

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

	Current year quarter 31/03/2024 RM'000	Preceding year corresponding quarter 31/03/2023 RM'000	Current year to-date 31/03/2024 RM'000	Preceding year corresponding period 31/03/2023 RM'000
Revenue from contracts with customers	23,584	8,419	23,584	8,419
Cost of sales	<u>(24,269)</u>	<u>(9,830)</u>	<u>(24,269)</u>	<u>(9,830)</u>
Gross loss	(685)	(1,411)	(685)	(1,411)
Other items of income				
Interest income	80	93	80	93
Other income	960	1,100	960	1,100
Other items of expense				
Administrative expenses	(1,563)	(1,829)	(1,563)	(1,829)
Other expenses	<u>(69)</u>	<u>(7)</u>	<u>(69)</u>	<u>(7)</u>
Loss before tax	(1,277)	(2,054)	(1,277)	(2,054)
Income tax	<u>227</u>	<u>836</u>	<u>227</u>	<u>836</u>
Loss after tax	<u>(1,050)</u>	<u>(1,218)</u>	<u>(1,050)</u>	<u>(1,218)</u>
Loss after tax attributable to:				
Owners of the Company	<u><u>(1,050)</u></u>	<u><u>(1,218)</u></u>	<u><u>(1,050)</u></u>	<u><u>(1,218)</u></u>
Loss per share attributable to owners of the Company:				
Basic (sen)	<u>(0.48)</u>	<u>(0.56)</u>	<u>(0.48)</u>	<u>(0.56)</u>
Diluted (sen)	<u>(0.48)</u>	<u>(0.56)</u>	<u>(0.48)</u>	<u>(0.56)</u>

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 2023 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	As at 31/03/2024 RM'000	As at 31/12/2023 RM'000
Assets		
Non-current assets		
Property, plant and equipment	22,203	22,594
Investment properties	1,948	1,969
Intangible asset	149	149
	<u>24,300</u>	<u>24,712</u>
Current assets		
Inventories	45,055	47,970
Trade and other receivables	10,170	7,826
Other current assets	6,191	6,364
Tax recoverable	3,713	3,206
Other current financial assets	68,562	73,948
Cash and bank balances	19,234	14,547
	<u>152,925</u>	<u>153,861</u>
Total assets	<u>177,225</u>	<u>178,573</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	3,403	4,156
Contract liabilities	1,134	597
	<u>4,537</u>	<u>4,753</u>
Net current assets	<u>148,388</u>	<u>149,108</u>
Non-current liability		
Deferred tax liabilities	24	106
Total liabilities	<u>4,561</u>	<u>4,859</u>
Net assets	<u>172,664</u>	<u>173,714</u>
Equity attributable to owners of the Company		
Share capital	92,652	92,652
Treasury shares	(7,387)	(7,387)
Retained earnings	87,399	88,449
Total equity	<u>172,664</u>	<u>173,714</u>
Total equity and liabilities	<u>177,225</u>	<u>178,573</u>
Net assets per share (RM)	<u>0.79</u>	<u>0.79</u>

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 2023 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 31 MARCH 2024**

	Current year to-date 31/03/2024 RM'000	Preceding year corresponding period 31/03/2023 RM'000
Operating activities		
Loss before tax	(1,277)	(2,054)
<u>Adjustments for:</u>		
Depreciation of investment properties	21	21
Depreciation of property, plant and equipment	771	756
Inventory written off	-	283
Gain on disposal of property, plant and equipment	-	(8)
Interest income	(80)	(93)
Unrealised foreign exchange loss/ (gain)	7	(14)
Operating cash flows before changes in working capital	<u>(558)</u>	<u>(1,109)</u>
Changes in inventories	2,915	(6,236)
Changes in trade and other receivables	(2,341)	(407)
Changes in other current assets	173	194
Changes in trade and other payables	(753)	(405)
Changes in contract liabilities	537	279
Cash flows used in operations	<u>(27)</u>	<u>(7,684)</u>
Interest received	77	90
Income tax refunded	-	1,176
Income tax paid	(362)	(3,383)
Net cash used in operating activities	<u>(312)</u>	<u>(9,801)</u>
Investing activities		
Interest received	-	7
Proceeds from disposal of property, plant and equipment	-	27
Purchase of property, plant and equipment	(380)	(42)
Net cash used in investing activities	<u>(380)</u>	<u>(8)</u>
Financing activities		
Dividend paid	-	(4,368)
Purchase of treasury shares	-	(158)
Proceeds from exercise of employee share options	-	648
Net cash used in financing activities	<u>-</u>	<u>(3,878)</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 2023 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
 FOR THE PERIOD ENDED 31 MARCH 2024**

	Current year to-date 31/03/2024 RM'000	Preceding year corresponding period 31/03/2023 RM'000
Net decrease in cash and cash equivalents	(692)	(13,687)
Effect of exchange rate changes on cash and cash equivalents	(7)	14
Cash and cash equivalents at 1 January	<u>88,109</u>	<u>123,717</u>
Cash and cash equivalents at 31 March	<u>87,410</u>	<u>110,044</u>
Analysis of cash and cash equivalents		
Cash and bank balances	19,234	22,480
Investments in money market funds	68,562	87,950
Less: Deposits with maturity of more than three months	<u>(386)</u>	<u>(386)</u>
Cash and cash equivalents	<u>87,410</u>	<u>110,044</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 2023 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 31 MARCH 2024**

	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Treasury shares RM'000	Employee share option reserve RM'000	Retained earnings RM'000
Opening balance at 1 January 2023	190,553	190,553	91,854	(7,229)	853	105,075
Loss after tax	(1,218)	(1,218)	-	-	-	(1,218)
Dividends on ordinary shares	(4,368)	(4,368)	-	-	-	(4,368)
Purchase of treasury shares	(158)	(158)	-	(158)	-	-
Exercise of employee share options	648	648	798	-	(150)	-
Closing balance at 31 March 2023	185,457	185,457	92,652	(7,387)	703	99,489
Opening balance at 1 January 2024	173,714	173,714	92,652	(7,387)	-	88,449
Loss after tax	(1,050)	(1,050)	-	-	-	(1,050)
Closing balance at 31 March 2024	172,664	172,664	92,652	(7,387)	-	87,399

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 2023 and accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

**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 March 2024, 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”).

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 2023. 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 2023.

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 2023 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 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 & 7	Supplier Finance Arrangements

The adoption of the above MFRSs, Amendments to MFRSs and Interpretations did not have any material financial impact on these condensed consolidated financial statements.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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MFRSs, Interpretations and Amendments which effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between Investors and its Associate or Joint Venture
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The directors anticipate that the abovementioned MFRSs, Interpretations and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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A3. 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.

A4. 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.

A5. 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.

A6. 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.

A7. Dividend paid

No dividend payment was made during the period ended 31 March 2024.

A8. 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 table provides an analysis of the Group's revenue, results, assets and liabilities by business segment:

	Manufacturing RM'000	Electricity RM'000	Adjustment/ Elimination RM'000	Total RM'000
<u>Period ended 31 March 2024</u>				
Revenue				
External sales	23,583	1	-	23,584
Inter-segment sales	-	578	(578)	-
	23,583	579	(578)	23,584

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A8. Segment reporting (continued)

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segment: (continued)

	Manufacturing RM'000	Electricity RM'000	Adjustment/ Elimination RM'000	Total RM'000
<u>Period ended 31 March 2024</u>				
Results				
Segment loss	(1,560)	(340)	623	(1,277)
Segment assets as at 31 March 2024	98,719	4,283	74,223	177,225
Segment liabilities as at 31 March 2024	4,436	101	24	4,561
<u>Period ended 31 March 2023</u>				
Revenue				
External sales	8,419	-	-	8,419
Inter-segment sales	-	451	(451)	-
	8,419	451	(451)	8,419
Results				
Segment loss	(2,879)	(26)	851	(2,054)
Segment assets as at 31 December 2023	95,004	4,446	79,123	178,573
Segment liabilities as at 31 December 2023	4,686	67	106	4,859

The following items are added to segment profit or loss to arrive at total loss before tax reported in the unaudited condensed consolidated statement of comprehensive income:

	Current year to-date 31/03/2024 RM'000	Preceding year corresponding period 31/03/2023 RM'000
Interest income from fixed deposit	3	3
Distribution income from money market funds	77	32
Net gain on money market funds	537	813
Rental income from investment properties	66	66
Depreciation of investment properties	(21)	(21)
Direct operating expenses arising from investment properties	(39)	(42)
	623	851

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A8. Segment reporting (continued)

The following items are added to segment assets to arrive at total assets reported in the unaudited condensed consolidated statement of financial position:

	As at 31/03/2024	As at 31/12/2023
	RM'000	RM'000
Money market funds	68,562	73,948
Investment properties	1,948	1,969
Tax recoverable	3,713	3,206
	<u>74,223</u>	<u>79,123</u>

The following item is added to segment liabilities to arrive at total liabilities reported in the unaudited condensed consolidated statement of financial position:

	As at 31/03/2024	As at 31/12/2023
	RM'000	RM'000
Deferred tax liabilities	24	106

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A10. 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.

A11. Capital commitments

The following table provides information on the capital commitments subsequent to the end of the current financial quarter:

	As at 31/03/2024	As at 31/12/2023
	RM'000	RM'000
Approved and contracted for property, plant and equipment	1,271	2,033

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A12. Material events subsequent to the reporting period

There were no material events subsequent to the end of the current financial quarter that have not been reflected in the interim financial statements under review.

A13. Changes in composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

A14. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the period ended 31 March 2024 and 31 March 2023 as well as the balances with the related parties as at 31 March 2024 and 31 December 2023:

Nature of transactions	Transaction value for period ended		Balance outstanding as at	
	31/03/2024	31/03/2023	31/03/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Rental paid to a director	48	48	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

**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
Comparison of the current quarter against the corresponding quarter

	Current year quarter 31/03/2024 RM'000	Preceding year corresponding quarter 31/03/2023 RM'000	Changes %
Revenue	23,584	8,419	180.1
Operating loss	(1,900)	(2,905)	-34.6
Non-operating income	623	851	-26.8
Loss before tax	(1,277)	(2,054)	-37.8
Loss after tax	(1,050)	(1,218)	-13.8
Loss attributable to owners of the parent	(1,050)	(1,218)	-13.8

For the first quarter ended 31 March 2024, revenue was RM23.58 million, an increase of RM15.16 million, or 180% year-over-year. In current quarter under review, sales volume increased by approximately 132% with more export sales to United States. Demand for plywood was growing since mid of year 2023 albeit the recovery is sluggish due to the uncertainty over larger economic conditions.

As compared to first quarter of previous year, gross loss decreased by 51% to RM0.69 million. Gross loss margin narrowed to -2% in current quarter under review from -18% a year earlier. Average cost of goods sold per m3 increased slightly year-over-year due primarily to sales mix ratio. This was offset by the effect of higher production volume, lower fixed production overhead expensed off and no inventory written down in current quarter.

Non-operating income in current quarter was RM0.62 million, reduced by approximately 27% from prior year period which was mainly attributable to lower gain generated from money market funds in current quarter. The year-over-year decrease was due primarily to lower principal balance of money market funds as a result of net decrease in cash and cash equivalents of approximately RM35.53 million during the year 2023.

Administrative expenses decreased by 15% year-over-year in the current quarter due mainly to lower quality claim expense to our customers. Besides, the decrease also attributable to the reclassification of workers' recruitment expenses to production cost or cost of sales in year 2024.

In overall, the Group reported loss before tax of RM1.28 million in current quarter, down from RM2.06 million loss before tax recorded in the prior year period. The Group's loss after tax reduced from RM1.22 million to RM1.05 million, a smaller decline because no deferred tax assets are recognised for the taxable temporary differences in current quarter under review.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

B2. Comparison with immediate preceding quarter's results

	Current year quarter 31/03/2024 RM'000	Immediate preceding quarter 31/12/2023 RM'000	Changes %
Revenue	23,584	20,500	15.0
Operating loss	(1,900)	(4,764)	-60.1
Non-operating income	623	684	-8.9
Loss before tax	(1,277)	(4,080)	-68.7
Loss after tax	(1,050)	(3,770)	-72.1
Loss attributable to owners of the parent	(1,050)	(3,770)	-72.1

Revenue in current quarter amounted to RM23.58 million, increased by 15%, due primarily to higher sales volume as compared to immediate preceding quarter. Our sales volume was growing quarter-over-quarter since the first quarter of year 2023, albeit the recovery of demand for plywood is sluggish.

Despite a poorer production recovery rate recorded as compared to immediate preceding quarter, average cost of goods sold per m3 reduced by approximately 8% which was mainly due to lower fixed production overhead expensed off and no inventory written down in current quarter under review. This had translated into a lower gross loss margin of -2% as compared to -8% reported in immediate preceding quarter.

Non-operating income was RM0.62 million, reduced by 9% quarter-over-quarter due mainly to lower gain generated from the lower principal balance of money market funds during the current quarter. Decrease in administrative expenses in current quarter was attributable to reclassification of workers' recruitment expense to production cost or cost of sales in year 2024.

Operating loss, loss before and after tax in current quarter were much lower as compared to immediate preceding quarter because result of immediate preceding quarter included impairment of property, plant and equipment of RM1.55 million and inventory written down of RM0.63 million.

B3. Prospects for the remaining period of current financial year

The uncertainty of larger economic conditions from interest rates to housing starts continue to keep our buyers cautious and only making purchases for immediate needs only. Nevertheless, Recreational Vehicle ("RV") shipments are growing at a slow pace month-over-month and year-over-year from January to March this year. We anticipate the current sluggish recovery on demand for plywood will prolong for quite some time until an obvious sign of recovery seen in the housing and RV sectors of the United States. We continue re-aligning our production capacity considering the current economic conditions in order to reduce our inventory level. Barring unforeseen circumstances, we are cautiously optimistic with the current year performance, particularly when the operation at the Industrial Tree Planting concession begins.

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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

	Current year quarter 31/03/2024	Preceding year corresponding quarter 31/03/2023	Current year to-date 31/03/2024	Preceding year corresponding period 31/03/2023
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Income tax	-	-	-	-
- Over provision in prior years	(145)	(155)	(145)	(155)
	(145)	(155)	(145)	(155)
Deferred income tax:				
- Origination and reversal of temporary differences	(82)	(651)	(82)	(651)
- Over provision in prior years	-	(30)	-	(30)
	(82)	(681)	(82)	(681)
Total income tax	(227)	(836)	(227)	(836)

The effective tax rate for current quarter was higher than the statutory tax rate, principally due to certain deductible temporary differences not recognised as deferred tax asset.

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 March 2024.

B8. Material litigations

There were no material litigations since the financial year ended 31 December 2023 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

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

B10. Auditors' report

There was no qualification to the audited financial statements of the Company and its subsidiary for the financial year ended 31 December 2023.

B11. Loss per share

Basic loss per share is calculated by dividing the loss 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. For diluted loss per share calculation, the weighted average number of ordinary shares in issue was adjusted to assume that the maximum number of new ordinary shares have been issued pursuant to the share options granted under the Employees' Share Option Scheme ("ESOS"). The dilutive portion of the ordinary shares deemed issued pursuant to the ESOS are accounted for in the diluted loss per share calculation. The ESOS will have a dilutive effect only when the average market price of ordinary shares of the Company during the period exceeds the exercise price of options granted.

	Current year quarter 31/03/2024	Preceding year corresponding quarter 31/03/2023	Current year to-date 31/03/2024	Preceding year corresponding period 31/03/2023
Loss after tax, attributable to owners of the parent used in the computation of loss per share (RM'000)	(1,050)	(1,218)	(1,050)	(1,218)
Weighted average number of ordinary shares in issue ('000)	218,432	217,984	218,432	217,984
Effects of dilution:				
- Employee share options ('000)	-	137	-	137
Weighted average number of ordinary shares for diluted loss/ earnings per share computation ('000)	218,432	218,121	218,432	218,121
Basic loss per share (sen)	(0.48)	(0.56)	(0.48)	(0.56)
Diluted loss per share (sen)	(0.48)	(0.56)	(0.48)	(0.56)

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B12. Loss before tax

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

	Current year quarter 31/03/2024	Preceding year corresponding quarter 31/03/2023	Current year to-date 31/03/2024	Preceding year corresponding period 31/03/2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(80)	(93)	(80)	(93)
Distribution income from money market funds	(77)	(32)	(77)	(32)
Net gain on money market funds	(537)	(813)	(537)	(813)
Gain on disposal of property, plant and equipment	-	(8)	-	(8)
Bad debts recovered	-	(60)	-	(60)
Rental income	(66)	(66)	(66)	(66)
Rental of office premises	48	48	48	48
Depreciation of property, plant and equipment	771	756	771	756
Depreciation of investment properties	21	21	21	21
Direct operating expenses arising from investment properties:				
- rental generating properties	39	42	39	42
Net fair value loss on derivatives:				
- realised	62	7	62	7
Net (gain)/ loss on foreign exchange:				
- realised	(244)	(69)	(244)	(69)
- unrealised	7	(14)	7	(14)