



**INIX Technologies Holdings Berhad**  
 (665797-D)  
 (Incorporated in Malaysia)

# Unaudited interim financial report

for the quarter ended 31 January 2010

SUMMARY OF KEY FINANCIAL INFORMATION				
31/01/2010				
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/01/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2009 RM'000	CURRENT YEAR TO DATE 31/01/2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2009 RM'000
1 Revenue	484	325	673	742
2 Profit/(loss) before tax	120	(768)	236	(1,736)
3 Profit/(loss) for the period	120	(768)	236	(1,736)
4 Profit/(loss) attributable to ordinary equity holders of the parent	120	(768)	236	(1,736)
5 Basic earnings/(loss) per share (sen)	0.21	(1.51)	0.21	(1.51)
6 Proposed/Declared dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (RM)	0.0513		0.0508	



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated income statement for the three-month and six-month periods ended 31 January 2010

	<i>Note</i>	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>31 Jan 2010</i>	<i>31 Jan 2009</i>	<i>31 Jan 2010</i>	<i>31 Jan 2009</i>
		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	484	325	673	742
Cost of sales		(137)	(289)	(247)	(651)
<hr/>					
<i>Gross profit</i>		347	36	426	91
Other operating income		-	-	623	-
Selling and marketing expenses		(2)	71	(38)	(9)
Administrative expenses		167	(268)	34	(591)
Research and development expenses		(254)	(322)	(533)	(740)
Other expenses		(138)	(285)	(276)	(486)
Finance costs		-	-	-	(1)
<hr/>					
<b><i>Profit/(Loss) before tax</i></b>		120	(768)	236	(1,736)
Taxation	B5	-	-	-	-
<hr/>					
<b><i>Loss for the period</i></b>		120	(768)	236	(1,736)
<hr/>					
<b><i>Profit/(Loss) per share</i></b> <b><i>attributable to ordinary equity</i></b> <b><i>holders of the Company (sen)</i></b>					
Basic	B13	0.10	(0.67)	0.21	(1.51)
<hr/>					
Diluted	B13	0.10	(0.67)	0.21	(1.51)
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The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated balance sheet as at 31 January 2010

	<i>Note</i>	<i>As at 31 Jan 2010 unaudited RM'000</i>	<i>As at 31 Jul 2009 audited RM'000</i>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible assets		639	793
Property, plant and equipment	A10	4,010	4,820
		<u>4,649</u>	<u>5,613</u>
<b>Current Assets</b>			
Inventories		283	311
Trade receivables		1,498	1,277
Other receivables, deposits and prepayments		187	158
Cash and bank balances		39	30
		<u>2,007</u>	<u>1,776</u>
<b>TOTAL ASSETS</b>		<u>6,656</u>	<u>7,389</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Attributable to Equity Holders of the Company</b>			
Share capital		11,495	11,495
Share premium		8,658	8,658
Share option reserve	A7(a)	185	364
Accumulated losses		(14,437)	(14,673)
		<u>5,901</u>	<u>5,844</u>
<b>Non-Current Liability</b>			
Hire purchase payable	B9	-	-
<b>Current liabilities</b>			
Trade payables		314	356
Other payables and accruals		437	1,183
Provision for warranty claims		3	3
Hire purchase payable	B9	1	3
		<u>755</u>	<u>1,545</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>6,656</u>	<u>7,389</u>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>			
		0.0513	0.0508

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated statement of changes in equity for the six-month period ended 31 January 2010

	<i>Attributable to equity holders of the Company</i>				
	<i>Share capital</i>	<i>Share premium</i>	<i>Share option reserve</i>	<i>Accumulated losses</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2008</b> (audited)	11,495	8,658	1,478	(13,850)	7,781
Loss for the period	-	-	-	(1,736)	(1,736)
Employee share options granted	-	-	260	-	260
<b>At 31 January 2009</b> (unaudited)	11,495	8,658	1,738	(15,586)	6,305
<b>At 1 August 2009</b> (audited)	11,495	8,658	364	(14,673)	5,844
Profit for the period	-	-	-	236	236
Employee share options granted	-	-	(179)	-	(179)
<b>At 31 January 2010</b> (unaudited)	11,495	8,658	185	(14,437)	5,901

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.*



**INIX Technologies Holdings Berhad** (665797-D)  
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## Condensed consolidated cashflow statement for the six-month period ended 31 January 2010

	<i>Six months ended</i>	
	<i>31 Jan 2010</i>	<i>31 Jan 2009</i>
	<i>unaudited</i>	<i>unaudited</i>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) for the period</b>	236	(1,736)
<i>Adjustments:</i>		
Depreciation of property, plant and equipment	810	945
Amortisation of intangible assets	154	154
Net provision for warranty claims (written back)	-	(4)
Allowance for doubtful debts	16	3
Interest expense on hire purchase financing	-	1
Share option expense (written back)	(179)	260
<b>Operating profit/(loss) before working capital changes</b>	<b>1,037</b>	<b>(377)</b>
Decrease in inventories	28	242
Increase/(Decrease) in trade receivables	(237)	18
Decrease/(Increase) in other receivables, deposits and prepayments	(29)	22
Decrease in trade payables	(42)	(81)
Increase/(decrease) in other payables and accruals	(748)	61
<b>Net cash generated from/(used in) operating activities</b>	<b>9</b>	<b>(115)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Net cash generated from/(used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid on hire purchase financing	-	(1)
<b>Net cash generated from/(used in) financing activities</b>	<b>-</b>	<b>(1)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9</b>	<b>(116)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>30</b>	<b>157</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>39</b>	<b>41</b>
<i>These comprise:-</i>		
Cash in hand	14	26
Bank balances	25	15
	<b>39</b>	<b>41</b>

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.



## Explanatory notes to the interim financial report

### A Pursuant to FRS 134: Interim Financial Reporting

#### A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 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 year ended 31 July 2009.

#### A2 Changes in accounting policies

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

The Group and the Company have not applied the following new and revised accounting standards (including consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

<b>Standard</b>	<b>Effective for annual periods commencing on or after</b>
FRS 1 Amendment to FRS 1 <i>First-time Adoption of Financial Reporting Standards</i>	1 Jan 2010
FRS 2 Amendment to FRS 2 <i>Share-based Payment</i>	1 Jan 2010
FRS 4 Insurance Contracts	1 Jan 2010
FRS 5 Amendment to FRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 Jan 2010
FRS 7 Financial Instruments: Disclosures	1 Jan 2010
FRS 8 Amendment to FRS 8 <i>Financial Instruments: Disclosures</i>	1 Jan 2010
FRS 8 Operating Segments	1 Jul 2009
FRS 101 Amendment to FRS 101 <i>Operating Segments</i>	1 Jan 2010
FRS 107 Presentation of Financial Statements	1 Jan 2010
FRS 107 Amendment to FRS 107 <i>Cash Flow Statements</i>	1 Jan 2010
FRS 108 Amendment to FRS 108 <i>Accounting Policies, Changes on Accounting Estimates and Errors</i>	1 Jan 2010
FRS 110 Amendment to FRS 110 <i>Events After the Balance Sheet Date</i>	1 Jan 2010
FRS 116 Amendment to FRS 116 <i>Property, Plant and Equipment</i>	1 Jan 2010
FRS 117 Amendment to FRS 117 <i>Leases</i>	1 Jan 2010
FRS 118 Amendment to FRS 118 <i>Revenue</i>	1 Jan 2010
FRS 119 Amendment to FRS 119 <i>Employee Benefits</i>	1 Jan 2010
FRS 120 Amendment to FRS 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 Jan 2010
FRS 121 Amendment to FRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>	1 Jan 2010
FRS 123 Borrowing Costs	1 Jan 2010
FRS 123 Amendment to FRS 123 <i>Borrowing Costs</i>	1 Jan 2010
FRS 127 Amendment to FRS 127 <i>Consolidated and Separate Financial Statements</i>	1 Jan 2010
FRS 132 Amendment to FRS 132 <i>Financial Instruments: Presentation</i>	1 Jan 2010
FRS 134 Amendment to FRS 134 <i>Interim Financial Reporting</i>	1 Jan 2010
FRS 136 Amendment to FRS 136 <i>Impairment of Assets</i>	1 Jan 2010
FRS 138 Amendment to FRS 138 <i>Intangible Assets</i>	1 Jan 2010
FRS 139 Financial Instruments: Recognition and Measurement	1 Jan 2010
FRS 140 Amendment to FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 Jan 2010
FRS 140 Investment Property	1 Jan 2010
<b>Interpretation</b>	
IC 9 Reassessment of Embedded Derivatives	1 Jan 2010
IC 10 Interim Financial Reporting and Impairment	1 Jan 2010



## Explanatory notes to the interim financial report

### A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 July 2009 was not qualified.

### A4 Seasonal or cyclical factors

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the current quarter and financial year-to-date under review.

### A5 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 current quarter and financial year-to-date.

### A6 Significant estimates and changes in estimates

There were no changes in estimates that have a material effect in the current quarter and financial year-to-date.

### A7 Debt and equity securities

Save as disclosed below, there were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares during the financial year-to-date under review:

#### (a) Employee Share Option Scheme

The INIX Employee Share Option Scheme ("ESOS" or "the Scheme") grants options to eligible directors and employees of the INIX Group to subscribe for shares up to 15% of INIX's issued and paid-up share capital. The Scheme is in force for a duration of 5 years commencing from 25 August 2005.

On 12 September 2005, 6,000,000 share options were granted and accepted at an exercise price of RM0.40 per share pursuant to the Company's ESOS. The estimated fair value of RM0.20 per option was calculated using the Black-Scholes option pricing model with inputs into the model as follows:

Weighted average share price	RM0.44
Exercise price	RM0.40
Expected volatility	60%
Expected life	3 years
Risk free rate	3.33%
Expected dividend yield	nil

Expected volatility was determined by calculating the historical volatility of the share prices of the Company and of other companies listed on the same exchange, board and sector. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Details of the share options outstanding during the period under review are as follows:

	<i>No. of share options at exercise price of RM0.40 each</i>			
	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 Jan 2010</i>	<i>31 Jan 2009</i>	<i>31 Jan 2010</i>	<i>31 Jan 2009</i>
	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
Outstanding at the beginning of the period	695	4,250	695	4,250
Granted and accepted during the period	-	-	-	-
Forfeited during the period	(400)	-	(400)	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	295	4,250	295	4,250
Exercisable at the end of the period	295	3,943	295	3,943



## Explanatory notes to the interim financial report

### A7 Debt and equity securities *(continued)*

#### (b) Private placement exercise

The Company announced on 4 January 2008 that it proposed to undertake a private placement exercise involving the placement of up to 10% of the issued and fully paid-up share capital of INIX, comprising up to 11,495,000 new ordinary shares of RM0.10 each to investors to be identified. The proposal is subject to approval of the Securities Commission.

### A8 Dividends paid

No dividends were paid during the financial year-to-date.

### A9 Segmental information

#### (a) Geographical segments

- Asia** - promotion, marketing, distribution, sales and related activities.  
- research and development ("R&D") activities are engaged in Malaysia only.
- Australia** - promotion, marketing, distribution, sales and related activities.

	<b>Australia</b> RM'000	<b>Asia</b> RM'000	<b>Conso- lidated</b> RM'000
<b>Three months ended 31 Jan 2010</b>			
<b>Segment Revenue</b>			
Total revenue	-	189	484
Inter-segment revenue	-	-	-
External revenue	-	189	484
<b>Segment Results</b>			
Unallocated expenses	(53)	(7)	(60)
- corporate			167
- R&D			13
Finance costs			-
Taxation			-
Profit for the period			120
<b>Segment Assets</b>			
Unallocated assets	314	5,833	6,147
Total assets			509
			6,656
<b>Segment Liabilities</b>			
Unallocated liabilities	-	3	3
Total liabilities			752
			755
<b>Other Information:</b>			
Capital expenditure	-	-	-
Depreciation	-	405	405
Amortisation	52	25	77





## Explanatory notes to the interim financial report

### A9 Segmental information *(continued)*

#### (a) Geographical segments *(continued)*

	<i>Australia</i>	<i>Asia</i>	<i>Conso- lidated</i>
	RM'000	RM'000	RM'000
<b>Three months ended 31 Jan 2009</b>			
<b>Segment Revenue</b>			
Total revenue	-	325	325
Inter-segment revenue	-	-	-
External revenue	-	325	325
<b>Segment Results</b>			
Unallocated expenses	(83)	(281)	(364)
- corporate			(347)
- R&D			(57)
Finance costs			-
Taxation			-
Loss for the period			(768)
<b>Segment Assets</b>			
Unallocated assets	711	6,382	7,093
Total assets			819
			7,912
<b>Segment Liabilities</b>			
Unallocated liabilities	-	3	3
Total liabilities			1,604
			1,607
<b>Other Information:</b>			
Capital expenditure	-	-	-
Depreciation	32	440	472
Amortisation	52	25	77

#### **Six months ended 31 Jan 2010**

<b>Segment Revenue</b>			
Total revenue	-	673	673
Inter-segment revenue	-	-	-
External revenue	-	673	673
<b>Segment Results</b>			
Unallocated expenses	(105)	307	202
- corporate			34
- R&D			-
Finance costs			-
Taxation			-
Profit for the period			236
<b>Segment Assets</b>			
Unallocated assets	314	5,833	6,147
Total assets			509
			6,656
<b>Segment Liabilities</b>			
Unallocated liabilities	-	3	3
Total liabilities			752
			755
<b>Other Information:</b>			
Capital expenditure	-	-	-
Depreciation	-	810	810
Amortisation	104	50	154



## Explanatory notes to the interim financial report

### A9 Segmental information *(continued)*

#### (a) Geographical segments *(continued)*

	<i>Australia</i>	<i>Asia</i>	<i>Conso- lidated</i>
	RM'000	RM'000	RM'000
<b>Six months ended 31 Jan 2009</b>			
<b>Segment Revenue</b>			
Total revenue	-	742	742
Inter-segment revenue	-	-	-
External revenue	-	742	742
<b>Segment Results</b>			
Unallocated expenses	(167)	(698)	(865)
- corporate			(662)
- R&D			(208)
Finance costs			(1)
Taxation			-
Loss for the period			(1,736)
<b>Segment Assets</b>			
Unallocated assets	711	6,382	7,093
Total assets			819
			7,912
<b>Segment Liabilities</b>			
Unallocated liabilities	-	3	3
Total liabilities			1,604
			1,607
<b>Other Information:</b>			
Capital expenditure	-	-	-
Depreciation	63	882	945
Amortisation	104	50	154

#### (b) Business segments

	<i>Invest- ment holding</i>	<i>Development and sales of security, automation and surveillance systems</i>	<i>Elimi- nation</i>	<i>Conso- lidated</i>
	RM'000	RM'000	RM'000	RM'000
<b>Three months ended 31 Jan 2010</b>				
Total revenue	-	484	-	484
Segment assets	4,825	7,547	(5,716)	6,656
Capital expenditure	-	-	-	-
<b>Three months ended 31 Jan 2009</b>				
Total revenue	-	325	-	325
Segment assets	8,089	8,774	(8,951)	7,912
Capital expenditure	-	-	-	-



## Explanatory notes to the interim financial report

### A9 Segmental information *(continued)*

#### *(b) Business segments* (continued)

	<i>Invest- ment holding</i>	<i>Development and sales of security, automation and surveillance systems</i>	<i>Elimi- nation</i>	<i>Conso- lidated</i>
	RM'000	RM'000	RM'000	RM'000
<b>Six months ended 31 Jan 2010</b>				
Total revenue	-	673	-	673
Segment assets	4,825	7,547	(5,716)	6,656
Capital expenditure	-	-	-	-
<hr/>				
<b>Six months ended 31 Jan 2009</b>				
Total revenue	-	742	-	742
Segment assets	8,089	8,774	(8,951)	7,912
Capital expenditure	-	-	-	-

### A10 Carrying value of revalued assets

There has been no revaluation of property, plant and equipment during the financial year-to-date.

### A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial year-to-date.

### A12 Capital commitments

As at the end of the current financial year-to-date, the Group has no material commitment in respect of property, plant and equipment.

### A13 Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 Julv 2009.

### A14 Significant related party transactions

The directors are of the opinion that there were no related party transactions during the financial year-to-date which would have a significant impact on the financial position and business of the Group.

### A15 Subsequent events

There were no material events subsequent to the end of the current quarter.



## Explanatory notes to the interim financial report

### **B Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market**

#### **B1 Performance review**

For the current quarter under review ("FY10Q2"), the Group registered a pre-tax profit of RM0.120 million on sales turnover of RM0.484 million. For the financial year-to-date, consolidated profit before tax is RM0.236 million on sales of RM0.673 million.

#### **B2 Material change in profit before tax**

	<i>Current quarter ended 31 Jan 2010</i>	<i>Preceding quarter ended 31 Oct 2009</i>
	RM'000	RM'000
Revenue	484	189
Profit before taxation	120	116

In comparison, the preceding quarter ("FY10Q1") recorded a pre-tax gain of RM0.116 million on sales of RM0.189 million. This included an operating income of RM0.623 million (FY10Q2: nil) arising from waiver of directors' advances due from the Group. For FY10Q2, research and development expenses, so too selling and marketing expenses, were lower at +RM0.254 million (FY10Q1: +RM0.279 million) and +RM0.002 million (FY10Q1: +RM0.133 million) respectively. Administrative expenses for FY10Q2 was a negative -RM0.197 million (FY10Q1: +RM0.133 million) due to a write-back of -RM0.203 million in share option expenses (FY10Q1: +RM0.024 million) arising from resigned staff forfeiting their respective

Other significant individual items of expenditure for FY10Q2 compared to FY10Q1 include depreciation on property, plant and equipment of RM0.405 million (FY10Q1: RM0.405 million) and amortisation of intangible assets RM0.077 million (FY10Q1: RM0.077 million).

#### **B3 Prospects**

In light of the Group's disappointing revenue and earnings performance in the last three preceding financial years, the Directors are cautious on the prospects of the Group in the near term. Barring any unforeseen significant further deterioration of the Group's operating environment, including impairment and/or diminution in the value of the Group's assets vis-à-vis the future economic benefits reasonably expected to flow to the Group therefrom, the Directors are hopeful of reduced losses for the succeeding financial year ending 31 July 2010.

#### **B4 Profit forecast or profit guarantee**

No profit forecast or profit guarantee was published.

#### **B5 Taxation**

For both the current quarter as well as financial year-to-date, the Group has no taxable income.

#### **B6 Sale of unquoted investments and properties**

There were no sales of unquoted investments and properties in the current quarter and financial year-to-date.



## Explanatory notes to the interim financial report

### B7 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter and financial year-to-date.

### B8 Corporate proposals

Save as disclosed below, there were no corporate proposals announced but not yet completed as at the date of this announcement.

#### ***Proposed placement***

The Company announced on 4 January 2008 that it proposed to undertake a private placement exercise involving the placement of up to 10% of the issued and fully paid-up share capital of INIX, comprising up to 11,495,000 new ordinary shares of RM0.10 each to investors to be identified. The proposal is pending approval of the Securities Commission.

### B9 Borrowings and debt securities

Save as disclosed below, there were no borrowings and debt securities outstanding and/or issued as at the end of the reporting period.

<b><i>Interest bearing secured borrowing</i></b>	<b><i>Payable within 12 months RM'000</i></b>	<b><i>Payable after 12 months RM'000</i></b>
Hire purchase (in Malaysian currency)	1	-

*There has been no default on payment of either interest and/or principal sum in respect of the above borrowing throughout the past one financial year.*

### B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report.

### B11 Changes in material litigation

Save as disclosed below, neither the Company nor its subsidiary is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary.

#### ***Kuala Lumpur High Court Civil Suit No. S7-22-222-2006***

The Company and an executive director of the Company are defendants to a suit brought against them by a third party for an amount of RM1,010,000. The solicitors acting on behalf of the Company and the said director are of the opinion that the claim is frivolous as it is based on illegality as well as fraud and as such, unsustainable.

In an announcement on 25 October 2007, the Company informed that the Deputy Registrar of the Kuala Lumpur High Court (Civil Division No.7) had in hearing on 25 October 2007 dismissed with costs the plaintiff's attempt to enter summary judgment against the Company. Thereafter, the plaintiff has not taken any further steps in this matter.



## Explanatory notes to the interim financial report

### B12 Dividend payable

No interim ordinary dividend has been declared for the financial period under review.

### B13 Earnings per share

The basic/diluted earnings per share are computed based on the net profit attributable to ordinary shareholders and the weighted average/adjusted weighted average number of ordinary shares outstanding during the year as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 Jan 2010</i>	<i>31 Jan 2009</i>	<i>31 Jan 2010</i>	<i>31 Jan 2009</i>
<b>Basic:</b>				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	120	(768)	236	(1,736)
Weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
<i>Basic earnings/(loss) per ordinary share (sen)</i>	0.10	(0.67)	0.21	(1.51)
<b>Diluted:</b>				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	120	(768)	236	(1,736)
Weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
Number of shares issuable under ESOS ('000)	295	4,250	295	4,250
Number of shares that would have been issued at fair value ('000)	(295)	(4,250)	(295)	(4,250)
Adjusted weighted average number of ordinary shares in issue ('000)	114,950	114,950	114,950	114,950
<i>Diluted earnings/(loss) per ordinary share (sen)</i>	0.10	(0.67)	0.21	(1.51)

### B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 March 2010.