

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

	Current year quarter 31/03/2019 RM'000	Preceding year corresponding quarter 31/03/2018 RM'000	Current year to-date 31/03/2019 RM'000	Preceding year corresponding period 31/03/2018 RM'000
Revenue from contracts with customers	37,855	29,979	37,855	29,979
Cost of sales	<u>(33,613)</u>	<u>(27,749)</u>	<u>(33,613)</u>	<u>(27,749)</u>
Gross profit	4,242	2,230	4,242	2,230
Other items of income				
Interest income	189	124	189	124
Other income	1,047	1,201	1,047	1,201
Other items of expense				
Administrative expenses	(2,109)	(1,364)	(2,109)	(1,364)
Other expenses	<u>(849)</u>	<u>(1,845)</u>	<u>(849)</u>	<u>(1,845)</u>
Profit before tax	2,520	346	2,520	346
Income tax expense	<u>(764)</u>	<u>(161)</u>	<u>(764)</u>	<u>(161)</u>
Profit net of tax, representing total comprehensive income for the period	<u>1,756</u>	<u>185</u>	<u>1,756</u>	<u>185</u>
Profit net of tax attributable to:				
Owners of the Company	<u>1,756</u>	<u>185</u>	<u>1,756</u>	<u>185</u>
Earnings per share attributable to owners of the Company:				
Basic (sen)	<u>1.72</u>	<u>0.18</u>	<u>1.72</u>	<u>0.18</u>
Diluted (sen)	<u>1.67</u>	<u>0.18</u>	<u>1.67</u>	<u>0.18</u>

This Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2018 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019**

	As at 31/03/2019 RM'000	As at 31/12/2018 RM'000
Assets		
Non-current assets		
Property, plant and equipment	29,841	28,887
Investment properties	2,358	2,379
Intangible asset	149	149
Deferred tax assets	12	139
	<u>32,360</u>	<u>31,554</u>
Current assets		
Inventories	54,126	42,294
Trade and other receivables	4,808	12,130
Other current assets	10,845	10,952
Income tax refundable	1,146	-
Other current financial assets	48,527	48,380
Cash and bank balances	46,504	51,803
	<u>165,956</u>	<u>165,559</u>
Total assets	<u>198,316</u>	<u>197,113</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	13,808	9,287
Contract liabilities	61	1,046
Other current financial liabilities	10	-
Income tax payable	-	900
	<u>13,879</u>	<u>11,233</u>
Net current assets	<u>152,077</u>	<u>154,326</u>
Non-current liability		
Deferred tax liabilities	2,997	3,070
Total liabilities	<u>16,876</u>	<u>14,303</u>
Net assets	<u>181,440</u>	<u>182,810</u>
Equity attributable to owners of the Company		
Share capital	56,494	55,759
Treasury shares	(4,978)	(4,787)
Employee share option reserve	1,537	1,097
Retained earnings	128,387	130,741
Total equity	<u>181,440</u>	<u>182,810</u>
Total equity and liabilities	<u>198,316</u>	<u>197,113</u>
Net assets per share (RM)	<u>1.77</u>	<u>1.78</u>

This Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2018 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019**

	Current year to-date 31/03/2019 RM'000	Preceding year corresponding period 31/03/2018 RM'000
Operating activities		
Profit before tax	2,520	346
Adjustments for:		
Depreciation of investment properties	21	20
Depreciation of property, plant and equipment	1,318	1,245
Distribution income from equity instruments	(321)	(322)
Allowance for doubtful debts	300	-
Grant of equity-settled share options	622	-
Interest income	(189)	(124)
Net fair value (gain)/loss on equity instruments	(137)	450
Net fair value loss/(gain) on derivatives - unrealised	321	(5)
Foreign exchange (gain)/loss - unrealised	(48)	193
Operating cash flows before changes in working capital	4,407	1,803
Increase in inventories	(11,832)	(9,348)
Decrease in trade and other receivables	7,324	20,493
Increase in other current assets	(193)	(1,579)
Increase/(Decrease) in trade and other payables	411	(742)
Decrease in contract liabilities	(985)	(1,669)
Cash flows from operations	(868)	8,958
Interest received	187	121
Income tax paid	(2,756)	(960)
Net cash flows (used in)/generated from operating activities	(3,437)	8,119
Investing activities		
Interest received	-	13
Distribution income from equity instruments	321	322
Purchase of equity instruments	(5,321)	(6,623)
Proceeds from disposal of equity instruments	5,000	5,000
Purchase of property, plant and equipment	(2,272)	(1,633)
Net cash flows used in investing activities	(2,272)	(2,921)
Financing activities		
Dividend paid	-	(6,192)
Purchase of treasury shares	(191)	-
Proceeds from exercise of employee share options	553	-
Net cash flows generated from/(used in) financing activities	362	(6,192)

This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2018 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
 FOR THE PERIOD ENDED 31 MARCH 2019**

	Current year to-date 31/03/2019 RM'000	Preceding year corresponding period 31/03/2018 RM'000
Net decrease in cash and cash equivalents	(5,347)	(994)
Effect of exchange rate changes on cash and cash equivalents	48	(193)
Cash and cash equivalents at 1 January	<u>51,417</u>	<u>33,924</u>
Cash and cash equivalents at 31 March	<u>46,118</u>	<u>32,737</u>
Analysis of cash and cash equivalents		
Cash and bank balances	46,504	33,123
Less: Deposits with maturity of more than three months	<u>(386)</u>	<u>(386)</u>
Cash and cash equivalents	<u>46,118</u>	<u>32,737</u>

This Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2018 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 MARCH 2019**

	Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Treasury shares RM'000	Employee share option reserve RM'000	Retained earnings RM'000
Opening balance at 1 January 2018	171,485	171,485	52,483	-	-	119,002
Total comprehensive income	185	185	-	-	-	185
Dividends on ordinary shares	(6,192)	(6,192)	-	-	-	(6,192)
Closing balance at 31 March 2018	165,478	165,478	52,483	-	-	112,995
Opening balance at 1 January 2019	182,810	182,810	55,759	(4,787)	1,097	130,741
Total comprehensive income	1,756	1,756	-	-	-	1,756
Purchase of treasury shares	(191)	(191)	-	(191)	-	-
Grant of equity-settled share options	622	622	-	-	622	-
Exercise of employee share options	553	553	735	-	(182)	-
Dividends on ordinary shares	(4,110)	(4,110)	-	-	-	(4,110)
Closing balance at 31 March 2019	181,440	181,440	56,494	(4,978)	1,537	128,387

This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2018 and accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

**PART A -
EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM
FINANCIAL REPORTING**

A1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2019, have been prepared in accordance with MFRS134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). These condensed consolidated interim financial statements also comply with IAS34: Interim Financial Reporting issued by the International Accounting Standards Board.

The explanatory notes attached to the unaudited interim financial report provide an explanation of the event and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 December 2018. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group’s financial statements for the financial year ended 31 December 2018.

A2. Significant accounting policies

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2018 of the Group, except for the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations effective for financial period beginning on or after 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensations
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015-2017 Cycle	

The adoption of the above MFRSs, Amendments to MFRSs and Interpretations did not have any material financial impact on these condensed consolidated financial statements.

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and 108	Definition of Material

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A2. Significant accounting policies (continued)

The following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group: (continue)

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

MFRSs, Interpretations and Amendments which effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between Investors and its Associate or Joint Venture

The directors anticipate that the abovementioned MFRSs, Interpretations and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these MFRSs, Interpretations and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

A3. Seasonal or cyclical factors

The Group's business operation and performance are not affected materially by any seasonal or cyclical factors for the financial quarter under review.

A4. Items of unusual nature

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flow in the quarterly financial statements.

A5. Material changes in estimates

There were no changes in estimates of amounts reported in either the prior interim period of the current financial period or prior financial years that have had a material effect on the results during the current quarter and financial period-to-date.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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A6. Changes in debt and equity securities

During the financial period ended 31 March 2019, the Company issued 472,000 units of ordinary shares for cash pursuant to the Company's Employee Share Option Scheme ("ESOS") at exercise prices ranged from RM1.01 to RM1.19 per ordinary share. Details of the issued and paid-up capital of the Company as at 31 March 2019 are as follows:

	No. of shares	RM'000
As at 1 January 2019	105,524,000	55,759
Ordinary shares issued pursuant to ESOS	472,000	735
	<hr/>	<hr/>
As at 31 March 2019	105,996,000	56,494

Purchase of shares pursuant to Section 127 of the Companies Act 2016

During the period ended 31 March 2019, the Company had acquired 130,000 units of ordinary shares from the open market for a cash consideration of RM0.19 million. The share buy-back was made pursuant to the approval obtained from the Company's shareholders at the Company's Annual General Meeting held on 4 June 2018 and amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements arising from the implementation of the Companies Act 2016. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016.

Other than the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A7. Dividend paid

An interim tax exempt (single-tier) dividend of 4.0 sen per share amounting to RM4.11 million was paid on 16 April 2019 in respect of the financial year ending 31 December 2019.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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A8. Segment reporting

The Group is organised into business units based on their products and services, and has two reportable operating segments as follows:-

- i. Manufacturing segment - manufacturing and sale of plywood, veneer and laminated veneer lumber (LVL).
- ii. Electricity segment - generation and sale of electricity.

The following table provides an analysis of the Group's revenue, results, assets and liabilities by business segment:

	Manufacturing RM'000	Electricity RM'000	Adjustment/ Elimination RM'000	Total RM'000
<u>Period ended 31 March 2019</u>				
Revenue				
External sales	37,751	104	-	37,855
Inter-segment sales	-	1,224	(1,224)	-
	<u>37,751</u>	<u>1,328</u>	<u>(1,224)</u>	<u>37,855</u>
Results				
Segment profit	<u>1,895</u>	<u>152</u>	<u>473</u>	<u>2,520</u>
Segment assets as at 31 March 2019				
	<u>141,466</u>	<u>5,975</u>	<u>50,875</u>	<u>198,316</u>
Segment liabilities as at 31 March 2019				
	<u>13,634</u>	<u>245</u>	<u>2,997</u>	<u>16,876</u>
<u>Period ended 31 March 2018</u>				
Revenue				
External sales	29,880	99	-	29,979
Inter-segment sales	-	1,257	(1,257)	-
	<u>29,880</u>	<u>1,356</u>	<u>(1,257)</u>	<u>29,979</u>
Results				
Segment (loss)/profit	<u>(18)</u>	<u>477</u>	<u>(113)</u>	<u>346</u>
Segment assets as at 31 December 2018				
	<u>140,317</u>	<u>6,232</u>	<u>50,564</u>	<u>197,113</u>
Segment liabilities as at 31 December 2018				
	<u>11,122</u>	<u>111</u>	<u>3,070</u>	<u>14,303</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2019

A8. Segment reporting (continued)

The following items are added to segment profit to arrive at total profit before tax reported in the unaudited condensed consolidated statement of comprehensive income:

	Current year to-date 31/03/2019	Preceding year corresponding period 31/03/2018
	RM'000	RM'000
Interest income from fixed deposit	2	3
Distribution income from equity instruments	321	322
Net fair value (gain)/loss on equity instruments	137	(450)
Rental income from investment properties	66	63
Depreciation of investment properties	(21)	(20)
Direct operating expenses arising from investment properties	(32)	(31)
	<u>473</u>	<u>(113)</u>

The following items are added to segment assets to arrive at total assets reported in the unaudited condensed consolidated statement of financial position:

	As at 31/03/2019	As at 31/12/2018
	RM'000	RM'000
Equity instruments	48,505	48,046
Deferred tax assets	12	139
Investment properties	2,358	2,379
	<u>50,875</u>	<u>50,564</u>

The following items are added to segment liabilities to arrive at total liabilities reported in the unaudited condensed consolidated statement of financial position:

	As at 31/03/2019	As at 31/12/2018
	RM'000	RM'000
Deferred tax liabilities	2,997	3,070

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A10. Change in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A11. Capital commitments

The following table provides information on the capital commitments subsequent to the end of the current financial quarter:

	As at 31/03/2019	As at 31/12/2018
	RM'000	RM'000
Approved but not contracted for property, plant and equipment	1,080	2,237

A12. Material events subsequent to the reporting period

On 27 May 2019, the Company declared the second interim single-tier tax exempt dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 December 2019.

Other than the above, there were no material events subsequent to the end of the current financial quarter that have not been reflected in the interim financial statements under review.

A13. Changes in composition of the Group

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

A14. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the period ended 31 March 2019 and 31 March 2018 as well as the balances with the related parties as at 31 March 2019 and 31 December 2018:

Nature of transactions	Transactions value for period ended		Balance outstanding as at	
	31/03/2019	31/03/2018	31/03/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Sales of electricity to a related party ^	104	99	73	70
Rental paid to a director	47	45	-	-

^ Related party is a company in which a director, Lin Hao Yu has interest.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2019

**PART B -
 ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD
 (PART A OF APPENDIX 9B)**

B1. Review of performance of the Group

	Current year quarter 31/03/2019 RM'000	Preceding year corresponding quarter 31/03/2018 RM'000	Changes %	Current year to-date 31/03/2019 RM'000	Preceding year corresponding period 31/03/2018 RM'000	Changes %
Revenue	37,855	29,979	26.3	37,855	29,979	26.3
Operating profit	2,047	459	346.0	2,047	459	346.0
Non-operating Income/(expense)	473	(113)	518.6	473	(113)	518.6
Profit before tax	2,520	346	628.3	2,520	346	628.3
Profit after tax	1,756	185	849.2	1,756	185	849.2
Profit attributable to owners of the parent	1,756	185	849.2	1,756	185	849.2

The Group recorded revenue of RM37.86 million (which consist of RM37.76 million from the manufacturing segment and RM0.10 million from the electricity segment respectively) in current quarter under review, an increase of RM7.88 million as compared to previous year's corresponding quarter. Higher revenue in current quarter was mainly due to recognition of sales from delayed shipment in December 2018.

Operating profit had increased by approximately RM1.59 million due to higher sales volume and higher average selling price in current quarter. The Group also recorded non-operating income of RM0.47 million as compared to losses in corresponding quarter of year 2018. Preceding year corresponding quarter's losses included fair value loss of money market fund denominated in US dollar due to weakening of US dollar by approximately 5% during that period.

As a consequence of the above forementioned, profit before tax of the Group had increased by 628% as compared to RM0.19 million in first quarter previous year. Correspondingly, profit after tax in current quarter increased by RM1.57 million in current quarter under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B2. Comparison with immediate preceding quarter's results

	Current year quarter 31/03/2019	Immediate preceding quarter 31/12/2018	Changes
	RM'000	RM'000	%
Revenue	37,855	54,643	-30.7
Operating profit	2,047	9,717	-78.9
Non-operating income	473	510	-7.3
Profit before tax	2,520	10,227	-75.4
Profit after tax	1,756	7,403	-76.3
Profit attributable to owners of the parent	1,756	7,403	-76.3

Revenue in current quarter under review had decreased by RM16.79 million as compared to revenue of RM54.64 million recorded in the immediate preceding quarter due to lower sales volume in current quarter. Although current quarter had included sales of delayed shipment in December 2018, there were no break bulk shipment in both February and March this year which were similar to a year ago.

Lower sales volume and average selling price cum with higher production unit cost in current quarter are among the factors of decrease in operating profit of the Group by approximately 79%. Hence, profit before tax and profit after tax decreased by approximately RM7.71 million and RM5.65 million respectively.

B3. Prospects for the remaining period of current financial year

The selling price of plywood had dropped significantly as compared to a year earlier due to weak global demand. However, our production cost especially the price of logs still remains at high. Operating environment becomes challenging if the demand and price of plywood remains weak. Due to weak global demand and unfavourable price trend, we reduce our production volume and labour hours since March this year. We will focus on more cost cutting measures to reduce our unit cost during this tough period. In overall, the Group's operating environment will remain challenging in the remaining period of current financial year.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial year.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B5. Income tax expense

	Current year quarter 31/03/2019	Preceding year corresponding quarter 31/03/2018	Current year to-date 31/03/2019	Preceding year corresponding period 31/03/2018
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	710	17	710	17
Deferred income tax:				
- Origination and reversal of temporary differences	54	247	54	247
- Over provision in respect of prior years	-	(103)	-	(103)
	54	144	54	144
Income tax expense	764	161	764	161

The effective tax rates for current quarter and corresponding quarter of previous year were higher than the statutory tax rate principally due to certain expenses were disallowed for income tax purposes.

B6. Status of corporate proposals

There were no corporate proposals announced or not completed by the Group as at the date of this report.

B7. Borrowings

The Group has no borrowings as at 31 March 2019.

B8. Material litigations

There were no material litigations since the last financial year ended 31 December 2018 and up to the date of this report.

B9. Dividends

The Board of Directors has declared the second interim tax exempt (single-tier) dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 December 2019, to be paid on 19 August 2019. The entitlement date for the dividend payment is 31 July 2019. A depositor shall qualify for entitlement to the dividend only in respect of: (i) shares transferred to the depositors' securities account on 31 July 2019 in respect of transfers; and (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad. The total dividends declared to date for the current financial year ending 31 December 2019 is 5.0 sen per ordinary share.

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B10. Auditors' report

There was no qualification to the audited financial statements of the Company and its subsidiary for the financial year ended 31 December 2018.

B11. Earnings per share

Basic earnings per share are calculated by dividing the profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period. For diluted earnings per share calculation, the weighted average number of ordinary shares in issue was adjusted to assume that the maximum number of new ordinary shares have been issued pursuant to the share options granted under the Employees' Share Option Scheme ("ESOS"). The dilutive portion of the ordinary shares deemed issued pursuant to the ESOS are accounted for in the diluted earnings per share calculation. The ESOS will have a dilutive effect only when the average market price of ordinary shares of the Company during the period exceeds the exercise price of options granted.

	Current year quarter 31/03/2019	Preceding year corresponding quarter 31/03/2018	Current year to-date 31/03/2019	Preceding year corresponding period 31/03/2018
<u>Basic earnings per share</u>				
Profit net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	1,756	185	1,756	185
Weighted average number of ordinary shares in issue ('000)	102,350	103,200	102,350	103,200
Basic earnings per share (sen per share)	1.72	0.18	1.72	0.18
<u>Diluted earnings per share</u>				
Profit net of tax, attributable to owners of the parent used in the computation of earnings per share (RM'000)	1,756	185	1,756	185
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	105,325	103,200	105,325	103,200
Diluted earnings per share (sen per share)	1.67	0.18	1.67	0.18

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B12. Derivative financial instruments

As at 31 March 2019 and 31 December 2018, the Group has the following outstanding derivatives financial instruments:

	Principal or	Fair value	
	Notional Amount	Assets	Liabilities
	RM'000	RM'000	RM'000
<u>31 March 2019</u>			
Foreign currency forward contract:			
- Less than 1 year	16,953	22	10
<u>31 December 2018</u>			
Foreign currency forward contract:			
- Less than 1 year	28,166	334	-

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

The fair value changes are attributable to changes in foreign exchange spot and forward rate. Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

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B13. Profit before tax

The following amounts have been included in arriving at profit before tax:

	Current year quarter 31/03/2019	Preceding year corresponding quarter 31/03/2018	Current year to-date 31/03/2019	Preceding year corresponding period 31/03/2018
	RM'000	RM'000	RM'000	RM'000
Interest income	(189)	(124)	(189)	(124)
Distribution income from equity instruments	(321)	(322)	(321)	(322)
Net fair value (gain)/loss on equity instruments	(137)	450	(137)	450
Rental income	(72)	(69)	(72)	(69)
Rental of office premises	47	45	47	45
Allowance for doubtful debts	300	-	300	-
Depreciation of property, plant and equipment	1,318	1,245	1,318	1,245
Depreciation of investment properties	21	20	21	20
Direct operating expenses arising from investment properties:				
- rental generating properties	32	31	32	31
Net fair value (gain)/loss on derivatives:				
- realised	(704)	(723)	(704)	(723)
- unrealised	321	(5)	321	(5)
Net loss/(gain) on foreign exchange:				
- realised	549	1,202	549	1,202
- unrealised	(48)	193	(48)	193