

GOLSTA SYNERGY BERHAD
(Company no: 484964-H)

Unaudited Condensed Consolidated Statements of Comprehensive Income
For the First Quarter Ended 31 Mar 2013

	<u>3 Months Ended</u>		<u>3 Months Ended</u>	
	<u>31/3/2013</u>	<u>31/3/2012</u>	<u>31/3/2013</u>	<u>31/3/2012</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Revenue	12,861	7,750	12,861	7,750
Cost of sales	(10,301)	(4,939)	(10,301)	(4,939)
Gross Profit	2,560	2,811	2,560	2,811
Other operating income	66	167	66	167
Administrative and general expenses	(1,316)	(1,328)	(1,316)	(1,328)
Sales and marketing expenses	(132)	(576)	(132)	(576)
Forex gain/loss (realised)	57	9	57	9
Forex gain/loss (unrealised)	110	(412)	110	(412)
Profit / (Loss) from operations	1,345	671	1,345	671
Finance cost	(25)	(113)	(25)	(113)
Profit/(Loss) before tax	1,320	558	1,320	558
Tax expense	(513)	(351)	(513)	(351)
Profit/(Loss) after tax	807	207	807	207
Profit/(Loss) for the period	807	207	807	207
Attributable to:				
Owners of the parent	850	183	850	183
Non-controlling interests	(43)	24	(43)	24
	807	207	807	207
Earnings per share attributable to equity holders of the parent:				
- basic	2.02	0.44	2.02	0.44
- diluted	N/A	N/A	N/A	N/A

The above condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

GOLSTA SYNERGY BERHAD
(Company no: 484964-H)

Unaudited Condensed Consolidated Statement of Comprehensive Income
For the First Quarter Ended 31 Mar 2013

	<u>3 Months Ended</u>		<u>3 Months Ended</u>	
	<u>31/3/2013</u>	<u>31/3/2012</u>	<u>31/3/2013</u>	<u>31/3/2012</u>
	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>	<u>RM '000</u>
Profit/(Loss) for the period	807	207	807	207
Currency translation differences arising from consolidation	-	(727)	-	(727)
Total comprehensive income	807	(520)	807	(520)
Total comprehensive (loss)/income attributable to:				
Owners of the parent	850	(544)	850	(544)
Non-controlling interests	(43)	24	(43)	24
	807	(520)	807	(520)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

GOLSTA SYNERGY BERHAD (484964-H)
(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statements of Financial Position
For the First Quarter Ended 31 Mar 2013

	AS AT 31/3/2013 RM' 000 Unaudited	AS AT 31/12/2012 RM' 000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	20,331	20,400
Biological assets	-	-
Investment property	27,127	6,127
Prepaid land lease payments	-	-
	-	-
Total non-current assets	47,458	26,527
Current assets		
Inventories	4,773	9,031
Trade receivables	12,571	13,129
Other receivables, deposits and prepayments	4,978	8,107
Tax recoverable	327	342
Cash and bank balances	9,866	17,012
Total current assets	32,515	47,621
TOTAL ASSETS	79,973	74,148
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	42,000	42,000
Share premium	11,175	11,175
Other Reserve	2,609	2,609
Accumulated losses	(3,555)	(4,405)
	52,229	51,379
Non-controlling interests	986	-
Total equity	53,215	51,379
Non-current liabilities		
Deferred tax liabilities	3,015	3,010
Long term borrowings	775	825
Total non-current liabilities	3,790	3,835
Current liabilities		
Trade payables	3,839	2,510
Other payables and accruals	16,761	10,084
Short term borrowings	1,806	6,144
Taxation	562	196
Total current liabilities	22,968	18,934
Total liabilities	26,758	22,769
TOTAL EQUITY AND LIABILITIES	79,973	74,148
Net assets per share attributable to equity holders of the Company (RM)	1.24	1.22

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

GOLSTA SYNERGY BERHAD (484964-H)
(Incorporated in Malaysia)

Unaudited Condensed Consolidation Statements of Changes in Equity
For the First Quarter Ended 31 Mar 2013

RM'000	Attributable to owners of parent					Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserves RM'000	Foreign Exchange Reserves RM'000	Accumulated losses RM'000			
As at 1 Jan 2012	42,000	11,175	2,657	408	(1,496)	54,744	218	54,962
The comprehensive income/(loss) for the period	-	-	-	-	183	183	24	207
Others comprehensive income/(loss) for the period	-	-	-	(727)	-	(727)	-	(727)
As at 31 Mar 2012	<u>42,000</u>	<u>11,175</u>	<u>2,657</u>	<u>(319)</u>	<u>(1,313)</u>	<u>54,200</u>	<u>242</u>	<u>54,442</u>
As at 1 Jan 2013	42,000	11,175	2,609	-	(4,405)	51,379	-	51,379
The comprehensive income/(loss) for the period	-	-	-	-	850	850	(43)	807
Others comprehensive income/(loss) for the period	-	-	-	-	-	-	1,029	1,029
As at 31 Mar 2013	<u>42,000</u>	<u>11,175</u>	<u>2,609</u>	<u>-</u>	<u>(3,555)</u>	<u>52,229</u>	<u>986</u>	<u>53,215</u>

The above condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

GOLSTA SYNERGY BERHAD (484964-H)
(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statement of Cash Flow
For the First Quarter Ended 31 Mar 2013

	3 Months Ended	
	31/3/2013	31/3/2012
	RM' 000	RM' 000
Profit / (Loss) before tax	1,320	558
<u>Adjustments for :</u>		
Amortisation of land use rights	-	9
Amortisation of biological assets	-	211
Bad debts recovered	(5)	-
Depreciation of property, plant and equipment	189	294
Loss/(Gain) On Disposal PPE	-	6
Loss on disposal of investment properties	-	-
Unrealised gain on foreign exchange	(110)	(412)
Interest expenses	60	136
Interest Income	(35)	(23)
Total adjustment	99	221
Operating cash flow before changes	1,419	779
<u>Changes in working capital</u>		
Increase in inventories	4,258	(2,815)
Decrease in receivables	3,718	(1,803)
Decrease in payables	8,006	1,075
Total changes in working capital	15,982	(3,543)
Cash flow from/(used in) operations	17,401	(2,764)
Interest paid	(60)	(136)
Tax paid	(127)	(147)
Net cash flows from/(used in) operating activities	17,214	(3,047)
<u>Investing activities</u>		
Interest received	35	23
Net inflow on acquisition of subsidiary	1,029	-
Purchases of property, plant and equipment	(120)	(55)
Purchases of investment properties	(21,000)	-
Purchases of prepaid land lease payment	-	(3)
Net cash flows (used in)/from investing activities	(20,056)	(35)
<u>Financing activities</u>		
Repayment of finance leases	(48)	(97)
Repayment of loans and borrowing	(840)	(47)
Repayment of obligations under finance leases	-	-
	(888)	(144)
Net increase/(decrease) in cash and cash equivalents	(3,730)	(3,226)
Effect of exchange rate changes	84	179
Cash and cash equivalents at beginning of year	13,512	4,710
	9,866	1,663
<u>Composition of cash and cash equivalents:</u>		
Cash and bank balances	9,866	5,761
Bank overdrafts	-	(4,098)
Cash and cash equivalents at end of period	9,866	1,663

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

GOLSTA SYNERGY BERHAD^(484964-H)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2013

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2013, have been prepared in accordance with FRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the financial year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements for the year ending 31 March 2013. They should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

The explanatory notes attached to these condensed consolidated 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 the Group since the financial year ended 31 December 2012.

A2. Significant Accounting Policies

The audited financial statements of the Group for the year ended 31 December 2012 were prepared in accordance with FRS. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein referred as "Transitioning Entities").

Based on the MASB announcement on 30 June 2012, Transitioning Entities will be allowed to defer the adoption of the new MFRS Framework from previous adoption date of 1 January 2013 to 1 January 2014. Consequently, the adoption of the MFRS Framework by the Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

GOLSTA SYNERGY BERHAD^(484964-H)
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2013

A3. Seasonal or cyclical Factors

The Group's performance is not materially affected by any seasonal or cyclical factors but is affected by the major price fluctuation on natural rubber and palm oil.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period to-date.

A5. Changes in Estimates

There were no changes in estimates that have had any material effect on the current financial year-to-date results.

A6. Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities during the financial period to-date.

A7. Dividend Paid

No dividend was paid during the current financial period.

A8. Segmental Information

The "Others" segment comprises investment holding, the provision of management services, and trading of waste materials.

RM'000	Industrial machine & engineering services	Seeds & seedlings	Others	Elimination	Group
<u>Current quarter:</u>					
<u>Results for 3 months ended 31 March 2013:</u>					
Revenues					
External sales	12,316	-	545	-	12,861
Inter-segment sales	120	-	12	(132)	-
Total revenue	<u>12,436</u>	<u>-</u>	<u>557</u>	<u>(132)</u>	<u>12,861</u>
Results					
Operating profit/(loss)	<u>2,022</u>	<u>-</u>	<u>(677)</u>	<u>-</u>	<u>1,345</u>
Finance costs					<u>(25)</u>
Profit/(Loss) before tax					<u><u>1,320</u></u>

GOLSTA SYNERGY BERHAD^(484964-H)
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2013

A8. Segmental Information (Continued)

<u>RM'000</u>	Industrial machine & engineering services	Seeds & seedlings	Others	Elimination	Group
<u>Results for 3 months ended 31 March 2012:</u>					
Revenues					
External sales	5,212	2,284	254	-	7,750
Inter-segment sales	539	-	41	(580)	-
Total revenue	<u>5,751</u>	<u>2,284</u>	<u>295</u>	<u>(580)</u>	<u>7,750</u>
Results					
Operating profit/(loss)	<u>1,020</u>	<u>120</u>	<u>(469)</u>	<u>-</u>	<u>671</u>
Finance costs					<u>(113)</u>
Profit/(Loss) before tax					<u><u>558</u></u>
<u>Cummulative quarters:</u>					
<u>Results for 3 months ended 31 March 2013:</u>					
Revenues					
External sales	12,316	-	545	-	12,861
Inter-segment sales	120	-	12	(132)	-
Total revenue	<u>12,436</u>	<u>-</u>	<u>557</u>	<u>(132)</u>	<u>12,861</u>
Results					
Operating profit/(loss)	<u>2,022</u>	<u>-</u>	<u>(677)</u>	<u>-</u>	<u>1,345</u>
Finance costs					<u>(25)</u>
Profit/(Loss) before tax					<u><u>1,320</u></u>
<u>Results for 3 months ended 31 March 2012:</u>					
Revenues					
External sales	5,212	2,284	254	-	7,750
Inter-segment sales	539	-	41	(580)	-
Total revenue	<u>5,751</u>	<u>2,284</u>	<u>295</u>	<u>(580)</u>	<u>7,750</u>
Results					
Operating profit/(loss)	<u>1,020</u>	<u>120</u>	<u>(469)</u>	<u>-</u>	<u>671</u>
Finance costs					<u>(113)</u>
Profit/(Loss) before tax					<u><u>558</u></u>

GOLSTA SYNERGY BERHAD_(484964-H)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2013

A9. Material Events Subsequent to the End of Interim Period

There is no material event subsequent to the end of the current quarter.

A10. Changes in composition of the Group

There are no changes in composition of the Group during the current financial period to-date except for on 18th January 2013, the Group subscribed 51% equity shares of Symphony Approach Sdn Bhd for a consideration of RM1,070,000.

A11. Changes in Contingent liabilities/Contingent assets

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

	RM'000
Trade purposes guarantee	<u>94</u>

A12. Capital commitment

There is no capital commitment not provided for in the interim financial statements as at the reporting date.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

3 months quarter 2013 vs. 3 months quarter 2012

The Group's revenue increased significantly compared to the corresponding quarter of preceding year. The increase was mainly due to increase in industrial machinery sales where a few rubber processing machinery were completed and delivered during the current quarter.

The Group achieved profit before tax of RM1,320,000 in 2013, compare to RM558,000 in 2012. The increase was mainly due to increase in revenue.

The Group also obtained foreign exchange gain of RM167,000, comparing to the contradicting loss of RM403,000 due to strengthening of Ringgit against US Dollar and other major currencies.

GOLSTA SYNERGY BERHAD^(484964-H)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B2. Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter

The Group obtained RM1.3 million profit before tax in the current quarter mainly due to increase of industrial machine sales. The sales increment was resulted from the deferment of a few shipments from the fourth quarter of 2012 to the current quarter as requested by customers.

B3. Commentary on Prospects

The demand for the industrial processing plant and machinery and related engineering projects undertaken by the Group remains bright in view of the slow but steady global economic growth. The market for the rubber processing machinery is expanding both locally and overseas especially for certain African and ASEAN countries at the back of the stable natural rubber price. The stable price will motivate the key players in these industries to invest more on their new or replacement of their existing rubber processing machinery. However, the Group remains cautious about competition from those local and overseas competitors.

The Group has recently invested in a seventeen (17) levels office tower, located within Kota Damansara, Selangor, in order to broaden and expand the Group's earnings base and improve its long term growth prospect. The Group also endeavours to enter into other property development and property related businesses in order to expand its revenue sources and earnings base as part of its long term strategies in providing sustainable growth prospects in the future.

The Group is seeking shareholders approval to; (1) acquire 55% equity interest in Trilink Essential Sdn Bhd, and (2) diversify its principal activities to include property trading, property investment and property development, during the impending fourteenth annual general meeting.

The Group is cautiously optimistic on its short-term future prospect, barring any unforeseen circumstances.

B4. Profit forecast or profit guarantee

The Group has not provided any profit forecast in a public document.

B5. Variance from profit forecast or profit guarantee

Not applicable.

GOLSTA SYNERGY BERHAD^(484964-H)
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B6. Taxation

	<u>Current quarter</u>		<u>Cumulative quarter</u>	
	<u>3 months ended</u>		<u>3 months ended</u>	
	31.03.2013	31.03.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation	(509)	(364)	(509)	(364)
Foreign taxation	-	(14)	-	(14)
Deferred taxation	(4)	27	(4)	27
Provision/(Reversal)	<u>(513)</u>	<u>(351)</u>	<u>(513)</u>	<u>(351)</u>

B6. Taxation (con't)

Income tax expense is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax charged for the current period was higher principally due to certain expenses were disallowed for deduction in tax purposes.

B7. Sales of Quoted and Unquoted Securities or Properties

There were no sales of unquoted investments or properties in the current period to-date.

B8. Corporate proposals

There were no corporate proposals announced but not completed as at the date of this report, save and except for the announcement on 28 May 2013 in relation to the followings:

(a) proposed private placement of up to 4,200,000 new ordinary shares of RM1.00 each in the Company, representing up to 10% of the existing issued and paid-up share capital;

(b) proposed acquisition by a wholly-owned subsidiary of the Company, Hyoxen Sdn Bhd of 55.0% equity interest in Trilink Essential Sdn Bhd for a cash consideration of RM1.1 million; and

(c) proposed diversification of the principal activities of the Company and its subsidiaries to include property trading, property investment and property development.

Proposal (b) and (c) requires shareholders' approval in the coming general meeting,

GOLSTA SYNERGY BERHAD^(484964-H)
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B9. Borrowings and Debt Securities

The Group's borrowings as at 31 March 2013

	31.03.2013	31.12.2012
	RM'000	RM'000
(a) <u>Short Term (Secured)</u>		
- Bank overdraft	-	3,500
- Revolving credit and Bankers' acceptance	1,611	2,472
- Hire purchase	195	172
	1,806	6,144
(b) <u>Long Term (Secured)</u>		
- Hire Purchases	775	825
Total	2,581	6,969

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 the reporting date.

B11. Changes in Material litigation

There was no material litigation against the Group as at the reporting date.

B12. Dividend

There was no dividend proposed in the current quarter and the previous corresponding quarter.

B13. Earnings per share

	<u>Current quarter</u>		<u>Cumulative quarter</u>	
	<u>3 Months Ended</u>	<u>3 Months Ended</u>	<u>3 months ended</u>	<u>3 months ended</u>
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Profit/(loss) attributable to ordinary equity owners of the parent (RM'000)	850	183	850	183
Weighted average number of ordinary shares in issue ('000)	42,000	42,000	42,000	42,000
Basic earnings/(loss) per share (sen)	2.02	0.44	2.02	0.44

GOLSTA SYNERGY BERHAD^(484964-H)
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B13. Earnings per share (continued)

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.

B14. Auditors' report on preceding annual financial statement

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

B15. Breakdown of Realised and Unrealised Profits or Losses

Total retained profits/(accumulated losses) of the Group:

(RM'000)	As at	
	31.03.2013	31.12.2012
- Realised	11,503	11,179
- Unrealised	(2,853)	(3,379)
	8,650	7,800
Less : Consolidation adjustments	(12,205)	(12,205)
Total Group's retained profits / (accumulated losses) as per consolidated accounts	(3,555)	(4,405)

[this part intentionally left blank]

GOLSTA SYNERGY BERHAD^(484964-H)
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B16. Profit before tax

	<u>Current quarter</u>		<u>Cumulative quarter</u>	
	<u>3 months ended</u>		<u>3 months ended</u>	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(35)	(30)	(35)	(30)
Other income (including investment income)	-	-	-	-
Interest expense	60	136	60	136
Depreciation of property, plant and equipment	189	294	189	294
Amortisation of land use rights	-	9	-	9
Amortisation of biological assets	-	211	-	211
Impairment loss on trade receivables	-	-	-	-
Bad debts written off/(recovered)	(5)	(22)	(5)	(22)
Property, plant and equipment written off	-	-	-	-
(Gain)/Loss on disposal of quoted and unquoted investments	-	-	-	-
(Gain)/Loss on disposal of subsidiaries	-	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	-	6	-	6
Net (gain)/loss from fair value adjustment of investment properties	-	-	-	-
Impairment of goodwill	-	-	-	-
Impairment of biological assets	-	-	-	-
Impairment of property, plant and equipment	-	-	-	-
(Gain)/Loss on foreign exchange – realized	-	(9)	-	(9)
(Gain)/Loss on foreign exchange – unrealized	(110)	412	(110)	412
(Gain)/Loss on fair value changes of derivatives	-	-	-	-