

**CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE PERIOD ENDED 31 OCTOBER 2006**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/10/2006	31/10/2005	31/10/2006	31/10/2005
	RM'000	RM'000	RM'000	RM'000
Revenue	24,235	14,002	24,235	14,002
Cost of Sales	(20,813)	(10,297)	(20,813)	(10,297)
Gross Profit	3,422	3,705	3,422	3,705
Other Operating Income	257	332	257	332
Distribution Costs	(78)	(82)	(78)	(82)
Administration Expenses	(3,062)	(4,271)	(3,062)	(4,271)
Other Operating Expenses	(322)	(633)	(322)	(633)
Profit/ (Loss) from Operations	217	(949)	217	(949)
Finance Cost	(3,410)	(3,055)	(3,410)	(3,055)
Interest Income	65	9	65	9
Share of Profit after Tax and Minority Interest of Associate	158	239	158	239
Exceptional Items	828	(9,965)	828	(9,965)
Loss Before Tax	(2,142)	(13,721)	(2,142)	(13,721)
Income Tax Expense	(297)	(135)	(297)	(135)
Loss for the period	(2,439)	(13,856)	(2,439)	(13,856)
Attributable to:				
Shareholders of the Company	(3,547)	(14,652)	(3,547)	(14,652)
Minority interests	1,108	796	1,108	796
Loss for the Year	<u>(2,439)</u>	<u>(13,856)</u>	<u>(2,439)</u>	<u>(13,856)</u>
Basic Loss per Ordinary Share (sen)	(0.55)	(2.25)	(0.55)	(2.25)
Diluted Loss per Ordinary Share (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2006.



(FORMERLY KNOWN AS KUMPULAN EMAS BERHAD)
(Company No.: 15379-V)

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2006**

	(Unaudited) 31/10/2006 RM'000	(Audited) 31/07/2006 RM'000
Non-current Assets		
Property, Plant and Equipment	76,529	75,958
Investment Properties	308,582	308,456
Investment in an Associate	23,067	22,909
Other Long Term Investments	7,221	10,805
Deferred Tax Asset	626	859
Other Intangible Asset	399	-
Goodwill	841	841
	<u>417,265</u>	<u>419,828</u>
Current Assets		
Property Development Costs	105,556	105,556
Inventories	3,543	2,884
Trade Receivables	54,000	52,864
Other Receivables, Deposits and prepayments	9,732	11,328
Tax Recoverable	172	172
Fixed Deposit with Licensed Bank	2,081	7,350
Cash and Cash Equivalents	1,919	2,111
	<u>177,003</u>	<u>182,265</u>
TOTAL ASSETS	<u>594,268</u>	<u>602,093</u>
Equity		
Share Capital	325,074	325,074
Reserves	(22,724)	(18,296)
Equity attributable to shareholders of the Company	<u>302,350</u>	<u>306,778</u>
Minority Interest	<u>28,930</u>	<u>27,979</u>
Total Equity	<u>331,280</u>	<u>334,757</u>
Non-current liabilities		
Hire Purchase Liabilities	100	146
Borrowings	93,037	87,855
Deferred Taxation	1,008	1,228
	<u>94,145</u>	<u>89,229</u>
Current Liabilities		
Trade Payables	4,312	6,065
Amount due to an Associate	3,364	7
Other Payables and Accruals	85,918	90,205
Hire Purchase Liabilities	265	330
Short Term Borrowings	52,582	59,865
Taxation	22,402	21,635
	<u>168,843</u>	<u>178,107</u>
TOTAL EQUITY AND LIABILITIES	<u>594,268</u>	<u>602,093</u>
Net Assets per share attributable to ordinary equity holders of the Company (RM)	0.4650	0.4719

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2006.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2006**

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Equalisation RM'000	Accumulated Losses RM'000	Total RM'000	Minority interests RM'000	Total Equity RM'000
Balance as at 1 August 2006	325,074	295,727	7,111	(2,905)	(318,229)	306,778	27,979	334,757
Exchange Differences on Translation of the Financial Statements of Foreign Subsidiaries	-	-	-	(881)	-	(881)	(157)	(1,038)
Realisation of Reserve on Disposal of Long Term Investment	-	-	(2,210)	-	2,210	-	0	-
Net (Loss)/ Profit for the Period	-	-	-	-	(3,547)	(3,547)	1,108	(2,439)
Balance as at 31 October 2006	325,074	295,727	4,901	(3,786)	(319,566)	302,350	28,930	331,280
Balance as at 1 August 2005	325,074	295,727	5,439	352	(289,909)	336,683	26,137	362,820
Exchange Differences on Translation of the Financial Statements of Foreign Subsidiaries	-	-	-	(107)	-	(107)	(167)	(274)
Net (Loss)/ Profit for the Period	-	-	-	-	(14,652)	(14,652)	796	(13,856)
Balance as at 31 October 2005	325,074	295,727	5,439	245	(304,561)	321,924	26,766	348,690

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial Year ended 31 July 2006.

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT
FOR THE PERIOD ENDED 31 OCTOBER 2006**

	Three Months Ended 31/10/2006 RM'000	Three Months Ended 31/10/2005 RM'000
Cash Flows from Operating Activities		
Loss Before Tax	(2,142)	(13,721)
Adjustment for:		
Non-Cash Items	819	923
Non-Operating Items	2,871	12,772
Operating Profit/ (Loss) Before Working Capital Changes	1,548	(26)
Changes in Working Capital	(2,882)	5,324
Cash Generated from Operating Activities	(1,334)	5,298
Net Income Tax Paid	-	(386)
Interest Expenses	(3,410)	(3,055)
Net Cash (Used in)/ Generated from Operating Activities	<u>(4,744)</u>	<u>1,857</u>
Cash Flows from Investing Activities		
Equity Investments	3,915	4,911
Other Investments	(1,515)	(5,060)
Net Cash Generated from/ (Used in) Investing Activities	<u>2,400</u>	<u>(149)</u>
Cash Flows from Financing Activities		
Bank Borrowings	(2,291)	(2,218)
Others	(38)	(9)
Net Cash Used in Financing Activities	<u>(2,329)</u>	<u>(2,227)</u>
Net Decrease in Cash and Cash Equivalents	(4,673)	(519)
Effects of Exchange Rate Changes	(916)	381
Cash and Cash Equivalents at Beginning of Period	(11,575)	(15,374)
Effect of Exchange Rate Changes	11	(25)
Cash and Cash Equivalents at End of Period	<u>(17,153)</u>	<u>(15,537)</u>

The Cash and Cash Equivalents comprise the following balance sheet amounts:

	RM'000	RM'000
Cash and Bank Balances	1,919	3,344
Deposits	2,081	1,324
Bank Overdrafts	(19,783)	(18,901)
	(15,783)	(14,233)
Fixed Deposits Pledged to Banks	(1,370)	(1,304)
	<u>(17,153)</u>	<u>(15,537)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 July 2006.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 OCTOBER 2006

A. *DISCLOSURE REQUIREMENTS AS PER FRS 134*

1. **Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with requirements of FRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the same accounting policies adopted in 2006 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2007 annual financial statements. Details of these changes in accounting policies are set out in Note 2.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 July 2006. These explanatory notes attached to the financial statements provided 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 2006.

2. **Changes in accounting policies**

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB's Issues Committee's Interpretations) that are effective for accounting periods beginning on or after 1 January 2006.

The FRS that will be effective in the annual financial statements for the year ending 31 July 2007 may be affected by the issue of additional interpretation(s) or other changes announced by the MASB subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for the period cannot be determined with certainty at the date of issuance of this interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 August 2006.

(a) Amortisation of goodwill and negative goodwill (FRS 3, Business Combination and FRS 136, Impairment of Assets and FRS 138, Intangible Assets)

In prior period, goodwill was amortised from the date of initial recognition over its estimated useful life of not more than twenty (20) years and was subject to impairment testing when there were indications of impairment.

With effect from 1 August 2006, in accordance with FRS 3 and FRS 136, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount.

Also with effect from 1 August 2006 and in accordance with FRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous policy), the excess is recognised immediately in the income statement as it arises.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under the FRS 3. As a result, comparative amounts have not been restated, the cumulative amount of amortisation as of 1 August 2006 has been offset against the cost of the goodwill and no amortisation charge for goodwill has been recognised in the income statement for the three months ended 31 October 2006. This has increased the Group's profit after tax for the three months ended 31 October 2006 by RM210,477.

The changes in policy relating to negative goodwill had no effect on the interim financial report as there was no negative goodwill deferred as at 31 July 2006.

(b) Changes in presentation (FRS 101, Presentation of Financial Statements and FRS 127, Consolidated and Separate Financial Statements) – Minority Interests

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the income statements as a deduction before arriving at the profit attributable to shareholders.

With effect from 1 August 2006, in order to comply with FRS 101 and FRS 127, minority interests at the balance sheet date are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holder of the Company, and minority interests in the results of the Group for the period are presented on the face of the consolidated income statements as an allocation of the total profit or loss for the period between the minority interests and equity holders of the Company.

The presentation of minority interest in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

3. Qualification of Audit Report

The audit report of the financial statement of the Group for the year ended 31 July 2006 was not qualified.

4. Seasonal or Cyclical Factors

There are no seasonal factors affecting the Group performance other than the Plantation/ Palm Oil Mills Division which records higher contribution in the first and fourth quarters during the peak crop season.

5. Exceptional and Extraordinary Items

Exceptional item of an unusual nature affecting assets, liabilities, equity, net income or cashflows of the Group for the financial year to date of RM828,000 is mainly derived from the gain on disposal of other long term investments.



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6. Material Changes In Estimates

There were no material changes in estimates that have had material effect in the current quarter and financial period-to-date results.

7. Debt and Equity Securities

There were no cancellation, repurchases, resale and repayments of debts and equity securities during the interim period todate.

8. Dividends Paid

There were no dividends paid in the current interim period todate.

9. Segmental Reporting

	Gross Operating Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
Plantations/ Palm Oil Mills	9,054	2,595
Property/ Construction	11,958	(1,036)
Manufacturing	170	(433)
Investment & Others	3,411	(909)
	<u>24,593</u>	<u>217</u>
Elimination	(358)	-
Net Financing Costs	-	(3,345)
Share of Profit of Associate	-	158
Exceptional Items	-	828
	<u><u>24,235</u></u>	<u><u>(2,142)</u></u>

10. Valuations of Property, Plant & Equipment

The valuations of land and building have been brought forward, without amendments from the previous annual report.

11. Material Subsequent Events

There are no material events after the period ends that have not been reflected in the financial statements for the financial period ended 31 October 2006.

12. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the current interim period except for the following: -

- (a) The Company had on 25 September 2006 acquired a shelf company, EcoFirst Hartz Sdn Bhd (formerly know as Viva Sensasi Sdn Bhd) with a paid up share capital of RM2.00 consisting 2 ordinary shares of RM1.00 each; and
- (b) The Company's wholly owned subsidiary, EcoFirst Agro Holdings Sdn Bhd (formerly known as Terra Melody Sdn Bhd) had on 18 October 2006, acquired the entire issued and paid-up share capital consisting of 10,000 equity shares of Rs10 each of a company incorporated in India, namely EcoFirst Agro India Pte Ltd for a cash consideration of Rs100,000 (equivalent to RM7,930).

13. Changes in Contingent Liabilities/Contingent Assets

There were no changes in the contingent liabilities/ assets since the last annual financial statement.

B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

The Group's construction division, which commenced only in the last quarter of the previous financial year, was the main contributor to the increased revenue during the current quarter compared to the previous year.

The Group's operational performance improved during the current quarter mainly due to higher CPO prices compared to the previous year.

2. Variation of results against preceding quarter

The Group recorded a loss before tax of RM2.1 million for the current quarter compared to a loss before tax of RM17.8 million in the previous quarter. The variance is largely due to provisions made for doubtful debts and profit guarantee liability recognised in the previous quarter.

3. Current year prospects

Whilst existing businesses will continue to be strengthened and consolidated within the Group, the current year will also witness the growth and start-up of new businesses i.e. new construction projects under EcoFirst Construction Sdn Bhd, multi-level marketing arm under EcoFirst Products Sdn Bhd and fast food franchise under EcoFirst Hartz Sdn Bhd. Contributions, however, from these new businesses are not expected to be significant during the start-up phase.

4. Variance of Profit Forecast / Profit Guarantee

Not applicable.



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5. Income Tax Expense

	Current Quarter Ended 31 October 2006 (RM'000)	Cumulative Year Totdate 31 October 2006 (RM'000)
Current year tax expense	(297)	(297)
Over provision in prior years	-	-
	-	-
Current year deferred tax	-	-
	(297)	(297)

6. Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the current quarter.

7. Purchase or Disposal of Quoted Investments

(a) There was no acquisition of quoted investments during the current quarter.

During the quarter, the Group disposed quoted shares in other investments for RM3.85 million realising a gain of RM827,500.

(a) Total investments in quoted securities as at the end of the current year to date are as follows:

	RM'000
(i) At cost	75,962
(ii) At book value	29,713
(iii) At market value	28,769

8. Status of Corporate Proposals Announced

There are no corporate proposals announced but not completed as at 20 December 2006 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 October 2006 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long Term Borrowings</u>			
Amount repayable after twelve months	92,037	-	92,037
Hire purchase liabilities	100	-	100
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>92,137</u>	<u>1,000</u>	<u>93,137</u>



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Short Term Borrowings

Bank overdrafts	16,091	3,692	19,783
Revolving credits	5,959	5,000	10,959
Current portion of long term loans	21,840	-	21,840
Hire purchase liabilities	<u>265</u>	<u>-</u>	<u>265</u>
	<u>44,155</u>	<u>8,692</u>	<u>52,847</u>
 Total Group Borrowings	 <u>136,292</u>	 <u>9,692</u>	 <u>145,984</u>

Included in the above Group borrowings are the following loans denominated in Indian Rupees (RS) and Solomon Dollars (SBD):

Secured Borrowings:

	Foreign Currency		RM'000 (equivalent)
Long term bank borrowings	RS'000	24,547	1,912
Short term bank borrowings	RS'000	12,273	956
	SBD'000	520	244

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 20 December 2006 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Changes in Material Litigation

Further to the disclosure in the previous quarter's report on material litigation, the changes in material litigation as at 20 December 2006 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are as follows:

- (i) *The Company v Individual (1st defendant) and Astounding Holdings Sdn Bhd (2nd defendant) for RM15 million*

The case is now consolidated with another suit between Pica (M) Corporation Berhad Vs Individual (1st defendant).

- (ii) *Jiddi Joned Enterprises Sdn Bhd and 3 other subsidiary companies v Yeng Chong Realty Sdn Bhd (1st defendant)/ Louis KH Wong (2nd defendant)*

The 1st defendant's application to strike out the plaintiffs' suit had been dismissed with costs on 3 August 2004 but was allowed on appeal to the judge. The plaintiffs have since appealed to the Court of Appeal.

- (iii) *56 purchasers of South City Condominiums v Pujian Development Sdn Bhd ("Pujian"), a subsidiary company, and seven others*

The matter is fixed for case management on 3 September 2007.

- (iv) *24 purchasers of South City Plaza v Pujian*

The Plaintiffs' application for summary judgement is fixed for hearing on 9 May 2007.

- (v) *Pujian v Arab-Malaysian Assurance Berhad*

The matter is now fixed for decision and clarification on 14 February 2007.

- (vi) The Government of Malaysia (Inland Revenue Board) ("IRB") v 4 Subsidiary companies, Mudek Sdn Bhd ("Mudek"), Seri Jasin Sdn Bhd ("Seri Jasin"), Berembang Sdn Bhd ("Berembang") and Jiddi Joned Sdn Bhd ("Jiddi Joned") in individual cases

Mudek was successful in its application to set aside the judgement in default obtained earlier by IRB.

In respect of Seri Jasin's suit, the matter is now pending extraction of IRB's summary judgement application.

Jiddi Joned and Berembang have both filed their defences.

The said subsidiary companies have initiated another legal proceeding against Yeng Chong Realty Bhd similar to (ii) above, for part of the said real property gains tax withheld from the purchase consideration for the disposal of the properties concerned. The defendant has again filed an application to strike out the action which was dismissed. The defendant had since filed an appeal.

- (vii) *Yeng Chong Realty Bhd ("Yeng Chong") v Tenaga Nasional Bhd ("TNB"), Mudek and Berembang*

Yeng Chong has also applied for an injunction against TNB to prevent TNB from entering into the property and making compensation to Mudek and Berembang, the injunction of which was refused on 27 September 2006. Yeng Chong has since filed an appeal against the decision.

- (viii) *IRB v Pujian*

The Government of Malaysia is claiming for tax assessment for the year 1998, 1999, 2000 in one action and for year 2001 in another action, and for year 2004 in another action. For the first action, Pujian succeeded in setting aside the judgement in default of appearance. The second action is fixed for decision on 26 December 2006. In respect of the third action, Pujian's defence was filed on 2 November 2006.



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(ix) *IRB v Tashima Development Sdn Bhd ("Tashima")*

IRB commenced an action against Tashima for income tax outstanding for assessment years 2001 and 2002 including penalties. Tashima has filed its statement of defence on 27 June 2006. The matter is now pending extraction of summary judgement application by IRB.

12. Dividend

No dividend has been declared for the current financial period todate.

13. Loss Per Share

The basic and diluted loss per share have been calculated based on the consolidated net loss attributable to ordinary shareholders for the period and the weighted average number of ordinary shares outstanding during the period.

Basis loss per share

	Current Quarter Ended 31/10/06 (RM'000)	Comparative Quarter Ended 31/10/05 (RM'000)	Cumulative Period To-Date	
			31/10/06 (RM'000)	31/10/05 (RM'000)
Loss				
Net Loss attributable to ordinary shareholders	(3,547)	(14,652)	(3,547)	(14,652)
	(‘000)	(‘000)	(‘000)	(‘000)
Weighted average number of ordinary shares				
Issued ordinary shares at beginning of period	650,148	650,148	650,148	650,148
Weighted average number of ordinary shares	<u>650,148</u>	<u>650,148</u>	<u>650,148</u>	<u>650,148</u>

The diluted loss per share for the current quarter and cumulative period are not shown as the effect is anti-dilutive.

27 December 2006