

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 the financial assets and investment properties which were stated at fair values.

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 2006. 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 2006.

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 2006.

A3. COMPARATIVES

There were no changes to the comparatives during the current financial period.

A4. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the preceding financial statements for the year ended [31 December 2006](#) was not qualified by the Auditors of the Company.

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A5. SEGMENTAL INFORMATION

	3 months ended 31.03.2007 RM'000	3 months ended 31.03.2006 RM'000
Segment Revenue		
Revenue from continuing operations:-		
Investment holding	220	225
Timber extraction	-	263
Property management	889	959
Property development	1,010	58
Total revenue including inter-segment revenue	<u>2,119</u>	<u>1,505</u>
Elimination of inter-segment revenue	<u>(220)</u>	<u>(225)</u>
Total revenue from continuing operations	1,899	1,280
Revenue from discontinued operations	-	-
Total	<u>1,899</u>	<u>1,280</u>
Segment Results		
Results from continuing operations:-		
Investment holding	(507)	(644)
Timber extraction	(55)	(31)
Property management	183	315
Property development	(117)	(704)
Net gain / (losses) from fair value adjustment	-	961
Others	-	(1)
	<u>(496)</u>	<u>(104)</u>
Eliminations	-	-
Total results from continuing operations	<u>(496)</u>	<u>(104)</u>
Results from discontinued operations	-	-
Total	<u>(496)</u>	<u>(104)</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 March 2007 except as disclosed in Note A2 and A16 herein.

A7. CHANGES IN ESTIMATES

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 financial period ended [31 March 2007](#) ([31 March 2006](#): 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 2006.

A11. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayments of debts and equity securities during the interim financial period.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group in 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 2006](#).

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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 at [31 December 2006](#).

A16. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter, except that the Company has made an announcement for “Proposed Establishment of a New Employee Share Option Scheme” (“ESOS”) on 19 April 2007.

**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 March 2007, the Group's revenue was RM1.90 million compared to RM1.28 million in the preceding financial period ended 31 March 2006. The increase in revenue was mainly due to the recognition of revenue from the property development segment during the financial period end 31 March 2007.

However, the Group recorded a loss before tax of approximately RM0.50 million compared to a loss before tax of approximately RM0.10 million for the corresponding preceding financial period ended 31 March 2006. This was mainly due to the recognition of gain from fair value adjustment of investment properties with the first time adoption of FRS 140 in the preceding financial period.

B2. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's recorded a loss before taxation of approximately RM0.50 million for the current quarter as compared to a profit before taxation of approximately RM0.34 million for the quarter ended 31 December 2006. This was mainly due to the decrease in contribution of the timber extraction business as a result of the monsoon season.

B3. COMMENTARY ON PROSPECTS

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 remaining periods of the current financial 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		3 months ended	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	63	-	63
Overprovision in prior year	-	-	-	-
Deferred taxation	-	-	-	-
Current provision	-	63	-	63

There was no provision for taxation for the current 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, except as disclosed in Note A16.

B9. BORROWINGS

	As at 31.03.2007 RM'000
Secured borrowings: -	
Payable within one year	
- Hire purchase creditors	79
- Short term loans	4,706
	<u>4,785</u>
Payable after one year	
- Hire purchase creditors	468
- Short term loans	-
	<u>468</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 May 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 2006](#).

B12. DIVIDENDS PAYABLE

No interim ordinary dividend has been declared for the financial period ended [31 March 2007](#) ([31 March 2006](#): Nil).

B13. EARNINGS PER SHARE

	3 months ended		3 months ended	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Profit / (Loss) from continuing operations attributable to ordinary equity holders of the parent (RM'000)	(496)	(104)	(496)	(104)
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)	<u>(496)</u>	<u>(104)</u>	<u>(496)</u>	<u>(104)</u>
Weighted average number of Ordinary Shares in issue ('000)	702,034	546,590	702,034	546,590
Basic earnings per share (sen)	(0.07)	(0.03)	(0.07)	(0.03)
Diluted earnings per share (sen) Based on the assumption that all the (2006: RM30.99 million) nominal value of 3-Year 0.5% ICULS were fully converted upon maturity.	(0.07)	(0.02)	(0.07)	(0.02)

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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 [28 May 2007](#).

By order of the Board
YEAP KOK LEONG / YAP WAI BING
MAICSA NO. 0862549 / MAICSA NO. 7023640
Company Secretary
[Dated this 28 May 2007](#)