

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

	Current Year Quarter 30-Sep 2012 RM'000	Preceding Year Corresponding Quarter 30-Sep 2011 RM'000	Current Year-To-Date 30-Sep 2012 RM'000	Preceding Year-To-Date 30-Sep 2011 RM'000
Revenue	31,328	33,908	98,349	86,838
Cost of sales	(23,678)	(24,333)	(76,074)	(63,466)
Gross Profit	7,650	9,575	22,275	23,372
Other income	457	1,742	1,499	2,809
Selling and distribution expenses	(3,804)	(4,073)	(12,435)	(10,217)
Administrative expenses	(2,231)	(1,472)	(5,461)	(5,350)
Overdraft interest	-	(1)	-	(1)
Profit before tax	2,072	5,771	5,878	10,613
Taxation	212	(1,232)	2,830	(529)
Profit for the period	2,284	4,539	8,708	10,084
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	2,284	4,539	8,708	10,084
Profit attributable to:				
Owners of the parent	2,284	4,539	8,708	10,084
Total comprehensive income attributable to:				
Owners of the parent	2,284	4,539	8,708	10,084
Earnings per share attributable to owners of the parent:				
Basic (sen)	2.21	4.40	8.44	10.30
Diluted (sen)	2.21	4.40	8.44	10.30

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 SEPTEMBER 2012**

	Unaudited As at 30-Sep 2012 RM'000	Audited As at 31-Dec 2011 RM'000
Assets		
Non-current assets		
Property, plant and equipment	39,714	43,717
Investment properties	2,892	1,477
Other investment	1,149	1,149
Deferred tax assets	3,046	3,302
	<u>46,801</u>	<u>49,645</u>
Current assets		
Inventories	21,890	26,663
Other investments	-	2,600
Trade and other receivables	7,287	8,885
Short term deposits with licensed banks	8,183	408
Cash and bank balances	34,859	33,411
Tax refundable	8,217	4,445
	<u>80,436</u>	<u>76,412</u>
TOTAL ASSETS	<u>127,237</u>	<u>126,057</u>
Equity and liabilities		
Current liability		
Trade and other payables	5,543	6,457
Dividend payable	-	6,192
	<u>5,543</u>	<u>12,649</u>
Net current assets	74,893	63,763
Non-current liability		
Deferred tax liabilities	2,517	2,939
TOTAL LIABILITIES	<u>8,060</u>	<u>15,588</u>
Net assets	<u>119,177</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	66,694	57,986
TOTAL EQUITY	<u>119,177</u>	<u>110,469</u>
TOTAL EQUITY AND LIABILITIES	<u>127,237</u>	<u>126,057</u>
NA per share (RM)	1.16	1.07

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 SEPTEMBER 2012**

	Unaudited Current Year-To-Date 30-Sep 2012 RM'000	Unaudited Preceding Year-To-Date 30-Sep 2011 RM'000
Cash Flows From Operating Activities		
Profit before taxation	5,878	10,613
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	3,631	3,732
Depreciation of investment properties	34	31
Gain on disposal of property, plant and equipment	(66)	(504)
Unrealised loss on foreign exchange	600	-
Interest expense	-	1
Interest income	(282)	(92)
<i>Operating cash flows before changes in working capital changes</i>	9,795	13,781
Decrease/(Increase) in inventories	4,773	(7,311)
Changes in receivables	1,598	2,650
Changes in payables	(914)	(3,809)
<i>Cash flows generated from operations</i>	15,252	5,311
Income tax paid	(1,108)	(2,201)
Interest paid	-	(1)
Interest received	282	92
<i>Net cash flows generated from operating activities</i>	14,426	3,201
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,111)	(1,711)
Proceeds from disposal of property, plant and equipment	100	32
Uplift/(Acquisition) of structured investment	2,600	(2,600)
<i>Net cash flows generated from/(used in) investing activities</i>	1,589	(4,279)
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>	9,823	(580)
Effects of exchange rate changes on cash and cash equivalents	(600)	-
Cash and cash equivalent at 1 January	33,819	28,810
Cash and cash equivalent at 30 September	43,042	28,230

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.

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

	Equity attributable to owners of the parents, total		<-----Non-Distributable----->		<Distributable>
	Equity, total RM'000	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	10,084	10,084	-	-	10,084
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 September 2011	112,740	112,740	51,600	598	56,542
Opening balance at 1 January 2012	110,469	110,469	51,600	883	57,986
Total Comprehensive Income	8,708	8,708	-	-	8,708
Closing balance at 30 September 2012	119,177	119,177	51,600	883	66,694

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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").

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements for the year ending 31 December 2012. MFRS1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS1") has been applied.

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.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

A2. Significant Accounting Policies (cont'd)

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interest in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
IC Interpretation 20	Stripping costs in the Production Phase of a Surface Mine
Amendments to MFRS 1	Government Loans

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
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MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 & October 2010)
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A3. 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.

A4. 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.

A5. 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.

A6. 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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

A7. 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.

A8. Segmental 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 to date:

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<u>9 months Ended 30 September 2012</u>				
REVENUE				
External sales	98,276	73		98,349
inter-segment sales		3,425	(3,425)	-
				98,349
RESULTS				
Profit from operations	21,220	1,010	45	22,275
Other income				1,499
Selling and distribution expenses				(12,435)
Administrative expenses				(5,461)
Interest expense				-
Profit before tax				5,878
Income tax expense				2,830
Total comprehensive income				8,708

9 months Ended 30 September 2011

REVENUE				
External sales	86,761	77		86,838
inter-segment sales		3,038	(3,038)	-
				86,838
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				10,613
Income tax expense				(529)
Total comprehensive income				10,084

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

A9. Profit before tax

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

	Current Quarter		Year-to-date	
	30-Sep 2012 RM'000	30-Sep 2011 RM'000	30-Sep 2012 RM'000	30-Sep 2011 RM'000
Interest income	(105)	(19)	(282)	(92)
Interest expense	-	1	-	1
Rental income	(35)	(32)	(99)	(98)
Rental of premises	65	-	65	-
Depreciation and amortisation	1,229	1,327	3,665	3,763
Foreign exchange loss/(gain)	716	(1,289)	298	(1,180)
Gain on disposal of plant & machinery	(66)	-	(66)	(504)

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 reporting period

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

A15. 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 September 2012 and 30 September 2011 as well as the balances with the related parties as at 30 September 2012 and 31 December 2011:

<u>Nature of transactions</u>				
Rental paid to a director	65	-	65	-
Purchases from a company related to a director*	357	273	-	58

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

* The related Director had resigned from the the Group with effect from 24 September 2012.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 RM31.3 million (which consists of RM31.0 million from the manufacturing segment and RM0.03 million from the electricity segment respectively) during the current quarter under review, a decrease of approximately RM2.6 million as compared to a revenue of RM33.9 million (which consist of RM33.6 million from the manufacturing segment and RM0.03 million from the electricity segment respectively) recorded in the corresponding quarter last year. The weakening of US dollar has an adverse impact to our Group revenue.

The profit before tax of the Group for the current quarter under review was RM2.07 million. The profit before tax has decreased by approximately RM3.70 million as compared to the preceding year quarter ended 30 September 2011. The decrease in profit before tax was mainly due to the lower selling price in current quarter under review as compared to the preceding year quarter's average selling price which was boosted by the effect of Japan Tsunami in 2011. Profit for the period of the Group amounted to RM2.28 million.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter under review was RM31.30 million, approximates to the revenue of RM31.4 million in the immediate preceding quarter, as there is no significant variance between the quantity and average selling price of the two quarters.

The profit before tax for the current quarter under review was RM2.07 million, a decrease of RM0.80 million as compared to the immediate preceding quarter of RM2.87 million. This is mainly due to higher logs price as well as impact from foreign exchange loss 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 in the near term. The Board expects the prices of its products will remain competitive.

The global economy is also expected to be unstable due to the on-going economy crisis in Europe and other countries; however, there are signs of recovery in US especially the housing market which is obvious from the relevant statistics published by US authorities. The US's Quantitative Easing 3 (QE3) will also help to stimulate the US economy by more business activities and employment opportunities.

Hence, the Board will continue to expand their market share especially in US which provide better margin than other regions.

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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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B5. Income Tax (Credit)/Expense

	<i>Current Quarter</i>		<i>Year-to-date</i>	
	30-Sep 2012 RM'000	30-Sep 2011 RM'000	30-Sep 2012 RM'000	30-Sep 2011 RM'000
Malaysian income tax:				
- Over provision in respect of previous years	(172)	-	(2,664)	-
Deferred income tax (credit)/charge	(40)	1,232	(166)	529
	(212)	1,232	(2,830)	529

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 September 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

A proposed first interim tax exempt dividend of 6 sen per share for the financial year ending 31 December 2012 under the single-tier system will be proposed and declared on 19 November 2012. Entitlement and payment date of the interim dividend will be determined later.

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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

B10. Earnings per share (cont'd)

	<i>Current quarter</i>		<i>Year-to-date</i>	
	30-Sep 2012	30-Sep 2011	30-Sep 2012	30-Sep 2011
Profit, net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	2,284	4,539	8,708	10,084
Weighted average number of ordinary shares in issue ('000)	103,200	103,200	103,200	97,927
Basic earnings per share (sen per share)	2.21	4.40	8.44	10.30

B11. Realised and unrealised profits/(losses) disclosure

The breakdown of the retained profits of the Group as at 30 September 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-Sep 2012	31-Dec 2011
	RM'000	RM'000
- Realised	66,765	59,621
- Unrealised	(71)	(1,635)
Total group retained profits as per financial statement	66,694	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.