

**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 in compliance with Malaysia Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (IFRSs), the provision of the Companies Act, 1965 Malaysia 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 period ended 30 June 2014. 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 period ended 30 June 2014.

**A2. Accounting Policies**

The audited financial statements of the Group for the year ended 30 June 2014 were prepared in accordance with Malaysia Financial Reporting Standards (“MFRS”), the significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 30 June 2014.

**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**

<b>Business Segment</b>	<b>Others</b> RM'000	<b>Furniture</b> RM'000	<b>Kiln Drying</b> RM'000	<b>Processing and Trading</b> RM'000	<b>Inter-Company Elimination</b> RM'000	<b>Total</b> RM'000
<u>31.3.2015</u>						
<b>Revenue</b>						
External sales	-	27,906	38,052	21,111	-	87,069
Inter-segment sales	-	1,003	1,545	5,834	(8,382)	-
	-	28,909	39,597	26,945	(8,382)	87,069
<b>Results</b>						
Profit/ (Loss) before taxation	(109)	347	113	1,210	-	1,561
Income tax expense	(37)	-	-	-	-	(37)
(Loss)/ Profit after taxation	(146)	347	113	1,210	-	1,524

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 statement of financial position as at 30 June 2014, 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:

	<b>Company</b>	
	As at 31.3.2015 RM'000	As at 31.3.2014 RM'000
<b><u>Contingent Liabilities</u></b>		
Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries	<u>29,590</u>	<u>31,440</u>
	<b>Group</b>	
	As at 31.3.2015 RM'000	As at 31.3.2014 RM'000
<b><u>Capital Commitment</u></b>	<u>Nil</u>	<u>Nil</u>

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

**B1. Performance Analysis**

	Year to Date		Individual Quarter	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
<b>Revenue</b>				
Furniture	27,906	30,486	8,087	10,264
Kiln Drying	38,052	28,680	14,408	9,611
Processing and Trading	21,111	5,833	11,927	204
<b>Group</b>	<b>87,069</b>	<b>64,999</b>	<b>34,422</b>	<b>20,079</b>
<b>Profit/ (Loss) before tax</b>				
Furniture	347	943	99	510
Kiln Drying	113	(403)	462	287
Processing and Trading	1,210	(1,568)	400	(343)
Others	(109)	20	(111)	12
<b>Group</b>	<b>1,561</b>	<b>(1,008)</b>	<b>850</b>	<b>466</b>

For the current quarter under review, the Group's revenue was recorded at RM34 million compared with previous year's corresponding quarter ended 31 March 2014 which recorded at RM20 million. The Group registered profit before tax of RM850,000 compared with previous year's corresponding quarter ended 31 March 2014 which registered profit before tax of RM 466,000.

Furniture

Furniture segment's sales decreased from RM10 million at previous year corresponding quarter to RM8 million for the quarter under review. The segment's has recorded profit before tax of RM99,000 compared with Profit before tax of RM510,000. The performance of the segment mainly due to slowdown in the sales demand from our oversea buyer.

Kiln Drying

The segment's sales for the current quarter registered at RM14 million compared with previous year corresponding quarter which registered at RM 10 million. For the quarter under review, the segment registered profit before tax of RM462,000 compared with RM287,000 profit before tax recorded at preceding corresponding quarter. The improvement of the segment's results was mainly due to increase of its revenue from rubber wood.

Processing and Trading

The segment's sales for the current quarter has increase from RM204,000 to RM12 million. The increase in sales mainly due to the contribution from its wood extraction activities for the period under review. The segment has registered profit before tax of RM400,000 compare with loss before tax of RM343,000 recorded at preceding corresponding quarter.

**B2. Comparison with Preceding Quarter's Result**

	<b>Individual Quarter</b>	
	31.3.2015 RM'000	31.12.2014 RM'000
<b>Revenue</b>		
Furniture	8,087	9,090
Kiln Drying	14,408	12,631
Processing and Trading	11,927	3,591
<b>Group</b>	<b>34,422</b>	<b>25,313</b>
<b>Profit/ (Loss) before tax</b>		
Furniture	99	(115)
Kiln Drying	462	(484)
Processing and Trading	400	773
Others	(111)	(23)
<b>Group</b>	<b>850</b>	<b>151</b>

The Group's revenue for the current quarter registered at RM34 million compared to the revenue of RM25 million in the preceding quarter. The increase in revenue mainly contributed by Processing and Trading segment. Besides, the Group has recorded profit before tax of RM 850,000 compare with profit before tax of RM 151,000 in preceding quarter. The current quarter result mainly contributed by both Kiln Drying and Processing and Trading segments which recorded profit before tax of RM462,000 and RM400,000 respectively.

**B3. Prospects**

The Group remains cautiously optimistic in its future undertaking. Appropriate measures will be taken to ensure the performance of the Group remains positive in the coming quarter.

**B4. Profit Forecast**

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

**B5. Taxation**

	Current Quarter RM '000	Current Year to Date RM '000
Current tax expense	13	37

**B6. Status of Corporate Proposals**

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

**B7. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 March 2015 are as follows:

	Secured RM'000
<b>Short Term Borrowings</b>	
Banker Acceptances	16,296
Bank Overdraft	1,964
Hire Purchase Creditors	310
Term Loan	8,015
	<u>26,585</u>
<b>Long Term Borrowings</b>	
Hire Purchase Creditors	621
Term Loan	3,316
	<u>3,937</u>
	<u>30,522</u>

**B8. Material Litigation**

The Group did not engage in any material litigation for the current financial period to date.

**B9. Dividend payable**

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

**B10. Profit per Share**

The basic profit per share ("PPS") for the current quarter are calculated based on the profit after tax ("PAT") and number of ordinary shares outstanding during the period as follows:

	Current Quarter	Current Year To Date
PAT (RM '000)	838	1,524
Number of ordinary shares ( '000)	120,000	120,000
PPS (Sen)	0.70	1.27

**B11. Notes to Comprehensive Income Statement**

The following items have been included in the Statement of Comprehensive Income:-

	<b>Individual Quarter Ended</b> 31.3.2015 RM'000	<b>Year to date Ended</b> 31.3.2015 RM'000
<b>After Charging:-</b>		
Interest Expenses	375	1,212
Depreciation	650	1,901
<b>After Crediting:-</b>		
Interest income	(3)	(10)
Gain on disposal of property, plant and equipment	(170)	(199)
Other income	(113)	(354)
Foreign exchange gain – Realised	(955)	(1,340)

**B12. Significant Related Party Transactions**

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

**B13. Realised And Unrealised Profits**

The breakdown of the retained profits of the Group as at the reporting period into realised and unrealised profit as follows:-

	As at 31.3.2015 RM'000	As at 30.6.2014 RM'000
Total retained profits:		
-Realised profits	3,304	969
-Unrealised (loss)/gain	(182)	629
At 31 March 2015/30 June 2014	<u>3,122</u>	<u>1,598</u>

**B14. Authorisation for Issue**

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