

MAXBIZ CORPORATION BERHAD (Co No : 587870-T)

Unaudited Condensed Consolidated Statement of Comprehensive Income
For the first quarter ended 31 March 2011

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	ToDate	Corresponding
	31/03/2011	Period	31/03/2011	Period
	(RM'000)	31/03/2010	(RM'000)	31/03/2010
		(RM'000)		(RM'000)
Revenue	1,342	765	1,342	765
Operating income	122	102	122	102
Other operating income	36	174	36	174
Total income	158	276	158	276
Operating expenses	(2,146)	(320)	(2,146)	(320)
Finance cost	0	0	0	0
(Loss) before taxation	(1,988)	(44)	(1,988)	(44)
Taxation	0	0	0	0
(Loss) for the period	(1,988)	(44)	(1,988)	(44)
Attributable to:				
Shareholders of the Company	(1,988)	(44)	(1,988)	(44)
Minority interest	0	0	0	0
(Loss) for the period	(1,988)	(44)	(1,988)	(44)
EPS - Basic (sen)	(1.40)	(0.03)	(1.40)	(0.03)
EPS - Diluted (sen)	(1.21)	(0.01)	(1.21)	(0.01)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

	AS AT END OF CURRENT QUARTER 31/03/11 (UNAUDITED) (RM'000)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/10 (AUDITED) (RM'000)
Assets		
- <i>Property, plant and equipment</i>	26,369	27,446
- <i>Assets held for resale</i>	19,452	19,452
- <i>Goodwill on consolidation</i>	24,634	24,634
- <i>Inventories</i>	2,079	2,079
- <i>Trade and other receivables</i>	4,086	5,315
- <i>Cash and bank balances</i>	41	5
Total assets	<u>76,661</u>	<u>78,931</u>
Liabilities and Shareholders' Equity		
- Long term borrowings	-	-
- Deferred taxation	1,103	1,103
- <i>Trade and other payables</i>	36,816	37,098
- <i>Short term borrowings</i>	-	-
- <i>Provision for taxation</i>	6,147	6,147
Total current liabilities	<u>44,066</u>	<u>44,348</u>
- Share Capital	142,231	142,231
- Reserves	(109,636)	(107,648)
Total equity attributable to shareholders of the Company	<u>32,595</u>	<u>34,583</u>
- <i>Minority interest</i>	-	-
Shareholders' equity	<u>32,595</u>	<u>34,583</u>
Total liabilities and shareholders' equity	<u>76,661</u>	<u>78,931</u>
Net assets per share (RM)	0.23	0.24

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

	<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 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>
At 1 January 2011	142,231	(107,648)	-	34,583
Net loss for the period	-	(1,988)	-	(1,988)
At 31 March 2011	<u>142,231</u>	<u>(109,636)</u>	<u>-</u>	<u>32,595</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 2010 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 2011 (UNAUDITED)

	Current Year To Date 31/03/2011 (RM'000)	Preceding Year Corresponding Period 31/03/2010 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(1,988)	(44)
Adjustments for :		
- Non-cash items	1,077	-
- Non-operating items	342	-
Operating (loss)/profit before working capital changes	<u>(569)</u>	<u>(44)</u>
Changes in working capital		
- Net changes in current assets	887	(1,527)
- Net changes in current liabilities	<u>(282)</u>	<u>1,536</u>
Cash (used in)/generated from operations	36	(35)
Interest paid	-	-
Tax paid	-	-
Net cash (used in)/generated from operating activities	<u>36</u>	<u>(35)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
Interest received	-	-
Repayment of hire-purchase	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	-	-
Net cash (used in)/from financing activities	<u>-</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	36	(35)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5	72
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>41</u>	<u>37</u>
Cash and cash equivalents comprise :		
Cash and bank balances	<u>41</u>	<u>37</u>
	<u>41</u>	<u>37</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

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 2010.

A2 Qualification of financial statements

The auditors has qualified the financial statements for the financial year ended 31 December 2010 as below:-

- 1) The Group did not perform impairment test on the Goodwill that arising from consolidation of a subsidiary company amounting to RM24,633,340. This not in accordance with FRS 3 Business Combinations and FRS 136 Impairment of Assets, which requires goodwill acquired in a business combination to be measured at cost less any accumulated impairment losses.
- 2) In the auditors’ report of a subsidiary company, there was an emphasis of matter by Auditors stating that there could be additional trade payables of RM762,125, being the difference between trade payable confirmation of balances against liabilities recorded in the subsidiary’s book.
- 3) In the auditors’ report of a subsidiary company, there was an emphasis of matter by Auditors stating that the amount of RM541,409 as other receivables for claims may be premature.
- 4) As mentioned in Note 32 to the financial statements, on 19 January 2011, the Company became an Affected Listed Requirement (“MMLR”) of Bursa Malaysia Securities Berhad. The Group and the Company are required to undertake a plan to regularize their financial position and to submit regularization plan to the relevant authorities for approval within 12 months from 19 January 2011.

- 5) As at 31 December 2010, the Group and the Company's current liabilities exceeded its current assets by RM16,394,682 and RM7,080,516 respectively. The ability of the Group and the Company to continue as going concern is dependent on the formulation of a regularization plan to be submitted to the regulatory authorities for approval and thereafter the successful implementation of the said regularization plan, achieving sustainable and viable operations and generating adequate cash flows for its operating activities.

The financial statements of the Group and the Company, however, have been drawn up on the basis of accounting principles applicable to a going concern. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that may be necessary if the Group and the Company are unable to continue as going concern. The assumption is premised on future events of which the outcome is inherently uncertain.

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 2011.

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 2011.

A7 Dividends paid

There was no dividend paid for the quarter ended 31 March 2011.

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 18 January 2011, the Company announced that pursuant to Paragraph 2.1(a) of PN17 of the Main Market Listing Requirements, the Company is considered a PN17 Company.

The PN17 criteria was triggered resulting from the Assessment Report submitted by the previous auditors, Messrs. Gomez & Co on 17 January 2011.

The Company was classified a PN17 Company by Bursa Malaysia Securities Berhad on 19 January 2011. The Group and the Company are required to undertake a plan to regularize their financial position and to submit the regularization plan to the relevant authorities for approval within 12 months from 19 January 2011.

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 2011.

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 2011	31 March 2010
	RM'000	RM'000
Revenue	<u>1,342</u>	<u>765</u>
Loss before taxation	<u>(1,988)</u>	<u>(44)</u>

The revenue for the current quarter ended 31 March 2011 increased almost 75% as compared with the preceding quarter ended 31 March 2010. However, it reported a higher loss as compared to the preceding quarter mainly due to increase in production costs as well as overhead costs for the current quarter ended 31 March 2011.

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 2011	31 March 2010
	RM'000	RM'000
Revenue	<u>1,342</u>	<u>765</u>
Loss before taxation	<u>(1,988)</u>	<u>(44)</u>

The revenue for the current quarter ended 31 March 2011 increased almost 75% as compared with the preceding quarter ended 31 March 2010. However, it reported a higher loss as compared to the preceding quarter mainly due to increase in production costs as well as overhead costs for the current quarter ended 31 March 2011.

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 2011 RM'000	3-month cumulative Year-to-date 31 March 2011 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 Goodwill

The Board has decided to review the impairment of goodwill at the end of second quarter of the year 2011. The Board is hopeful the capital reduction will materialise.

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 2011

- 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. The Government of Malaysia has withdrawn their suit against MKK Industries Sdn Bhd.
- 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. MKK had approached CIMB to resolve the matter. MKK will be submitting a full proposal to CIMB once the RCSLS matter has been resolved. CIMB has obtained judgement.
- 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. Pacific Trustees Berhad has successfully auctioned the Batu Berendam property for RM15.39 million and the proceeds was used to offset against the RCSLS outstanding amount. Maxbiz has through their lawyers requested the final outstanding balance from Pacific Trustees Berhad.
- 4) Maxbiz has withdrawn the 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 trial was to have proceeded on 1 March 2011. This suit has been withdrawn because of the duplicity in the suit filed against Sai Chin Hock, former director of Geahin Engineering Bhd. and 9 others stated in item (5) below.
- 5) On 3 November 2010, Maxbiz filed a suit against the 10 defendants, which Geahin and EY are among the defendants for the fraud involving the listing exercise. The claim by Maxbiz Corporation Berhad is for RM163 million. The trial dates are on 15, 16 and 17 June 2011.

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 2011	3-month cumulative Year-to-date 31 March 2011
Net loss attributable to shareholders (RM'000)	(1,988)	(1,988)
Weighted average number of ordinary shares in issue ('000)	142,231	142,231
Basic earnings per share (sen)	(1.40)	(1.40)

(ii) Diluted earnings per share

	Current Quarter Ended 31 March 2011	3-month cumulative Year-to-date 31 March 2011
Net loss attributable to shareholders (RM'000)	(1,988)	(1,988)
Weighted average number of ordinary shares in issue after dilution ('000)	164,846	164,846
Diluted earnings per share (sen)	(1.21)	(1.21)

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
COMPANY SECRETARY