

Part A – Explanatory Notes Pursuant to FRS 134

A1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention except for investment properties which were stated at fair value.

The interim financial statements were unaudited and have been prepared in accordance with requirements of the Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that were significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted were consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2006:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 127	Consolidated and Separate Financial Statements
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The Group will adopt the following FRSs in future financial periods depending on their relevant effective dates:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

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A2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

The adoption of FRS 108, 110, 116, 127, 131, 132 and 133 does not have significant financial impact on the Group. The Principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are shown below:

**FRS 3: Business Combinations;
FRS 136: Impairments of Assets; and
FRS 138: Intangible assets**

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill carried at cost less accumulated impairment losses is now tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed. Prior to 1 January 2006, goodwill was amortised on a straight-line basis over its estimated useful life of 10 years. This change in accounting policy was effected prospectively for business combinations where the agreement dates were on or after 1 January 2006. The transitional provisions of FRS 3, however, required the Group to eliminate at 1 January 2006 the carrying amount of the accumulated amortisation of RM271,884 against the carrying amount of goodwill. The carrying amount of goodwill as at 1 January 2006 of RM634,395 ceased to be amortised. An impairment loss is recognised for the current financial period as the investment in subsidiaries is not reflective of its fair value. Thus, this has an effect of increasing the impairment loss of goodwill by [RM217,729](#) in the current financial period.

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statements, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The current period's presentation of the Group's financial statements was based on the revised requirements of FRS 101. However, no comparatives were restated as there was no minority interest in the Group.

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A2. ACCOUNTING POLICIES (Cont'd)

FRS 140: Investment Properties

The adoption of this new FRS has resulted in a change in the accounting policy for investment properties. Investment properties were previously stated at cost less impairment loss. Investment properties are now stated at fair value, representing open-market value determined by external professional valuers. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the period in which they arise.

A3. COMPARATIVES

There were no changes to the comparatives as the FRSs adopted for the Group were applied prospectively.

A4. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the preceding financial statements for the year ended [31 December 2005](#) was not qualified by the Auditors of the Company.

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A5. SEGMENTAL INFORMATION

	12 months ended 31.12.2006 RM'000	12 months ended 31.12.2005 RM'000
Segment Revenue		
Revenue from continuing operations:-		
Investment holding	8,801	4,444
Timber extraction	8,006	505
Property management	3,937	4,552
Property development	400	4,961
Total revenue including inter-segment revenue	<u>21,144</u>	<u>14,462</u>
Elimination of inter-segment revenue	<u>(4,800)</u>	<u>(1,943)</u>
Total revenue from continuing operations	16,344	12,519
Revenue from discontinued operations	-	-
Total	<u>16,344</u>	<u>12,519</u>
Segment Results		
Results from continuing operations:-		
Investment holding	1,707	2,819
Timber extraction	(245)	(609)
Property management	(295)	(286)
Property development	(2,377)	262
Net gain / (losses) from fair value adjustment	912	-
Others	-	-
	<u>(298)</u>	<u>2,186</u>
Eliminations	<u>1,369</u>	<u>(1,018)</u>
Total results from continuing operations	1,071	1,168
Results from discontinued operations	-	-
Total	<u>1,071</u>	<u>1,168</u>

A6. 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 financial period ended 31 December 2006 except as disclosed in Note A2.

A7. CHANGES IN ESTIMATES

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group has established the residual value and useful lives of its entire motor vehicles fleet in the financial quarter.

There was no change in estimates that had a material effect on the current quarter results.

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A8. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not subject to seasonal or cyclical fluctuations, except for the timber business the extraction works of which are dependent upon the weather conditions at the place where the forest is located.

A9. DIVIDENDS PAID

No interim ordinary dividend has been paid in the current the financial period ended [31 December 2006](#) ([31 December 2005](#): Nil).

A10. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2005.

A11. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resales or repayments of debts and equity securities during the interim financial period except that during the period, all the remaining Irredeemable Convertible Unsecured Loan Stocks ("ICULS") were converted into additional capital of the Company upon their maturity on 24 August 2006.

A12. CHANGES IN COMPOSITION OF THE GROUP

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

A13. DISCONTINUED OPERATION

There were no existing business segments that can be categorised as discontinued in the current financial quarter.

A14. CAPITAL COMMITMENTS

There were no material changes in capital commitments for the Group since the last annual balance sheet date at [31 December 2005](#), except for an amount of RM700,000 being the balance of investment sum payable into Nicorp-Creative Joint Venture.

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A15. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date as at [31 December 2005](#).

A16. SUBSEQUENT EVENTS

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

**PART B – Explanatory Notes Pursuant to Appendix 9B of
the Listing Requirements of Bursa Malaysia Securities Berhad**

B1. PERFORMANCE REVIEW

For the current financial period ended 31 December 2006, the Group's revenue was RM16.34 million compared to RM12.52 million in the preceding financial period ended 31 December 2005. The increase in revenue was mainly due to the subsidiary company's ability to extract round timber logs and recognition of revenue from the Nicorp-Creative Joint Venture during the financial period ended 31 December 2006.

As a result, the Group recorded a profit before tax of approximately RM1.07 million compared to approximately RM1.17 million for the corresponding preceding financial period ended 31 December 2005.

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's recorded profit before taxation of approximately RM0.34 million for the current quarter as compared to a profit before taxation of approximately RM2.67 million for the quarter ended 30 September 2006, the decrease was mainly due to the decrease in contribution of the timber extraction business as a result of the monsoon season.

B3. COMMENTARY ON PROSPECTS OF 2007

The Directors are of the view that the performance of the Group hinges substantially on the performance of its subsidiaries namely Jernih Makmur Sdn Bhd (Principal activity – logging and selling of round end timber logs) and Consistent Harvest Sdn Bhd (Principal activity – renting of shopping spaces in its shopping complex) and also the performance of Nicorp-Creative Joint Venture. Barring any unforeseen circumstances, the Directors are confident that they will be able to improve the performance of the Group in the coming year.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interests and forecast profit after tax and minority interests and for the shortfall in profit guarantee are not applicable.

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B5. INCOME TAX EXPENSE

	3 months ended		12 months ended	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	237	-	(415)	-
Overprovision in prior year	-	-	-	152
Deferred taxation	-	140	-	-
Current provision	237	140	(415)	152

The income tax expense provision of the current financial period was mainly due to the contribution from the timber extraction segment and the Company's share of income tax expense derived from Nicorp-Creative Joint Venture.

There was no provision for taxation for the previous financial period under review, as the Group was in a tax loss situation then.

B6. SALE OF UNQUOTED INVESTMENTS AND / OR PROPERTIES

There were no sales of unquoted investments and properties in the current financial period under review.

B7. QUOTED SECURITIES

There were no purchases or disposals of quoted securities in the current financial period under review.

B8. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of issuance of this quarterly report.

B9. BORROWINGS

	As at 31.12.2006 RM'000
Secured borrowings: -	
Payable within one year	1,874
Payable after one year	-
	<u>1,874</u>

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B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk issued during the current financial period under review.

B11. CHANGES IN MATERIAL LITIGATION

As at [21 February 2007](#), there were no changes in material litigations, including the status of pending material litigations since the last annual balance sheet date at [31 December 2005](#).

B12. DIVIDENDS PAYABLE

No interim ordinary dividend has been declared for the financial period ended [31 December 2006](#) ([31 December 2005](#): Nil).

B13. EARNINGS PER SHARE

	3 months ended		12 months ended	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Profit / (Loss) from continuing operations attributable to ordinary equity holders of the parent (RM'000)	580	2,868	656	1,320
Profit / (Loss) from discontinued operations attributable to ordinary equity holders of the parent (RM'000)	-	-	-	-
Profit / (Loss) attributable to ordinary equity holders of the parent (RM'000)	580	2,868	656	1,320
Weighted average number of Ordinary Shares in issue ('000)	702,034	546,191	702,034	546,191
Basic earnings per share (sen)	0.08	0.53	0.09	0.24
Diluted earnings per share (sen) Based on the assumption that all the (2005: RM31.17 million) nominal value of 3-Year 0.5% ICULS were fully converted upon maturity.	0.08	0.41	0.09	0.19

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B14. AUTHORISATION FOR ISSUE OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on [27 February 2007](#).

By order of the Board
YEAP KOK LEONG
Company Secretary
MAICSA NO. 0862549
[Dated this 27 February 2007](#)