

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

	Current year quarter 31/03/2020 RM'000	Preceding year corresponding quarter 31/03/2019 RM'000	Current year to-date 31/03/2020 RM'000	Preceding year corresponding period 31/03/2019 RM'000
Revenue from contracts with customers	32,879	37,855	32,879	37,855
Cost of sales	<u>(34,166)</u>	<u>(33,613)</u>	<u>(34,166)</u>	<u>(33,613)</u>
Gross (loss)/ profit	(1,287)	4,242	(1,287)	4,242
Other items of income				
Interest income	126	189	126	189
Other income	2,371	1,368	2,371	1,368
Other items of expense				
Administrative expenses	(2,015)	(2,109)	(2,015)	(2,109)
Other expenses	<u>(1,524)</u>	<u>(1,170)</u>	<u>(1,524)</u>	<u>(1,170)</u>
(Loss)/ Profit before tax	(2,329)	2,520	(2,329)	2,520
Income tax	<u>524</u>	<u>(764)</u>	<u>524</u>	<u>(764)</u>
(Loss)/ Profit net of tax, representing total comprehensive (loss)/ income for the period	<u>(1,805)</u>	<u>1,756</u>	<u>(1,805)</u>	<u>1,756</u>
(Loss)/ Profit net of tax attributable to:				
Owners of the Company	<u>(1,805)</u>	<u>1,756</u>	<u>(1,805)</u>	<u>1,756</u>
(Loss)/ Earnings per share attributable to owners of the Company:				
Basic (sen)	<u>(1.77)</u>	<u>1.72</u>	<u>(1.77)</u>	<u>1.72</u>
Diluted (sen)	<u>(1.77)</u>	<u>1.67</u>	<u>(1.77)</u>	<u>1.67</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 2019 and accompanying explanatory notes attached to these interim financial statements.

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	As at 31/03/2020 RM'000	As at 31/12/2019 RM'000
Assets		
Non-current assets		
Property, plant and equipment	29,390	30,498
Investment properties	2,276	2,297
Intangible asset	149	149
	<u>31,815</u>	<u>32,944</u>
Current assets		
Inventories	35,674	42,089
Trade and other receivables	4,299	6,734
Other current assets	10,278	4,496
Income tax refundable	2,588	2,266
Other current financial assets	45,274	53,589
Cash and bank balances	48,421	38,517
	<u>146,534</u>	<u>147,691</u>
Total assets	<u>178,349</u>	<u>180,635</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	7,380	7,377
Contract liabilities	422	438
Other current financial liabilities	810	-
	<u>8,612</u>	<u>7,815</u>
Net current assets	<u>137,922</u>	<u>139,876</u>
Non-current liability		
Deferred tax liabilities	279	803
Total liabilities	<u>8,891</u>	<u>8,618</u>
Net assets	<u>169,458</u>	<u>172,017</u>
Equity attributable to owners of the Company		
Share capital	57,691	57,691
Treasury shares	(7,834)	(6,740)
Employee share option reserve	2,775	2,435
Retained earnings	116,826	118,631
Total equity	<u>169,458</u>	<u>172,017</u>
Total equity and liabilities	<u>178,349</u>	<u>180,635</u>
Net assets per share (RM)	<u>1.68</u>	<u>1.68</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 2019 and accompanying explanatory notes attached to these interim financial statements.

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 31 MARCH 2020**

	Current year to-date 31/03/2020 RM'000	Preceding year corresponding period 31/03/2019 RM'000
Operating activities		
(Loss)/ Profit before tax	(2,329)	2,520
<u>Adjustments for:</u>		
Depreciation of investment properties	21	21
Depreciation of property, plant and equipment	1,244	1,318
Distribution income from debt instruments	(467)	(321)
Allowance for impairment on log advances	-	300
Grant of equity-settled share options	340	622
Interest income	(126)	(189)
Net loss/ (gain) on debt instruments	67	(137)
Net fair value loss on derivatives - unrealised	1,025	321
Unrealised foreign exchange gain	(443)	(48)
Operating cash flows before changes in working capital	<u>(668)</u>	<u>4,407</u>
Decrease/ (Increase) in inventories	6,415	(11,832)
Decrease in trade and other receivables	2,410	7,324
Increase in other current assets	(5,782)	(193)
Increase in trade and other payables	3	411
Decrease in contract liabilities	(16)	(985)
Cash flows from operations	<u>2,362</u>	<u>(868)</u>
Interest received	122	187
Income tax paid	(322)	(2,756)
Net cash flows generated from/ (used in) operating activities	<u>2,162</u>	<u>(3,437)</u>
Investing activities		
Interest received	29	-
Distribution income from debt instruments	467	321
Purchase of debt instruments	(467)	(5,321)
Proceeds from disposal of debt instruments	8,500	5,000
Purchase of property, plant and equipment	(136)	(2,272)
Net cash flows generated from/ (used in) investing activities	<u>8,393</u>	<u>(2,272)</u>
Financing activities		
Purchase of treasury shares	(1,094)	(191)
Proceeds from exercise of employee share options	-	553
Net cash flows (used in)/ generated from financing activities	<u>(1,094)</u>	<u>362</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 2019 and accompanying explanatory notes attached to these interim financial statements.



(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2020**

	Current year to-date 31/03/2020 RM'000	Preceding year corresponding period 31/03/2019 RM'000
Net increase/ (decrease) in cash and cash equivalents	9,461	(5,347)
Effect of exchange rate changes on cash and cash equivalents	443	48
Cash and cash equivalents at 1 January	<u>38,131</u>	<u>51,417</u>
Cash and cash equivalents at 31 March	<u><u>48,035</u></u>	<u><u>46,118</u></u>
Analysis of cash and cash equivalents		
Cash and bank balances	48,421	46,504
Less: Deposits with maturity of more than three months	<u>(386)</u>	<u>(386)</u>
Cash and cash equivalents	<u><u>48,035</u></u>	<u><u>46,118</u></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 2019 and accompanying explanatory notes attached to these interim financial statements.

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 MARCH 2020**

	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 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
Opening balance at 1 January 2020	172,017	172,017	57,691	(6,740)	2,435	118,631
Total comprehensive loss	(1,805)	(1,805)	-	-	-	(1,805)
Purchase of treasury shares	(1,094)	(1,094)	-	(1,094)	-	-
Grant of equity-settled share options	340	340	-	-	340	-
Closing balance at 31 March 2020	169,458	169,458	57,691	(7,834)	2,775	116,826

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 2019 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 2020

**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 2020, 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 2019. 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 2019.

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 2019 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 2020:

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

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 2021

MFRS 17	Insurance Contracts
---------	---------------------

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
------------------------	---

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

A2. Significant accounting policies (continued)

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.

A6. Changes in debt and equity securities

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

During the period ended 31 March 2020, the Company had acquired 1,521,200 units of ordinary shares from the open market for a cash consideration of RM1.09 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 27 May 2019 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

No dividend payment was made during the period ended 31 March 2020.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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 2020</u>				
Revenue				
External sales	32,816	63	-	32,879
Inter-segment sales	-	675	(675)	-
	<u>32,816</u>	<u>738</u>	<u>(675)</u>	<u>32,879</u>
Results				
Segment loss	<u>(2,448)</u>	<u>(298)</u>	<u>417</u>	<u>(2,329)</u>
Segment assets as at 31 March 2020				
	<u>123,655</u>	<u>7,163</u>	<u>47,531</u>	<u>178,349</u>
Segment liabilities as at 31 March 2020				
	<u>8,557</u>	<u>55</u>	<u>279</u>	<u>8,891</u>
<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 December 2019				
	<u>119,254</u>	<u>5,730</u>	<u>55,651</u>	<u>180,635</u>
Segment liabilities as at 31 December 2019				
	<u>7,687</u>	<u>128</u>	<u>803</u>	<u>8,618</u>

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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 31/03/2020	Preceding year corresponding period 31/03/2019
	RM'000	RM'000
Interest income from fixed deposit	4	2
Distribution income from debt instruments	467	321
Net (gain)/loss on debt instruments	(67)	137
Rental income from investment properties	66	66
Depreciation of investment properties	(21)	(21)
Direct operating expenses arising from investment properties	(32)	(32)
	<u>417</u>	<u>473</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 31/03/2020	As at 31/12/2019
	RM'000	RM'000
Money market funds	45,255	53,354
Investment properties	2,276	2,297
	<u>47,531</u>	<u>55,651</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 31/03/2020	As at 31/12/2019
	RM'000	RM'000
Deferred tax liabilities	279	803

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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

There were no material capital commitments subsequent to the end of the current financial quarter.

A12. Material events subsequent to the reporting period

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 2020 and 31 March 2019 as well as the balances with the related parties as at 31 March 2020 and 31 December 2019:

	Transactions value for period ended		Balance outstanding as at	
	31/03/2020	31/03/2019	31/03/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
<u>Nature of transactions</u>				
Sales of electricity to a related party ^	63	104	98	84
Rental paid to a director	40	47	-	-

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

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

**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 31/03/2020	Preceding year corresponding quarter 31/03/2019	Changes
	RM'000	RM'000	%
Revenue	32,879	37,855	-13.1
Operating (loss)/ profit	(2,746)	2,047	-234.1
Non-operating income	417	473	-11.8
(Loss)/ Profit before tax	(2,329)	2,520	-192.4
(Loss)/ Profit after tax	(1,805)	1,756	-202.8
(Loss)/ Profit attributable to owners of the parent	(1,805)	1,756	-202.8

The Group recorded revenue of RM32.88 million (which consist of RM32.82 million from the manufacturing segment and RM0.06 million from the electricity segment respectively) in current quarter under review, a decrease of RM4.98 million as compared to previous year's corresponding quarter. Lower revenue in current quarter was mainly due to decreasing average selling price which started since financial year 2018.

Due to the decreasing selling price, the Group had recorded an operating loss of RM2.75 million as compared to operating profit in corresponding quarter of previous financial year. Apart from that, lower production volume due to raining season and the imposition of Movement Control Order ("MCO") in order to curb the spread of Covid-19 also resulted in allocation of more fixed production overhead costs to our profit or loss in current quarter under review. However, there is no significant variance between our non-operating income which is mainly made up of gain from money market funds.

As a consequence of the aforementioned, the Group had recorded loss before and after tax of RM2.33 and RM1.81 million respectively, as compared to profit recorded in corresponding quarter of previous financial year.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

B2. Comparison with immediate preceding quarter's results

	Current year quarter 31/03/2020	Immediate preceding quarter 31/12/2019	Changes
	RM'000	RM'000	%
Revenue	32,879	38,080	-13.7
Operating loss	(2,746)	(4,403)	-37.6
Non-operating income	417	425	-1.9
Loss before tax	(2,329)	(3,978)	-41.5
Loss after tax	(1,805)	(3,033)	-40.5
Loss attributable to owners of the parent	(1,805)	(3,033)	-40.5

Revenue in current quarter under review had decreased by approximately 14% as compared to revenue of RM38.08 million recorded in the immediate preceding quarter. This is mainly because of lower sales volume in current quarter, which is partly due to the MCO imposed by the government since mid of March 2020.

Although average selling price in current quarter is slightly lower as compared to average selling price of immediate preceding quarter, the Group had recorded a lower loss comparatively as previous quarter's result had a higher price of logs and included a lump sum RM1.50 million adjustment in relation to the allocation of fixed production overhead costs to the profit or loss account. There is no significant variance in non-operating income of current quarter comparatively.

For the current quarter ended 31 March 2020, the losses decreased by approximately 40% as compared to previous year's fourth quarter.

B3. Prospects for the remaining period of current financial year

The outbreak of Covid-19 pandemic throughout the world has a significant impact on the overall economy globally. Our Group's operation was affected by the imposition of MCO by the government since mid of March. The Group's operation has resumed in June but we are running below our normal capacity in order to comply with the conditions imposed by the Sabah Forestry Department. The Management had implemented some cost cutting measures in order to limit the impact of zero sales and production during the period of MCO. Although the price of lumber at United States had increased two months in a row as a result of shrinking supply, our operating environment remains challenging if the demand for plywood does not pick up in the coming months. Overall, the Board remain cautious on the outlook of the Group especially the uncertainty of recovery from Covid-19 which may possibly put us into another MCO.

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.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

B5. Income tax

	Current year quarter 31/03/2020	Preceding year corresponding quarter 31/03/2019	Current year to-date 31/03/2020	Preceding year corresponding period 31/03/2019
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	-	710	-	710
Deferred income tax:				
- Origination and reversal of temporary differences	(524)	54	(524)	54
Income tax	(524)	764	(524)	764

The effective tax rate for current quarter was lower than the statutory tax rate principally due to certain expenses disallowed for tax purposes offset against the business losses in current quarter. The effective tax rate for corresponding quarter of previous year was 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 2020.

B8. Material litigations

There were no material litigations since the last financial year ended 31 December 2019 and up to the date of this report.

B9. Dividends

No interim dividend has been declared during the quarter under review.

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 2019.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

B11. (Loss)/ Earnings per share

Basic (loss)/ earnings per share are calculated by dividing the (loss)/ 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 (loss)/ 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 (loss)/ 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 31/03/2020	Preceding year corresponding quarter 31/03/2019	Current year to-date 31/03/2020	Preceding year corresponding period 31/03/2019
(Loss)/ Profit net of tax, attributable to owners of the parent used in the computation of (loss)/ earnings per share (RM'000)	(1,805)	1,756	(1,805)	1,756
Weighted average number of ordinary shares in issue ('000)	102,126	102,350	102,126	102,350
Effects of dilution:				
- Employee share options	-	2,975	-	2,975
Weighted average number of ordinary shares for diluted (loss)/ earnings per share computation ('000)	102,126	105,325	102,126	105,325
Basic (loss)/ earnings per share (sen per share)	(1.77)	1.72	(1.77)	1.72
Diluted (loss)/ earnings per share (sen per share)	(1.77)	1.67	(1.77)	1.67

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

B12. Derivative financial instruments

As at 31 March 2020 and 31 December 2019, 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 2020</u>			
Foreign currency forward contract:			
- Less than 1 year	26,611	19	810
<u>31 December 2019</u>			
Foreign currency forward contract:			
- Less than 1 year	13,712	235	-

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.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020

B13. (Loss)/ Profit before tax

The following amounts have been included in arriving at (loss)/ profit before tax:

	Current year quarter 31/03/2020	Preceding year corresponding quarter 31/03/2019	Current year to-date 31/03/2020	Preceding year corresponding period 31/03/2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(126)	(189)	(126)	(189)
Distribution income from debt instruments	(467)	(321)	(467)	(321)
Net loss/ (gain) on debt instruments	67	(137)	67	(137)
Rental income	(72)	(72)	(72)	(72)
Rental of office premises	40	47	40	47
Allowance for impairment on log advances	-	300	-	300
Depreciation of property, plant and equipment	1,244	1,318	1,244	1,318
Depreciation of investment properties	21	21	21	21
Direct operating expenses arising from investment properties:				
- rental generating properties	32	32	32	32
Net fair value loss/ (gain) on derivatives:				
- realised	432	(704)	432	(704)
- unrealised	1,025	321	1,025	321
Net (gain)/ loss on foreign exchange:				
- realised	(1,333)	549	(1,333)	549
- unrealised	(443)	(48)	(443)	(48)