

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

	Current Year Quarter 30-Jun 2012 RM'000	Preceding Year Corresponding Quarter 30-Jun 2011 RM'000	Current Year-To-Date 30-Jun 2012 RM'000	Preceding Year-To-Date 30-Jun 2011 RM'000
Revenue	31,423	30,475	67,021	52,930
Cost of sales	(23,983)	(22,387)	(52,395)	(39,133)
Gross Profit	7,440	8,088	14,626	13,797
Other income	774	378	1,042	1,067
Selling and distribution expenses	(4,224)	(3,497)	(8,631)	(6,144)
Administrative expenses	(1,122)	(1,325)	(3,230)	(3,878)
Profit before tax	2,868	3,644	3,807	4,842
Taxation	2,618	703	2,618	703
Profit for the period	5,486	4,347	6,425	5,545
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	5,486	4,347	6,425	5,545
Profit attributable to:				
Owners of the parent	5,486	4,347	6,425	5,545
Total comprehensive income attributable to:				
Owners of the parent	5,486	4,347	6,425	5,545
Earnings per share attributable to owners of the parent:				
Basic (sen)	5.32	4.37	6.23	5.82
Diluted (sen)	5.32	4.37	6.23	5.82

These Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.

(Incorporated In Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Unaudited As at 30-Jun 2012 RM'000	Audited As at 31-Dec 2011 RM'000
Assets		
Non-current assets		
Property, plant and equipment	42,271	43,717
Investment properties	1,456	1,477
Other investment	1,149	1,149
Deferred tax assets	3,198	3,302
	<u>48,074</u>	<u>49,645</u>
Current assets		
Inventories	19,503	26,663
Other investments	-	2,600
Trade and other receivables	7,366	8,885
Short term deposits with licensed banks	13,130	408
Cash and bank balances	31,153	33,411
Tax refundable	7,629	4,445
	<u>78,781</u>	<u>76,412</u>
TOTAL ASSETS	<u>126,855</u>	<u>126,057</u>
Equity and liabilities		
Current liability		
Trade and other payables	7,252	6,457
Dividend payable	-	6,192
	<u>7,252</u>	<u>12,649</u>
Net current assets	71,226	63,763
Non-current liability		
Deferred tax liabilities	2,709	2,939
TOTAL LIABILITIES	<u>9,961</u>	<u>15,588</u>
Net assets	<u>116,590</u>	<u>110,469</u>
Equity attributable to the owners of the parent		
Share Capital	51,600	51,600
Share premium	883	883
Retained earnings	64,411	57,986
TOTAL EQUITY	<u>116,894</u>	<u>110,469</u>
TOTAL EQUITY AND LIABILITIES	<u>126,855</u>	<u>126,057</u>
NA per share (RM)	1.23	1.22

These Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 30 JUNE 2012**

	Unaudited Current Year-To-Date 30-Jun 2012 RM'000	Unaudited Preceding Year-To-Date 30-Jun 2011 RM'000
Cash Flows From Operating Activities		
Profit before taxation	3,807	4,842
Adjustments for:		
Depreciation of property , plant and equipment	2,415	1,644
Depreciation of investment properties	21	-
Gain on disposal of property, plant and equipment	-	(424)
Unrealised gain on foreign exchange	(146)	-
Interest income	(177)	(73)
<i>Operating cash flows before changes in working capital changes</i>	5,920	5,989
Decrease/(Increase) in inventories	7,160	(8,831)
Changes in receivables	1,519	(3,146)
Changes in payables	795	(2,885)
<i>Cash flows generated from/(used in) operations</i>	15,394	(8,873)
Income tax paid	(692)	(1,467)
Interest received	67	73
<i>Net cash flows generated from/(used in) operating activities</i>	14,769	(10,267)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(969)	(1,073)
Proceeds from disposal of property, plant and equipment	-	13
Uplift of structured investment	2,600	-
Interest received	110	-
<i>Net cash flows generated from/(used in) investing activities</i>	1,741	(1,060)
Cash Flows From Financing Activities		
Dividend paid on ordinary shares	(6,192)	(6,200)
Proceeds from issuance of shares	-	6,100
Proceeds from share premium	-	598
<i>Net cash flows (used in)/generated from financing activities</i>	(6,192)	498
<i>Net increase/(decrease) in cash & cash equivalents</i>	10,318	(10,829)
Effects of exchange rate changes on cash and cash equivalents	146	-
Cash and cash equivalent at 1 January	33,819	28,810
Cash and cash equivalent at 30 June	44,283	17,981

These Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 30 JUNE 2012**

	<-----Non-Distributable----->		<Distributable>		
	Equity, total RM'000	Equity attributable to owners of the parents, total RM'000	Share capital RM'000	Share premium RM'000	Retained earnings RM'000
Opening balance at 1 January 2011	102,158	102,158	45,500	-	56,658
Total Comprehensive Income	5,545	5,545	-	-	5,545
Dividend paid	(6,200)	(6,200)	-	-	(6,200)
Issuance of shares	7,320	7,320	6,100	1,220	-
Share issuance expense	(622)	(622)	-	(622)	-
Closing balance at 30 June 2011	108,201	108,201	51,600	598	56,003
Opening balance at 1 January 2012	110,469	110,469	51,600	883	57,986
Total Comprehensive Income	6,425	6,425	-	-	6,425
Closing balance at 30 June 2012	116,894	116,894	51,600	883	64,411

These Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2012

**PART A -
EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM
FINANCIAL REPORTING**

A1. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2012, have been prepared in accordance with MFRS134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). These condensed consolidated interim financial statements also comply with IAS34: Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

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 since the year ended 31 December 2011. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group’s financial statements for the financial year ended 31 December 2011.

A2. Significant Accounting Policies

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2011 of the Group, except for the following:

Adoption of a new MASB accounting framework, the MFRS Framework

The Group has adopted the MFRS Framework and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards for the first time in these condensed consolidated interim financial statements. The transition to the MFRS framework does not have any impact on the financial position, financial performance and cash flows of the Group and the Company.

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 2011.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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.

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 cent per ordinary shares of RM0.50 each amounting to RM6.192 million was paid on 16 January 2012 in respect of the financial year ended 31 December 2011.

A9. Segment Reporting

The Group is organised 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 June 2012:

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<u>6 months Ended 30 June 2012</u>				
REVENUE				
External sales	66,977	44		67,021
inter-segment sales		2,216	(2,216)	-
				<u>67,021</u>
RESULTS				
Profit from operations	14,119	477	30	14,626
Other income				1,042
Selling and distribution expenses				(8,631)
Administrative expenses				(3,230)
Interest expense				-
Profit before tax				<u>3,807</u>
Income tax expense				2,618
Total comprehensive income				<u><u>6,425</u></u>

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2012

A9. Segment Reporting (cont'd)

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<u>6 months Ended 30 June 2011</u>				
REVENUE				
External sales	52,883			52,883
inter-segment sales		2,045	(1,998)	47
RESULTS				
Profit from operations	13,314	453	30	13,797
Other income				1,067
Selling and distribution expenses				(6,144)
Administrative expenses				(3,878)
Profit before tax				4,842
Income tax expense				703
Total comprehensive income				5,545

A10. Profit before tax

Profit before tax is arrived at after charging/(crediting) :-

	Current Quarter		Year-to-date	
	30-Jun 2012 RM'000	30-Jun 2011 RM'000	30-Jun 2012 RM'000	30-Jun 2011 RM'000
Interest income	(134)	(59)	(177)	(73)
Rental income	(35)	(31)	(64)	(50)
Depreciation and amortisation	1,224	934	2,436	1,644
Foreign exchange (gain)/loss	(879)	(225)	(418)	109
Gain on disposal of plant & machinery	-	(130)	-	(504)

A11. Valuation of property, plant and equipment

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

A12. 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012

A13. Capital Commitments

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

A14. Material Events Subsequent to the reporting period

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

A15. 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.

A16. Related Party Transactions

The following table provides information on the transactions which have been entered into with related parties during the six-month period ended 30 June 2012 and 30 June 2011 as well as the balances with the related parties as at 30 June 2012 and 31 December 2011:

	Transactions Value		Balance Outstanding	
	6 months ended		As At	As At
	30-Jun	30-Jun	30-Jun	31-Dec
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<u>Nature of transactions</u>				
Purchases from a company related to a director	234	165	52	58

All outstanding balances with this related party is unsecured and are to be settled in cash within three months from the reporting date.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2012

**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

The Group recorded revenue of RM31.4 million (which consists of RM31.0 million from the manufacturing segment and RM0.04 million from the electricity segment respectively) during the current quarter under review, a slight increase of approximately RM1.0 million as compared to a revenue of RM30.5 million (which consist of RM30 million from the manufacturing segment and RM0.05 million from the electricity segment respectively) recorded in the corresponding quarter last year.

The recent Europe Sovereign Debt Crisis which spread to other European countries due to investor concerns about high fiscal deficit and public debt, are instances that may have an adverse impact on the recovery of the world economy. However, the property market and RV (Recreational Vehicle) market in US has started improving moderately since the last quarter of financial year 2011 in spite of the slow pace of recovery in US economy.

The profit before tax of the Group for the current quarter under review was RM2.87 million. The profit before tax has decreased by approximately RM1 million as compared to the preceding year quarter ended 30 June 2011. The decrease in profit before tax was mainly due to the higher unit cost of opening stock brought forward from first quarter as a result of plant shut down in January this year. However, the Group managed to record profit for the period of RM5.49 million which was mainly due to the over provision of taxation in prior years amounting to approximately RM2.5 million.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter under review was RM31.40 million which was 11.7% lower than the immediate preceding quarter. This is mainly due to the lower sales volume in current quarter under review.

The profit before tax of RM2.87 million for the current quarter under review has increased by RM1.93 million as compared to the profit before tax of RM0.94 million in the immediate preceding quarter. This is mainly due to lower average unit cost as compared to immediate preceding quarter which had been impacted by the plant shut down as well as the effect from foreign exchange gain in the quarter under review.

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

The Group's operating environment is expected to remain challenging due to the worsening global economy and sluggish recovery of the US economy.

However, the Board is optimistic that the Group will continue to perform in the year ahead, as the Board expects a gradual recovery in demand for timber products since US property and RV market started improving. The Board will continue to work on improving operational efficiency by enhancing the productivity of its workforce and its equipment fleet. The Board also anticipates that the prices of its products will remain profitable in the year ahead.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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.

B5. Income Tax Expense

	<i>Current Quarter</i>		<i>Year-to-date</i>	
	<i>30-Jun 2012</i>	<i>30-Jun 2011</i>	<i>30-Jun 2012</i>	<i>30-Jun 2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Malaysian Taxation based on profit for the period:				
Income tax expense	(2,618)	(703)	(2,618)	(703)

B6. Status of corporate proposals

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

B7. Borrowings

The Group has no borrowings as at 30 June 2012.

B8. Material litigations

There were no material litigations since the last financial year ended 31 December 2011 and up to the date of this report.

B9. Dividends

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2012

B10. Earnings per share

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

	<i>Current quarter</i>		<i>Year-to-date</i>	
	30-Jun 2012	30-Jun 2011	30-Jun 2012	30-Jun 2011
Profit, net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	5,486	4,347	6,425	5,545
Weighted average number of ordinary shares in issue ('000)	103,200	99,446	103,200	95,246
Basic earnings per share (sen per share)	5.32	4.37	6.23	5.82

B11. Realised and unrealised profits/(losses) disclosure

The breakdown of the retained profits of the Group as at 30 June 2012 and 31 December 2011 into realised and unrealised profits or losses is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with *Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<i>As at</i>	<i>As at</i>
	30-Jun 2012	31-Dec 2011
	RM'000	RM'000
- Realised	63,776	59,104
- Unrealised	635	(1,118)
Total group retained profits as per financial statement	64,411	57,986

The disclosure of realised and unrealised 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.