

MAXBIZ CORPORATION BERHAD (Co No : 587870-T)

**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**For the first quarter ended 31 March 2010**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>ToDate</u>	<u>Corresponding</u>
	<u>31/03/2010</u>	<u>31/03/2009</u>	<u>31/03/2010</u>	<u>31/03/2009</u>
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
Revenue	<u>765</u>	<u>1,014</u>	<u>765</u>	<u>1,014</u>
Operating income	102	145	102	145
Other operating income	<u>174</u>	<u>165</u>	<u>174</u>	<u>165</u>
Total income	276	310	276	310
Operating expenses	(320)	(1,756)	(320)	(1,756)
Finance cost	<u>0</u>	<u>(154)</u>	<u>0</u>	<u>(154)</u>
<b>(Loss) before taxation</b>	<b>(44)</b>	<b>(1,600)</b>	<b>(44)</b>	<b>(1,600)</b>
Taxation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>(Loss) for the period</b>	<b><u>(44)</u></b>	<b><u>(1,600)</u></b>	<b><u>(44)</u></b>	<b><u>(1,600)</u></b>
<b>Attributable to:</b>				
Shareholders of the Company	(44)	(1,600)	(44)	(1,600)
Minority interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>(Loss) for the period</b>	<b><u>(44)</u></b>	<b><u>(1,600)</u></b>	<b><u>(44)</u></b>	<b><u>(1,600)</u></b>
EPS - Basic (sen)	<u>(0.03)</u>	<u>(1.12)</u>	<u>(0.03)</u>	<u>(1.12)</u>
EPS - Diluted (sen)	<u>(0.01)</u>	<u>(0.95)</u>	<u>(0.01)</u>	<u>(0.95)</u>

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the quarterly financial statements)**

**MAXBIZ CORPORATION BERHAD (Co No : 587870-T)**

**Condensed Consolidated Statement of Financial Position**  
**As at 31 March 2010**

	AS AT END OF CURRENT QUARTER 31/03/10 (UNAUDITED) (RM'000)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/09 (AUDITED) (RM'000)
<b>Assets</b>		
- Property, plant and equipment	31,630	31,630
- Intangible assets	19,452	19,452
- Goodwill on consolidation	24,634	24,634
- Inventories	2,498	2,370
- Trade and other receivables	4,469	3,070
- Cash and bank balances	37	72
<b>Total assets</b>	<b>82,720</b>	<b>81,228</b>
<b>Liabilities and Shareholders' Equity</b>		
- Long term borrowings	6,785	6,806
- Deferred taxation	1,103	1,103
- Trade and other payables	29,272	27,715
- Short term borrowings	3,000	3,000
- Provision for taxation	5,627	5,627
<b>Total current liabilities</b>	<b>45,787</b>	<b>44,251</b>
- Share Capital	142,231	142,231
- Reserves	(105,298)	(105,254)
<b>Total equity attributable to shareholders of the Company</b>	<b>36,933</b>	<b>36,977</b>
- Minority interest	-	-
<b>Shareholders' equity</b>	<b>36,933</b>	<b>36,977</b>
<b>Total liabilities and shareholders' equity</b>	<b>82,720</b>	<b>81,228</b>
Net assets per share (RM)	0.26	0.26

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with audited financial statements for the year ended 31 December 2009 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 2010

	<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 2009	142,231	(101,744)	-	40,487
Net loss for the period	-	(1,600)	-	(1,600)
At 31 March 2009	<u>142,231</u>	<u>(103,344)</u>	<u>-</u>	<u>38,887</u>
At 1 January 2010	142,231	(105,254)	-	36,977
Net loss for the period	-	(44)	-	(44)
At 31 March 2010	<u>142,231</u>	<u>(105,298)</u>	<u>-</u>	<u>36,933</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the quarterly financial statements.)

MAXBIZ CORPORATION BERHAD (Co No : 587870-T)

**Condensed Consolidated Statement of Cash Flow**  
**As at 31 March 2010 (UNAUDITED)**

	Current Year To Date 31/03/2010 (RM'000)	Preceding Year Corresponding Period 31/03/2009 (RM'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(44)	(1,600)
Adjustments for :		
- Non-cash items	-	1,387
- Non-operating items	-	-
Operating (loss)/profit before working capital changes	<u>(44)</u>	<u>(213)</u>
Changes in working capital		
- Net changes in current assets	(1,527)	171
- Net changes in current liabilities	1,557	161
Cash (used in)/generated from operations	<u>(14)</u>	<u>119</u>
Interest paid	-	-
Tax paid	-	-
Net cash (used in)/generated from operating activities	<u>(14)</u>	<u>119</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(17)
Interest received	-	-
Repayment of hire-purchase	-	-
Net cash used in investing activities	<u>-</u>	<u>(17)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	-	(50)
Net cash (used in)/from financing activities	<u>-</u>	<u>(50)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(14)</b>	<b>52</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>72</b>	<b>12</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>58</u></b>	<b><u>64</u></b>
Cash and cash equivalents comprise :		
Cash and bank balances	<u>37</u>	<u>64</u>
	<u>37</u>	<u>64</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2010**

---

**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 and Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements (“Bursa Malaysia”) and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2009.

**A2 Qualification of financial statements**

Without qualifying the financial statements for the financial year ended 31 December 2009, the auditors highlighted the following:-

- 1) As stated in Note 28 to the financial statements,
  - i) The Company is proceeding with civil and criminal action against the Directors of Geahin Engineering Berhad and Messrs. Ernst & Young (“EY”) for the recovery of RM5.7 million of trade receivables, against which the RULS was issued. EY has applied for dismissal of the case and was rejected by the Kuala Lumpur High Court and the Court of Appeal with costs.  
  
In February 2009, The Court approved the application of the Company to merge the following two suits: Maxbiz vs Geahin Engineering Berhad and Messrs. Ernst & Young (KL High Court Suit No.:S5-22-472-2007) and Public Trustees Berhad (“PTB”) vs Maxbiz (Melaka High Court Originating Summons No.: 24-480-2007), thus recognising the interrelationship of the two suits.
  - ii) On 8 January 2009, M.K.K. Industries Sdn. Bhd. (“MKKI”) was served with a Summons dated 23 December 2008 and Statement of Claim dated 9 December 2008 by the Government of Malaysia (Plaintiff) claiming a sum of RM95,783.13 plus interest and cost for unpaid tax.
  - iii) On 29 June 2009, Maxbiz appointed MIMB Investment Bank Berhad as the Company’s Principal Advisor to assist the Company in the Proposed Balance Sheet Reconstruction, comprising a Capital Reduction exercise and a Rights Issue exercise. Proceeds from The Rights Issue will be

utilised to settle any shortfall in the redemption of the RCSLS, to fully satisfy the RULS and to settle the amount owing by a subsidiary company to a local financial institution under a term loan facility.

- iv) Throughout 2009, there were several attempts by PTB to auction off the properties held under HS (D) No. 30578, Lot 4943, Mukim Bachang, Daerah Melaka Tengah, Negeri Melaka (“Batu Berendam Property”) and HS (M) No. 359, Plot No. 60, Mukim Bukit Katil, Daerah Melaka Tengah, Negeri Melaka (“Ayer Keroh Property”) as indicated in the table below:-

<u>Date</u>	<u>Events</u>
11/09/09	Maxbiz received from PTB’s lawyers a proclamation of sale notice under Originating Summons No.: 24-480-2007 (Application of execution No. 38-180-2009) at the Malacca high Court for the Batu Berendam Property. The reserved price was set at RM19 million. The auction was fixed on 30 September 2009.
30/09/09	Public auction for the Batu Berendam Property was called off as there were no bidders.
15/10/09	PTB’s lawyers filed an application for execution to fix the reserved price at RM17.1 million for the Batu Berendam Property. The Court has granted the order that the reserved price for the Batu Berendam Property be fixed at RM17.1 million. The auction was fixed on 27 January 2010.
27/01/10	Public auction for the Batu Berendam Property was called off as there were no bidders.

**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 2010.

**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 2010.

**A7 Dividends paid**

There was no dividend paid for the quarter ended 31 March 2010.

**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 Significant events during the financial period**

- i) On 2 February 2010, Maxbiz's lawyer, Messrs. William Leong & Co, received notification from PTB's lawyers, Messrs. Shook Lin & Bok that an application was submitted for a proclamation of sale on the Batu Berendam Property at a lower reserved price of RM15.39 million via their unsealed Summons in Chambers dated 2 February 2010, which was served on 2 February 2010 and subsequently sealed on 16 March 2010. The said application was fixed for hearing on 5 April 2010 and Maxbiz served the Company's affidavit in reply on 31 March 2010. Accordingly, the Court fixed 26 April 2010 for hearing of the said application. At the hearing on 26 April 2010, the Court fixed 17 May 2010 for hearing. It was further

adjourned to 16 June 2010 to determine the new auction price and new auction date.

- ii) A Sale and Purchase Agreement was signed on 10 February 2010 between Maxbiz and JPC Property Management Sdn Bhd (Company No. 702242-T), for the sale of two properties held under HS (D) No. 30578, Lot 4943, Mukim Bachang, Daerah Melaka Tengah, Negeri Melaka ("Batu Berendam Property") and HS (M) No. 359, Plot No. 60, Mukim Bukit Katil, Daerah Melaka Tengah, Negeri Melaka ("Ayer Keroh Property") for RM22.65 million only. The proceeds of the sale will be utilized to fully satisfy the RCSLS.
- iii) PTB obtained a proclamation for sale by Public Auction of the land in respect of Ayer Keroh Property measuring approximately 10,315 square metres at the Land Office on 26 March 2010. The auction sale of the land was cancelled as there were no bidders.
- iv) Maxbiz appointed Messrs. Ferrier Hodgson MH Sdn Bhd as Investigation Advisor ("IA") on 24 February 2010 to investigate if there were any irregularities and anomalies during the Geahin debt restructuring exercise.

The first of 4 parts of the report was presented to the Audit Committee and the Board of Directors on 28 April 2010. As announced to Bursa Malaysia Securities Berhad on 30 April 2010, the contents of the report from IA indicates that there is fraud, deception and misrepresentation.

**A11 Subsequent events**

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

**A12 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 2010.

**A13 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</u>	
	<u>the year ended</u>	
	31 March 2010	31 March 2009
	RM'000	RM'000
Revenue	<u>765</u>	<u>1,014</u>
Loss before taxation	<u>(44)</u>	<u>(1,600)</u>

The drop in revenue is mainly due to increase competition in the garment industry particularly from China, Vietnam and Cambodia where cheap labour is readily available, and the decrease in demand is also attributed by seasonal or cyclical factors.

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

	Current Quarter Ended	Preceding Quarter Ended
	31 March 2010	31 March 2009
	RM'000	RM'000
Revenue	<u>765</u>	<u>1,014</u>
Loss before taxation	<u>(44)</u>	<u>(1,600)</u>

The drop in revenue is mainly due to increase competition in the garment industry particularly from China, Vietnam and Cambodia where cheap labour is readily available, and the decrease in demand is also attributed by seasonal or cyclical factors.

**B3 Prospects**

The Company is planning to engage a new marketing plan to market our services internationally.

**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 2010 RM'000	3-month cumulative Year-to-date 31 March 2010 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 announce 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 2010 where :-

<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	36
	<hr/> 26,904
Less: Due within 12 months	(20,119)
	<hr/> 6,785

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.

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 2010

- 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. MKK has discovered that year 1999 was a tax free year and has written to the Inland Revenue Board to reassess the 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. MKK will be submitting a full proposal to CIMB once the RCSLS matter has been resolved.
- 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) 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 case is pending.

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 and HS (D) 359 Lot No. 4276, Mukim of Bukit Katil, 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 however has to date not called for a RCSLS holders meeting. PTB had instead 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. Maxbiz is appealing the decision on grounds that the RCSLS holders have yet to convene a meeting to decide on the proposal submitted by Maxbiz on 5 August 2008. Maxbiz had called for an official meeting with the RCSLS holders to discuss and accept the proposal to dispose the properties to JPC, however PTB through their lawyers, Messr. Shook Lin & Bok declared the meeting invalid.

**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 2010	3-month cumulative Year-to-date 31 March 2010
Net loss attributable to shareholders (RM'000)	(44)	(44)
Weighted average number of ordinary shares in issue ('000)	142,231	142,231
Basic earnings per share (sen)	(0.03)	(0.03)

*(ii) Diluted earnings per share*

	Current Quarter Ended 31 March 2010	3-month cumulative Year-to-date 31 March 2010
Net loss attributable to shareholders (RM'000)	(44)	(44)
Weighted average number of ordinary shares in issue after dilution ('000)	164,846	164,846
Diluted earnings per share (sen)	(0.01)	(0.01)

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)  
COMPANY SECRETARY