

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

	Current Year Quarter 31 December 2015 RM'000	Preceding Year Corresponding Quarter 31 December 2014 RM'000	Current Year-To-Date 31 December 2015 RM'000	Preceding Year-To-Date 31 December 2014 RM'000
Revenue	57,767	41,398	180,733	150,419
Cost of sales	<u>(37,508)</u>	<u>(29,784)</u>	<u>(124,571)</u>	<u>(111,610)</u>
Gross profit	20,259	11,614	56,162	38,809
Other operating income	795	2,375	9,366	3,848
Selling and distribution expenses	(8,106)	(5,802)	(23,183)	(19,685)
Administrative expenses	(1,152)	(1,086)	(4,717)	(4,228)
Other expenses	<u>-</u>	<u>(1,487)</u>	<u>(1,311)</u>	<u>(1,449)</u>
Profit before tax	11,796	5,614	36,317	17,295
Income tax expense	<u>(1,094)</u>	<u>(541)</u>	<u>(4,595)</u>	<u>(1,263)</u>
Profit for the period/ year	10,702	5,073	31,722	16,032
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period/ year	<u>10,702</u>	<u>5,073</u>	<u>31,722</u>	<u>16,032</u>
Profit attributable to: Owners of the parent	<u>10,702</u>	<u>5,073</u>	<u>31,722</u>	<u>16,032</u>
Total comprehensive income attributable to: Owners of the parent	<u>10,702</u>	<u>5,073</u>	<u>31,722</u>	<u>16,032</u>
Earnings per share attributable to owners of the parent:				
Basic (sen)	10.37	4.92	30.74	15.53
Diluted (sen)	10.37	4.92	30.74	15.53

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 31 DECEMBER 2015**

	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
Assets		
Non-current assets		
Property, plant and equipment	33,820	33,758
Investment properties	2,625	2,707
Other investments	149	149
Deferred tax assets	1,333	2,045
	<u>37,927</u>	<u>38,659</u>
Current assets		
Investment securities	17,201	1,000
Inventories	25,912	23,501
Trade and other receivables	20,121	15,837
Prepaid operating expenses	223	169
Income tax refundable	287	1,636
Derivatives	-	6
Cash and bank balances	57,819	59,422
	<u>121,563</u>	<u>101,571</u>
Total assets	<u>159,490</u>	<u>140,230</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	9,699	6,532
Derivatives	-	571
	<u>9,699</u>	<u>7,103</u>
Net current assets	<u>111,864</u>	<u>94,468</u>
Non-current liability		
Deferred tax liabilities	3,016	2,594
Total liabilities	<u>12,715</u>	<u>9,697</u>
Net assets	<u>146,775</u>	<u>130,533</u>
Equity attributable to owners of the Company		
Share capital	51,600	51,600
Share premium	883	883
Retained earnings	94,292	78,050
Total equity	<u>146,775</u>	<u>130,533</u>
Total equity and liabilities	<u>159,490</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 YEAR ENDED 31 DECEMBER 2015**

	Current Year-To-Date 31 December 2015 RM'000	Preceding Year-To-Date 31 December 2014 RM'000
Operating activities		
Profit before tax	36,317	17,295
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	4,773	4,706
Depreciation of investment properties	82	82
Foreign exchange gain - unrealised	(380)	(487)
Property, plant and equipment written off	-	162
Gain on disposal of property, plant and equipment	(19)	-
Net fair value gain on derivatives	(565)	(218)
Distribution from investment securities	(101)	-
Interest income	(1,778)	(1,138)
<i>Operating cash flows before changes in working capital</i>	<u>38,329</u>	<u>20,402</u>
Increase in inventories	(2,411)	(1,197)
Increase in receivables	(3,913)	(3,513)
Increase/(Decrease) in payables	3,167	(1,238)
<i>Cash flows from operations</i>	<u>35,172</u>	<u>14,454</u>
Interest received	399	554
Net income tax paid	(2,112)	(306)
<i>Net cash flows generated from operating activities</i>	<u>33,459</u>	<u>14,702</u>
Investing activities		
Placement of short-term deposits pledged as securities	(1,144)	(125)
Net purchase of investment securities	(16,201)	-
Distribution received from investment securities	101	-
Interest received	1,027	584
Proceeds from disposal of property, plant and equipment	19	-
Purchase of property, plant and equipment	(4,835)	(2,681)
<i>Net cash flows used in investing activities</i>	<u>(21,033)</u>	<u>(2,222)</u>
Financing activity		
Dividends paid	(15,480)	(16,512)
<i>Net cash flows used in financing activity</i>	<u>(15,480)</u>	<u>(16,512)</u>
<i>Net decrease in cash and cash equivalents</i>	(3,054)	(4,032)
Effect of exchange rate changes on cash and cash equivalents	307	451
Cash and cash equivalents at 1 January	56,352	59,933
Cash and cash equivalents at 31 December	<u>53,605</u>	<u>56,352</u>
Analysis of cash and cash equivalents		
Cash on hand and at bank	57,819	59,422
Less: Short-term deposits pledged as securities	(4,214)	(3,070)
Cash and cash equivalents	<u>53,605</u>	<u>56,352</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 YEAR ENDED 31 DECEMBER 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	16,032	16,032	-	-	16,032
Dividend paid	(8,256)	(8,256)	-	-	(8,256)
Closing balance at 31 December 2014	<u>130,533</u>	<u>130,533</u>	<u>51,600</u>	<u>883</u>	<u>78,050</u>
Opening balance at 1 January 2015	130,533	130,533	51,600	883	78,050
Total comprehensive income	31,722	31,722	-	-	31,722
Dividend paid	(15,480)	(15,480)	-	-	(15,480)
Closing balance at 31 December 2015	<u>146,775</u>	<u>146,775</u>	<u>51,600</u>	<u>883</u>	<u>94,292</u>

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
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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 31 December 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.

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A8. Dividend Paid

The following dividend payments were made during the financial year ended 31 December 2015:

	RM'000
In respect of financial year ended 31 December 2015:	
- first interim single-tier tax exempt dividend of 5.0 sen per ordinary share, paid on 28 August 2015	5,160
- second interim single-tier tax exempt dividend of 10.0 sen per ordinary share, paid on 21 December 2015	10,320
	15,480

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 year ended 31 December 2015 and 31 December 2014:

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<u>Year ended 31 December 2015</u>				
Revenue				
External sales	180,618	115	-	180,733
Inter-segment sales	-	6,154	(6,154)	-
	180,618	6,269	(6,154)	180,733
Results				
Profit before tax	35,951	2,866	(2,500)	36,317
Income tax expense	(3,883)	(712)	-	(4,595)
Profit for the year	32,068	2,154	(2,500)	31,722
<u>Year ended 31 December 2014</u>				
Revenue				
External sales	150,266	153	-	150,419
Inter-segment sales	-	5,106	(5,106)	-
	150,266	5,259	(5,106)	150,419
Results				
Profit before tax	19,463	1,832	(4,000)	17,295
Income tax expense	(791)	(472)	-	(1,263)
Profit for the year	18,672	1,360	(4,000)	16,032

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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	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest income	(450)	(292)	(1,778)	(1,138)
Distribution from investment securities	(101)	-	(101)	-
Rental income	(59)	(57)	(234)	(234)
Rental of premises	43	39	168	156
Depreciation and amortisation	1,272	1,195	4,855	4,788
Net (gain)/loss of derivative financial instruments	(91)	1,487	1,311	1,449
Net gain of foreign exchange	(32)	(1,983)	(7,042)	(2,254)

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 year ended 31 December 2015 and 31 December 2014 as well as the balances with the related parties as at 31 December 2015 and 31 December 2014:

Nature of transactions	Transactions value for year ended		Balance outstanding as at	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Rental paid to a director	168	156	-	-

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 RM57.77 million (which consists of RM57.74 million from the manufacturing segment and RM0.03 million from the electricity segment respectively) during the current quarter under review, an increase of approximately RM16.37 million as compared to a revenue of RM41.40 million (which consist of RM41.36 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 sales volume and higher average selling price recorded in current quarter under review.

Profit before tax of the Group in current quarter was RM11.80 million, an increase of approximately RM6.19 million as compared to the preceding year's corresponding quarter. Increase in profit before tax was mainly arisen from better gross profit margin and higher sales volume in current quarter. Higher average selling price from strengthening of US dollar has improved the gross profit margin and gross profit of the Group in this financial year. Profit of the Group for 3-month ended 31 December 2015 amounted to RM10.70 million.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter under review has increased by RM14.97 million as compared to the revenue of RM42.80 million recorded in the immediate preceding quarter. Higher revenue was attributable to higher sales volume in current quarter as compared to immediate preceding quarter.

The profit before tax for the current quarter under review approximates profit before tax of immediate preceding quarter of RM11.80 million. Although other operating income in current quarter was much lower as compared to immediate preceding quarter, higher sales volume and better profit margin in current quarter had filled the shortfall from net gain on foreign currency exchange transactions. Current quarter's profit after tax has increased by RM1.33 million as compared to profit after tax of last quarter of RM9.37 million. This was mainly due to lower tax expense recognised in current quarter under review which was arisen from higher double tax deduction benefits from freight charges.

B3. Prospects for the next financial year

The Board expects that production cost of plywood will continue increasing especially when the new minimum wages effective from 1 July 2016. However, the Board remains optimistic with the outlook of the Group in year 2016 due to strong US dollar currency. Management will focus on modernising and automating the manufacturing facilities of the Group in order to achieve the optimum level of production which indirectly minimising the impact of increasing production cost in financial year 2016.

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	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	652	80	3,461	312
Deferred income tax:				
- Origination and reversal of temporary differences	468	469	1,496	1,166
- Over provision in respect of prior years	(26)	(8)	(362)	(215)
	442	461	1,134	951
Income tax expense	1,094	541	4,595	1,263

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 as well as current year's claim of reinvestment allowance.

The effective rate for the corresponding quarter last year was lower than the statutory tax rate principally due to 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 31 December 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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B9. Dividends

The Board of Directors had, on 21 December 2015, paid a second interim single-tier tax exempt dividend of 10.0 sen per ordinary share in respect of the financial year ended 31 December 2015, which was declared on 17 November 2015.

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

B10. Derivative financial instruments

As at 31 December 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>31 December 2015</u>			
Foreign currency forward contract:			
- Less than 1 year	-	-	-
<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.

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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 year. There is no dilutive effect.

	Current quarter		Year-to-date	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Profit net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	10,702	5,073	31,722	16,032
Weighted average number of ordinary shares in issue ('000)	103,200	103,200	103,200	103,200
Basic earnings per share (sen per share)	10.37	4.92	30.74	15.53

B12. Realised and unrealised profits/(losses) disclosure

The breakdown of the retained profits of the Group as at 31 December 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 31 December 2015 RM'000	As at 31 December 2014 RM'000
Retained earnings of the Group:		
- Realised	95,615	78,697
- Unrealised	(1,303)	(627)
Less: Consolidation adjustments	(20)	(20)
Total retained earnings of the Group	94,292	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.