

MAXBIZ CORPORATION BERHAD (Co No : 587870-T)

Unaudited Condensed Consolidated Income Statements
For the first quarter ended 31 March 2009

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	ToDate	Corresponding
	31/03/2009	Period	31/03/2009	Period
	(RM'000)	31/03/2008	(RM'000)	31/03/2008
		(RM'000)		(RM'000)
Revenue	1,014	1,375	1,014	1,375
Cost of sales	<u>(869)</u>	<u>(2,737)</u>	<u>(869)</u>	<u>(2,737)</u>
Gross (loss)/profit	145	(1,362)	145	(1,362)
Other operating income	165	167	165	167
Operating expenses	(1,756)	(722)	(1,756)	(722)
Finance cost	<u>(154)</u>	<u>(281)</u>	<u>(154)</u>	<u>(281)</u>
(Loss) before taxation	(1,600)	(2,198)	(1,600)	(2,198)
Taxation	<u>0</u>	<u>417</u>	<u>0</u>	<u>417</u>
(Loss) for the period	<u>(1,600)</u>	<u>(1,781)</u>	<u>(1,600)</u>	<u>(1,781)</u>
Attributable to:				
Shareholders of the Company	(1,600)	(1,781)	(1,600)	(1,781)
Minority interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(Loss) for the period	<u>(1,600)</u>	<u>(1,781)</u>	<u>(1,600)</u>	<u>(1,781)</u>
EPS - Basic (sen)	<u>(1.12)</u>	<u>(1.25)</u>	<u>(1.12)</u>	<u>(1.25)</u>
EPS - Diluted (sen)	<u>(0.95)</u>	<u>(1.06)</u>	<u>(0.95)</u>	<u>(1.06)</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the quarterly financial statements)

MAXBIZ CORPORATION BERHAD (Co No : 587870-T)

Condensed Consolidated Balance Sheets
As at 31 March 2009

	AS AT END OF CURRENT QUARTER 31/03/09 (UNAUDITED) (RM'000)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/08 (AUDITED) (RM'000)
Non-Current Assets		
- Property, plant and equipment	35,625	36,934
- Intangible assets	19,636	19,697
- Goodwill on consolidation	24,634	24,634
Total non-current assets	<u>79,895</u>	<u>81,265</u>
Current Assets		
- Inventories	2,257	2,413
- Trade and other receivables	3,933	3,948
- Cash and bank balances	64	12
Total current assets	<u>6,254</u>	<u>6,373</u>
Total assets	<u>86,149</u>	<u>87,638</u>
Equity and Liabilities		
- Share Capital	142,231	142,231
- Reserves	(103,344)	(101,744)
Total equity attributable to shareholders of the Company	<u>38,887</u>	<u>40,487</u>
- Minority interest	-	-
Total equity	<u>38,887</u>	<u>40,487</u>
Non-Current Liabilities		
- Long term borrowings	11,308	11,358
- Deferred taxation	4,042	4,042
Total non-current Liabilities	<u>15,350</u>	<u>15,400</u>
Current Liabilities		
- Trade and other payables	23,373	23,212
- Short term borrowings	3,000	3,000
- Provision for taxation	5,539	5,539
Total current liabilities	<u>31,912</u>	<u>31,751</u>
Total equity and liabilities	<u>86,149</u>	<u>87,638</u>
Net assets per share (RM)	0.27	0.28

(The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the quarterly financial statements)

MAXBIZ CORPORATION BERHAD (Co No : 587870-T)

Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 31 March 2009

	<u>Share Capital</u> <u>(RM'000)</u>	<u>Retained Profits/ (Accumulated losses)</u> <u>(RM'000)</u>	<u>Minority Interest</u>	<u>Total</u> <u>(RM'000)</u>
At 1 January 2008	142,231	(24,818)	-	117,413
Net loss for the period	-	(1,781)	-	(1,781)
At 31 March 2008	142,231	(26,599)	-	115,632
At 1 January 2009	142,231	(101,744)	-	40,487
Net loss for the period	-	(1,600)	-	(1,600)
At 31 March 2009	142,231	(103,344)	-	38,887

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the quarterly financial statements.)

Condensed Consolidated Cash Flow Statement
As at 31 March 2009 (UNAUDITED)

	Current Year To Date 31/03/2009 (RM'000)	Preceding Year Corresponding Period 31/03/2008 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(1,600)	(2,198)
Adjustments for :		
- Non-cash items	1,387	1,557
- Non-operating items	-	281
Operating (loss)/profit before working capital changes	<u>(213)</u>	<u>(360)</u>
Changes in working capital		
- Net changes in current assets	171	232
- Net changes in current liabilities	161	85
Cash (used in)/generated from operations	<u>119</u>	<u>(43)</u>
Interest paid	-	(4)
Tax paid	-	-
Net cash (used in)/generated from operating activities	<u>119</u>	<u>(47)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(17)	(46)
Interest received	-	-
Repayment of hire-purchase	-	(5)
Net cash used in investing activities	<u>(17)</u>	<u>(51)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(50)	-
Net cash (used in)/from financing activities	<u>(50)</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	52	(98)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12	398
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>64</u>	<u>300</u>
Cash and cash equivalents comprise :		
Cash and bank balances	<u>64</u>	<u>300</u>
	<u>64</u>	<u>300</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the quarterly financial statements)

MAXBIZ CORPORATION BERHAD (COMPANY NO. 587870-T)
UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE
QUARTER ENDED 31 MARCH 2009

A. EXPLANATORY NOTES PURSUANT TO THE INTERIM FINANCIAL REPORT – FRS 134

A1 Basis of preparation

The unaudited interim financial statements have been prepared in accordance with the requirement of FRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2008.

A2 Qualification of financial statements

Without qualifying the financial statements for the financial year ended 31 December 2008, the auditors highlighted the following:-

- 1) As stated in Note 26 to the financial statements,
 - i) On 7 June, 2007, the Company has been served with a writ of summons and statement of claims by Pacific Trustee Berhad (PTB) demanding the sums of RM23,070,388 and RM3,149,598 being the amount outstanding on 5 years 2% Redeemable Secured Loans Stocks (RCSLS) and 2 years 5% Redeemable Unsecured Loan Stocks (RULS) respectively. The Board of directors is negotiating with PTB as the RCSLS is secured by a legal charge on two pieces of land of which the directors are of the opinion that the value of the land is sufficient to pay off the aforesaid loan stocks. Please refer to B11 item 4.
 - ii) However, on 23 October, 2007, the Company has been served with a copy of the Originating Summon and Copy of the supporting Affidavit by Pacific Trustee Berhad (PTB) both on 24 September, 2007 claiming for the order that the land held under H.S (D) No. 30578, Lot P.T 4943 Mukim Bachang, Daerah Melaka Tengah, Melaka and charged to PTB be sold by Public Auction under National Land code to satisfy the sum owing of RM23,070,388. Please refer to B11 item 5.
- 2) As disclosed in Note 26 to the financial statements, the subsidiary, M.K.K. Industries Sdn. Bhd.,
 - i) On 1 August, 2007, has been served with a Writ of Summon and Statement of Claim dated 22 June, 2007 and 15 June, 2007 respectively by the Inland

Revenue Board claiming for the sum of RM437,109 plus the interest at the rate of 8% per annum from the date of judgement until the date of realisation and other related cost.

- ii) On 1 August, 2007, has also been served with a Statutory Notice from Inland Revenue Board pursuant to Section 218(2)(a) of the Company Act 1965 demanding a payment for a sum of RM2,139,422 which includes total interest calculated until 5 July, 2007 and court expenses under a final judgement dated 26 April, 2005 obtained by the Government of Malaysia.
- iii) On 27 September, 2007, has been served with a Writ of Summon and Statement of Claim dated 27 June, 2007 and 15 June, 2007 respectively from the Inland Revenue Board claiming to a sum of RM712,129 plus the interest at the rate of 8% per annum from the date of judgement until the date of realisation and other related cost.

In view of the above matters, the board of directors are seeking clarification from the Inland Revenue Board to reconcile the assessments raised.

- 3) Subsequently, as disclosed in Note 27 to the financial statements, on 22 January, 2008, the subsidiary, MKK has been served with the summon by the court in pursuant to Order 14 Application on the Company, holding Company and two other directors, a sum of RM4,827,012 to CIMB Bank Berhad together with interest at a rate of 9.75% per annum calculated on a monthly basis from 1 April 2007 until the date of full settlement.
- 4) On 28 February, 2007, the Kuala Lumpur High Court has made a Winding-up order against the subsidiary, Mayford Garments Sdn. Bhd. (MGSB) for non payment of the debts of RM1,861,161 together with the interest of 3.5% per annum above the Base Lending Rate from 30 September, 2005 until the date of realisation. The official receiver was appointed as provisional liquidator for the purpose of winding-up. The Board of Directors have applied for a stay of execution with the High Court. As such, the appropriateness of the going concern basis for the preparation of the financial statements for the subsidiary is entirely dependent upon approval for the stay of execution being granted by the High Court. However, for prudence as the Holding Company has lost control over its subsidiary, MGSB has been excluded in the consolidation of the Group accounts as permitted by FRS 127 : Consolidated and Separate Financial Statement. The adjustments have been made to reflect the value of the assets to their recoverable / realisable amounts and reclassification of non-current assets and liabilities to current assets and liabilities.

- 5) As stated in Directors' Statement pursuant to Section 169(15) of the Companies Act, 1965, the newly appointed directors of the Company and the subsidiary on 26 June, 2007 and 13 July, 2007 respectively, have indicated that they have no personal knowledge of past events and transactions prior to their appointment of which such responsibility remains with the former Board of directors, at that point in time.

A3 Seasonal or cyclical factors

The principal business operations of the Group are affected by seasonal or cyclical factors.

A4 Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size or incidence during the quarter ended 31 March 2009. The decline in revenue is due to a worldwide economic down turn resulting in a drastic drop in demand.

1) Increase in Operating Expenses

- a) Increase in the electricity traiff
- b) Increase in the cost of gas.
- c) Increase in the price of chemicals used in the dyeing process
- d) The additional purchase of "water treatment" chemicals to ensure that the Company's Water Treatment plant comply with the DOE's requirements.
- e) Usage of additional chemicals in the redyeing process for certain customers.

2) The drop in turnover of the Company

The current global economic downturn which has substantially affected all export orders.

A5 Changes in estimates of amounts reported in prior interim periods of the current and prior financial years

There were no significant changes in accounting estimates of amounts reported in prior interim periods of the current or previous financial years that have a material effect in the current interim period.

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 March 2009.

A7 Dividends paid

There was no dividend paid for the quarter ended 31 March 2009.

A8 Segment revenue and results

No segmental reporting by activity is prepared as the Group is principally involved in the manufacturing of apparel and its related products.

A9 Valuation of property, plant and equipment

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements except for the net book values of the property, plant and equipment where depreciation have been provided for in the current quarter and current financial year. Any additions to the property, plant and equipment are carried at cost less depreciation charge for the current quarter and current financial year.

A10 Subsequent events

There are no material events subsequent to the end of the period reported that have not been reflected in this quarterly report.

A11 The effect of changes in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations

There were no changes to the composition of the Group for the quarter ended 31 March 2009.

A12 Contingent liabilities and contingent assets

As at the date of issue of this interim report, there were no contingent liabilities and contingent assets that had arisen since the last annual balance sheet date. (The latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B. ADDITIONAL INFORMATION AS REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (PART A OF APPENDIX 9B)

B1 Review of performance

	<u>Cumulative Year-to-date for the year ended</u>	
	31 March 2009 RM'000	31 March 2008 RM'000
Revenue	<u>1,014</u>	<u>1,375</u>
Loss before taxation	<u>(1,600)</u>	<u>(2,198)</u>

The drop in revenue is mainly due to high cost of production.

B2 Material change in profit before taxation for the current quarter compared to the immediate preceding quarter

	Current Quarter Ended 31 March 2009 RM'000	Preceding Quarter Ended 31 December 2008 RM'000
Revenue	<u>1,014</u>	<u>3,742</u>
Loss before taxation	<u>(1,600)</u>	<u>(721)</u>

The drop in revenue is principally due to the current economic downturn..

B3 Prospects

M.K.K. Industries Sdn. Bhd., a wholly owned subsidiary of the Company has been appointed as the exclusive dyeing agent for hygienilac, an anti bacteria chemical developed in the United Kingdom. Hygienilac is currently used by a number of multi-national corporation.

B4 Variances from profit forecast and profit guarantee

Not applicable to the Company as no profit forecast and profit guarantee was published.

B5 Taxation

Income tax expense	Current Quarter Ended 31 March 2009 RM'000	3-month cumulative Year-to-date 31 March 2009 RM'000
Current taxation	-	-
Deferred taxation	-	-
	<hr/>	<hr/>
	-	-

There is no taxation expected for the current quarter.

B6 Profits/(losses) on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

B7 Particulars of purchase or disposal of quoted securities

There was no purchase or sale of quoted securities for the current quarter and financial year-to-date.

B8 Status of corporate proposals

The Group has not announced any corporate proposals which has not been completed at the date of this announcement.

B9 Borrowings and debt securities

The Group borrowings and debt securities as at 31 March 2009 were :-

<u>Short Term Borrowings</u>	RM'000
Unsecured - Redeemable Unsecured Loan Stock (RULS)	<hr/> 3,000

RULS are unsecured and bears interest at 5% per annum. RULS are redeemable within 1 year.

<u>Long term borrowings</u>	RM'000
Redeemable Convertible Secured Loan Stock (RCSLS)	22,616
Term loans	4,252
Hire purchase payables	79
	<hr/> 26,947
Less: Due within 12 months	(15,639)
	<hr/> 11,308

RCSLS are secured on the property, plant and equipment of the Company and bears interest at 2% per annum. RCSLS are redeemable within 3 years. Please refer also to B.11 item 3, 4 & 5.

The term loan is for a period of 4 years and bears interest at Base lending rate plus 2%. It is secured by a debenture on the fixed and floating assets of a subsidiary.

The hire purchase liabilities bears a weighted average interest rate of 5% to 5.9%.

B10 Off balance sheet financial instruments

The Group has not entered into any off balance sheet financial instruments.

B11 Material litigation

The Group is engaged in the following litigations as at 31 March 2009

- 1) Government of Malaysia vs. M.K.K Industries Sdn. Bhd. (MKK) under Malaya High Court In Kuala Lumpur Summons No:S7-21-145-2007 in respect of income tax charges for years 1999 to 2003. The Government of Malaysia had requested from MKK Industries Sdn. Bhd. an initial RM150,000. MKK had complied with the request and is currently working together with the Government of Malaysia to resolve the outstanding amount.
- 2) CIMB Bank Berhad (CIMB) vs. M.K.K Industries Sdn. Bhd. (MKK) under Kuala Lumpur High Court Suit No:D4-22-1112-2007 in respect of judgement sum of RM4,827,012.49 together with interests at the rate of 9.75% per annum on a monthly rate basis from 1 April 2007 till full realization. MKK had approached CIMB to resolve the matter. CIMB however has yet to respond.
- 3) Pacific Trustees Berhad (PTB) vs. Maxbiz Corporation Berhad (Maxbiz) under Kuala Lumpur High Court Suit No.: D1-22-647-2007 for RM23,070,388.83 (being principal amount of the Redeemable Convertible Loan Stock (RCSLS) of RM22,615,598.00 with interest at the rate of 2% per annum and an additional late payment interest of 1% per annum on all overdue sums) and RM3,149,589.04 (being principal amount of the Redeemable Unsecured Loan Stock (RULS) of RM3,000,000.00 with interest at the rate of 6% per annum) and other cost. On 4 November 2008 a second police report was lodged by Maxbiz's Board of Directors to investigate the missing core assets which are part of the collateral for the RCSLS and the missing trade receivables which were meant to be used to settle the RULS pursuant to the original RCSLS and RULS contracts.
- 4) Maxbiz is proceeding with civil and criminal action against the Directors of Geahin Engineering Berhad and Messrs. Ernst & Young ("EY") (Kuala Lumpur High Court Suit No.: S5-22-472-2007 has been consolidated with Suit No.: S1-22-940-2006 and

will be known as Suit S1-22-940-2006 in all future cases) for the recovery of RM5.7 million of assets for which the RULS was issued against. EY has applied for dismissal of the case and was rejected by the Court and Court of Appeal with cost. The date for case mention has been fixed on 17th August 2009.

- 5) Pacific Trustees Berhad (PTB) vs. Maxbiz Corporation Berhad (Maxbiz) under Melaka High Court Originating Summons No.: 24-480-2007 whereby PTB is claiming from Maxbiz for an Order that the land (*H.S. (D) No. 30578 Lot P.T. 4943 Mukim Bachang, Daerah Melaka Tengah, Negeri Melaka*) charged to PTB under Presentation No 12185/04 be sold by public auction under the National Land Code to satisfy the sum of RM23,070,388.38 (including principal sum of RM22,615,598.00 with interest at the rate of 2% per annum and an additional late payment interest of 1% per annum on all overdue sums) due to PTB together with other claims. Maxbiz has obtained a three months extension from PTB to enable Maxbiz to present a settlement proposal. A proposal was submitted to PTB for the RCSLS holders' consideration on 5 August 2008. PTB had pursued an additional claim against Maxbiz through the Melaka Land Office under Section 261 of the National Land Code. The Melaka Land Office granted the auction order for the land at HS (D) 359 Lot No. 4276, Mukim of Bukit Katil, Daerah Melaka Tengah, Negeri Melaka to PTB on 11 November 2008, however the auction date has not been finalized pending investigation by the relevant authorities.

B12 Dividends

The Board of Directors has not recommended any interim dividend for the current quarter and current financial year-to-date.

B13 Earnings per share

(i) Basic earnings per share

	Current Quarter Ended 31 March 2009	3-month cumulative Year-to-date 31 March 2009
Net loss attributable to shareholders (RM'000)	(1,600)	(1,600)
Weighted average number of ordinary shares in issue ('000)	142,231	142,231
Basic earnings per share (sen)	(1.12)	(1.12)

(ii) Diluted earnings per share

	Current Quarter Ended 31 March 2009	3-month cumulative Year-to-date 31 March 2009
Net loss attributable to shareholders (RM'000)	(1,568)	(1,568)
Weighted average number of ordinary shares in issue after dilution ('000)	164,846	164,846
Diluted earnings per share (sen)	(0.95)	(0.95)

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
COMPANY SECRETARY