong Leong Bank Berhad had filed a writ of summons against Ikman Industries Sdn Bhd as first defendant and Long Huat Group Berhad as second defendant for outstanding banking facilities totalling RM2,493,435.02 plus legal cost and other costs.

iii. PhileoAllied Bank Berhad

PhileoAllied Bank Berhad had filed in a writ of summons against Long Huat Group Berhad for outstanding bank facilities totalling RM3,114,833.56 plus other costs and reliefs. Judgement had been obtained by PhileoAllied Bank Berhad and the Company's solicitors is making an appeal against the judgement and next hearing date for the appeal is on 16 August 2001.

iv. HSBC Bank (Malaysia) Berhad

HSBC Bank (Malaysia) Berhad had filed a writ against Long Huat Manufacturing Sdn Bhd, a wholly owned subsidiary of Long Huat Group Berhad as first defendant and Long Huat Group Berhad as second defendant for outstanding bank facilities totalling RM3,955,186.58 plus RM10,000.00 legal cost and any other costs and reliefs.

v. Hong Leong Bank Berhad

Hong Leong Bank Berhad had filed in a writ against Ikman Industries Sdn Bhd as first defendant and Long Huat Group Berhad as second defendant for outstanding bank facilities totalling RM3,909,171.91 plus legal cost and any other costs and reliefs. The Company's solicitors had filed in affidavit in reply on 02 April 2001 and the case is pending further hearing.

vi. RHB Bank Berhad

RHB Bank Berhad had filed in a writ of summons against Ikman Industries Sdn Bhd and Long Huat Group Berhad for outstanding bank facilities totalling RM1,132,131.69 plus

interest and any other costs and reliefs. The Company's solicitors had filed in an appearance on behalf of the Company on 28 March 2001.

16. Segmental reporting

Segmental information is provided on the activities of the Group, details of which are as follows:-

	Revenue	Profit/(loss) before taxation	Total assets employed
	RM'000	RM'000	RM'000
Timber manufacturing	2,452	(4,754)	14,247
Timber trading	10,888	(42,788)	63,264
Shoes	3,168	(192)	1,236
Property development	-	(53)	10,367
	<u>16,508</u>	<u>(47,787)</u>	<u>89,114</u>

17. Turnover for the quarter ended 28 Feb 2001 has declined significantly compared to the previous quarter due primarily to cessation of timber trading activities. The cessation was due to declining margin and increased competition.

18. Performance review

During the financial period under review, the Group adopted a prudent approach to make a provision of doubtful debts of RM21.6 million and to write off stocks of RM25.1 million which resulted in exceptional loss of RM46.7 million in the current quarter.

19. Commentary on prospect for current year.

The Group expects the remainder of the current financial year to be challenging in view of the tight liquidity position and the Group's decision to rationalise its core manufacturing activities.

In view of the above, the Group is in the process of formulating a corporate and debt restructuring exercise which will be announced in due course.

20. There is no profit guarantee or forecast available for comparison.

21. There is no decision to propose any dividend for the current financial year ending 31/08/2001.