

A. SELECTED EXPLANTORY NOTES PURSUANT TO PARA 16, MASB 26 INTERIM FINANCIAL STATEMENTS

A1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared under the same accounting policies and methods of computation as those used in the preparation of the most recent audited financial statements and comply with FRS 134 - Interim Financial Report and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

A2. Auditors' Report on the Most Recent Audited Financial Statements

The auditors' report on the most recent audited financial statements was not subject to any qualification.

A3. Seasonality or Cyclicity Factors

The performance of the Group is generally not affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cashflows during the financial period under review.

A5. Changes in Estimates

Not applicable.

A6. Issuance, Cancellations, Repurchase, Resale and Repayment of Debt and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-back, share cancellations and sale of treasury for the financial period under review.

A7. Dividend

The was no dividend paid for the financial period under review.

A8. Segmental & Geographical Reporting

Segmental reporting for the period ended 30 September 2005.

	Investment Holding RM "000	Furniture RM "000	Kiln-Drying & Lamination RM "000	Inter-Co Elimination RM "000	Total RM "000
Revenue					
- External	-	60,135	31,971	-	92,106
- Inter-Segmental Sales	-	1,976	6,409	(8,385)	-
Total Revenue	-	62,111	38,380	(8,385)	92,106
Results					
(Loss)/Profit Before Tax	(426)	4,794	1,715	-	6,083
Income Tax Expenses	-	(534)	(130)	-	(664)
Net (Loss)/Profit After Tax	(426)	4,260	1,585	-	5,419

Geographical segment has not been presented as the Group operates wholly in Malaysia.

A9. Valuation of Property, Plant and Equipment Brought Forward

Not applicable as the Group did not revalue its property, plant and equipment.

A10. Material Subsequent Events

There are no material events subsequent to the financial period under review.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the financial period under review.

A12. Contingent Liabilities and Capital Commitments

There were no contingent liabilities and capital commitment since the last annual balance sheet at 31 December 2004.

B. SELECTED EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

For the financial quarter under review, the Group has achieved a revenue and profit before tax of RM30.7 million and RM1.6 million respectively for the current quarter compared to RM36.1 million and RM3.3 million respectively registered in the preceding corresponding quarter. The main reason for the dropped in turnover and profit before tax were mainly due to the soft market for rubber wood.

B2. Comparison with Preceding Quarter's Result

The Group's revenue for the current quarter registered at RM30.7 million compared to the revenue of RM29.3 million in the preceding quarter. The Group's profit before tax increased from RM1.5 million to RM1.6 million.

B3. Current Year Prospects

Barring any unforeseen circumstances, the directors are of the opinion that the performance of the Group will fluctuate in tandem with prices of rubber wood and other direct materials.

B4. Profit Forecast

There is no profit forecast issued for the current financial period under review.

B5. Taxation

Taxation charged for the quarter and year to date comprise of :

	Current Quarter RM '000	Current Year to Date RM '000
Current Taxation	(293)	643
Deferred Taxation	<u>8</u>	<u>21</u>
	<u>(285)</u>	<u>664</u>

The effective tax rate is lower than the statutory tax rate mainly due to the availability of the reinvestment allowances and pioneer status of a subsidiary.

B6. Sale of Unquoted Investment / Properties

There was no sale of unquoted investments and properties for the financial period under review.

B7. Investment of Quoted Investment

There was no purchase or disposal of quoted securities for the financial period under review.

B8. Status of Corporate Proposals

There were no corporate proposals announced for the financial period under review.

B9. Group Borrowing and Debt Securities

The Group's borrowings as at 30 September 2005 are shown as below:

	Secured RM '000	Unsecured RM '000	Total RM '000
Short Term Borrowings			
Bankers Acceptances	10,413	-	10,413
Hire Purchase Creditors	<u>1,308</u>	<u>-</u>	<u>1,378</u>
	11,791	-	11,791
Long Term Borrowings			
Hire Purchase Creditors	<u>698</u>	<u>-</u>	<u>628</u>
Total	<u><u>12,419</u></u>	<u><u>-</u></u>	<u><u>12,419</u></u>

B10. Off Balance Sheet Financial Instruments

During the financial period to date, the Group has the following foreign exchange contracts to sell forward USD with the licensed banks:

Outstanding Contract In USD	Contract Rate	Expired Date
53,121.00	3.7593	17.10.2005

B11. Material Litigation

The Group was not engaged in any material litigation for the current financial period to date.

B12. Dividend proposed

There was no dividend proposed for the financial period under review.

B13. Earnings per Share

The calculation of basic earnings per share for the current quarter are based on the net profit after tax and weighted average number of ordinary shares outstanding calculated as follows:

	Weighted average number of ordinary shares	
	Current Quarter	Current Year To Date
At the beginning and end of the period	<u>120,000,000</u>	<u>120,000,000</u>

B14. Authorization for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Board of Directors.

B15. Related Party Transactions

During the financial period under review, there is no related party transaction.