



富佳木業有限公司

FOCUS LUMBER BERHAD (188710-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/9/2011 RM'000	Preceding Year Corresponding Quarter 30/9/2010 RM'000	Current Year To Date 30/9/2011 RM'000	Preceding Year To Date 30/9/2010 RM'000
Revenue	33,908	30,017	86,838	93,188
Cost of sales	(24,333)	(22,547)	(63,466)	(66,441)
Gross Profit	9,575	7,470	23,372	26,747
Other income	1,742	103	2,809	998
Selling and distribution expenses	(4,073)	(4,110)	(10,217)	(9,624)
Administrative expense	(1,472)	(1,915)	(5,350)	(6,015)
Operating Profit	5,772	1,548	10,614	12,106
Overdraft interest	(1)	(1)	(1)	(1)
Profit before tax	5,771	1,547	10,613	12,105
Taxation	(1,232)	-	(529)	-
Profit after tax	4,539	1,547	10,084	12,105
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	4,539	1,547	10,084	12,105
Profit attributable to:				
Owners of the parent	4,539	1,547	10,084	12,105
Minority Interest	-	-	-	-
	4,539	1,547	10,084	12,105
Total comprehensive income attributable to:				
Owners of the parent	4,539	1,547	10,084	12,105
Minority Interest	-	-	-	-
	4,539	1,547	10,084	12,105
Earnings per share (sen)				
- Basic	4.40	1.70	10.30	13.30

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Accountants' Report of the Group for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Group dated 6 April 2011 and the accompanying explanatory notes attached to this interim financial report.



富佳木業有限公司

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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Unaudited As at 30/09/2011 RM'000	Audited As at 31/12/2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,923	46,987
Investment Properties	1,492	1,518
Other investment	3,749	1,149
Deferred tax assets	<u>3,359</u>	<u>3,418</u>
	<u>53,523</u>	<u>53,072</u>
Current assets		
Inventories	29,596	22,285
Trade and other receivables	3,698	6,348
Short term deposits with licensed banks	5,400	2,925
Cash and bank balances	22,830	25,885
Tax refundable	<u>5,880</u>	<u>3,679</u>
	<u>67,404</u>	<u>61,122</u>
TOTAL ASSETS	<u>120,927</u>	<u>114,194</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	<u>4,836</u>	<u>9,156</u>
	<u>4,836</u>	<u>9,156</u>
Net current assets	<u>62,568</u>	<u>51,966</u>
Non-current liability		
Deferred tax liabilities	<u>3,351</u>	<u>2,880</u>
TOTAL LIABILITIES	<u>8,187</u>	<u>12,036</u>
Net assets	<u>112,740</u>	<u>102,158</u>
Equity attributable to the owners of the parent		
Share capital	51,600	45,500
Share Premium	598	-
Retained earnings	<u>60,542</u>	<u>56,658</u>
Total Equity	<u>112,740</u>	<u>102,158</u>
TOTAL EQUITY AND LIABILITIES	<u>120,927</u>	<u>114,194</u>
NA per share (RM)	1.15	1.12

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report of the Group for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Group dated 6 April 2011 and the accompanying explanatory notes attached to this interim financial report.



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FOCUS LUMBER BERHAD (188710-V)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	Current Year To Date 30/9/2011 RM'000	Preceding Year To Date 30/9/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,613	12,106
<u>Adjustment for:</u>		
Depreciation of property, plant and equipment	3,763	3,863
Bad debts written off	-	1
Gain on disposal of property, plant and equipment	(504)	(184)
Interest income	(92)	(20)
Interest expense	1	1
Operating profit before working capital changes	13,781	15,767
Increase in inventories	(7,311)	(6,309)
Changes in receivables	2,650	12,112
Changes in payable	(3,809)	924
Cash flows from operations	5,311	22,494
Income tax paid	(2,201)	(2,425)
Interest paid	(1)	(1)
Interest received	92	20
Net cash flows from operating activities	3,201	20,088
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(1,711)	(3,747)
Proceeds from disposal of fixed assets	32	43
Acquisition of other investment	(2,600)	-
Net cash flows used in investing activities	(4,279)	(3,704)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid on ordinary shares	(6,200)	-
Proceeds from issuance of shares	6,100	-
Proceeds from share premium	598	-
Net cash flows from financing activities	498	-
Net (decrease)/increase in cash & cash equivalents	(580)	16,384
Cash and cash equivalent at 1 January	28,810	17,953
Cash and cash equivalent at 30 June	28,230	34,337

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report of the Group for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Group dated 6 April 2011 and the accompanying explanatory notes attached to this interim financial report.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	Equity RM'000	Equity attributable to owners of the parents RM'000	Non-Distributable Share Capital RM'000	Distributable Share Premium RM'000	Retained Earnings RM'000
<u>Period ended 30/9/2010</u>					
As of 1 January 2010	91,941	91,941	35,000	-	56,941
Total comprehensive income	12,105	12,105			12,105
As at 30 September 2010	104,046	104,046	35,000	-	69,046
<u>Period ended 30/9/2011</u>					
As of 1 January 2011	102,158	102,158	45,500	-	56,658
Total comprehensive income	10,084	10,084	-	-	10,084
Proceeds from issuance of shares	6,100	6,100	6,100	-	-
Proceeds from share premium	1,220	1,220	-	1,220	-
Share issuance expense	(622)	(622)	-	(622)	-
Dividend paid	(6,200)	(6,200)	-	-	(6,200)
As at 30 September 2011	112,740	112,740	51,600	598	60,542

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report of the Group for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Group dated 6 April 2011 and the accompanying explanatory notes attached to this interim financial report.



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

PART A -

EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS ("FRS") 134: INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial report should be read in conjunction with the Accountants' Report of the Group for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 6 April 2011.

The explanatory notes attached to the unaudited interim financial report provide an explanation of the event and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The unaudited interim combined financial report and notes thereon do not include all of the information required for a full set of financial statements to be prepared in accordance with Financial Reporting Standards (FRSs).

A2. Significant Accounting Policies

The significant accounting policies adopted by the Group in this unaudited interim financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2010 of the Group, except for the adoption of the following new FRSs, Amendments to FRSs and Interpretations effective for financial period beginning on or after 1 January 2011:

FRSs, Amendments and Interpretations

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemption for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 132	Financial Instruments: Presentations - Classification of Rights Issues
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRSs and IC Interpretation 13	Improvement to FRSs (2010)
IC Interpretation 4	Determining whether an Arrangement Contain a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners



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FRSs, Amendments and Interpretations (cont'd)

IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 15	Agreements for the Construction of Real Estate
Technical Release 3	Guidance on Disclosure of Transition to IFRSs
Technical Release 14	Shariah Compliant Sale Contracts

The adoption of the new or revised FRSs, IC Interpretation and Amendments to FRS do not have significant impact on the financial statements of the Group.

At the date of authorization of these interim financial reports, the following new FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

FRSs, Amendments and Interpretations	Effective date
IC Interpretation 19 - Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 – Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to FRS 124 – Related Party Disclosures	1 January 2011
IC Interpretation 15 – Agreements for the Construction of Real Estate	1 January 2012

A3. Auditors' Report

There was no qualification to the audited financial statements of the company and its subsidiary for the financial year ended 31 December 2010.

A4. Seasonal or Cyclical Factors

The Group's business operation and performance are not affected materially by any seasonal or cyclical factors for the financial quarter under review.

A5. Items of Unusual Nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow in the quarterly financial statements.

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported in either the prior interim period of the current financial period or prior financial years that have had a material effect on the results during the current quarter and financial period-to-date.



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A7. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A8. Dividend Paid

An interim tax exempt (single-tier) dividend of 6.8132 sen per ordinary shares of RM0.50 each amounting to RM6.2 million was paid on 15 February 2011 in respect of the financial year ended 31 December 2010.

A9. Segment Reporting

The Group is organized into business units based on their products and services, and has two reportable operating segments as follows:-

- i. Manufacturing segment - manufacturing and sale of plywood, veneer and laminated veneer lumber (LVL).
- ii. Electricity segment - generation, transmission, distribution and sale of electricity.

The segment revenue and results for the financial period ended 30 September 2011:

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<i>Period Ended 30 September 2011</i>				
REVENUE				
External sales	86,761			86,761
inter-segment sales		3,115	(3,038)	77
				<u>86,838</u>
RESULTS				
Profit from operations	23,024	303	45	23,372
Other income				2,809
Selling and distribution expenses				(10,217)
Administrative expenses ^				(5,350)
interest expense				(1)
Profit before tax				<u>10,613</u>
Income tax expense				(529)
Total comprehensive income				<u><u>10,084</u></u>



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

A9. Segment Reporting (cont'd)

The segment revenue and results for the financial period ended 30 September 2011: (cont'd)

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<i>Period Ended 30 September 2010</i>				
REVENUE				
External sales	93,173			93,173
Inter-segment sales		4,330	(4,315)	15
				<u>93,188</u>
RESULTS				
Profit from operations	24,953	1,749	45	26,747
Other income				998
Selling and distribution expenses				(9,624)
Administrative expenses ^				(6,014)
Interest Expense				(1)
Profit before tax				<u>12,106</u>
Income tax expense				-
Total comprehensive income				<u><u>12,106</u></u>

^ - Included herein were listing related expenses of RM0.71 mil. (30.9.2011) and RM0.63 mil. (30.9.2010).

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A11. Change in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A12. Capital Commitments

There were no material capital commitments subsequent to the end of the current financial quarter.

A13. Material Events Subsequent to the Balance Sheet Date

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

A14. Changes in composition of the Group

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this quarterly report as at the date of this report.



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A15. Significant Related Party Transactions

The Group had the following transactions during the current quarter and year to date with related parties.

<u>Nature of transactions</u>	<u>Transactions during Current financial Quarter</u>	<u>Balance Outstanding As at 30.9.2011</u>
	<u>RM'000</u>	<u>RM'000</u>
Purchase of edging tapes from:		
- A company related to a director/ Substantial shareholder	108	57
	=====	=====



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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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PART B -

ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1. Review of performance of the Group

Current Year Quarter ended 30 September 2011 vs. Preceding Year Quarter ended 30 September 2010

The Group recorded a revenue of RM33.91 million during the current quarter, an increase of RM3.89 million (12.96%) as compared to a revenue of RM30.02 million registered in the corresponding quarter last year. The increase in revenue is mainly due to higher selling price.

The profit before tax of the Group for the current quarter was RM5.77 million. The profit before tax has increased by RM4.22 million as compared to the preceding year Quarter ended 30 September 2010. The increase in profit before tax is mainly due to the increase in gross profit and lower administrative expenses.

Current year to date 30 September 2011 vs. Preceding year to date 30 September 2010

The revenue of the Group for the first 9 months in year 2011 was RM86.84 million. The revenue has decreased by RM6.35 million or 6.81% as compared to the same period in year 2010. The decrease in revenue is mainly due to lower sales volume by 9.81%.

The profit before tax of the Group for the first 9 months in year 2011 has reported RM10.61 million. The profit before tax has decreased by RM1.49 million or 12.31% lower as compared to the corresponding period in year 2010. The decrease is mainly due to the decrease in gross profit of the Group.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter was RM33.91 million which is 11.26% higher than the immediate preceding quarter mainly due to the higher sales volume and higher selling price in the current quarter under review.

The profit before tax of RM5.77 million for the current quarter has increased by RM2.13 million as compared to the profit before tax of RM3.64 million in the immediate preceding quarter mainly due to higher gross profit and lower administrative expenses in the current quarter under review.

B3. Prospects for the remaining period of the current financial year

The Directors anticipated a global slowdown of plywood market due to the slowdown of world economy caused by the Euro Debt Crisis since October this year. However, the Directors of the Group are still confident that the Group will continue to perform due to the strong relationship with its customers mainly in the US market. The Directors also anticipate that the outlook of the US property and RV market will continue to improve and the plywood prices and demand are expected to be firm in the remaining period of the current financial year.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.



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B5. Income Tax Expense

	Current Quarter Ended 30/9/2011 RM'000	Current financial year to date 30/9/2011 RM'000
Malaysian Taxation based on profit for the period:		
- Income tax expense	(1,232)	(529)

B6. Profit/(Losses) on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year to date.

B7. Quoted Securities

There were no purchase or disposed of any quoted securities for the current quarter and financial year to date.

B8. Status of corporate proposals and utilization of proceeds

(a) Corporate proposals

There is no corporate proposal announced or not completed by the Group as at the date of this report.

(b) Utilization of proceeds

The Public Issue Shares of RM12,200,000 new shares in conjunction with the Group's listing on the Main Market of Bursa Securities raised a total proceeds of RM7.32 million.

The status of utilization of the proceeds raised from the public issue of RM7.32 million is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation %	Intended time frame for utilization (Listed 28/4/2011)
Working capital (N1)	4,520	4,919	-	Within 12 months from the date of listing
Estimated listing expenses (N1)	2,800	2,401	14.25	Within 3 months from the date of listing.
	7,320	7,320		

Note (N1): The Group incurred total listing expenses of RM2.401 million of which RM0.622 million was offset against share premium as these transaction costs are directly attributable to the issuance of new shares in conjunction of the initial public offering exercise. The deviation of RM0.399 million from the estimated listing expenses was utilized for working capital.



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B9. Borrowings

The Group does not have any borrowings as at 30.9.2011.

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments entered (or held) by the Group as at the date of this report.

B11. Material litigations

There were no material litigations since the last financial year ended 31 December 2010 and up to the date of this report.

B12. Dividends

No interim dividend has been declared during the quarter under review.

B13. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period. There is no dilutive effect.

	Individual quarter		Cumulative quarter	
	Current 30/9/2011	Preceding 30/9/2010	Current 30/9/2011	Preceding 30/9/2010
Net profit for the period (RM'000)	4,539	1,547	10,084	12,105
Weighted average number of ordinary Shares in issue ('000)	103,200	91,000 ₁	97,927	91,000 ₁
Basic Earnings per share (sen)	<u>4.40</u>	<u>1.70</u>	<u>10.30</u>	<u>13.30</u>

1) The number of ordinary shares in issue is adjusted for Bonus Issue and Share Split implemented on 16 December 2010 and 17 December 2010 respectively.



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B14. Realised and unrealised profits/(losses) disclosure

Breakdown of realised and unrealised profits or losses of the Group:

	At end of Current quarter 30/9/2011 RM'000	At end of preceding quarter 30/6/2011 RM'000
Realised	60,805	55,634
Unrealised	(263)	369
Retained profits as per statement of financial position	<u>60,542</u>	<u>56,003</u>

The determination of realised and unrealized profits is compiled based on Guidance of Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements", issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealized profits/(losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.