

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

	Current Year Quarter 31 December 2016 RM'000	Preceding Year Corresponding Quarter 31 December 2015 RM'000	Current Year-To-Date 31 December 2016 RM'000	Preceding Year-To-Date 31 December 2015 RM'000
Revenue	64,530	57,767	201,476	180,733
Cost of sales	<u>(45,915)</u>	<u>(37,508)</u>	<u>(148,218)</u>	<u>(124,571)</u>
Gross profit	18,615	20,259	53,258	56,162
Other income	2,795	795	4,382	9,366
Selling and distribution expenses	(8,643)	(8,106)	(24,482)	(23,183)
Administrative expenses	(1,089)	(1,152)	(5,387)	(4,717)
Other expenses	<u>(961)</u>	<u>-</u>	<u>(2,514)</u>	<u>(1,311)</u>
Profit before tax	10,717	11,796	25,257	36,317
Income tax expense	<u>(2,367)</u>	<u>(1,094)</u>	<u>(6,076)</u>	<u>(4,595)</u>
Profit for the period/ year	8,350	10,702	19,181	31,722
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period/ year	<u>8,350</u>	<u>10,702</u>	<u>19,181</u>	<u>31,722</u>
Profit attributable to: Owners of the parent	<u>8,350</u>	<u>10,702</u>	<u>19,181</u>	<u>31,722</u>
Total comprehensive income attributable to: Owners of the parent	<u>8,350</u>	<u>10,702</u>	<u>19,181</u>	<u>31,722</u>
Earnings per share attributable to owners of the parent:				
Basic (sen)	8.09	10.37	18.59	30.74
Diluted (sen)	8.09	10.37	18.59	30.74

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.

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	As at 31 December 2016 RM'000	As at 31 December 2015 RM'000
Assets		
Non-current assets		
Property, plant and equipment	29,379	33,820
Investment properties	2,543	2,625
Other investments	149	149
Deferred tax assets	886	1,333
	<u>32,957</u>	<u>37,927</u>
Current assets		
Other investments	53,177	17,201
Inventories	27,692	25,912
Trade and other receivables	28,317	16,627
Other current assets	1,716	3,461
Income tax refundable	-	287
Cash and bank balances	39,206	57,819
	<u>150,108</u>	<u>121,307</u>
Total assets	<u><u>183,065</u></u>	<u><u>159,234</u></u>
Equity and liabilities		
Current liabilities		
Trade and other payables	12,810	9,443
Dividend payable	6,192	-
Derivatives	71	-
Provision for taxation	1,645	-
	<u>20,718</u>	<u>9,443</u>
Net current assets	<u>129,390</u>	<u>111,864</u>
Non-current liability		
Deferred tax liabilities	2,583	3,016
Total liabilities	<u>23,301</u>	<u>12,459</u>
Net assets	<u>159,764</u>	<u>146,775</u>
Equity attributable to owners of the Company		
Share capital	51,600	51,600
Share premium	883	883
Retained earnings	107,281	94,292
Total equity	<u>159,764</u>	<u>146,775</u>
Total equity and liabilities	<u>183,065</u>	<u>159,234</u>
NA per share (RM)	1.55	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.

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2016**

	Current Year-To-Date 31 December 2016 RM'000	Preceding Year-To-Date 31 December 2015 RM'000
Operating activities		
Profit before tax	25,257	36,317
Adjustments for:		
Depreciation of property, plant and equipment	5,077	4,773
Depreciation of investment properties	82	82
Foreign exchange gain - unrealised	(194)	(380)
Gain on disposal of property, plant and equipment	(6)	-
Gain on redemption of other investments	(1,742)	-
Net fair value loss/(gain) on derivatives - unrealised	71	(565)
Dividend income from other investments	(1,357)	(101)
Net fair value gain on other investments – unrealised	(53)	-
Interest income	(689)	(1,778)
<i>Operating cash flows before changes in working capital</i>	<u>26,446</u>	<u>38,348</u>
Increase in inventories	(1,780)	(2,411)
Increase in trade and other receivables	(11,954)	(456)
Decrease/(Increase) in other current assets	1,745	(3,202)
Increase in trade and other payables	3,367	2,912
<i>Cash flows from operations</i>	<u>17,824</u>	<u>35,191</u>
Interest received	380	399
Net income tax paid	(4,130)	(2,112)
<i>Net cash flows generated from operating activities</i>	<u>14,074</u>	<u>33,478</u>
Investing activities		
Withdrawal/(Placement) in short-term deposits	6,852	(8,549)
Net purchases of other investments	(34,181)	(17,201)
Proceeds from disposal of other investments	-	1,000
Dividend received from other investments	1,357	101
Interest received	627	1,027
Proceeds from disposal of property, plant and equipment	6	-
Purchase of property, plant and equipment	(636)	(4,835)
<i>Net cash flows used in investing activities</i>	<u>(25,975)</u>	<u>(28,457)</u>
Financing activity		
Dividend paid	-	(15,480)
<i>Net cash flows used in financing activity</i>	<u>-</u>	<u>(15,480)</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 YEAR ENDED 31 DECEMBER 2016**

	Current Year-To-Date 31 December 2016 RM'000	Preceding Year-To-Date 31 December 2015 RM'000
<i>Net decrease in cash and cash equivalents</i>	(11,901)	(10,459)
Effect of exchange rate changes on cash and cash equivalents	140	307
Cash and cash equivalents at 1 January	46,200	56,352
Cash and cash equivalents at 31 December	34,439	46,200
Analysis of cash and cash equivalents		
Cash and bank balances	39,206	57,819
Less: Short-term deposits pledged to licensed banks for bank facilities	(4,381)	(3,169)
Deposits with maturity of more than three months	(386)	(8,450)
Cash and cash equivalents	34,439	46,200

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 YEAR ENDED 31 DECEMBER 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	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>
Opening balance at 1 January 2016	146,775	146,775	51,600	883	94,292
Total comprehensive income	19,181	19,181	-	-	19,181
Dividend paid	(6,192)	(6,192)	-	-	(6,192)
Closing balance at 31 December 2016	<u>159,764</u>	<u>159,764</u>	<u>51,600</u>	<u>883</u>	<u>107,281</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
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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 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
Amendments to MFRS 140	Transfers of Investment Property
Annual Improvements to MFRSs 2014-2016 Cycle	

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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 cent per ordinary shares of RM0.50 each amounting to RM6.192 million was paid on 16 January 2017 in respect of the financial year ended 31 December 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 year ended 31 December 2016 and 31 December 2015:

	Manufacturing RM'000	Electricity RM'000	Elimination RM'000	Consolidated RM'000
<u>Year ended 31 December 2016</u>				
Revenue				
External sales	201,429	47	-	201,476
Inter-segment sales	-	6,075	(6,075)	-
	201,429	6,122	(6,075)	201,476
Results				
Profit before tax	25,386	1,871	(2,000)	25,257
Income tax expense	(5,629)	(447)	-	(6,076)
Profit for the year	19,757	1,424	(2,000)	19,181

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 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

A9. Segment reporting (Cont'd)

The following tables provide information on segment revenue and results for the financial year ended 31 December 2016 and 31 December 2015 (Cont'd):

Year ended 31 December 2015

Revenue

External sales	180,618	115	-	180,733
Inter-segment sales	-	6,154	(6,154)	-
	<u>180,618</u>	<u>6,269</u>	<u>(6,154)</u>	<u>180,733</u>

Results

Profit before tax	35,951	2,866	(2,500)	36,317
Income tax expense	(3,883)	(712)	-	(4,595)
Profit for the year	<u>32,068</u>	<u>2,154</u>	<u>(2,500)</u>	<u>31,722</u>

A10. Profit before tax

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

	Current quarter		Year-to-date	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
Interest income	(169)	(450)	(689)	(1,778)
Dividend income from other investments	(495)	(101)	(1,357)	(101)
Net fair value loss/(gain) on other				
Investments:				
- unrealised	920	-	(53)	-
- realised (upon redemption)	(1,458)	-	(1,742)	-
Gain on disposal of property, plant & equipment	(2)	-	(6)	-
Rental income	(63)	(59)	(245)	(234)
Rental of office premises	43	43	174	168
Depreciation and amortisation	1,294	1,272	5,159	4,855
Net fair value loss/(gain) on derivatives:				
- realised	897	(105)	1,187	1,876
- unrealised	64	14	71	(565)
Net (gain)/loss on foreign exchange:				
- realised	(1,308)	(442)	1,450	(6,662)
- unrealised	(130)	410	(194)	(380)

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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.

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

	Transactions value for year ended		Balance outstanding as at	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
<u>Nature of transactions</u>				
Sales to a company related to a director	355	-	-	-
Rental paid to a director	174	168	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 RM64.53 million which was mainly from manufacturing segment in current quarter under review. Revenue had increased by approximately RM6.76 million as compared to revenue of RM57.77 million (which consist of RM57.74 million from the manufacturing segment and RM0.03 million from the electricity segment respectively) recorded in the corresponding quarter of last year. Increase in revenue was mainly due to higher sales volume in current quarter. This was because sales from delay of shipment to US in previous quarter were recognised in current quarter.

Profit before tax of the Group had decreased by RM1.08 million as compared to the preceding year's corresponding quarter despite an increase in revenue. The decrease was mainly due to lower selling price in US dollar in current quarter comparatively. Profit after tax of current quarter amounted to RM8.35 million, represented a decrease of RM2.35 million as compared to profit after tax of RM10.70 million recorded in the corresponding quarter of last year. Although the Group had recorded a lower profit before tax, income tax expense was higher as a result of revocation of double tax deduction benefit granted on freight charges incurred on wood products effective from 1 January 2016.

B2. Comparison with immediate preceding quarter's results

The Group's revenue for the current quarter under review had increased significantly by RM33.61 million as compared to the revenue of RM30.92 million recorded in the immediate preceding quarter. Higher revenue was mainly attributable to higher sales volume as a result of recognition of sales from delay of shipment to US in previous quarter and higher average selling price in current quarter. Average selling price of our products in current quarter was boosted by appreciation of US dollar after the US presidential election in November 2016.

The profit before tax and profit after tax for current quarter had increased by RM6.61 million and RM5.47 million respectively as compared to immediate preceding quarter. Higher profit recorded in current quarter was mainly attributable to higher sales volume as well as stronger US dollar which had strengthened by approximately 8.21% during this period.

B3. Prospects for the next financial year

We anticipate that US dollar will maintain its strong momentum and improving the profit margin of our products. Besides, our capital investment program which focuses on producing different types and sizes of plywood, catering the needs from US market will also improve our profit margin through better selling price. Based on current market condition, the Board is confident that its performance in 2017 is sustainable.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B5. Income tax expense

	Current quarter		Year-to-date	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	2,290	652	5,798	3,461
- Under provision in respect of prior years	-	-	264	-
	<u>2,290</u>	<u>652</u>	<u>6,062</u>	<u>3,461</u>
Deferred income tax:				
- Origination and reversal of temporary differences	184	468	120	1,496
- Over provision in respect of prior years	(107)	(26)	(106)	(362)
	<u>77</u>	<u>442</u>	<u>14</u>	<u>1,134</u>
Income tax expense	<u>2,367</u>	<u>1,094</u>	<u>6,076</u>	<u>4,595</u>

There was no significant variance between effective tax rate and statutory tax rate for current quarter under review. 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 as well as claim of reinvestment allowance in previous year.

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 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

An interim tax exempt (single-tier) dividend of 6 cent per ordinary shares of RM0.50 each amounting to RM6.192 million in respect of the financial year ended 31 December 2016 was declared on 15 December 2016 and paid on 16 January 2017.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B10. Derivative financial instruments

As at 31 December 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
31 December 2016			
Foreign currency forward contract:			
- Less than 1 year	24,160	-	71
31 December 2015			
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 liabilities as at 31 December 2016 amounting to approximately RM71,000 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	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Profit net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	8,350	10,702	19,181	31,722
Weighted average number of ordinary shares in issue ('000)	103,200	103,200	103,200	103,200
Basic earnings per share (sen per share)	8.09	10.37	18.59	30.74

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B12. Realised and unrealised profits/(losses) disclosure

The breakdown of the retained profits of the Group as at 31 December 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 31 December 2016 RM'000	As at 31 December 2015 RM'000
Retained earnings of the Group:		
- Realised	108,822	95,615
- Unrealised	(1,521)	(1,303)
Less: Consolidation adjustments	(20)	(20)
Total retained earnings of the Group	<u>107,281</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.