

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	Current Year Quarter 30 September 2016 RM'000	Preceding Year Corresponding Quarter 30 September 2015 RM'000	Current Year-To-Date 30 September 2016 RM'000	Preceding Year-To-Date 30 September 2015 RM'000
Revenue	30,923	42,802	136,946	122,966
Cost of sales	<u>(23,710)</u>	<u>(29,421)</u>	<u>(102,303)</u>	<u>(87,063)</u>
Gross profit	7,213	13,381	34,643	35,903
Other income	1,502	4,481	3,025	8,289
Selling and distribution expenses	(3,464)	(5,100)	(15,839)	(15,077)
Administrative expenses	(1,086)	(1,131)	(4,298)	(3,565)
Other expenses	<u>(58)</u>	<u>(200)</u>	<u>(2,991)</u>	<u>(1,402)</u>
Profit before tax	4,107	11,431	14,540	24,148
Income tax expense	<u>(1,229)</u>	<u>(2,059)</u>	<u>(3,709)</u>	<u>(3,408)</u>
Profit for the period	2,878	9,372	10,831	20,740
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>2,878</u>	<u>9,372</u>	<u>10,831</u>	<u>20,740</u>
Profit attributable to: Owners of the parent	<u>2,878</u>	<u>9,372</u>	<u>10,831</u>	<u>20,740</u>
Total comprehensive income attributable to: Owners of the parent	<u>2,878</u>	<u>9,372</u>	<u>10,831</u>	<u>20,740</u>
Earnings per share attributable to owners of the parent:				
Basic (sen)	2.79	9.08	10.50	20.10
Diluted (sen)	2.79	9.08	10.50	20.10

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 2015 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 2016**

	As at 30 September 2016 RM'000	As at 31 December 2015 RM'000
Assets		
Non-current assets		
Property, plant and equipment	30,464	33,820
Investment properties	2,563	2,625
Other investments	149	149
Deferred tax assets	946	1,333
	<u>34,122</u>	<u>37,927</u>
Current assets		
Other investments	61,303	17,201
Inventories	40,618	25,912
Trade and other receivables	7,228	16,627
Other current assets	1,733	3,461
Income tax refundable	-	287
Derivatives	4	-
Cash and bank balances	26,374	57,819
	<u>137,260</u>	<u>121,307</u>
Total assets	<u><u>171,382</u></u>	<u><u>159,234</u></u>
Equity and liabilities		
Current liabilities		
Trade and other payables	9,240	9,443
Derivative	11	-
Provision for taxation	1,960	-
	<u>11,211</u>	<u>9,443</u>
Net current assets	<u>126,049</u>	<u>111,864</u>
Non-current liability		
Deferred tax liabilities	2,565	3,016
Total liabilities	<u>13,776</u>	<u>12,459</u>
Net assets	<u>157,606</u>	<u>146,775</u>
Equity attributable to owners of the Company		
Share capital	51,600	51,600
Share premium	883	883
Retained earnings	105,123	94,292
Total equity	<u>157,606</u>	<u>146,775</u>
Total equity and liabilities	<u>171,382</u>	<u>159,234</u>
NA per share (RM)	1.53	1.42

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 2015 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 2016**

	Current Year-To-Date 30 September 2016 RM'000	Preceding Year-To-Date 30 September 2015 RM'000
Operating activities		
Profit before tax	14,540	24,148
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	3,803	3,521
Depreciation of investment properties	62	62
Foreign exchange gain - unrealised	(65)	(791)
Gain on disposal of property, plant and equipment	(4)	(19)
Gain on redemption of investment securities	(284)	-
Net fair value loss/(gain) on derivatives - unrealised	7	(579)
Dividend income from other investments	(862)	-
Net fair value gain on other investments – unrealised	(973)	-
Interest income	(520)	(1,328)
<i>Operating cash flows before changes in working capital</i>	<u>15,704</u>	<u>25,014</u>
Increase in inventories	(14,706)	(1,789)
Decrease in trade and other receivables	9,076	9,525
Decrease/(Increase) in other current assets	1,728	(6,945)
(Decrease)/Increase in trade and other payables	(203)	5,510
<i>Cash flows from operations</i>	<u>11,599</u>	<u>31,315</u>
Interest received	259	302
Net income tax paid	(1,526)	(251)
<i>Net cash flows generated from operating activities</i>	<u>10,332</u>	<u>31,366</u>
Investing activities		
Withdrawal/(Placement) in short-term deposits	6,961	(14,553)
Net purchase of other investments	(42,845)	-
Proceeds from disposal of other investments	-	1,000
Dividend received from other investments	862	-
Interest received	584	719
Proceeds from disposal of property, plant and equipment	4	19
Purchase of property, plant and equipment	(447)	(3,056)
<i>Net cash flows used in investing activities</i>	<u>(34,881)</u>	<u>(15,871)</u>
Financing activity		
Dividend paid	-	(5,160)
<i>Net cash flows used in financing activity</i>	<u>-</u>	<u>(5,160)</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 2015 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
 FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

	Current Year-To-Date 30 September 2016 RM'000	Preceding Year-To-Date 30 September 2015 RM'000
<i>Net (decrease)/increase in cash and cash equivalents</i>	(24,549)	10,335
Effect of exchange rate changes on cash and cash equivalents	65	791
Cash and cash equivalents at 1 January	<u>46,200</u>	<u>56,352</u>
Cash and cash equivalents at 30 September	<u>21,716</u>	<u>67,478</u>
Analysis of cash and cash equivalents		
Cash and bank balances	26,374	85,101
Less: Short-term deposits pledged to licensed banks for bank facilities	(4,272)	(4,173)
Deposits with maturity of more than three months	<u>(386)</u>	<u>(13,450)</u>
Cash and cash equivalents	<u>21,716</u>	<u>67,478</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 2015 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 2016**

			< ----- 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 2015	130,533	130,533	51,600	883	78,050
Total comprehensive income	20,740	20,740	-	-	20,740
Dividend paid	(5,160)	(5,160)	-	-	(5,160)
Closing balance at 30 September 2015	<u>146,113</u>	<u>146,113</u>	<u>51,600</u>	<u>883</u>	<u>93,630</u>
Opening balance at 1 January 2016	146,775	146,775	51,600	883	94,292
Total comprehensive income	10,831	10,831	-	-	10,831
Closing balance at 30 September 2016	<u>157,606</u>	<u>157,606</u>	<u>51,600</u>	<u>883</u>	<u>105,123</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 2015 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 2016

**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 2016, 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 2015. 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 2015.

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 2015 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 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	

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 2017

Amendments to MFRS 107	Disclosure Initiatives
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

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

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions

MFRS, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2019

MFRS 16	Leases
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The Group will adopt the above pronouncements when they become effective in the respective financial periods. The adoption of these pronouncements will have a material impact on the amounts reported and disclosures made in the Group's financial statements. The Group is currently assessing the impact of these pronouncements and plans to adopt the new standards on the required effective date.

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 2015.

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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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

No dividend payment was made during the period ended 30 September 2016.

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 2016 and 30 September 2015:

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<u>Year ended 30 September 2016</u>				
Revenue				
External sales	136,904	42	-	136,946
Inter-segment sales	-	4,631	(4,631)	-
	<u>136,904</u>	<u>4,673</u>	<u>(4,631)</u>	<u>136,946</u>
Results				
Profit before tax	14,936	1,604	(2,000)	14,540
Income tax expense	(3,321)	(388)	-	(3,709)
Profit for the period	<u>11,615</u>	<u>1,216</u>	<u>(2,000)</u>	<u>10,831</u>
<u>Year ended 30 September 2015</u>				
Revenue				
External sales	122,878	88	-	122,966
Inter-segment sales	-	4,472	(4,472)	-
	<u>122,878</u>	<u>4,560</u>	<u>(4,472)</u>	<u>122,966</u>
Results				
Profit before tax	24,546	2,102	(2,500)	24,148
Income tax expense	(2,881)	(527)	-	(3,408)
Profit for the period	<u>21,665</u>	<u>1,575</u>	<u>(2,500)</u>	<u>20,740</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

A10. Profit before tax

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

	Current quarter		Year-to-date	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	RM'000	RM'000	RM'000	RM'000
Interest income	(131)	(470)	(520)	(1,328)
Dividend income from other investments	(321)	-	(862)	-
Net fair value gain on other investments – unrealised	(354)	-	(973)	-
Gain on redemption of investment securities	(284)	-	(284)	-
Gain on disposal of property, plant & equipment	(4)	(19)	(4)	(19)
Rental income	(64)	(58)	(182)	(175)
Rental of office premises	44	47	131	125
Depreciation and amortisation	1,291	1,210	3,865	3,583
Net loss on derivative	58	200	297	1,402
Net (gain)/loss of foreign exchange	(265)	(3,892)	2,694	(6,637)

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 2016 and 30 September 2015 as well as the balances with the related parties as at 30 September 2016 and 31 December 2015:

Nature of transactions	Transactions value for period ended		Balance outstanding as at	
	30 September 2016	30 September 2015	30 September 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
Sales to a company related to a director	298	-	-	-
Rental paid to a director	131	125	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

**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 RM30.92 million which was mainly from manufacturing segment in current quarter under review. Revenue had decreased by approximately RM11.88 million as compared to revenue of RM42.80 million (which consist of RM42.78 million from the manufacturing segment and RM0.02 million from the electricity segment respectively) recorded in the corresponding quarter of last year. Decrease in revenue was mainly due to lower sales volume in current quarter as a result of late arrival of vessel departing to USA at the end of September 2016.

Profit before tax of the Group had decreased significantly by RM7.32 million as compared to the preceding year's corresponding quarter. Apart from reduction in sales volume and eroding gross profit margin due to decreasing average selling price in current quarter, profit before tax was partially lowered by the significant drop in gain recognised from translation of foreign currency transactions as compared to corresponding quarter of previous year. Profit after tax for current quarter was RM2.88 million, a decrease of RM6.49 million as compared to profit after tax of RM9.37 million recorded in the corresponding quarter of last year.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter under review had decreased significantly by RM21.82 million as compared to the revenue of RM52.74 million recorded in the immediate preceding quarter. Lower revenue was mainly attributable to lower sales volume in current quarter as a result of late arrival of vessel departing to USA.

The profit before tax and profit after tax for current quarter under review had decreased by RM1.97 million and RM1.76 million respectively in comparison to amounts recorded in immediate preceding quarter. Lower revenue recorded in current quarter was the main reason of decrease in profit before and after tax of current quarter under review.

B3. Prospects for the remaining period of current financial year

The impact of revision of minimum wages started since 1 July 2016 is insignificant to the production cost per cubic metre when the production team is able to maintain the monthly production volume at certain level. However, the operating environment of the Group remains very challenging in near future given the current state of global economy. Management is currently in the midst of finalising a deal to acquire new machinery producing plywood with different sizes and specification which our current production facility is unable to perform. Management aims to increase the sales volume to US market with the production of these sizes of plywood.

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
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

B5. Income tax expense

	Current quarter		Year-to-date	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	843	2,011	3,508	2,716
- Under provision in respect of prior years	264	-	264	-
	<u>1,107</u>	<u>2,011</u>	<u>3,772</u>	<u>2,716</u>
Deferred income tax:				
- Origination and reversal of temporary differences	121	58	(64)	1,028
- Under/(Over) provision in respect of prior years	1	(10)	1	(336)
	<u>122</u>	<u>48</u>	<u>(63)</u>	<u>692</u>
Income tax expense	<u>1,229</u>	<u>2,059</u>	<u>3,709</u>	<u>3,408</u>

The effective tax rate for current quarter under review was higher than the statutory tax rate mainly due to the recognition of under provision of tax payable in prior years. The effective tax rate for the corresponding quarter last year 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.

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 2016.

B8. Material litigations

There were no material litigations since the last financial year ended 31 December 2015 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
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B10. Derivative financial instruments

As at 30 September 2016 and 31 December 2015, 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 2016</u>			
Foreign currency forward contract:			
- Less than 1 year	8,267	4	11
<u>31 December 2015</u>			
Foreign currency forward contract:			
- Less than 1 year	-	-	-

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 and derivative liabilities as at 30 September 2016 amounting to approximately RM4,000 and RM11,000 respectively has 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 year. There is no dilutive effect.

	Current quarter		Year-to-date	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Profit net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	2,878	9,372	10,831	20,740
Weighted average number of ordinary shares in issue ('000)	103,200	103,200	103,200	103,200
Basic earnings per share (sen per share)	2.79	9.08	10.50	20.10

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B12. Realised and unrealised profits/(losses) disclosure

The breakdown of the retained profits of the Group as at 30 September 2016 and 31 December 2015 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 2016 RM'000	As at 31 December 2015 RM'000
Retained earnings of the Group:		
- Realised	105,731	95,615
- Unrealised	(588)	(1,303)
Less: Consolidation adjustments	(20)	(20)
Total retained earnings of the Group	<u>105,123</u>	<u>94,292</u>

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.