

GOLSTA SYNERGY BERHAD (Company No. 484964-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2008

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard FRS 134₂₀₀₄ "Interim Financial Reporting" issued by the Malaysian Accounting Standard Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad. It should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2007.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of Company since the financial year ended 31 December 2007.

The MASB has enacted a total of 39 Financial Reporting Standards and other Interpretations (hereinafter referred to as "FRSs") all FRSs, except FRS139 had been effected for financial statements commencing on and before 1 July 2007.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2007.

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2007 was not qualified.

A3. Seasonal or Cyclical Factors

There were no material seasonal or cyclical factors affecting the performance of the Group for the financial period under review.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

A6. Debt and Equity Securities

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

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A7. Dividend Paid

There were no dividends paid during the quarter ended 31 December 2007.

A8. Segment Revenue and Results

The Group's primary basis of segment reporting is base on business segments.

The analysis of results by business activities for the current financial year to date ended 30 September 2008 is as follows:

	Revenue RM '000	Operating Profit/(Loss) Before Taxation RM '000
Design and manufacture of machinery	14,553	1,244
Oil palm seeds and seedlings	1,451	78
Process and trading of rubber	76	(124)
Other operating income	-	65
	16,080	204

A9. Valuation of property, plant and equipment

The property, plant and equipment have been brought forward from the annual financial statements without any amendment to its valuation.

A10. Material Events Subsequent to the End of Reporting Period

There have been no material events as at 22 Nov 2008 that have not been reflected in the financial statements for the current period.

A11. Changes in composition of the Group

There have been no changes in composition of the Group during the period under review.

A12. Changes in Contingent liabilities/Contingent assets

As at 22 Nov 2008, other than those disclosed below, there have been no changes in the contingent liabilities/assets since the last annual balance sheet date.

Trade purposes	<u>RM'000</u> <u>1,335</u>
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A13. Capital commitment

There is no capital commitment as at 30 September 2008.

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ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of performance

The Group's cumulative revenue for the financial year under review increased approximately 47% compared to the corresponding financial period. The cumulative loss before taxation had narrowed from RM1,011,000 to RM124,000.

B2. Quarterly analysis

In the quarter under review, the Group achieved better result due to completion of various rubber processing machinery. Besides that, the Group's Indonesian subsidiary had commenced its sales of oil palm seeds and seedlings during the financial quarter under review.

B3. Prospects

The Group is cautiously optimistic to achieve a better performance in the forthcoming quarters after taking into account the following:

- (i) approximately RM13 million outstanding orders have been secured on hand; and
- (ii) The world financial crisis will negatively impact the sales of machinery in coming years.

B4. Profit forecast or profit guarantee

There were no profit forecast or profit guarantee given for this financial year ending 30 September 2008.

B5. Taxation

	Current Quarter RM'000	Current Year To-date RM'000
Reversal of tax provision in last quarter	-	-
Tax expense for the period	332	376
Deferred Tax	-	-
	332	376

Domestic income tax is calculated at Malaysian statutory tax rate of 26% of the estimated assessable profit for the period. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

The effective tax rates for the periods are higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

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B6. Profit/(Loss) on Sale of Unquoted Investments or Properties

There were no sales of unquoted investments or properties in the current quarter and financial year-to-date.

B7. Purchase or disposal of quoted securities

(a) There were no purchase and disposal of quoted securities for the current quarter and financial year-to-date.

(b) There were no investments in quoted securities as at the end of the financial year-to-date.

B8. Status of Corporate proposals & Utilisation of Proceeds

(a) There were no outstanding corporate proposals announced.

(b) There were no utilisations of proceeds from corporate exercise.

B9. Company borrowings

Company borrowings as at 30 September 2008

	RM'000
(a) <u>Short Term (Secured)</u>	
- Bank overdraft	6,576
- Revolving credit	3,000
- Hire purchase creditors	128
- Bankers' acceptance	5,323
	<u>15,027</u>
(b) <u>Long Term (Secured)</u>	
- Hire purchase creditors	79
	<u>79</u>
Total	<u><u>15,106</u></u>

All borrowings are denominated in Ringgit Malaysia

B10. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 22 Nov 2008.

B11. Material litigation

There is no pending material litigation as at 22 Nov 2008.

B12. Dividend

The Board of Directors does not recommend any dividend in respect of the financial period ended 30 September 2008.

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B13. Earnings per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30.09.2008	Preceding Year Quarter 30.09.2007	Current Year To Date 30.09.2008	Preceding Year To Date 30.09.2007
Profit/(loss) attributable to ordinary equity holders of the parent (RM'000)	910	10	(136)	(1,047)
Weighted average number of ordinary shares in issue ('000)	42,000	42,000	42,000	42,000
Basic earning/(loss) per share (sen)	2.17	0.02	(0.32)	(2.49)

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and which may dilute its basic earnings/(loss) per share.