

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 2010. 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 2010.

A2. Accounting Policies

The significant accounting policies adopted for the interim financial statements are consistent with those adopted for the Group's annual Audited Financial Statements for the year ended 31 December 2010, except for the adoption of the following new/revised Financial Reporting Standards (FRSs):-

FRSs/ IC Interpretations	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010) Business Combinations	1 July 2010
Revised FRS 127 (2010) Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS3: Business Combination	1 January 2011
Amendments to FRS101: Presentation of Financial Statements	1 January 2011
Amendments to FRS121: The Effect of Changes in Foreign Exchange Rates	1 January 2011
Amendments to FRS134: Interim Financial Reporting	1 January 2011

A3. 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.

A4. Seasonality or Cyclicity Factors

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

A5. Unusual Items

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

A6. Changes in Estimates

Not applicable.

A7. 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.

A8. Dividend
There was no dividend paid for the financial period under review.

A9. Segmental & Geographical Reporting
Segmental reporting for the year ended 31 March 2011:-

	Investment Holding RM '000	Furniture RM '000	Kiln-Drying & Lamination RM '000	Timber RM '000	Inter-Co Elimination RM '000	Total RM '000
Revenue						
- External	-	10,540	7,563	3,469	-	21,572
- Inter-Segment Sales	-	404	1,733	3,669	(5,806)	-
Total Revenue	-	10,944	9,296	7,138	(5,806)	21,572
Results (Loss)/ Profit Before Tax	26	(701)	330	195	-	(150)
Income Tax Expenses	(15)	(104)	(86)	(36)	-	(241)
Net (Loss)/ Profit After Tax	11	(805)	244	159	-	(391)

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

A10. Valuation of Property, Plant and Equipment Brought Forward
Not applicable as the Group did not revalue its property, plant and equipment.

A11. Material Subsequent Events
There were no material events subsequent to the financial period under review.

A12. Changes in the Composition of the Group
There were no changes in the composition of the Group in the financial period under review.

A13. Contingent Liabilities and Capital Commitments
Since the last annual balance sheet as at 31 December 2010, 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 31.3.2011	As at 31.12.2010
	RM'000	RM'000
Corporate guarantees given to licensed banks for Banking facilities granted to subsidiaries	16,578	16,446
	=====	=====

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

B1. Review of Performance

	Turnover RM'000	(Loss)/Profit before tax RM'000	(Loss)/ Profit after tax RM'000
First quarter 31.3.2011	21,495	(150)	(391)
First quarter 31.3.2010	31,238	1,162	908

The Group's revenue for the current quarter ended 31 March 2011 recorded at RM21 million compared with previous corresponding quarter ended 31 March 2010 which recorded at RM31 million. For the quarter under review, the Group reported loss before tax of RM391,000 compared with previous corresponding quarter ended 31 March 2010 which registered profit before tax of RM 908,000.

The result of this quarter was affected by the declined in sales revenue by 31% compared with previous corresponding quarter. On the other hand, the loss was experienced by furniture segment which affected by declining of sales, weakened US dollars combined with the effect of higher raw material cost. While Kiln-drying and lamination segment; as well as timber segments' result continue to be profitable.

B2. Comparison with Preceding Quarter's Result

	Turnover RM'000	Loss before tax RM'000	Loss after tax RM'000
First quarter 31.3.2011	21,495	(150)	(391)
Fourth quarter 31.12.2010	27,739	(730)	(652)

The Group's revenue for the current quarter registered at RM21 million compared with RM28 million registered in preceding quarter. For the quarter under review, the group has reported loss before tax of RM 391,000 compare to loss before tax of RM652,000 in preceding quarter. Sales has declined by 23% compared with last quarter, however management has managed to reduce the loss as a result of cutting down operating cost.

B3. Current Year Prospects

The Group is cautious of the current economic challenges but still looking forward to another profitable year. The Group continues to take the necessary measures to improve cost efficiency as well as market reallocation to seek for business growth in the coming quarters.

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	(241)	(241)

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 March 2011 are as follows:

	Secured RM '000	Unsecured RM '000	Total RM '000
Short Term Borrowings			
Bankers Acceptances	15,994	-	15,994
Bank Overdraft	-	-	-
Hire Purchase Creditors	291	-	291
Term loan	802	-	802
	<u>17,087</u>	<u>-</u>	<u>17,087</u>
Long Term Borrowings			
Hire Purchase Creditors	586	-	586
Term loan	3,360	-	3,360
Total	<u>21,033</u>	<u>-</u>	<u>21,033</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 did not engage in any material litigation for the current financial period to date.

B12. Dividend payable

There is 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
LAT (RM '000)	(391)	(391)
Number of ordinary shares ('000)	120,000	120,000
LPS (Sen)	(0.33)	(0.33)

B14. Significant Related Party Transactions

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

B15. Realised And Unrealised Profits/ (Losses)

The breakdown of the retained profits/ (accumulated losses) of the Group as at the reporting period into realised and unrealised profit / (losses) as follows:-

	As at 31.3.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits/ (accumulated losses):		
-Realised	9,625	11,508
-Unrealised	(83)	(1,576)
Total Group retained profits as per consolidated accounts	9,542	9,933

B16. 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.