

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Current Year Quarter 30 September 2015 RM'000	Preceding Year Corresponding Quarter 30 September 2014 RM'000	Current Year-To-Date 30 September 2015 RM'000	Preceding Year-To-Date 30 September 2014 RM'000
Revenue	42,802	33,929	122,966	109,021
Cost of sales	<u>(29,421)</u>	<u>(25,473)</u>	<u>(87,063)</u>	<u>(81,826)</u>
Gross Profit	13,381	8,456	35,903	27,195
Other operating income	4,854	1,100	8,662	1,511
Selling and distribution expenses	(5,100)	(4,439)	(15,077)	(13,883)
Administrative expenses	(1,131)	(1,059)	(3,565)	(3,142)
Other expenses	<u>(200)</u>	<u>(796)</u>	<u>(1,402)</u>	<u>-</u>
Profit before tax	11,804	3,262	24,521	11,681
Income tax expense	<u>(2,152)</u>	<u>54</u>	<u>(3,501)</u>	<u>(722)</u>
Profit for the period	9,652	3,316	21,020	10,959
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>9,652</u>	<u>3,316</u>	<u>21,020</u>	<u>10,959</u>
Profit attributable to: Owners of the parent	<u>9,652</u>	<u>3,316</u>	<u>21,020</u>	<u>10,959</u>
Total comprehensive income attributable to: Owners of the parent	<u>9,652</u>	<u>3,316</u>	<u>21,020</u>	<u>10,959</u>
Earnings per share attributable to owners of the parent:				
Basic (sen)	9.35	3.21	20.37	10.62
Diluted (sen)	9.35	3.21	20.37	10.62

This Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2014 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	As at 30 September 2015 RM'000	As at 31 December 2014 RM'000
Assets		
Non-current assets		
Property, plant and equipment	33,293	33,758
Investment properties	2,645	2,707
Other investments	149	149
Deferred tax assets	1,518	2,045
	<u>37,605</u>	<u>38,659</u>
Current assets		
Other investments	-	1,000
Inventories	25,290	23,501
Trade and other receivables	13,486	15,837
Prepaid operating expenses	247	169
Income tax refundable	-	1,636
Derivatives	14	6
Cash and bank balances	85,474	59,422
	<u>124,511</u>	<u>101,571</u>
Total assets	<u>162,116</u>	<u>140,230</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	12,042	6,532
Provision for taxation	923	-
Derivatives	-	571
	<u>12,965</u>	<u>7,103</u>
Net current assets	<u>111,546</u>	<u>94,468</u>
Non-current liability		
Deferred tax liabilities	2,758	2,594
Total liabilities	<u>15,723</u>	<u>9,697</u>
Net assets	<u>146,393</u>	<u>130,533</u>
Equity attributable to owners of the Company		
Share capital	51,600	51,600
Share premium	883	883
Retained earnings	93,910	78,050
Total equity	<u>146,393</u>	<u>130,533</u>
Total equity and liabilities	<u>162,116</u>	<u>140,230</u>
NA per share (RM)	1.42	1.26

This Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2014 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 SEPTEMBER 2015**

	Current Year-To-Date 30 September 2015 RM'000	Preceding Year-To-Date 30 September 2014 RM'000
Operating activities		
Profit before tax	24,521	11,681
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	3,521	3,531
Depreciation of investment properties	62	62
Foreign exchange gain - unrealised	(791)	(940)
Gain on disposal of property, plant and equipment	(19)	-
Net fair value (gain)/loss on derivatives	(579)	13
Interest income	(1,328)	(846)
<i>Operating cash flows before changes in working capital</i>	<u>25,387</u>	<u>13,501</u>
(Increase)/Decrease in inventories	(1,789)	37
Decrease/(Increase) in receivables	2,580	(6,313)
Increase/(Decrease) in payables	5,510	(2,758)
<i>Cash flows from operations</i>	<u>31,688</u>	<u>4,467</u>
Interest received	302	391
Income tax paid	(251)	(223)
<i>Net cash flows generated from operating activities</i>	<u>31,739</u>	<u>4,635</u>
Investing activities		
Placement of short-term deposits pledged as securities	(1,103)	(84)
Withdrawal of structured investment	1,000	-
Interest received	719	455
Proceeds from disposal of property, plant and equipment	19	-
Purchase of property, plant and equipment	(3,056)	(1,994)
<i>Net cash flows used in investing activities</i>	<u>(2,421)</u>	<u>(1,623)</u>
Financing activity		
Dividends paid	(5,160)	(8,256)
<i>Net cash flows used in financing activity</i>	<u>(5,160)</u>	<u>(8,256)</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>	24,158	(5,244)
Effect of exchange rate changes on cash and cash equivalents	791	940
Cash and cash equivalents at 1 January	56,352	59,933
Cash and cash equivalents at 30 September	<u>81,301</u>	<u>55,629</u>
Analysis of cash and cash equivalents		
Cash on hand and at bank	85,474	58,658
Less: Short-term deposits pledged as securities	(4,173)	(3,029)
Cash and cash equivalents	<u>81,301</u>	<u>55,629</u>

This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2014 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 SEPTEMBER 2015**

			< ----- 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 2014	122,757	122,757	51,600	883	70,274
Total comprehensive income	10,959	10,959	-	-	10,959
Closing balance at 30 September 2014	133,716	133,716	51,600	883	81,233
Opening balance at 1 January 2015	130,533	130,533	51,600	883	78,050
Total comprehensive income	21,020	21,020	-	-	21,020
Dividend paid	(5,160)	(5,160)	-	-	(5,160)
Closing balance at 30 September 2015	146,393	146,393	51,600	883	93,910

This 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 2014 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 2015

**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 2015, 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 2014. 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 2014.

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 2014 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 2015:

Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010-2012 Cycle	
Annual Improvements to MFRSs 2011-2013 Cycle	

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 2016

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture
Amendments to MFRS 11	Accounting for Acquisitions of interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiatives
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012-2014 Cycle	

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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: (cont'd)

MFRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application.

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 2014.

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 5 sen per ordinary share of RM0.50 each amounting to RM5.16 million was paid on 28 August 2015 in respect of the financial year ending 31 December 2015.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 and sale of electricity.

The following tables provide information on segment revenue and results for the financial period ended 30 September 2015 and 30 September 2014:

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<u>Period ended 30 September 2015</u>				
Revenue				
External sales	122,878	88	-	122,966
Inter-segment sales	-	4,472	(4,472)	-
	122,878	4,560	(4,472)	122,966
Results				
Profit before tax	24,918	2,103	(2,500)	24,521
Income tax expense	(2,974)	(527)	-	(3,501)
Profit for the period	21,944	1,576	(2,500)	21,020
<u>Period ended 30 September 2014</u>				
Revenue				
External sales	108,906	115	-	109,021
Inter-segment sales	-	3,971	(3,971)	-
	108,906	4,086	(3,971)	109,021
Results				
Profit before tax	14,052	1,629	(4,000)	11,681
Income tax expense	(295)	(427)	-	(722)
Profit for the period	13,757	1,202	(4,000)	10,959

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

A10. Profit before tax

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

	Current quarter		Year-to-date	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Interest income	(470)	(292)	(1,328)	(846)
Rental income	(58)	(60)	(175)	(177)
Rental of premises	47	39	125	117
Depreciation and amortisation	1,210	1,196	3,583	3,593
Net loss/(gain) of derivative financial instruments	200	796	1,402	(38)
Net gain of foreign exchange	(4,265)	(829)	(7,010)	(271)

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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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 September 2015 and 30 September 2014 as well as the balances with the related parties as at 30 September 2015 and 31 December 2014:

Nature of transactions	Transactions value for year ended		Balance outstanding as at	
	30 September 2015	30 September 2014	30 September 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Rental paid to a director	125	117	8	-

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 RM42.80 million (which consists of RM42.78 million from the manufacturing segment and RM0.02 million from the electricity segment respectively) during the current quarter under review, an increase of approximately RM8.87 million as compared to a revenue of RM33.93 million (which consist of RM33.89 million from the manufacturing segment and RM0.04 million from the electricity segment respectively) recorded in the corresponding quarter last year. Increase in sales was mainly due to higher average selling price recorded in current quarter under review as a result of strengthening of US dollar.

Profit before tax of the Group in current quarter was RM11.80 million, an increase of approximately RM8.54 million as compared to the preceding year's corresponding quarter. Increase in profit before tax was mainly arises from the impact of strengthening of US dollar in current year. Higher average selling price has improved the gross profit margin and gross profit of the Group. Besides, strong US dollar currency also led to recognition of huge sum of foreign exchange gain in current quarter under review. Profit of the Group for 3-month ended 30 September 2015 amounted to RM9.65 million.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter under review has decreased by RM7.33 million as compared to the revenue of RM50.13 million recorded in the immediate preceding quarter. Revenue in current quarter was lower as compared to the immediate preceding quarter because sales volume in current quarter was lower.

The profit before tax for the current quarter under review of RM11.80 million has increased by RM2.92 million in comparison to the immediate preceding quarter's profit before tax of RM8.88 million. This was mainly due to improving gross profit margin and higher foreign exchange gain recognised in current quarter under review. US dollar has strengthened by approximately 17.4% since the end of immediate preceding quarter. Current quarter's profit after tax of RM9.65 million has increased by RM1.60 million only as compared to profit after tax of last quarter because higher income tax expense was recognised from the higher profit recorded in current quarter.

B3. Prospects for the remaining period of current financial year

Increasing production cost, especially price of logs due to shortage of supply in market has becomes the major challenge in this industry. However, the impact of increasing production cost per cubic metre had been neutralised by the higher average selling price due to strengthening of US dollar in current financial year. Nonetheless, the Group will continue investing in more advanced machineries which can improve the production recovery rate and quality of the output of the Group. Barring unforeseen circumstances, the Board remains confident with the prospect for the remaining period of the year.

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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

	Current quarter		Year-to-date	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	2,104	81	2,809	232
Deferred income tax:				
- Origination and reversal of temporary differences	58	118	1,028	697
- Over provision in respect of prior years	(10)	(253)	(336)	(207)
	48	(135)	692	490
Income tax expense	2,152	(54)	3,501	722

The effective tax rate for current quarter was lower than the statutory tax rate mainly due to the double tax deduction benefit granted for freight charges incurred for export sales of plywood and laminated veneer lumber.

The effective rate for the corresponding quarter last year was lower than the statutory tax rate principally due to the utilisation of reinvestment allowance on which deferred tax assets were not previously recognised, and the double tax deduction benefit granted for freight charges incurred for export sales of plywood and laminated veneer lumber.

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 2015.

B8. Material litigations

There were no material litigations since the last financial year ended 31 December 2014 and up to the date of this report.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B9. Dividends

The Board of Directors has, on 17 November 2015, declared a second interim single-tier tax exempt dividend of 10.0 sen per ordinary share in respect of the financial year ending 31 December 2015, to be paid on 21 December 2015. The entitlement date for the dividend payment is 7 December 2015. A depositor shall qualify for entitlement to the dividend only in respect of: (i) shares transferred to the depositors' securities account on 7 December 2015 in respect of transfers; and (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividends declared to date for the current financial year ending 31 December 2015 is 15.0 sen per ordinary share.

B10. Derivative financial instruments

As at 30 September 2015 and 31 December 2014, the Group has the following outstanding derivatives financial instruments:

	Principal or	Fair value	
	Notional Amount	Assets	Liabilities
	RM'000	RM'000	RM'000
<u>30 September 2015</u>			
Foreign currency forward contract:			
- Less than 1 year	894	14	-
<u>31 December 2014</u>			
Foreign currency forward contract:			
- Less than 1 year	28,686	6	571

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 US 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.

The fair value of derivative assets as at 30 September 2015 amounting to RM14,000 has been recognised in the financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 September 2015	30 September 2014	30 September 2015	30 September 2014
Profit net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	9,652	3,316	21,020	10,959
Weighted average number of ordinary shares in issue ('000)	103,200	103,200	103,200	103,200
Basic earnings per share (sen per share)	9.35	3.21	20.37	10.62

B12. Realised and unrealised profits/(losses) disclosure

The breakdown of the retained profits of the Group as at 30 September 2015 and 31 December 2014 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 September 2015 RM'000	As at 31 December 2014 RM'000
Retained earnings of the Group:		
- Realised	94,365	78,697
- Unrealised	(435)	(627)
Less: Consolidation adjustments	(20)	(20)
Total retained earnings of the Group	93,910	78,050

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.