

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION A DISCLOSURE NOTES AS REQUIRED UNDER FRS 134

1. BASIS OF PREPARATION

The Interim Financial Report is unaudited and has been prepared in accordance with the requirement of Financial Reporting Standard 134 “Interim Financial Reporting” and in compliance with Chapter 9 (Part K) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the year ended 31 December 2007.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation for this financial report remain unchanged and are consistent with those adopted by the latest Annual Audited Financial Statements as at 31 December 2007.

3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements for the year ended 31 December 2007 was not qualified.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business of the Group depended on the seasonality pattern and cyclical factors of the Lawn & Garden industry in the world market. Approximately 96% of the Group’s revenue was generated through export sales while 4% was from domestic sales.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current quarter and financial period-to-date.

6. CHANGE IN ESTIMATES OF AMOUNTS REPORTED IN PRIOR INTERIM PERIODS OF THE CURRENT FINANCIAL YEAR OR IN PRIOR FINANCIAL YEARS

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

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchase, resale and repayment of debt and equity securities in the current quarter.

8. DIVIDENDS

No dividend was paid for the financial period ended 30 June 2008.

9. SEGMENTAL INFORMATION

There was no segmental analysis prepared as the Group operated solely in the Lawn & Garden industry involving production, packaging, marketing and distribution of its products.

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the year ended 31 December 2007.

11. SUBSEQUENT EVENTS

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

12. CHANGES IN COMPOSITION OF THE GROUP

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

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 December 2007.

NOTES TO THE INTERIM FINANCIAL REPORT

SECTION B DISCLOSURE NOTES AS REQUIRED UNDER LISTING REQUIREMENTS OF BURSA MALAYSIA

14. PERFORMANCE REVIEW

Total revenue recorded for current quarter was RM2.82 millions representing a decrease of 44% against revenue of RM5.08 millions achieved in the same quarter of last financial year. The decrease is mainly due to adaptation of new marketing strategy.

The Group has narrow down the loss before taxation by 46% as compared to the same quarter of last financial year of RM2.53 millions. Gross profit margin in current quarter was increased to 13% as compared to gross loss of 7% recorded in the same quarter of last financial year.

15. COMMENTARY ON MATERIAL CHANGE IN (LOSS)/PROFIT BEFORE TAXATION

The Group recorded a loss before taxation of RM1.38 millions as compared to a loss before taxation of RM576,000 in preceding quarter. Higher losses was mainly due to the decrease in revenue and gross profit margin in current quarter as results of lower profit margin sales closed in low season period in order to fill in factory production capacity in current quarter.

16. COMMENTARY ON PROSPECTS

The Group would put extensive effort to penetrate into high end market to increase the gross profit margin and reduce mass production practices. In line with this, the Group would diversify its products such as table wares and cooking wares to fill up the factory excess capacity in low season.

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast

18. TAXATION

	Current Quarter Ended 30.06.2008 RM'000	6 Months Ended 30.06.2008 RM'000
Deferred tax	(50)	(50)
Tax Credit	(50)	(50)

Tax credit for the current quarter and the financial period-to-date represents the reversal of temporary differences.

19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no disposals of unquoted investments and/or properties for the current quarter and financial period-to-date.

20. QUOTED SECURITIES

There were no purchases or disposals of quoted securities for the current quarter and financial period-to-date.

21. CORPORATE PROPOSALS

There were no outstanding proposals as at the date of this quarterly report.

22. BORROWINGS AND DEBT SECURITIES

	As At 30.06.2008
	RM'000
Borrowings in Ringgit :-	
Secured Short-term Borrowings : Ringgit	5,869
: US Dollar	1,353
	<u>7,222</u>
 Secured Long-term Borrowings : Ringgit	 2,020

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Forward Foreign Exchange Contracts

a) As part of the Group's risk management strategy to hedge against trade receivables, the Group entered into forward foreign exchange contracts with licensed financial institutions in Malaysia to enable the Group to reduce its exposure to losses from adverse fluctuations in foreign currency exchange rates. Credit and market risks were minimal as the above forward contracts were executed with licensed financial institutions.

b) As at 20th August 2008, the amount of forward foreign exchange contracts which were entered into by the Group to hedge against its export proceeds was RM1.48 millions. The settlement dates of these contracts range between 5 to 8 months.

c) Under the Group's accounting policies, foreign currency transactions that are hedged by forward foreign exchange contracts will be booked in at the exercising rate. Foreign currency monetary assets and liabilities remaining not hedged were translated at exchange rates at balance sheet date.

24. CHANGES IN MATERIAL LITIGATION

The Directors were not aware of any material litigation, which, if enforced, may have a material impact on the profit or net asset value of the Group.

25. DIVIDEND PAYABLE

There were no dividends declared by the Company for the current quarter and financial period-to-date.

26. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group were calculated by dividing the net loss attributed to the ordinary shareholders by the weighted number of ordinary shares outstanding during the financial period.

	Current Quarter Ended 30.06.2008	6 months Ended 30.06.2008
Loss for the period (RM'000)	1,326	1,903
Weighted average number of ordinary shares in issue ('000)	88,000	88,000
Basic loss per share (sen)	1.51	2.16

27. AUTHORISATION FOR ISSUE

The interim financial report for the period under review is authorised and approved for issue and announcement to Bursa Malaysia by APP's Board in accordance with a resolution of the directors on 27th August 2008.

By Order of the Board
Dated: 27th August 2008