Company's No.: 642619-P (Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual	Quarter	Cumulative	Quarter
	Current Year Quarter 30.06.2016 RM'000	Preceeding Year Corresponding Quarter 30.06.2015 RM'000	Current Year To Date 30.06.2016 RM'000	Preceeding Year Corresponding Period 30.06.2015 RM'000
Revenue Cost of sales	7,703 (2,857)	8,009 (2,480)	14,514 (5,389)	13,278 (3,974)
Gross profit	4,846	5,529	9,125	9,304
Other income Distribution and selling expenses Administrative expenses Other expenses Finance income Finance costs	262 (152) (1,495) (1,131) 9 (33)	762 (87) (1,746) (614) 10 (55)	138 (253) (2,881) (1,710) 14 (57)	985 (203) (3,443) (965) 18 (57)
Profit before taxation Taxation	2,306 (200)	3,799 (144)	4,376 (454)	5,639 (599)
Profit for the year	2,106	3,655	3,922	5,040
Other comprehensive income	¥)	(W)	V22	(4)
Total comprehensive income for the year	2,106	3,655	3,922	5,040
Earnings per share (sen) (a) Basic (b) Fully diluted	1.25 N/A	2.16 N/A	2.32 N/A	2.98 N/A

Company's No.: 642619-P (Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(the figures have not been audited) AS AT AS AT 30.06.2016 31.12.2015 RM'000 RM'000 **NON-CURRENT ASSETS** Property, plant and equipment 28,762 28,922 Prepaid lease payment on leasehold land 13,978 13,885 13,000 13,000 Investment property 584 Goodwill on consolidation 584 56,231 56,484 **CURRENT ASSETS** 3,714 Investment in unit trusts 3,764 272 230 Inventories Trade receivables 10,081 7,881 3,468 Other receivables 3.568 1,873 Tax recoverable 1,839 Deposits, cash and bank balances 8,875 7,146 28,357 24.354 **CURRENT LIABILITIES Borrowings** 617 648 270 376 Trade payables Other payables 5,191 4,196 6,078 5,220 **NET CURRENT ASSETS** 22,279 19,134 75,618 78,510 REPRESENTED BY: 17,079 17,079 Share capital Share premium 4,522 4,522 Treasury shares (904)(895)Retained profits 53,019 49,942 73,716 70,648 Shareholders' Equity 4,116 **Borrowings** 3,846 Deferred tax liabilities 948 854 Non-current liabilities 4,970 4,794 75,618 78,510

43.63

41.80

Net assets per share (sen)

Company's No.: 642619-P

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016

(The figures have not been audited)

Note	Share Capital RM'000	Non-Distributable Share Premium RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2016	17,079	4,522	(895)	49,942	70,648
Purchase of treasury shares	M.	ñ.	(6)	(a	(6)
Total comprehensive income for the period	Ł	×	36	3,922	3,922
Appropriation: Interim dividend payable for the financial year ending 31 December 2016	æ	. 40	ŭ,	(845)	(845)
At 30 June 2016	17,079	4,522	(904)	53,019	73,716
At 1 January 2015	17,079	4,522	(808)	43,836	64,631
Purchase of treasury shares	fiz.	90	(36)	n	(36)
Total comprehensive income for the period	語	(0)	Δij	5,040	5,040
Appropriation: Final dividend payable for the financial year ended 31 December 2014	*	٠	×	(423)	(423)
At 30 June 2015	17,079	4,522	(842)	48,453	69,212

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

Company's No.: 642619-P (Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.06.2016 RM'000	Preceeding Year Corresponding Period 30.06.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,376	5,639
Adjustments for:		
Depreciation of property, plant and equipment	1,560	1,345
Amortisation of prepaid lease payment	92	15
Allowance for doubtful debts - net	173	(61)
Changes in fair value of investment	(50)	(556)
Inventory written off	26	(CE)
Gain on disposal of property, plant and equipment	<u> </u>	(55)
Interest expense	57	57
Interest income	(14)	(18)
Operating profit before working capital changes	6,220	6,366
(Increase)/Decrease in inventories	51	(163)
(Increase)/Decrease in trade receivables	(2,200)	(1,756)
(Increase)/Decrease in other receivables	(132)	235
Increase/(Decrease) in trade payables	(107)	(138)
Increase/(Decrease) in other payables	1,107	(1,011)
Cash generated from operations	4,939	3,533
Interest paid	(57)	(57)
Taxes paid	(992)	(772)
Taxes refunded	665_	51
Net cash generated from operating activities	4,555	2,755
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	14	18
Proceeds from disposal of property, plant and equipment	24	55
Purchase of property, plant and equipment	(1,685)	(3,576)
Net cash used investing activities	(1,671)	(3,503)

Company's No.: 642619-P (Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.06.2016 RM'000	Preceeding Year Corresponding Period 30.06.2015 RM'000
CASH OUTFLOW FROM FINANCING ACTIVITY		
Repayment of term loan	(226)	(171)
Repayment of hire purchase and lease financing - net	(75)	362
Purchase of treasury shares	(9)	(36)
Dividend paid	(845)	
Net cash used in financing activities	(1,155)	155
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,729	(593)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,146	5,049
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note A15)	8,875	4,456

Company's No.: 642619-P

(Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 NOTES

A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards 134 (MFRS134): "Interim Financial Reporting" and Rule 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS34, Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2015. These 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 2015.

The accounting policies and methods of computation adopted by the Company and its subsidiaries ("Group") in this interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2015 except for the following new/amended MFRS:

MRFS 16

Leases

Amendments to MFRS 107

Disclosure Initiative

Amendments to MFRS 112

Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the new/amended MFRS and its amendments does not give rise to any adjustment to the opening balances of retained profit of prior and current years or changes in comparatives.

A2 Auditors' report of preceeding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2015 was not qualified.

A3 Seasonal or cyclical factors

The Group's operations were not subject to any seasonal or cyclical changes.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

Save for the information disclosed in this interim report, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Company during the quarter under review.

A5 Material changes in estimates

There were no changes in estimates that have a material effect in the current financial quarter.

A6 Debt and equity securities

During the current quarter, the Company repurchased 8,000 unit of shares from the open market at an average price of RM1.17 per share and the total repurchase cost was RM9,280. The total repurchase consideration, including transaction costs were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

Save for the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

A7 Dividend paid

An interim single tier exempt dividend of 5%, amounting to RM844,878.10 in respect of the financial year ending 31 December 2016 was paid on 25 June 2016.

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(Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 NOTES

A8 Segment information

	Investment holding RM'000	and recycling services RM'000	Manufactur- ing RM'000	Trading RM'000	Others* RM'000	Eliminat- ions RM'000	Total RM'000
Current Year Quarter							
30.06.16							
Revenue External sales		7,288	20	143	252	190	7,703
Inter-segment sales	-	34	20	140	202	(34)	7,700
Total revenue	150	7,322	20	143	252	(34)	7,703
Results							
Segment results	(122)	2,905	(30)	204	212	(9)	3,169
Finance income	2	7	-	58	250		9
Finance cost	170	(33)	-		1.7	-	(33)
Depreciation and amortisation	-	(715)	(4)	(120)	="	120	(839)
Profit before taxation	(120)	2,164	(34)	84	212	(#)	2,306
Current Year To Date 30.06.16 Revenue		40.704	244	959	400		
External sales	-	13,524 38	241	253	496	(20)	14,514
Inter-segment sales Total revenue		13,562	241	253	496	(38)	14,514
		10,002	241	200	730	(00)	14,014
Results	(000)	F	440	405	440		0.074
Segment results	(208)	5,565	113	185	416	-	6,071
Finance income Finance cost	4	10	-		-		14
Depreciation and amortisation	*	(57)	(0)	(240)	-) 2 1	(57)
Profit before taxation	(204)	(1,404) 4,114	(8) 105	(240)	416	9.	(1,652) 4,376
Preceeding Year Corresponding 30.06.15 Revenue External sales Inter-segment sales Total revenue	g Quarter - -	7,685 7,685	24 - 24	56 56	244 244	5 10	8,009
-							
Results							
	(93)	4,459	(6)	(28)	222		
Results Segment results Finance income	(93) 2	4,459 9	(6)	(28)	222	a.	4,554 11
Segment results	(93) 2	9	(6)	(28) ⊶a	222 **	81 8	4,554 11
Segment results Finance income	(93) 2 *- -		78) 78)	(#P.)	222 ** ** **	8. 8 8 8	4,554 11 (55)
Segment results Finance income Finance cost	(93) 2 - - - (91)	9 (55)	(6) - - (3) (9)	(素) (類)。	*	# # # # # # # # # # # # # # # # # # #	4,554 11
Segment results Finance income Finance cost Depreciation and amortisation Profit before taxation Preceeding Year Corresponding 30.06.15 Revenue	2 - - (91)	9 (55) (592) 3,821	(3)	(116) (144)	2222	- G	4,554 11 (55) (711) 3,799
Segment results Finance income Finance cost Depreciation and amortisation Profit before taxation Preceeding Year Corresponding 30.06.15 Revenue External sales	2 - - (91)	9 (55) (592)	- (3)	- (116)	* 50		4,554 11 (55) (711)
Segment results Finance income Finance cost Depreciation and amortisation Profit before taxation Preceeding Year Corresponding 30.06.15 Revenue	2 - - (91)	9 (55) (592) 3,821	(3)	(116) (144)	2222	- G	4,554 11 (55) (711) 3,799
Segment results Finance income Finance cost Depreciation and amortisation Profit before taxation Preceeding Year Corresponding 30.06.15 Revenue External sales Inter-segment sales Total revenue	(91) g Period	9 (55) (592) 3,821	(3) (9)	(116) (144)	2222	- e	4,554 11 (55) (711) 3,799
Segment results Finance income Finance cost Depreciation and amortisation Profit before taxation Preceeding Year Corresponding 30.06.15 Revenue External sales Inter-segment sales Total revenue Results	2 (91) g Period	9 (55) (592) 3,821 12,554	(3) (9) 53	(116) (144) 184	222 487 487	- e	4,554 11 (55) (711) 3,799 13,278
Segment results Finance income Finance cost Depreciation and amortisation Profit before taxation Preceeding Year Corresponding 30.06.15 Revenue External sales Inter-segment sales Total revenue Results Segment results	(149)	9 (55) (592) 3,821 12,554 - 12,554 6,876	(3) (9) 53 	(116) (144)	2222	- e	4,554 11 (55) (711) 3,799 13,278 13,278
Segment results Finance income Finance cost Depreciation and amortisation Profit before taxation Preceeding Year Corresponding 30.06.15 Revenue External sales Inter-segment sales Total revenue Results Segment results Finance income	2 (91) g Period	9 (55) (592) 3,821 12,554 - 12,554 6,876 13	(3) (9) 53 	(116) (144) 184	222 487 487	- e	4,554 11 (55) (711) 3,799 13,278 13,278
Segment results Finance income Finance cost Depreciation and amortisation Profit before taxation Preceeding Year Corresponding 30.06.15 Revenue External sales Inter-segment sales Total revenue Results Segment results	(149)	9 (55) (592) 3,821 12,554 - 12,554 6,876	(3) (9) 53 	(116) (144) 184	222 487 487	- e	4,554 11 (55) (711) 3,799 13,278 13,278

^{*} This segment represents renting of investment property

There is no geographical segmental information as the Company operates principally in Malaysia.

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 NOTES

A9 Valuation of property, plant and equipment

Property, plant and equipment of the Group are stated at cost less accumulated depreciation. No valuation of property, plant and equipment was undertaken during the current guarter under review.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial period up to the date of this report that would affect the financial results for the current financial period under review.

A11 Changes in the composition of the Company

There were no changes in the composition of the Company for the current financial quarter.

A12 Contingent liabilities

There were no contingent liabilities or contingent assets as at the date of this report.

A13 Capital commitments

	AS AT	AS AT
	30.06.2016	30.06.2015
	RM'000	RM'000
Approved and contracted for:		
Acquisition of property, plant and equipment	296	128

A14 Related party transactions

As at the end of the current quarter under review, the Group has not entered into any related party transactions.

A15 Cash and cash equivalents

As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
7,046	4,038
1,829	418
8,875	4,456
	30.06.2016 RM'000 7,046 1,829

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(Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 NOTES

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1 Review of performance

	Individual Quarter		Cumulative Quarter	
		Preceeding Year		Preceeding Year
	Current Year	Corresponding	Current Year To	Corresponding
	Quarter	Quarter	Date	Period
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	7,703	8,009	14,514	13,278
Profit before taxation	2,306	3,799	4,376	5,639

For the quarter ended 30 June 2016, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM7.7million, a decrease of RM0.3million or 4% compared to the corresponding quarter of the preceeding year ended 30 June 2015. Hence, contributing to a reduction in profit before taxation as compared to the corresponding quarter of the preceeding year ended 30 June 2015. However, in comparison to the previous quarter the profit before taxation had increased by 11%.

Recycling and recovery division

For the quarter ended 30 June 2016, the revenue of the recycling business decreased by RM0.4million or 5% as compared to that of the corresponding quarter preceding year.

Manufacturing division

For the current quarter, the revenue of the manufacturing division decreased by RM4,000 as compared to the corresponding quarter preceding year. The decrease is mainly due to lower demand from the defence industry.

Trading division

For the current quarter, the revenue of the trading division increased by RM87,000, or 155% as compared to the corresponding quarter preceding year. The increase is mainly due to higher demand from the industry.

B2 Material Changes in Quarterly Results compared to the Results of the preceeding quarter

	Current Year Quarter 30.06.2016 RM'000	Previous Quarter 31.03.2016 RM'000
Revenue	7,703	6,811
Profit/(Loss) before taxation	2,306	

The Group's revenue for the current quarter was RM7.7million as compared to the revenue for the preceeding quarter of RM6.8million, representing an increase of RM0.9million, or 13%. The Group made a profit before taxation of RM2.3million for the current quarter, an increase of RM0.2million, or 11% compared to the preceeding quarter ended 31 March 2016. The increase is mainly due to higher demand from the recyling industry as compared to the previous quarter.

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 NOTES

B3 Prospects

Tex Cycle (P2) plant, a wholly-owned subsidiary of Tex Cycle Technology (M) Berhad, had fully operationalised its production in 2015. The plant which is situated on eight and a half acres of industrial land with a built-up area of 160,800 sq.ft., located in Telok Gong, Selangor, is equipped with state of the art equipment. The plant is licensed by the Department of Environment to transport, recycle and recover thirty-one types of scheduled waste.

On 2 August 2016, Tex Cycle (P2) Sdn Bhd had obtained approval from Sustainable Energy Development Authority Malaysia (SEDA) to build and operate a renewable electrical energy power plant with a capacity to supply 2 MW per hour of electricity to Tenaga Nasional Berhad. The approval granted is for a period of 16 years, commencing no later than 28th January 2018.

The expected date of signing of the power purchase agreement ("PPA") with Tenaga Nasional Berhad is January 2017 at a fixed tariff rate of RM0.4766 per kWh for sixteen (16) years. The electrical energy power plant ("EEPP") will be located at Tex Cycle (P2) plant. The EEPP will have an installed capacity of 2.5 MW per hour. Construction of the EEPP is targeted to commence in January 2017 and is expected to be completed in October 2017.

With the implementation of the power plant project, it is expected to contribute positively to the Group's results from 2018.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was published by the Group.

B5 Taxation

The taxation is calculated based on the profit for the financial period ended 30 June 2016 comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2016 RM'000	Preceeding Year Corresponding Quarter 30.06.2015 RM'000	Current Year To Date 30.06.2016 RM'000	Preceeding Year Corresponding Period 30.06.2015 RM'000
Income tax Estimated tax payable for current period Deferred tax	106	216	360	495
Estimated deferred tax for current period	94	<u>(72)</u> 144	94 454	104 599

The effective tax rate is lower than the statutory tax rate due to the 70% tax exemption on tax payable granted to Tex Cycle (P2).

B6 Status of corporate proposals

There were no corporate proposals as at the date of this report.

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 NOTES

В7	Borrowings and debt securities	As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
	Short term borrowings: Secured-Term Loan Unsecured - Hire purchase and finance lease payables	452 165 617	171 41 212
	Long term borrowings: Secured-Term Loan Unsecured - Hire purchase and finance lease payables	3,707 139 3,846	4,406 451 4,857
		4,463	5,069

B8 Material litigation

(a) TC Chemical Sdn. Bhd.("TC Chemical"), a wholly-owned subsidiary company of the Company had on 20 March 2014 filed a writ of summons in the High Court Of Malaya, Kuala Lumpur against Petrozchem Sdn. Bhd. (PSB) and Petrozchem Oilfield Services Sdn. Bhd. ("POSSB").

TC Chemical sought to claim the outstanding amount as at 27 March 2014 of RM1,220,912 for the supply of "Synthetic Based Mud" to PSB with interest and other damages. PSB had by the Deed of Assignment dated 12 December 2012 transferred the entire business including all assets and liabilities to POSSB.

POSSB subsequently filed a counter-claim in High Court of Malaya, Kuala Lumpur against TC Chemical for the refund of the amount of RM1,500,000, the partial payment paid to TC Chemical for the supply of "Synthetic Based Mud" including interest and other relevant damages and charges ("the said Counter-Claim").

On 19 December 2014, the Court had dismissed the Company's claim against PSB and POSSB as well as allowed the counter claim by POSSB for RM1.5million. The Kuala Lumpur High Court had declared that the Company is not a valid creditor of PSB.

On 13 March 2015, the Kuala Lumpur High Court dismissed the remaining claims in the counterclaim against TC Chemical made by POSSB. It also awarded costs of RM125,000 against TC Chemical in respect of the judgment made on 19 December 2014 in favour of POSSB.

On 14 May 2015, TC Chemical was granted a Stay of Execution of the judgment pending the Company's appeal to the Court of Appeal on condition that the judgment sum be paid to an interest bearing account with a legal stakeholder which the Company has complied with. The Court of Appeal has subsequently fixed a hearing on 1 March 2016.

The Court of Appeal had case management on 21 April 2016 and 8 August 2016 and subsequently fixed a hearing for 3 November 2016.

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 NOTES

B9 Dividends

No dividend has been recommended for the current financial period ended 30 June 2016.

B10 Realised and unrealised profit and loss

	As at 30.06.2016 RM'000	As at 31.12.2015 RM'000
Total retained profit of the Company and it's subsidiaries:		
Realised	46,029	42,822
Unrealised	6,990	7,034
	53,019	49,942

B11 Profit before tax

	Individual Quarter		Cumulative Quarter	
		Preceeding Year		Preceeding Year
	Current Year Quarter 30.06.2016 RM'000	Corresponding Quarter 30.06.2015 RM'000	Current Year To Date 30.06.2016 RM'000	Corresponding Period 30.06.2015 RM'000
Profit before tax is arrived at after the following	I			
charges/(credits):				
Depreciation of property, plant and				
equipment	793	923	1,559	1,345
Amortisation of prepaid lease payment	47	2	93	15
Allowance for doubtful debts - net	35	3	173	(61)
Inventory written off	*	-	26	2.00
Decrease/(Increase) in fair value of				
unit trust	(109)	(556)	(50)	(556)
Interest income from deposits placed with	(/	,	, ,	, ,
licensed banks	(9)	(10)	(14)	(18)
Interest expenses on term loans	- '	`54 [′]	20	`54 [´]
Interest expenses on hire-purchase	33	1	37	3

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2016 NOTES

B12 Earnings per share

(a) Basic Earnings Per Ordinary Share

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2016 RM'000	Preceeding Year Corresponding Quarter 30.06.2015 RM'000	Current Year To Date 30.06.2016 RM'000	Preceeding Year Corresponding Period 30.06.2015 RM'000
Net profit for the period (RM'000)	2,106	3,655	3,922	5,040
Weighted average number of ordinary shares in issue ('000)	168,960	169,043	168,960	169,070
Basic earnings per share (sen)	1.25	2.16	2.32	2.98

(b) Diluted Earnings Per Ordinary Share
Not applicable to the Company