

**A. EXPLANATORY NOTES AS PER FRS134-INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with MFRS134: Interim Financial Reporting in Malaysia, and with IAS 34, Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. They do not include all of the information required for full annual audited financial statement, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2012. The annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2012 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the Company Act, 1965 in Malaysia.

These are the Group’s condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS framework annual financial statements and MFRS1, *First-Time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition to MFRS framework does not have any financial impact to the financial statement of the Group.

**A2. Seasonal or cyclical factors**

The Group’s interim operations were not affected by cyclical factors.

**A3. Unusual items**

During the current quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

**A4. Changes in estimates**

There were no changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

**A5. Issuance, cancellations, repurchases resale and repayments of debts and equity securities**

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities for the financial period under review.

**A6. Dividends paid**

There was no dividend paid during the current quarter under review.

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**A7. Segmental information**

Segmental information is presented in respect of the Group's business segments. The Group comprises the following main business segments:-

- a. Project Management Services
- b. Sales of Landscape Plants

	Project Management Services		Sales of Landscape Plants		Total	
	31-Mar-13 RM'000	31-Mar-12 RM'000	31-Mar-13 RM'000	31-Mar-12 RM'000	31-Mar-13 RM'000	31-Mar-12 RM'000
Revenue	1,825	1,200	563	731	2,388	1,931
Profit before tax	834	890	341	432	1,175	1,322

**A8. Valuation of Property, Plant and Equipment**

The Group has undertaken a revaluation on the land during 1<sup>st</sup> quarter ended 31 March 2012 and the revaluation surplus was taken up as follows:-

Property	Net Book Value	Revaluation Value	Revaluation Surplus
	RM'000	RM'000	RM'000
Land	3,077	4,900	1,823 *

\* of the revaluation surplus, provision is made for deferred tax amounting to RM456,000.

**A9. Materials events subsequent to the balance sheet date**

There were no material events subsequent to the end of the current quarter under review that has not been reflected in the financial statements.

**A10. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter.

**A11. Changes in contingent liabilities or contingent assets**

There were no contingent assets and no changes in the contingent liability since 31 December 2011 save as describe below:

Description of contingent liabilities	RM('000)
Corporate guarantee given to the financial institution for term loan and other bank facilities granted to a subsidiary company	5,100

**A12. Capital commitments**

There are no material capital commitments during current quarter under review.

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**A13. Significant Related Party Transactions**

	<b>RM('000)</b>
Rental of premises paid to a company with common director	45

**A14. Cash and Cash Equivalents**

Cash and cash equivalents included in the consolidated cash flow statement consist of:

	<b>As at 31 Mar 2013</b>
	<b>RM('000)</b>
Cash and bank balances	1,560
Deposit with licensed banks	-
Cash and cash equivalents	1,560

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**B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS**

**B1. Review of Group results for the current quarter ended 31 Mar 2013**

For the current quarter ended 31 Mar 2013, the Group achieved unaudited revenue of RM 2.4 million. The increase of revenue as compared to the previous year corresponding quarter was mainly due to the revenue from the project management services.

The profit after tax in the current quarter is approximately RM 1.1 million as compared to RM1.3 million of the previous year corresponding quarter. The slightly decreased in profit after tax was mainly due to the increase in number of employees in third quarter of year 2012.

**B2. Material changes in profit after taxation for the current quarter compared to the immediate preceding quarter**

The Group recorded a profit after tax for the current quarter of RM 1.1 million as compared to profit after tax of RM 0.4 million in the immediate preceding quarter. The increased in profit after tax was mainly due to the increased in sales of landscape plants.

**B3. Current year prospects**

The Group has started work on the Project Management Services Business Segment since 1<sup>st</sup> quarter of 2012, and the Group expects the segment to be major contributor towards the overall earnings of the Group and deliver a good performance as all projects have started and contribute positively towards the earnings of the Group.

The Board anticipates that the performance of the group to be as encouraging as compared to financial year ended 31 December 2012.

**B4. Profit forecast**

There were no profit forecast or profit guarantee issued by the Group.

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**B5. Profit before taxation**

	Individual Quarters		Cumulative Quarters	
	Current Year Quarter 31 Mar 2013	Preceding Year Quarter 31 Mar 2012	Current Year To Date 31 Mar 2013	Preceding Year To Date 31 Mar 2012
	RM'000	RM'000	RM'000	RM'000
Depreciation of plant and equipment	29	-	29	-

**B6. Tax Expense**

	Individual Quarters Current Year Quarter 31 Mar 2013	Cumulative Quarters Current Year To Date 31 Mar 2013
	RM'000	RM'000
Current period provision		
Income tax	101	101
	<u>101</u>	<u>101</u>

No deferred taxation asset was recognized in the current period and cumulative period in connection to the unutilized tax losses and unabsorbed capital allowance as future utilization of such tax losses and capital allowance could not be sustained.

**B7. Status of corporate proposal announced**

- i) On 25 September 2012, M&A Securities Sdn Bhd, on behalf of the Company has announced that the Company's listing application in connection with the Proposals and the Company's regularisation plan has been submitted to Bursa Malaysia Securities Berhad.

On 1 April 2013, the board of director has informed that the Company's revised forecasted and projected financial statement in relation to its proposed regularization plan has been resubmitted to Bursa Malaysia Securities Berhad on 27 March 2013.

**B8. Bank Borrowings**

The Group's bank borrowings are as follows:

	RM('000)
Current	
Secured:	
Term loans (within 12 months)	960
Non current	
Secured:	
Term loans (after 12 months)	3,524
	<u>4,484</u>

All of the Group's bank borrowings are denominated in Ringgit Malaysia.

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**B9. Material litigation**

As at the date of this report, the Group was not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group, save for the followings:

- (i) Equator Biotech Sdn Bhd (“EBSB”) and Equator Life Science Berhad (“Equator”) have been presented a Writ of Summons by Orix Credit Malaysia Sdn Bhd (“ORIX”) on 15 April 2009 to High Court of Johor Bahru and have been served to EBSB and Equator on 18 May 2009. EBSB and Equator were named as the First and Second Defendant respectively by ORIX to claim the repayment of sums of RM 1,081,646.78, interest, legal costs, scale cost and other damages deem fit by the Court. On 1 September 2009, EBSB and Equator has received a Judgment of Default. On 17 September 2009, EBSB and Equator have filled an application to set aside the Judgment in Johor Bahru High Court, and the said hearing is fix on 18 November 2009. On 8 October 2009, Equator was served by Orix for the Notice pursuant to Section 218 of the Companies Act, 1965 for the amount of RM 1,081,646.78. Pursuant to the hearing of the setting aside of Judgment of Default on 18 November 2009, this matter is fixed for Decision on 3 December 2009. On 9 December 2009, the Registry of the High Court Johor Bahru has allowed Equator’s application to set aside the Judgment in Default with costs. Subsequently, on 17 December 2009, ORIX via its solicitor to file an appeal to the Judge in Chamber against the Order of the learned Deputy Registrar given on 9 December 2009 in the Registry of High Court Johor Bahru. On 25 January 2010, High Court Johor Bahru has fixed the mention on 31 March 2010 for the ORIX’s appeal to the Judge in Chambers against the Order of the learned Deputy Registrar given on 9 December in the Registry of the High Court Johor Bahru. On 31 March 2010, High Court of Johor Bahru has adjourned the case to 29 April 2010. On 29 April 2010, High Court of Johor Bahru has postponed the case to 20 May 2010 pending settlement. On 20 May 2010, High Court of Johor Bahru has postponed the case for hearing on 24 June 2010. On 24 June 2010, High Court of Johor Bahru has postponed the case to 1 July 2010 for mention. On 1 July 2010, High Court of Johor Bahru has postponed the case to 2 August 2010 for mention. On 2 August 2010, High Court of Johor Bahru was postponed the case to 17 August 2010 for hearing. On 17 August 2010, the Court has allowed the application to amend the Statement of Defence. In addition, the Court has adjourned the case to 2 September 2010 for mention to enable the parties to file in a written submission for the Plaintiff’s appeal. The Court has also fixed on 21 September 2010 for hearing for the said appeal. The Court has on 21 September 2010 dismissed the Plaintiff’s appeal with costs. The negotiation for settlement between the parties on the case is still ongoing. The case had been heard on 17 October 2011 and fixed for decision on 9 January 2012. The High Court of Johore Bahru has on 9 January 2012 dismissed the claim of ORIX against Equator Biotech Sdn. Bhd. and the Company. ORIX has filed an appeal to Appeal Court in Putrajaya on 01 February 2012.

The company will seek further legal advice in due course and negotiate with the Plaintiff to restructure the debt. In addition, EBSB and Equator will maintain efforts to realize the assets to settle its debt.

Details of the material litigation have been announced on 18 May 2009, 19 May 2009, 21 May 2009, 2 September 2009, 18 September 2009, 8 October 2009, 9 December 2009, 21 December 2009, 25 January 2010, 31 March 2010, 29 April 2010, 20 May 2010, 24 June 2010, 1 July 2010, 2 August 2010, 17 August 2010, 22 September 2010, 11 April 2011, 4 May 2011, 10 January 2012 and 2 February 2012.

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**B10. Dividends**

There was no dividend declared during the quarter under review.

**B11. Earnings per share (“EPS”)**

	Individual quarter ended		Cumulative year ended	
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
<b>Basic earnings per share</b>				
Net profit attributable to equity holders of the parent for the period (RM'000)	1,075	1,322	1,075	1,322
Weighted average number of ordinary shares in issue ('000)	235,008	235,008	235,008	235,008
Basic profit per share (sen)	0.46	0.56	0.46	0.56

**B12. Retained Profits**

The breakdown of retained profits of the Group as at reporting date, into realised and unrealised is as follow:

Company and its subsidiaries

	As of 31 Mar 2013	As of 31 Dec 2012
	RM'000	RM'000
Realised	(43,369)	(44,443)
Unrealised	(264)	(264)
<b>Total</b>	<b>(43,633)</b>	<b>(44,707)</b>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

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**B13. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19<sup>th</sup> April 2013.

BY ORDER OF THE BOARD

GUNN CHIT GEOK  
MAICSA 0673097  
CHEW SIEW CHENG  
MAICSA 7019191  
Company Secretaries  
Penang