

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 31 December 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	-	61,311	26,477	5,636	-	93,424
- Inter-Segmental Sales	-	4,769	7,505	11,851	(24,125)	-
Total Revenue	-	66,080	33,982	17,487	(24,125)	93,424
Results						
(Loss)/Profit Before Tax	95	2,341	(1,209)	(1,673)	-	(446)
Income Tax Expenses	(35)	(250)	-	59	-	(226)
Net (Loss)/Profit After Tax	60	2,091	(1,209)	(1,614)	-	(672)

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

Mr Quek Gim Hong and Mr Quek Wee Seng resigned themselves as Group's executive director with effective from 3rd February 2010.

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 31.12.2009	As at 31.12.2008
	RM'000	RM'000
Corporate guarantees given to licensed banks for		
Banking facilities granted to subsidiaries	15,843	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 RM25.8 million and a profit before tax of RM389 thousand for the quarter under review, compared to the revenue of RM23 million and the loss before tax of RM2.7 million registered in the preceding corresponding quarter. This represents an increase of 12% of sales demand compared to the same corresponding quarter. The increase of revenue indicates a recovery of sales demand.

B2. Comparison with Preceding Quarter's Result

The Group's revenue for the current quarter registered at RM25.8 million compared to the revenue of RM25 million in the preceding quarter which show a slight increase in sales demand. For the quarter under review, the group has reported a profit before tax of RM389 thousand compared to the profit before tax of RM665 thousand in the preceding quarter. Both kiln dry & laminated board segment and timber extraction segment show positive operating result at the current quarter, which contributed RM306 thousand profits before tax for the group.

B3. Current Year Prospects

In view of improvement in the Group's sales demand and operating result in 2009 second half year, the Group anticipates the operating result in the coming financial periods will be favorable.

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>(48)</u>	<u>226</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 31 December 2009 are as follows:

	Secured RM '000	Unsecured RM '000	Total RM '000
Short Term Borrowings			
Bankers Acceptances	15,843	-	15,843
Bank Overdraft	-	-	-
Hire Purchase Creditors	585	-	585
Term loan	1,041	-	1,041
	<u>17,469</u>	<u>-</u>	<u>17,469</u>
Long Term Borrowings			
Hire Purchase Creditors	156	-	156
Term loan	1,225	-	1,225
Total	<u>18,850</u>	<u>-</u>	<u>18,850</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)	437	(672)
Number of ordinary shares ('000)	120,000	120,000
EPS/(LPS) (Sen)	0.36	(0.56)

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 24 February 2010.