

A. EXPLANATORY NOTES

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 Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007.

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 Cyclical 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 cash flows 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

No dividend was paid during the quarter under review.

A8. Segmental & Geographical Reporting

Segmental reporting for the period ended 30 September 2008

	Investment Holding RM '000	Furniture RM '000	Kiln- Drying & Lamination RM '000	Timber Extraction RM '000	Inter-Co Elimination RM '000	Total RM '000
Revenue						
- External	-	64,837	19,983	3,804	-	88,624
- Inter-Segmental Sales	-	6,858	7,143	3,863	(17,864)	-
Total Revenue	-	71,695	27,126	7,667	(17,864)	88,624
Results						
(Loss)/Profit Before Tax	(2)	742	(1,014)	(196)	-	(470)
Income Tax Expenses	(67)	(105)	-	-	-	(172)
Net (Loss)/Profit After Tax	(69)	637	(1,014)	(196)	-	(642)

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 were 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

Since the last annual balance sheet at 31 December 2007, there were no material changes in contingent liabilities for the Group as at the date of this report.

The changes in contingent liabilities of the Company are as follows:

	Company	
	As at 30.9.2008 RM'000	As at 31.12.2007 RM'000
Corporate guarantees given to licensed banks for Banking facilities granted to subsidiaries	17,250 =====	15,166 =====

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 reported revenue of RM30.8 million compared to RM33.7 million in the preceding corresponding quarter. The decline in revenue was mainly due to a lower demand of kiln dry wood and laminated board (3Q/08: RM7 million; 3Q/07: RM10 million).

Pre-tax profit increased to RM1.8 million from RM1.1 million recorded for the same period last year. The better performance was contributed by furniture segment due to higher profitability. Besides, a reduction of operating expenses in the kiln dry and laminated board segment combined with an increase in the revenue in timber extraction segment also contribute positively to the group.

B2. Comparison with Preceding Quarter's Result

The Group's revenue for the current quarter registered at RM30.8 million compared to RM30.5 million in the preceding quarter. Pre-tax profit has increase to RM1.8 million from a pre-tax loss of RM94 thousand recorded in the preceding quarter. The higher profit was contributed by the furniture segment which continued to performance well in this quarter. Timber extraction has achieved pre-tax profit of RM248 thousand with higher revenue through its new timber concession. In addition, kiln dry & laminated board segments also recorded pre-tax profit of RM207 thousand with higher selling price of rubber wood.

B3. Current Year Prospects

The Board is mindful of continuing challenges in operating environment in the remaining financial periods. Nevertheless, operating result of the group for the remaining quarter is expected to remain favourable especially in the furniture segment.

B4. Profit Forecast

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

B5. Taxation

Taxation for the quarter and year to date comprises:

	Quarter RM '000	Year to Date RM '000
Current Taxation	142	142
Underprovision in the previous financial year	-	30
	<u>142</u>	<u>172</u>

The effective tax rate of the current quarter is lower than the statutory tax rate mainly due to the availability of pioneer status of one the subsidiaries and overprovision in the previous quarter.

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 Borrowings and Debt Securities

The Group's borrowings as at 30 September 2008 are as follows:

	Secured RM '000	Unsecured RM '000	Total RM '000
Short Term Borrowings			
Bankers Acceptances	13,812	-	13,812
Bank Overdraft	321	-	321
Hire Purchase Creditors	895	-	895
Term loan	860	-	860
	<u>15,888</u>	<u>-</u>	<u>15,888</u>
Long Term Borrowings			
Hire Purchase Creditors	147	-	147
Term loan	2,257	-	2,257
Total	<u><u>18,292</u></u>	<u><u>-</u></u>	<u><u>18,292</u></u>

B10. Off Balance Sheet Financial Instruments

During the financial period to date, the Group did not enter into any contract involving off balance sheet financial instruments.

B11. Material Litigation

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

B12. Dividend payable

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

B13. Loss per Share

The basic loss per share (“LPS”) for the current quarter are calculated based on the loss after tax (“LAT”) and number of ordinary shares outstanding during the period as follows:

	Current Quarter	Current Year To Date
PAT/ (LAT) (RM '000)	1,685	(642)
Number of ordinary shares ('000)	120,000	120,000
EPS/ (LPS) (Sen)	1.40	(0.54)

B14. Significant Related Party Transactions

During the financial period under review, there were no significant related party transactions.

B15. 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 dated 20 November 2008.

By Order of the Board

Mah Li Chen (MAICSA 7022751)
Company Secretary
Kuala Lumpur
20 November 2008