

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 2008. 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 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

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 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

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

A8. Segmental & Geographical Reporting

Segmental reporting for the period ended 30 September 2009

	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	-	44,258	19,897	3,423	-	67,578
- Inter-Segmental Sales	-	4,318	5,327	9,305	(18,950)	-
Total Revenue	-	48,576	25,224	12,728	(18,950)	67,578
Results						
(Loss)/Profit Before Tax	44	2,309	(1,228)	(1,959)	-	(834)
Income Tax Expenses	(34)	(240)	-	-	-	(274)
Net (Loss)/Profit After Tax	10	2,069	(1,228)	(1,959)	-	(1,108)

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 2008, 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 30.9.2009 RM'000	As at 31.12.2008 RM'000
Corporate guarantees given to licensed banks for Banking facilities granted to subsidiaries	11,064 =====	13,733 =====

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

B1. Review of Performance

The Group recorded a revenue of RM25 million and a profit before tax of RM665 thousand for the quarter under review, compared to the revenue of RM30.8 million and the profit before tax of RM1.8 million registered in the preceding corresponding quarter. This represents a decrease of 19% of sales demand compared to the same corresponding quarter. The decrease of revenue was mainly due to decrease in sales volume as a consequence of global economic slowdown. The decrease in profit was affected by the lower business turnover and foreign exchange losses.

B2. Comparison with Preceding Quarter's Result

The Group's revenue for the current quarter registered at RM25 million compared to the revenue of RM25.6 million in the preceding quarter. For the quarter under review, the group has reported a profit before tax of RM665 thousand compared to the loss before tax of RM670 thousand in the preceding quarter. The operating result showed an improvement in its profit, especially in timber extraction segment which reported profit before tax of RM289 thousand compared to the loss before tax of RM1.3 million in preceding quarter. Besides, the kiln dry and laminated board segment has reduced its loss before tax from RM502 thousand in the preceding quarter to RM80 thousand in the current quarter under review. Furniture segment performance for the current quarter was affected by the foreign exchange losses and surged on the cost of sales, which registered a profit before tax of RM421 thousand compared to RM1.2 million in the preceding quarter.

B3. Current Year Prospects

The Group recognized that the year is still challenging. Nevertheless, the board and management will continue with the measures implemented to reduce cost and expanding to new markets to improve the Group's performance in the last quarter of this year.

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:

	Current Quarter RM '000	Current Year to Date RM '000
Current Taxation	<u>75</u>	<u>274</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 2009 are as follows:

	Secured RM '000	Unsecured RM '000	Total RM '000
Short Term Borrowings			
Bankers Acceptances	8,882	-	8,882
Bank Overdraft	-	-	-
Hire Purchase Creditors	666	-	666
Term loan	1,057	-	1,057
	<u>10,605</u>	<u>-</u>	<u>10,605</u>
Long Term Borrowings			
Hire Purchase Creditors	242	-	242
Term loan	1,503	-	1,503
Total	<u>12,350</u>	<u>-</u>	<u>12,350</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)	590	(1,108)
Number of ordinary shares ('000)	120,000	120,000
EPS/(LPS) (Sen)	0.49	(0.92)

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 30 November 2009.