



Condensed Consolidated Income Statements
For the quarter ended 31 October 2008

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/10/2008	31/10/2007	31/10/2008	31/10/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	138,085	160,180	138,085	160,180
Operating expenses	(127,595)	(143,909)	(127,595)	(143,909)
Other operating expenses	(4,538)	(4,639)	(4,538)	(4,639)
Other operating income	3,899	1,692	3,899	1,692
Operating profit	9,851	13,324	9,851	13,324
Finance costs	(1,290)	(915)	(1,290)	(915)
Profit before tax	8,561	12,409	8,561	12,409
Taxation	(5,379)	(2,654)	(5,379)	(2,654)
Profit for the period wholly attributable to equity holders of the Company	3,182	9,755	3,182	9,755
	Sen	Sen	Sen	Sen
Earnings per share attributable to equity holders of the Company:				
- Basic	1.68	5.16	1.68	5.16
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Balance Sheet

As At 31 October 2008

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/10/2008 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2008 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	443,432	426,731
Prepaid lease payments	43,570	44,600
Investment properties	18,231	18,449
Intangible assets	70,071	75,085
Long term assets	32,299	42,219
Deferred tax assets	13,909	14,177
	<u>621,512</u>	<u>621,261</u>
Current assets		
Inventories	137,257	103,256
Trade and other receivables	66,516	50,253
Tax recoverable	3,480	5,649
Cash and bank balances	40,965	65,059
	<u>248,218</u>	<u>224,217</u>
TOTAL ASSETS	<u><u>869,730</u></u>	<u><u>845,478</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company:		
Share capital	209,000	209,000
Share premium	59,680	59,680
Treasury shares	(53,640)	(53,570)
Retained earnings	357,297	354,115
Total equity	<u>572,337</u>	<u>569,225</u>
Non-current liabilities		
Borrowings	96,668	91,060
Deferred tax liabilities	20,307	18,305
	<u>116,975</u>	<u>109,365</u>
Current liabilities		
Borrowings	50,519	35,610
Trade and other payables	126,711	129,488
Tax payables	3,188	1,790
	<u>180,418</u>	<u>166,888</u>
Total liabilities	<u>297,393</u>	<u>276,253</u>
TOTAL EQUITY AND LIABILITIES	<u><u>869,730</u></u>	<u><u>845,478</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	3.03	3.01
Number of shares net of treasury shares ('000)	188,953	189,000

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Changes in Equity
For the quarter ended 31 October 2008

	Attributable to Equity Holders of the Company				Total RM'000
	Share capital RM'000	Non-Distributable Share premium RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000	
<u>Three Months Ended 31 October 2008</u>					
At 1 August 2008	209,000	59,680	(53,570)	354,115	569,225
Profit for the period	-	-	-	3,182	3,182
Purchase of treasury shares	-	-	(70)	-	(70)
At 31 October 2008	<u>209,000</u>	<u>59,680</u>	<u>(53,640)</u>	<u>357,297</u>	<u>572,337</u>
<u>Three Months Ended 31 October 2007</u>					
At 1 August 2007	200,000	59,680	(53,570)	342,240	548,350
Profit for the period	-	-	-	9,755	9,755
At 31 October 2007	<u>200,000</u>	<u>59,680</u>	<u>(53,570)</u>	<u>351,995</u>	<u>558,105</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Cash Flow Statements
For the quarter ended 31 October 2008

	(UNAUDITED)	
	CURRENT YEAR TO DATE ENDED 31/10/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/10/2007 RM'000
Cash Flows from Operating Activities		
Profit before taxation	8,561	12,409
Adjustments for :		
Amortisation of intangible assets	5,013	5,114
Amortisation of plantation development expenditure	18	-
Amortisation of prepaid land lease	160	106
Depreciation of property, plant and equipment	14,413	10,476
Depreciation of investment properties	218	216
Property, plant and equipment written off	-	3
Net gain on disposal of property, plant and equipment	(22)	(339)
Interest expense	1,290	915
Interest income	(422)	(517)
Operating profit before working capital changes	29,229	28,383
Changes in working capital :		
Inventories	(34,001)	14,706
Trade and other receivables	(6,344)	(22,235)
Trade and other payables	(2,794)	(20,555)
Cash (used in)/ generated from operations	(13,910)	299
Interest paid	(1,290)	(1,228)
Tax paid	(1,799)	(5,142)
Tax refund	2,257	487
Net cash used in operating activities	(14,742)	(5,584)
Cash Flows from Investing Activities		
Acquisition of subsidiaries	-	(6,287)
Purchase of property, plant and equipment	(19,994)	(14,095)
Proceeds from disposal of property, plant and equipment	22	439
Purchase of investment properties	-	(31)
Interest received	422	517
Net cash used in investing activities	(19,550)	(19,457)
Cash Flows from Financing Activities		
Proceeds from drawdown of term loan	6,366	7,274
Proceeds from drawdown of bankers' acceptances	-	3,237
Proceeds from drawdown of revolving credit	21,500	-
Repayment of term loan	(1,252)	-
Repayment of bankers' acceptance	-	(2,868)
Repayment of hire purchase	(6,346)	(3,985)
Repayment of revolving credit	(10,000)	-
Acquisition of treasury shares	(70)	-
Net cash generated from financing activities	10,198	3,658
Net change in cash and cash equivalents	(24,094)	(21,383)
Cash and cash equivalents at beginning of year	65,059	86,945
Cash and cash equivalents at end of year	40,965	65,562

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2008 and the accompanying explanatory notes attached to the quarterly financial report.



NOTES :

Note 1 Basis of Preparation

The quarterly report is unaudited and has been prepared in accordance with revised FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly report should be read in conjunction with the Group's audited financial statements for the year ended 31 July 2008. These explanatory notes attached to the quarterly report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 July 2008.

Note 2 Changes in Accounting Policies

The significant accounting policies adopted in the quarterly report are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 July 2008.

The Group has not early adopted the following FRSs and Issues Committee Interpretations which have effective dates as follows:

		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting & Impairment	1 January 2010

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

Note 3 Comparatives

The following comparative amounts have been restated in accordance with FRS133, following the bonus issue on 17 March 2008:

Description of change	As previously stated	(Decrease)	As restated
		Effects of bonus shares issue	
Three months ended 31 October 2007			
Earnings per share attributable to equity holders of the Company:			
- Basic (sen)	5.42	(0.26)	5.16



Note 4 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 July 2008 was not qualified.

Note 5 Seasonal or Cyclical factors

Timber operations are, to a certain extent, affected by weather condition especially for logging operations. In addition, the four seasons also had some impact on the buying patterns of traditional buyers of timber products.

Note 6 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

Note 7 Changes in Estimates

There were no changes in estimates of amounts reported in prior quarters that have a material effect in the current quarter and financial year-to-date.

Note 8 Debt and Equity Securities

During the quarter, 46,800 shares of RM 1.00 each were purchased and retained as treasury shares. The monthly breakdown of shares bought back for the financial year-to-date were as follows:-

Month	No. of shares	Purchase price per share		Average cost per share (RM)	Total cost (RM)
		Lowest (RM)	Highest (RM)		
August 2008	-	-	-	-	-
September 2008	-	-	-	-	-
October 2008	46,800	1.42	1.58	1.49	69,573
TOTAL	46,800			1.49	69,573

All the shares purchased to-date were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965. There has been no resale or cancellation of treasury shares during the period under review.

Apart from the above, there were no other issuances and repayments of debt and equity securities for the current quarter and financial year-to-date.

Note 9 Dividends Paid

There was no dividend paid during the current quarter under review.



Note 10 Segmental Information

Segmental revenue and profit before taxation for the current financial year-to-date by the respective operating divisions are as follows:-

	<u>Logging</u>	<u>Manufacturing</u>	<u>Others</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue					
External revenue	58,096	72,080	7,909	-	138,085
Intersegment revenue	38,720	127	5,500	(44,347)	-
Total revenue	<u>96,816</u>	<u>72,207</u>	<u>13,409</u>	<u>(44,347)</u>	<u>138,085</u>
Results					
Operating profit	2,516	7,162	173	-	9,851
Finance costs					(1,290)
Profit before tax					<u>8,561</u>
Tax					(5,379)
Net profit for the period					<u>3,182</u>

Note 11 Valuations of Property, Plant and Equipment

There has been no valuation undertaken for the Group's property, plant and equipment since the last annual financial statements.

Note 12 Subsequent Events

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statement.

Note 13 Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter under review.

Note 14 Changes in Contingent Liabilities and Contingent Assets

The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

As at 31 October 2008, the amount of banking facilities utilised which were secured by corporate guarantees increased by RM18,865,756 from RM41,569,600 as at 31 July 2008 (last annual balance sheet) to RM60,435,356 as at 31 October 2008.



Note 15 Capital Commitments

	As at 31.10.2008 RM'000	As at 31.7.2008 RM'000
Authorised and contracted for	34,369	40,941
Authorised but not contracted for	15,997	20,196
	<u>50,366</u>	<u>61,137</u>
Analysed as follows:		
Property, plant and equipment	<u>50,366</u>	<u>61,137</u>
	<u>50,366</u>	<u>61,137</u>

Note 16 Review of Performance

In the current quarter under review, the Group achieved lower revenue of RM138.09 million, a decrease of RM22.09 million or 14% as compared to RM160.18 million in the preceding year corresponding quarter. The Group recorded profit before tax of RM8.56 million and profit after tax of RM3.18 million as compared to RM12.41 million and RM9.76 million respectively in the preceding year corresponding quarter.

The decrease in revenue in the current quarter and financial year-to-date as compared to the corresponding period was mainly attributable to the lower plywood export sales revenue arising from lower plywood export sales volume. The decrease in profit before tax in the current quarter and financial year-to-date as compared to preceding year corresponding period, was mainly due to the lower profit derived from the plywood operations, which was in turn due to lower export sales volume.

Note 17 Variation in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter

For the quarter under review, the Group recorded lower profit before tax amounting to RM8.56 million, a decrease of RM2.15 million as compared to RM10.71 million attained in the preceding quarter. The decrease in profit before tax was mainly due to lower profit from plywood operations resulting from decreased export sales volume.

Note 18 Commentary on Prospects

The global economic slowdown will impact on the demand and prices of timber products. The Group remains committed to prudent management and cautious in sustaining its performance in the remaining quarters of the financial year. The Group will continue taking stringent measures and plans to improve efficiencies and effectiveness of its business operations, concurrent with cost saving measures.

Barring any unforeseen circumstances, the Group's result is expected to be satisfactory for the remaining quarters.



Note 19 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes on the variation of actual profit after tax and minority interest, and shortfall in profit guarantee are not applicable.

Note 20 Taxation

The Group's taxation for the current quarter and financial year-to-date were as follows:

	Current Quarter and Financial Year-To-Date RM'000
Income tax:	
Current period provision	3,110
Deferred tax:	
Current period provision	2,269
	<hr/>
	5,379
	<hr/> <hr/>

The Group's effective tax rate for the current quarter and financial year-to-date was higher than the statutory rate mainly due to certain expenses not allowable for tax deduction.

Note 21 Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investment and/or properties for the current quarter and financial year-to-date.

Note 22 Purchase or Disposal of Quoted Securities

- (a) Purchases and disposals of quoted securities
- (b) Investments in quoted securities

There were no purchase or disposal of quoted securities for the current quarter and financial year-to-date. There were no investments in quoted securities as at 31 October 2008.

Note 23 Status of Corporate Proposals

There were no outstanding corporate proposals that have been announced but not completed as at the date of this announcement.



Note 24 Borrowings and Debt Securities

	As at 31.10.2008 RM'000	As at 31.7.2008 RM'000
Short term borrowings:		
Unsecured - Revolving credit	17,500	6,000
- Term loans	5,009	5,009
Secured - Term loans	1,397	1,048
Secured - Hire purchase payable	26,613	23,553
	<u>50,519</u>	<u>35,610</u>
Long term borrowings:		
Unsecured - Term loans	13,775	15,027
Secured - Term loans	46,538	40,521
- Hire purchase payable	36,355	35,512
	<u>96,668</u>	<u>91,060</u>
Total borrowings	<u>147,187</u>	<u>126,670</u>

There were no borrowings denominated in foreign currency.

Note 25 Off Balance Sheet Financial Instruments

As at the date of this announcement, the Group had entered into forward foreign exchange contracts with the notional amount of RM40,258,847 and maturity ranging from 115 to 129 days to hedge anticipated sales in USD.

Exchange gains and losses arising on forward foreign exchange contracts are recognised at settlement whereby these gains and losses are included in the measurement of the transactions hedged.

Note 26 Changes in Material Litigation

There was no pending material litigation as at the date of this announcement.

Note 27 Dividend Payable

The Board of Directors did not declare any dividend for the quarter ended 31 October 2008 (previous corresponding period: Nil).

Note 28 Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.



	Current Quarter and Financial Year-To- Date
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	3,182
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,953
Basic earnings per share (Sen)	1.68

The comparative basic earnings per share has been restated to take into account the effect of the bonus issue.

(b) Diluted earnings per share N/A

Note 29 Authorisation for Issue

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 December 2008.