

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 2008.

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 2008.

3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements for the year ended 31 December 2008 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 98% of the Group’s revenue was generated through export sales while 2% 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 31 March 2009.

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 2008.

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 2008.

NOTES TO THE INTERIM FINANCIAL REPORT

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

14. PERFORMANCE REVIEW

Revenue recorded in the current quarter was RM7.29 millions which was 27% increase as compared with RM5.75 millions recorded in the first quarter of the last financial year. This is due to the success of implementation of the new Sales Strategies.

The Group recorded a profit before tax (PBT) of RM676,000 as compared to a loss before tax of RM576,000 for the same quarter of last financial year. Increasing of sales volume in this quarter was indicating higher PBT compare to last financial year. In addition, fluctuation in the foreign currency market where RM depreciated against USD was resulting positive impact of Group PBT in this quarter.

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

Profit before taxation for the current quarter was RM676,000 as compared to Loss before taxation of RM1.22 millions in the preceding quarter, which is attributed by a 35% increase in sales as compared with the said quarter.

16. COMMENTARY ON PROSPECTS

The ceramic, pot, garden and lawn industry is far from saturated. There are rooms for APPI to tap further into the industry. We are aware of the impact caused by the economy turmoil and are working towards addressing the problem to reduce the impact. We are confident that our marketing strategy of migrating towards the high end market will continue to expand in 2009.

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast.

18. TAXATION

	Current Quarter Ended 31.03.2009 RM'000	3 Months Ended 31.03.2009 RM'000
Current tax	-	-
Deferred tax	25	25
Tax Credit	25	25

The balance of tax credit for the current quarter and the financial period-to-date is arrived at after 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 except for the Sales of Sekinchan land as announced on 3 September 2008 has completed in April 2009.

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

	<u>As At</u> <u>31.03.2009</u> RM'000
Borrowings in Ringgit :-	
Secured Short-term Borrowings : Ringgit	3,919
: US Dollar	1,234
Unsecured Short-term Borrowings : US Dollar	724
	<u>5,877</u>
Secured Long-term Borrowings : Ringgit	1,064

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 22nd May 2009, the amount of forward foreign exchange contracts which were entered into by the Group to hedge against its export proceeds was RM354,000. The settlement dates of these contracts range between 1 to 6 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 31.03.2009	3 months Ended 31.03.2009
Profit for the period (RM'000)	701	701
Weighted average number of ordinary shares in issue ('000)	88,000	88,000
Basic earning per share (sen)	0.80	0.80

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 29th May 2009.

By Order of the Board
Dated: 29th May 2009