

**Interim Report**  
**Ecofuture Bhd.**  
(Company No. 628026-M)  
(Incorporated in Malaysia)  
**and its subsidiaries**

**Condensed Consolidated Statements of Financial Position as at 31 March 2011**

	Note	As at 31 March 2011 (unaudited) RM	As at 31 December 2010 (audited) RM
<b>Non-current assets</b>			
Property, plant and equipment		65,256,230	66,218,241
Estate development expenditure		211,410	216,066
Intangible assets		478,330	535,697
Goodwill on consolidation		992,030	992,030
		<u>66,938,000</u>	<u>67,962,034</u>
<b>Current assets</b>			
Inventories		6,081,913	927,996
Trade receivables		443,594	207,311
Other receivables, deposits and prepayments		1,263,458	1,377,368
Tax refundable		45,009	45,299
Cash and bank balances		99,877	98,513
		<u>7,933,851</u>	<u>2,656,487</u>
<b>Total assets</b>		<u>74,871,851</u>	<u>70,618,521</u>
<b>Equity</b>			
Share capital		24,651,825	24,651,825
Reserves		-	-
- Share premium		7,820,326	7,820,326
- Accumulated losses		(29,219,967)	(26,495,696)
		<u>(21,399,641)</u>	<u>(18,675,370)</u>
Total equity attributable to the shareholders of the Company		<u>3,252,184</u>	<u>5,976,455</u>
<b>Non-current liabilities</b>			
Long term borrowings	<b>B9</b>	23,923,489	27,386,968
Deferred income		311,291	339,591
Deferred taxation		128,273	128,273
		<u>24,363,053</u>	<u>27,854,832</u>
<b>Current liabilities</b>			
Trade payables		8,622,085	4,540,334
Other payables and accruals		15,431,799	10,747,034
Advance from directors		11,127,729	11,287,470
Short term borrowings	<b>B9</b>	12,075,001	10,212,396
		<u>47,256,614</u>	<u>36,787,234</u>
<b>Total liabilities</b>		<u>71,619,667</u>	<u>64,642,066</u>
<b>Total equity and liabilities</b>		<u>74,871,851</u>	<u>70,618,521</u>
Net assets per share (sen) *		1.3	2.4

The condensed consolidated balance sheet 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 interim financial statements.

\* The net assets per share is based on the computation of total assets (including intangibles) minus total liabilities divided by total number of ordinary shares in circulation

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**Condensed Consolidated Statements of Comprehensive Income for the period ended 31 March 2011**  
 (unaudited)

	<-----Individual Quarter----->		<-----Cumulative year to-date----->	
	Current year 3 months ended 31 March 2011	Preceeding year corresponding 3 months ended 31 March 2010	Current Year 3 months cumulative 31 March 2011	Preceeding year corresponding 3 months cumulative 31 March 2010
<b>Note</b>				
<b>Revenue</b>	4,398,220	1,737,946	4,398,220	1,737,946
Cost of sales	(5,269,644)	(1,841,208)	(5,269,644)	(1,841,208)
Gross loss	(871,424)	(103,262)	(871,424)	(103,262)
Operating expenses	(1,276,875)	(702,020)	(1,276,875)	(702,020)
Other operating income	70,632	40,468	70,632	40,468
Operating loss	(2,077,667)	(764,814)	(2,077,667)	(764,814)
Finance costs	(645,734)	(773,555)	(645,734)	(773,555)
<b>Loss before taxation</b>	(2,723,401)	(1,538,369)	(2,723,401)	(1,538,369)
Tax expense	(870)	-	(870)	-
<b>Loss for the period</b>	(2,724,271)	(1,538,369)	(2,724,271)	(1,538,369)
Basic loss per ordinary share (sen)	(1.11)	(0.62)	(1.11)	(0.62)

The condensed consolidated income statement 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 interim financial statements.

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**Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2011**  
(unaudited)

Note	← Attributable to shareholders of the Company →			Total RM
	Share capital RM	Non-distributable Share premium RM	Distributable Accumulated Losses RM	
<b>At 1 January 2011</b>	24,651,825	7,820,326	(26,495,696)	5,976,455
Net loss for the period	-	-	(2,724,271)	(2,724,271)
<b>At 31 March 2011</b>	<u>24,651,825</u>	<u>7,820,326</u>	<u>(29,219,967)</u>	<u>3,252,184</u>
<b>At 1 January 2010</b>	24,651,825	7,820,326	(17,737,987)	14,734,164
Net loss for the period	-	-	(1,538,369)	(1,538,369)
<b>At 31 March 2010</b>	<u>24,651,825</u>	<u>7,820,326</u>	<u>(19,276,356)</u>	<u>13,195,795</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 interim financial statements.

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**Condensed Consolidated Cash Flow Statement for the period ended 31 March 2011**  
(unaudited)

	<b>For the 3-month period ended 31 March 2011 RM</b>	<b>For the 3-month period ended 31 March 2010 RM</b>
<b>Cash flows from operating activities</b>		
<b>Loss before taxation</b>	(2,724,271)	(1,538,369)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	967,067	893,999
Amortisation of deferred income	(28,300)	(28,300)
Amortisation of estate development expenditure	4,655	5,917
Amortisation of intangible assets	57,366	57,363
Interest expense	645,734	767,515
<b>Operating (loss)/profit before changes in working capital</b>	<u>(1,077,749)</u>	<u>158,125</u>
<b>Changes in working capital:</b>		
Inventories	(5,153,917)	(100,019)
Trade and other receivables	(260,575)	(260,063)
Trade and other payables	5,909,269	(388,989)
<b>Cash generated from / (used in) operations</b>	<u>(582,972)</u>	<u>(590,946)</u>
Interest paid	(645,734)	(767,515)
Income tax refund from Inland Revenue Board	290	5,555
<b>Net cash flow used in operating activities</b>	<u>(1,228,416)</u>	<u>(1,352,906)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,260)	-
<b>Net cash flow (used in) / generated from investing activities</b>	<u>(3,260)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Repayment of hire purchase	(135,784)	(145,917)
Repayment of borrowings, net of drawdown	14,144	416,255
Advances from directors	1,682,182	1,000,816
<b>Net cash flow generated from financing activities</b>	<u>1,560,542</u>	<u>1,271,154</u>
Net increase/(decrease) in cash and cash equivalents	328,866	(81,752)
<b>Cash and cash equivalents at 1 January</b>	<u>(4,087,735)</u>	<u>(2,654,222)</u>
<b>Cash and cash equivalents at 31 March</b>	<u>(3,758,869)</u>	<u>(2,735,974)</u>
<b>@</b>		
<b>@ Cash and cash equivalents comprise the following balance sheet amounts:</b>		
Cash and bank balances	99,877	9,969
Bank overdrafts	(3,858,746)	(2,745,942)
	<u>(3,758,869)</u>	<u>(2,735,974)</u>

The condensed consolidated cash flow statement 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 interim financial statements.