

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	Current Year Quarter 30 June 2013 RM'000	Preceding Year Corresponding Quarter 30 June 2012 RM'000	Current Year-To-Date 30 June 2013 RM'000	Preceding Year-To-Date 30 June 2012 RM'000
Revenue	39,235	31,423	70,550	67,021
Cost of sales	<u>(31,342)</u>	<u>(23,983)</u>	<u>(56,441)</u>	<u>(52,395)</u>
Gross Profit	7,893	7,440	14,109	14,626
Other operating income	249	1,113	1,126	721
Selling and distribution expenses	(4,595)	(4,224)	(8,247)	(8,631)
Administrative expenses	(762)	(1,461)	(1,891)	(2,909)
Other expenses	<u>(151)</u>	<u>-</u>	<u>(151)</u>	<u>-</u>
Profit before tax	2,634	2,868	4,946	3,807
Taxation	<u>808</u>	<u>2,618</u>	<u>708</u>	<u>2,618</u>
Profit for the period	3,442	5,486	5,654	6,425
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>3,442</u>	<u>5,486</u>	<u>5,654</u>	<u>6,425</u>
Profit attributable to: Owners of the parent	<u>3,442</u>	<u>5,486</u>	<u>5,654</u>	<u>6,425</u>
Total comprehensive income attributable to: Owners of the parent	<u>3,442</u>	<u>5,486</u>	<u>5,654</u>	<u>6,425</u>
Earnings per share attributable to owners of the parent:				
Basic (sen)	3.34	5.32	5.48	6.23
Diluted (sen)	3.34	5.32	5.48	6.23

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 2012 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	As at 30 June 2013 RM'000	As at 31 December 2012 RM'000
Assets		
Non-current assets		
Property, plant and equipment	37,030	38,830
Investment properties	2,830	2,871
Other investments	1,149	1,149
Deferred tax assets	2,900	2,917
	<u>43,909</u>	<u>45,767</u>
Current assets		
Inventories	20,402	18,413
Trade and other receivables	14,572	8,641
Derivative assets	89	-
Tax refundable	1,655	1,310
Cash and bank balances	53,771	57,536
	<u>90,489</u>	<u>85,900</u>
Total assets	<u><u>134,398</u></u>	<u><u>131,667</u></u>
Equity and liabilities		
Current liabilities		
Trade and other payables	10,168	7,236
Derivative liabilities	1,109	-
Dividends payable	-	6,192
	<u>11,277</u>	<u>13,428</u>
Net current assets	<u><u>79,212</u></u>	<u><u>72,472</u></u>
Non-current liability		
Deferred tax liabilities	1,590	2,362
Total liabilities	<u>12,867</u>	<u>15,790</u>
Net assets	121,531	115,877
Equity attributable to owners of the Company		
Share capital	51,600	51,600
Share premium	883	883
Retained earnings	69,048	63,394
Total equity	<u>121,531</u>	<u>115,877</u>
Total equity and liabilities	<u><u>134,398</u></u>	<u><u>131,667</u></u>
NA per share (RM)	1.18	1.12

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 2012 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 30 JUNE 2013**

	Current Year-To-Date 30 June 2013 RM'000	Preceding Year-To-Date 30 June 2012 RM'000
Operating activities		
Profit before tax	4,946	3,807
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	2,415	2,415
Depreciation of investment properties	41	21
Fair value loss of derivative financial instruments	1,020	-
Interest income	(139)	(177)
<i>Operating cash flows before changes in working capital</i>	<u>8,283</u>	<u>6,066</u>
(Increase)/decrease in inventories	(1,989)	7,160
(Increase)/decrease in trade and other receivables	(5,931)	1,519
Increase in trade and other payables	2,932	795
<i>Cash flows from operations</i>	<u>3,295</u>	<u>15,540</u>
Interest received	60	35
Income tax paid	(392)	(692)
<i>Net cash flows generated from operating activities</i>	<u>2,963</u>	<u>14,883</u>
Investing activities		
Placement of short-term deposits pledged as securities	(62)	(2,694)
Interest received	79	142
Withdrawal of structured investment	-	2,600
Purchase of property, plant and equipment	(615)	(969)
<i>Net cash flows used in investing activities</i>	<u>(598)</u>	<u>(921)</u>
Financing activity		
Dividends paid	(6,192)	(6,192)
<i>Net cash flows used in financing activity</i>	<u>(6,192)</u>	<u>(6,192)</u>
<i>Net (decrease)/increase in cash and cash equivalents</i>	<u>(3,827)</u>	<u>7,770</u>
Cash and cash equivalents at 1 January	<u>54,711</u>	<u>33,751</u>
Cash and cash equivalents at 30 June	<u>50,884</u>	<u>41,521</u>
Analysis of cash and cash equivalents		
Cash on hand and at bank	53,771	44,283
Less: Short-term deposits pledged as securities	(2,887)	(2,762)
Cash and cash equivalents	<u>50,884</u>	<u>41,521</u>

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 2012 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 2013**

			< ----- Non-distributable ----- >		Distributable
	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Share premium RM'000	Retained earnings RM'000
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
Opening balance at 1 January 2013	115,877	115,877	51,600	883	63,394
Total comprehensive income	5,654	5,654	-	-	5,654
Closing balance at 30 June 2013	121,531	121,531	51,600	883	69,048

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 2012 and accompanying explanatory notes attached to these interim financial statements.

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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 2013, 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.

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 2012. 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 2012.

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 2012 of the Group, except for the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations effective for financial period beginning on or after 1 January 2013:

MFRS 101	Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
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
MFRS 127	Separate Financial Statements
MFRS 128	Investment in Associate and Joint Ventures
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
Amendment to IC Interpretation 2	Members’ Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)
IC Interpretation 20	Stripping costs in the Production Phase of a Surface Mine
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 1	First-time Adoption of MFRS (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosures of Interest in Other Entities: Transition Guidance

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A2. Significant Accounting Policies (cont'd)

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 January 2014

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities

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)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

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 2012.

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.

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 sen per ordinary share of RM0.50 each amounting to RM6.192 million was paid on 4 February 2013 in respect of the financial year ended 31 December 2012.

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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 2013:

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<u>6 months ended 30 June 2013</u>				
Revenue				
External sales	70,506	44		70,550
Inter-segment sales	-	2,305	(2,305)	-
Results				
Profit from operations	13,843	236	30	14,109
Other operating income				1,126
Selling and distribution expenses				(8,247)
Administrative expenses				(1,891)
Other expenses				(151)
Profit before tax				4,946
Income tax expense				708
Profit for the period				5,654

	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)	-
Results				
Profit from operations	14,119	477	30	14,626
Other operating income				721
Selling and distribution expenses				(8,631)
Administrative expenses				(2,909)
Other expenses				-
Profit before tax				3,807
Income tax expense				2,618
Profit for the period				6,425

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A10. Profit before tax

The following amounts have been included in arriving at profit before tax:

	Current quarter		Year-to-date	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(78)	(134)	(139)	(177)
Rental income	(57)	(35)	(117)	(64)
Rental of premises	39	-	78	-
Depreciation and amortisation	1,233	1,224	2,456	2,436
Net loss from financial assets designated at fair value through profit or loss	356	-	151	-
Foreign exchange gain	(316)	(879)	(856)	(418)

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.

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.

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A16. Related Party Transactions

The following table provides information on the transactions which have been entered into with related parties during the period ended 30 June 2013 and 30 June 2012 as well as the balances with the related parties as at 30 June 2013 and 31 December 2012:

Nature of transactions	Transactions value for 6 months ended		Balance outstanding as at	
	30-Jun 2013	30-Jun 2012	30-Jun 2013	31-Dec 2012
	RM'000	RM'000	RM'000	RM'000
Purchases from a company related to a Director *	-	234	-	-
Rental paid to a director	78	-	-	-

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

* Ceased/resigned as director w.e.f. 24 September 2012

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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

The Group recorded revenue of RM39.24 million (which consists of RM39.22 million from the manufacturing segment and RM0.02 million from the electricity segment respectively) during the current quarter under review, an increase of approximately RM7.82 million as compared to a revenue of RM31.42 million (which consist of RM31.40 million from the manufacturing segment and RM0.02 million from the electricity segment respectively) recorded in the corresponding quarter last year. This was mainly due to higher average selling price and higher sales volume in current quarter under review.

However, the profit before tax of the Group for the current quarter under review was RM2.63 million, a decrease of approximately RM0.24 million as compared to the preceding year quarter ended 30 June 2012. Decrease in profit before tax was mainly due to lower gross profit margin as a result of higher production cost offset by increase in average selling price. Profit of the Group for 3-months ended 30 June 2013 amounted to RM3.44 million.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter under review increased by RM7.92 million as compared to the revenue of RM31.32 million in the immediate preceding quarter, which was mainly due to the higher average selling price and higher sales volume in the current quarter under review.

The profit before tax for the current quarter under review of RM2.63 million is higher by RM0.32 million as compared to the immediate preceding quarter of RM2.31 million. This was mainly due to better profit margin and higher sales volume in current quarter under review, offset by lower foreign exchange gain and net loss from financial assets designated at fair value through profit or loss recognised in the current quarter under review.

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

The Group's production cost per unit had increased moderately due to the implementation of Minimum Wage System and higher logs price since the beginning of this financial year. The Board expects that the operating environment in the remaining period of the current financial year will remain tough and challenging.

Management will allocate more resources to increase the production of plywood products which provide better margin based on the specification by way of reducing the production of less profitable products. Management will also increase or maintain the production volume at a specified level in order to lower the production cost per unit but this will be highly depends on the availability of manpower and supply of logs. The Board will continue to work on improving operational efficiency by enhancing the productivity of its workforce and its equipment fleet as a way to minimise the adverse impact from the increasing production cost.

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		Year-to-date	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	27	-	47	-
- Over provision in respect of prior years	-	(2,492)	-	(2,492)
	27	(2,492)	47	(2,492)
Deferred income tax:				
- Origination and reversal of temporary temporary differences	(108)	(126)	(28)	(126)
- Over provision in respect of prior years	(727)	-	(727)	-
	(835)	(126)	(755)	(126)
Income tax expense	(808)	(2,618)	(708)	(2,618)

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 2013.

B8. Material litigations

There were no material litigations since the last financial year ended 31 December 2012 and up to the date of this report.

B9. Dividends

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

B10. Derivative financial instruments

As at 30 June 2013, the Group has the following outstanding derivatives financial instruments:

	Principal or	Fair value	
	Notional Amount	Assets	Liabilities
	RM'000	RM'000	RM'000
Foreign currency forward contract:			
- Less than 1 year	38,670	89	1,109

The purpose of entering foreign currency forward contracts is to minimise the impact of unfavourable movement in exchange rate on the trade receivables and bank balances denominated in United States Dollar.

The market risk posed by the Group's foreign currency forward contracts depends on the economic changes that may impact market prices. As the exchange rate is pre-determined under such contracts, the market risk in these instruments is not significant. The foreign currency forward contracts are transacted with the Group's banker and the credit risk for non-performance by the counterparty in these instruments is minimal.

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B10. Derivative financial instruments (cont'd)

The fair value of derivative assets and liabilities amounting to RM89,000 and RM1,109,000 respectively have been recognised in the financial statements.

B11. 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.

	Current quarter		Year-to-date	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Profit net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	3,442	5,486	5,654	6,425
Weighted average number of ordinary shares in issue ('000)	103,200	103,200	103,200	103,200
Basic earnings per share (sen per share)	3.34	5.32	5.48	6.23

B12. Realised and unrealised profits/(losses) disclosure

The breakdown of the retained profits of the Group as at 30 June 2013 and 31 December 2012 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.

	As at 30 June 2013 RM'000	As at 31 December 2012 RM'000
Retained earnings of the Group:		
- Realised	68,026	63,092
- Unrealised	1,042	322
Less: Consolidation adjustments	(20)	(20)
Total retained earnings of the Group	69,048	63,394

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.