



**Interim Financial Report on  
Unaudited Consolidated Results for the  
First Quarter Ended  
31 March 2011**

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# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 March 2011.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|                                                                               | INDIVIDUAL QUARTER                                |                                                                   | CUMULATIVE QUARTER                                |                                                                   |
|-------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------------|
|                                                                               | CURRENT<br>YEAR<br>QUARTER<br>31/3/2011<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>31/3/2010<br>RM'000 | CURRENT<br>YEAR<br>TO DATE<br>31/3/2011<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>TO DATE<br>31/3/2010<br>RM'000 |
| Revenue                                                                       | 160,987                                           | 198,241                                                           | 160,987                                           | 198,241                                                           |
| Operating expenses                                                            | (168,810)                                         | (195,650)                                                         | (168,810)                                         | (195,650)                                                         |
| Other operating income                                                        | 6,324                                             | 2,839                                                             | 6,324                                             | 2,839                                                             |
| <b>Results from operating activities</b>                                      | <b>(1,499)</b>                                    | <b>5,430</b>                                                      | <b>(1,499)</b>                                    | <b>5,430</b>                                                      |
| Finance costs                                                                 | (1,886)                                           | (2,609)                                                           | (1,886)                                           | (2,609)                                                           |
| Share of profit of associates                                                 | 801                                               | 1,203                                                             | 801                                               | 1,203                                                             |
| <b>(Loss)/profit before tax</b>                                               | <b>(2,584)</b>                                    | <b>4,024</b>                                                      | <b>(2,584)</b>                                    | <b>4,024</b>                                                      |
| Income tax expense                                                            | (1,282)                                           | (787)                                                             | (1,282)                                           | (787)                                                             |
| <b>(Loss)/profit for the period</b>                                           | <b>(3,866)</b>                                    | <b>3,237</b>                                                      | <b>(3,866)</b>                                    | <b>3,237</b>                                                      |
| Other comprehensive income:                                                   |                                                   |                                                                   |                                                   |                                                                   |
| Net gain on available-for-sale financial assets                               |                                                   |                                                                   |                                                   |                                                                   |
| - Gain on fair value changes, net of tax                                      | 384                                               | 505                                                               | 384                                               | 505                                                               |
| Foreign currency translation                                                  | 2,017                                             | 728                                                               | 2,017                                             | 728                                                               |
| <b>Total comprehensive income for the period</b>                              | <b>(1,465)</b>                                    | <b>4,470</b>                                                      | <b>(1,465)</b>                                    | <b>4,470</b>                                                      |
| <b>(Loss)/profit attributable to:</b>                                         |                                                   |                                                                   |                                                   |                                                                   |
| Owners of the parent                                                          | (5,036)                                           | 2,073                                                             | (5,036)                                           | 2,073                                                             |
| Non-controlling interest                                                      | 1,170                                             | 1,164                                                             | 1,170                                             | 1,164                                                             |
|                                                                               | <b>(3,866)</b>                                    | <b>3,237</b>                                                      | <b>(3,866)</b>                                    | <b>3,237</b>                                                      |
| <b>Total comprehensive income attributable to:</b>                            |                                                   |                                                                   |                                                   |                                                                   |
| Owners of the parent                                                          | (2,635)                                           | 3,306                                                             | (2,635)                                           | 3,306                                                             |
| Non-controlling interest                                                      | 1,170                                             | 1,164                                                             | 1,170                                             | 1,164                                                             |
|                                                                               | <b>(1,465)</b>                                    | <b>4,470</b>                                                      | <b>(1,465)</b>                                    | <b>4,470</b>                                                      |
| <b>(Loss)/earnings per share attributable to owners of the parent (sen) :</b> |                                                   |                                                                   |                                                   |                                                                   |
| - Basic and diluted                                                           | <b>(0.90)</b>                                     | <b>0.37</b>                                                       | <b>(0.90)</b>                                     | <b>0.37</b>                                                       |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2010.

# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|                                                                                        | UNAUDITED<br>AS AT END OF<br>CURRENT QUARTER<br>31/3/2011<br>RM'000 | AUDITED<br>AS AT PRECEDING<br>FINANCIAL YEAR END<br>31/12/2010<br>RM'000 |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>Assets</b>                                                                          |                                                                     |                                                                          |
| Property, plant and equipment                                                          | 194,367                                                             | 168,115                                                                  |
| Land held for property development                                                     | 4,603                                                               | 4,603                                                                    |
| Plantation development expenditure                                                     | 36,323                                                              | 36,396                                                                   |
| Investment properties                                                                  | 11,719                                                              | 11,805                                                                   |
| Investment in associates                                                               | 15,538                                                              | 14,737                                                                   |
| Other investments                                                                      | 151                                                                 | 151                                                                      |
| Intangible assets                                                                      | 21,216                                                              | 21,368                                                                   |
| Deferred tax assets                                                                    | 2,100                                                               | 2,614                                                                    |
| <b>Total non-current assets</b>                                                        | <b>286,017</b>                                                      | <b>259,789</b>                                                           |
| Other investments                                                                      | 5,548                                                               | 5,036                                                                    |
| Inventories                                                                            | 25,192                                                              | 30,445                                                                   |
| Trade and other receivables                                                            | 174,596                                                             | 204,003                                                                  |
| Tax recoverable                                                                        | 5,673                                                               | 7,739                                                                    |
| Cash and bank balances                                                                 | 185,837                                                             | 194,723                                                                  |
| <b>Total current assets</b>                                                            | <b>396,846</b>                                                      | <b>441,946</b>                                                           |
| Assets classified as held for sale                                                     | 1,373                                                               | 1,412                                                                    |
| <b>Total assets</b>                                                                    | <b>684,236</b>                                                      | <b>703,147</b>                                                           |
| <b>Equity</b>                                                                          |                                                                     |                                                                          |
| Share capital                                                                          | 222,586                                                             | 222,586                                                                  |
| Reserves                                                                               | 53,511                                                              | 49,874                                                                   |
| Retained earnings                                                                      | 73,884                                                              | 78,920                                                                   |
| <b>Total equity attributable to owners of the parent</b>                               | <b>349,981</b>                                                      | <b>351,380</b>                                                           |
| Non-controlling interest                                                               | 20,601                                                              | 22,167                                                                   |
| <b>Total equity</b>                                                                    | <b>370,582</b>                                                      | <b>373,547</b>                                                           |
| Borrowings                                                                             | 45,395                                                              | 22,090                                                                   |
| Deferred tax liabilities                                                               | 8,566                                                               | 9,906                                                                    |
| Provision for liabilities                                                              | 4,232                                                               | 4,232                                                                    |
| <b>Total non-current liabilities</b>                                                   | <b>58,193</b>                                                       | <b>36,228</b>                                                            |
| Trade and other payables                                                               | 145,584                                                             | 170,567                                                                  |
| Provision for tax                                                                      | 4,253                                                               | 4,529                                                                    |
| Borrowings                                                                             | 105,483                                                             | 117,414                                                                  |
| Derivatives                                                                            | 141                                                                 | 859                                                                      |
| <b>Total current liabilities</b>                                                       | <b>255,461</b>                                                      | <b>293,369</b>                                                           |
| Liabilities classified as held for sale                                                | -                                                                   | 3                                                                        |
| <b>Total liabilities</b>                                                               | <b>313,654</b>                                                      | <b>329,600</b>                                                           |
| <b>Total equity and liabilities</b>                                                    | <b>684,236</b>                                                      | <b>703,147</b>                                                           |
| <b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b> | <b>0.63</b>                                                         | <b>0.63</b>                                                              |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2010.

(Company No. 6022-D)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2010.

# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|                                                                                                                  | CURRENT<br>YEAR<br>TO DATE<br>31/3/2011<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>PERIOD<br>31/3/2010<br>RM'000 |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------|
| Net cash generated from/(used in) operating activities                                                           | 15,963                                            | (8,444)                                                             |
| Net cash used in investing activities                                                                            | (33,437)                                          | (14,058)                                                            |
| Net cash generated from/(used in) financing activities                                                           | 16,648                                            | (15,308)                                                            |
|                                                                                                                  | <hr/>                                             | <hr/>                                                               |
| Net decrease in cash and cash equivalents                                                                        | (826)                                             | (37,810)                                                            |
| Cash and cash equivalents at beginning of period                                                                 | 69,044                                            | 96,216                                                              |
| Cash and cash equivalents at end of period                                                                       | <hr/> <u>68,218</u>                               | <hr/> <u>58,406</u>                                                 |
| Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following: |                                                   |                                                                     |
| Cash on hand and at banks                                                                                        | 72,018                                            | 48,705                                                              |
| Deposits (excluding deposits pledged)                                                                            | 63,782                                            | 113,849                                                             |
| Bank overdrafts                                                                                                  | <hr/> <u>(67,582)</u>                             | <hr/> <u>(104,148)</u>                                              |
|                                                                                                                  | <hr/> <u>68,218</u>                               | <hr/> <u>58,406</u>                                                 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2010.

# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

### EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

#### 1. Basis of preparation and accounting policies

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2010, except for the mandatory adoption of the following new/revised FRSs and Issues Committee ("IC") Interpretations effective for the financial period beginning on 1 January 2011:

|                                                                                     |                                                                              |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| FRS 1                                                                               | First-time Adoption of Financial Reporting Standards                         |
| FRS 3                                                                               | Business Combinations (Revised)                                              |
| Amendments to FRS 2                                                                 | Share-based Payment                                                          |
| Amendments to FRS 5                                                                 | Non-current Assets Held for Sale and Discontinued Operations                 |
| Amendments to FRS 127                                                               | Consolidated and Separate Financial Statements                               |
| Amendments to FRS 138                                                               | Intangible Assets                                                            |
| Amendments to IC Interpretation 9                                                   | Reassessment of Embedded Derivatives                                         |
| IC Interpretation 12                                                                | Service Concession Arrangements                                              |
| IC Interpretation 16                                                                | Hedges of a Net Investment in a Foreign Operation                            |
| IC Interpretation 17                                                                | Distributions of Non-cash Assets to Owners                                   |
| Amendments to FRS 132                                                               | Classification of Rights Issues                                              |
| Amendments to FRS 1                                                                 | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters |
| Amendments to FRS 7                                                                 | Improving Disclosures about Financial Instruments                            |
| Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)" |                                                                              |
| IC Interpretation 4                                                                 | Determining whether an Arrangement contains a Lease                          |
| IC Interpretation 18                                                                | Transfers of Assets from Customers                                           |

The application of the above revised FRSs and IC Interpretations are expected to have no significant impact on the accounting policies and presentation of the financial results of the Group.

#### 2. Audit report of the preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the year ended 31 December 2010.

#### 3. Seasonal or cyclicity of operations

The business operations of the Group are not materially affected by seasonal or cyclical fluctuations.

#### 4. Items of unusual nature, size or incidence

There are no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date.

#### 5. Changes in estimates

There are no changes in estimates that have had a material effect on the financial statements of the current quarter and financial year-to-date.

#### 6. Debt and equity structure

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

#### 7. Dividends paid

There was no dividend paid in the current quarter and financial year-to-date.

The directors have recommended a first and final gross dividend in respect of previous financial year ended 31 December 2010 of 2.4 sen less 25 per cent taxation on 556,464,690 ordinary shares amounting to RM10,016,364, for approval by the shareholders at the forthcoming Annual General Meeting.

## 8. Segment reporting

The Group's primary format for reporting segment information is business segments based on the Group's management and internal reporting structure and organised into Information & Communication Technology ("ICT"), Energy, Food & Beverages ("Food"), Agro Business ("Agro") and Properties, Engineering & Construction ("PEC").

Segment information for the current financial period to 31 March 2011 is as follows:

|                                | ICT<br>RM'000  | Energy<br>RM'000 | Food<br>RM'000 | Agro<br>RM'000 | PEC<br>RM'000 | Others<br>RM'000 | Eliminations<br>RM'000 | Total<br>RM'000 |
|--------------------------------|----------------|------------------|----------------|----------------|---------------|------------------|------------------------|-----------------|
| <b>Revenue</b>                 |                |                  |                |                |               |                  |                        |                 |
| External sales                 | 16,936         | 98,670           | 19,815         | 10,131         | 15,359        | 76               | -                      | 160,987         |
| Inter-segment sales            | 1,024          | -                | -              | -              | -             | 1,467            | (2,491)                | -               |
| <b>Total revenue</b>           | <b>17,960</b>  | <b>98,670</b>    | <b>19,815</b>  | <b>10,131</b>  | <b>15,359</b> | <b>1,543</b>     | <b>(2,491)</b>         | <b>160,987</b>  |
| <b>Results</b>                 |                |                  |                |                |               |                  |                        |                 |
| Profit from operations         | (1,047)        | 191              | (5,244)        | 5,089          | 2,776         | 1,903            | (5,843)                | (2,175)         |
| Interest income                | 131            | 23               | -              | 3              | 177           | 342              | -                      | 676             |
| Finance costs                  | (292)          | (30)             | (10)           | (158)          | (1,396)       | -                | -                      | (1,886)         |
| Share of results of associates | -              | -                | -              | -              | -             | 801              | -                      | 801             |
| Income tax expense             | (514)          | -                | -              | (861)          | 95            | (2)              | -                      | (1,282)         |
| <b>Profit for the year</b>     | <b>(1,722)</b> | <b>184</b>       | <b>(5,254)</b> | <b>4,073</b>   | <b>1,652</b>  | <b>3,044</b>     | <b>(5,843)</b>         | <b>(3,866)</b>  |

## 9. Carrying amount of revalued assets

There is no revaluation of property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

## 10. Subsequent events

On 26 April 2011, the Company and Progas Energy Limited ("PEL") have agreed to a mutual termination of the Sale of Share Agreement ("SSA") dated 5th June 2007 entered into between the parties for the proposed disposal of the Company's entire 38.2% equity interest comprising 2,781,310 ordinary shares in Progas Holdings Limited to PEL for a cash consideration of USD5,562,620. The mutual termination was made following failure of PEL to meet its contractual obligations as at the extended completion date of the SSA.

Other than above, there are no items, transactions or events of a material and unusual nature which have arisen since 31 March 2011 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 March 2011 that have not been reflected in the condensed financial statements.

## 11. Changes in the composition of the group

During the current quarter and financial period under review, changes in the composition of the Group are as follows:

- On 12 January 2011, KUB Telekomunikasi Sdn Bhd, a wholly-owned subsidiary of the Group, completed the acquisition of 3,300,000 ordinary shares representing the remaining 30% equity interest in KFT International (Malaysia) Sdn Bhd (formerly known as KUB-Fujitsu Telecommunications (Malaysia) Sdn Bhd) ("KFT") for a cash consideration of RM1,500,000. Hence, KFT effectively became a wholly-owned subsidiary of the Group.
- On 28 February 2011, Bina Alam Bersatu Sdn Bhd ("Bina Alam"), a subsidiary of the Company completed the disposal of its 210,000 ordinary shares representing 70% equity interest in Cocoa Valley Sdn Bhd ("Cocoa Valley") to Top Genesis Sdn Bhd for a cash consideration of RM4,550,000. Hence, Cocoa Valley ceased to be a subsidiary of Bina Alam and the Company, the ultimate holding company. The Group recognised RM3.5 million for the gain on this disposal.

## 12. Capital commitments

There are no capital commitments except as disclosed below:

|                                         | As at end of<br>current quarter<br>31/3/2011<br>RM'000 |
|-----------------------------------------|--------------------------------------------------------|
| <b>Capital expenditure:</b>             |                                                        |
| Property, plant and equipment           |                                                        |
| Approved and contracted for             | 28,521                                                 |
| Approved but not contracted for         | 47,785                                                 |
|                                         | <u>76,306</u>                                          |
| <b>Lease and repurchase commitments</b> |                                                        |
| Less than a year                        | 2,405                                                  |
| Between one and five years              | 8,494                                                  |
| More than five years                    | 5,955                                                  |
|                                         | <u>16,854</u>                                          |

### 13. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2010.

### 14. Tax

|                       | 3 months ended |            | 3 months ended |            |
|-----------------------|----------------|------------|----------------|------------|
|                       | 31/3/2011      | 31/3/2010  | 31/3/2011      | 31/3/2010  |
|                       | RM'000         | RM'000     | RM'000         | RM'000     |
| Malaysian income tax: |                |            |                |            |
| Current tax           | 1,242          | 787        | 1,242          | 787        |
| Foreign income tax    | 40             | -          | 40             | -          |
|                       | <u>1,282</u>   | <u>787</u> | <u>1,282</u>   | <u>787</u> |

The effective tax rate for the current financial year under review is higher than the statutory tax rate as certain expenses which are not deductible for tax purposes and profits of certain subsidiaries cannot be offset against losses of other subsidiaries for income tax purposes.

### 15. Sale of unquoted investments and/or properties

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

### 16. Quoted securities

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

The Group's investments in quoted securities as at the end of the reporting year are as follows :-

|                 | RM'000        |
|-----------------|---------------|
| At cost         | <u>10,135</u> |
| At book value   | <u>5,548</u>  |
| At market value | <u>5,548</u>  |

### 17. Status of corporate proposals

As at the date of this report, there were no corporate proposals announced by the Group but yet to be completed.

### 18. Group borrowings and debt securities

|                                       |           | As at end of<br>current quarter<br>31/3/2011<br>RM'000 |
|---------------------------------------|-----------|--------------------------------------------------------|
| <u>Non-current</u>                    |           |                                                        |
| Term loans                            | - secured | 44,741                                                 |
| Finance leases                        |           | <u>654</u>                                             |
|                                       |           | <u>45,395</u>                                          |
| <u>Current</u>                        |           |                                                        |
| Term loans                            | - secured | 9,837                                                  |
| Bank overdrafts                       | - secured | 67,582                                                 |
| Bankers' acceptances / Trust receipts | - secured | 27,717                                                 |
| Finance leases                        |           | <u>347</u>                                             |
|                                       |           | <u>105,483</u>                                         |

### 19. Financial instruments with off balance sheet risk

As at the date of this report, the Group does not have any off balance sheet financial instruments.

### 20. Material litigation

As at the date of this report, the Group does not have any material litigation which would have a material adverse effect on the financial position of the Group.



**21. Profit before tax for the current quarter compared to the immediate preceding quarter**

The Group recorded loss before tax of RM2.6 million compared to RM12.5 million in the immediate preceding quarter mainly due to anticipated award of projects in current quarter did not materialise or delayed. Negative growth in retail sector has also affected our core business. The loss was partially cushioned by the profit recorded by the Agro sector and gain on disposal of subsidiary as mentioned in Note 11 (b) above.

**22. Review of performance for the current interim financial period compared to the corresponding period in the preceding year**

The Group recorded a revenue and loss before tax of RM161.0 million and RM2.6 million for the current period compared to corresponding period last year of RM198.2 million and profit of RM4.0 million respectively. Lower results compared to corresponding period last year was primarily due to lower contributions from ICT, PEC and Food sectors. However, it was partially mitigated by improved results from Agro sector which benefited from the strong market prices for fresh fruit bunch (FFB) during the current quarter and gain on disposal of a subsidiary as mentioned in Note 11 (b) above.

**23. Prospects**

Notwithstanding with the loss recorded in the first quarter, the Group is cautiously optimistic of being able to rebound its performance for the financial year under review as projects anticipated to materialise later in the year. The Group will continuously monitor the effects of inflationary pressure on the Group performance and react accordingly.

**24. Profit forecast / profit guarantee**

The Group has neither made any profit forecast nor issued any profit guarantee during the current quarter and financial year to-date.

**25. Dividends**

The Board has not made any decision in respect of dividend for the current quarter and for the year ending 31 December 2011.

**26. Realised and Unrealised Profit/(Losses)**

The breakdown of the Group's retained earnings at at reporting dates, into realised and unrealised is as follows:

|                                                                        | As at<br>31/3/2011<br>RM'000 | As at<br>31-Dec-10<br>RM'000 |
|------------------------------------------------------------------------|------------------------------|------------------------------|
| Total accumulated loss of the Company and its subsidiaries             |                              |                              |
| - Realised                                                             | (470,532)                    | (469,870)                    |
| - Unrealised                                                           | (11,905)                     | (11,767)                     |
| Total share of retained earnings from associated companies             |                              |                              |
| - Realised                                                             | 7,767                        | 8,466                        |
| - Unrealised                                                           | (1,230)                      | (1,230)                      |
|                                                                        | (475,900)                    | (474,401)                    |
| Group consolidation adjustments                                        | 549,784                      | 553,321                      |
| Total Group retained earnings as per consolidated financial statements | 73,884                       | 78,920                       |

**26. (Loss)/earnings per share****(a) Basic (loss)/earnings per share**

The basic (loss)/earnings per share is calculated by dividing the profit for the period attributable to ordinary owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

|                                                                   |          | 3 months ended |           | 3 months ended |           |
|-------------------------------------------------------------------|----------|----------------|-----------|----------------|-----------|
|                                                                   |          | 31/3/2011      | 31/3/2010 | 31/3/2011      | 31/3/2010 |
| (Loss)/profit for the period attributable to owners of the parent | (RM'000) | (5,036)        | 2,073     | (5,036)        | 2,073     |
| Weighted average number of ordinary shares in issue               | ('000)   | 556,465        | 556,465   | 556,465        | 556,465   |
| Basic (loss)/earnings per share                                   | (sen)    | (0.90)         | 0.37      | (0.90)         | 0.37      |

**(b) Diluted earnings per share**

There was no fully diluted effect on the earnings per share for the period under review.

**27. Related Party Transactions**

As at the end of the current period under review, the Group has entered into/or completed the following related party transactions:

|                                                                                                                          | 3 months ended<br>31/3/2011<br>RM'000 |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Transactions with Cusapi Malaysia Sdn Bhd, a wholly owned subsidiary of Cusapi Berhad, a Company with a common director: |                                       |
| - Rental and maintenance of Point-of-Sales (POS) System                                                                  | 220                                   |

Dato' Rosman bin Abdullah is a Non-Executive Director of the Company. He is also a Non-Executive Director and substantial shareholder of Cusapi Berhad via his substantial shareholdings in Transight Systems Sdn Bhd. Therefore transactions with Cusapi Malaysia Sdn Bhd, a wholly owned subsidiary of Cusapi Berhad are deemed related party transactions.

The above related party transactions are recurrent transactions of a revenue or trading nature and are entered into in the ordinary course of business on terms not more favourable to the related party than those generally available to the public.

By Order of the Board

**HARNITA HARMAN**  
Company Secretary  
25 May 2011