

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 2009.

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 2009, except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial year beginning 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentations of Financial Statements
FRS 123	Borrowing Costs
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment – Vesting Conditions
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their interaction

Other than the adoption of FRS101 & FRS139, the application of the above FRSs and IC Interpretation does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRS are discussed below:

FRS 101: Presentations of Financial Statements

The adoption of the revised FRS 101, the components of the financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity and a statement of cash flows. The total comprehensive income for the year is presented in one line in the statement of changes in equity.

FRS 139: Financial Instruments: Recognition and Measurement

The adoption of the FRS 139, all financial assets and financial liabilities are recognized at contract dates. All financial assets and financial liabilities are recorded initially at fair value. Forward foreign exchange contract of the group have been measure at fair value and the change in fair value are recognize as gain or loss in the statement of comprehensive income.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2009 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 year-to-date.

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

There were no changes in estimates that have had a material effect in the current quarter and financial year-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 year ended 31 December 2010.

9. SEGMENTAL INFORMATION

The Group segmental report for the current financial year is as follow:

	<u>General Trading & Services</u> RM'000	<u>Ceramic</u> RM'000	<u>Group</u> RM'000
Revenue	<u>4,320</u>	<u>15,330</u>	<u>19,650</u>
Result			
Segment results	271	(32)	239
Interest Income			-
Finance Cost			<u>(157)</u>
Profit before tax			82
Taxation			<u>(362)</u>
Net loss for the year			<u><u>(280)</u></u>

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 2009.

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 2009.

NOTES TO THE INTERIM FINANCIAL REPORT

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

14. PERFORMANCE REVIEW

The Group has higher revenue for current quarter of RM5.41 millions, as compared with RM5.05 millions in the same quarter of the last financial year. The revenue increase was due to increase of export sales to US market.

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

The Group has a profit before taxation for current quarter of RM322,000, as compared with loss before taxation of RM552,000 recorded in the immediate preceding quarter. The profit was due to higher revenue as compared with immediate preceding quarter.

16. COMMENTARY ON PROSPECTS

The prospects of the company for 2011 remains challenging in view of the crunch in purchasing power and prudent spending on essentials of consumers in the European & North America market. However, the company effort to continuously improve profitability despite challenging business environment has seen improvement in gross profit margin in recent years.

17. PROFIT FORECAST OR PROFIT GUARANTEE

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

18. TAXATION

	Current Quarter Ended 31.12.2010 RM'000	12 Months Ended 31.12.2010 RM'000
Deferred tax	(412)	(360)
Current tax	-	(2)
Tax Credit / (Expense)	<u>(412)</u>	<u>(362)</u>

The tax expense for the current quarter and the financial year-to-date is arrived at after the utilisation of earlier year unutilised capital allowance and under provision of tax expenses in prior year.

19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no disposals of unquoted investments and/or properties for the current quarter and financial year-to-date except for the disposal of a piece of freehold land and factory building located at Sungai Siput, Perak. The transaction has completed in Jan 2011.

20. QUOTED SECURITIES

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

21. CORPORATE PROPOSALS

HwangDBS Investment Bank Berhad had on 25 May 2010 announced on behalf of the Board of APP that the Company is proposing to undertake a proposed private placement. The Board has decided to abort the Proposed Private Placement as announced on 17 Jan 2011.

22. BORROWINGS AND DEBT SECURITIES

	<u>As At</u> <u>31.12.2010</u> RM'000
Borrowings in Ringgit :-	
Secured Short-term Borrowings : Ringgit	<u>1,552</u>
Secured Long-term Borrowings : Ringgit	<u><u>509</u></u>

23. DERIVATIVE FINANCIAL INSTRUMENTS

The details of the forward foreign exchange contract as at 31 December 2010 are as below:

	<u>Notional</u> <u>Amount</u> RM'000	<u>Fair Value</u> <u>RM'000</u>	<u>Gain / (loss)</u> <u>RM'000</u>
Less than 1 year	<u>2,198</u>	<u>2,162</u>	<u>36</u>

The above forward foreign exchange contract were executed only with credit-worthy financial institutions in Malaysia. The forward foreign exchange contracts were entered into by the group to minimise its exposure to foreign currency risk.

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 year-to-date.

26. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group were calculated by dividing the net profit attributed to owners of the parent by the weighted number of ordinary shares outstanding during the financial year.

	Current Quarter Ended 31.12.2010	12 months Ended 31.12.2010
Loss for the year (RM'000)	(90)	(280)
Weighted average number of ordinary shares in issue ('000)	88,000	88,000
Basic earning per share (sen)	(0.10)	(0.32)

27. AUTHORISATION FOR ISSUE

The interim financial report for the year 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 23rd Feb 2011.

By Order of the Board
Dated: 23rd Feb 2011