

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	Current year quarter 30/06/2021 RM'000	Preceding year corresponding quarter 30/06/2020 RM'000	Current year to-date 30/06/2021 RM'000	Preceding year corresponding period 30/06/2020 RM'000
<b>Revenue from contracts with customers</b>	33,103	9,809	56,753	42,688
Cost of sales	<u>(27,975)</u>	<u>(12,528)</u>	<u>(53,414)</u>	<u>(46,694)</u>
<b>Gross profit/ (loss)</b>	5,128	(2,719)	3,339	(4,006)
<b>Other items of income</b>				
Interest income	40	120	94	246
Other income	1,263	1,997	1,807	3,042
<b>Other items of expense</b>				
Administrative expenses	(1,516)	(1,196)	(3,452)	(3,211)
Other expenses	<u>(740)</u>	<u>(1,565)</u>	<u>(628)</u>	<u>(1,763)</u>
<b>Profit/ (Loss) before tax</b>	4,175	(3,363)	1,160	(5,692)
Income tax	<u>(44)</u>	<u>810</u>	<u>76</u>	<u>1,334</u>
<b>Profit/ (Loss) net of tax, representing total comprehensive loss for the period</b>	<u>4,131</u>	<u>(2,553)</u>	<u>1,236</u>	<u>(4,358)</u>
<b>Profit/ (Loss) net of tax attributable to:</b>				
Owners of the Company	<u>4,131</u>	<u>(2,553)</u>	<u>1,236</u>	<u>(4,358)</u>
<b>Earnings/ (Loss) per share attributable to owners of the Company:</b>				
Basic (sen)	<u>4.18</u>	<u>(2.53)</u>	<u>1.25</u>	<u>(4.30)</u>
Diluted (sen)	<u>4.18</u>	<u>(2.53)</u>	<u>1.25</u>	<u>(4.30)</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 2020 and accompanying explanatory notes attached to these interim financial statements.*

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	As at 30/06/2021 RM'000	As at 31/12/2020 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	25,901	26,086
Investment properties	2,174	2,215
Intangible asset	149	149
Deferred tax assets	129	15
	<u>28,353</u>	<u>28,465</u>
<b>Current assets</b>		
Inventories	34,545	38,720
Trade and other receivables	7,651	1,668
Other current assets	8,787	6,154
Income tax refundable	3,053	2,909
Other current financial assets	42,525	47,176
Cash and bank balances	41,313	41,568
	<u>137,874</u>	<u>138,195</u>
<b>Total assets</b>	<u>166,227</u>	<u>166,660</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	5,001	7,844
Contract liabilities	1,344	577
Other current financial liabilities	138	-
	<u>6,483</u>	<u>8,421</u>
<b>Total liabilities</b>	<u>6,483</u>	<u>8,421</u>
<b>Net current assets</b>	<u>131,391</u>	<u>129,774</u>
<b>Net assets</b>	<u>159,744</u>	<u>158,239</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	57,691	57,691
Treasury shares	(9,378)	(9,378)
Employee share option reserve	3,569	3,300
Retained earnings	107,862	106,626
	<u>159,744</u>	<u>158,239</u>
<b>Total equity and liabilities</b>	<u>166,227</u>	<u>166,660</u>
<b>Net assets per share (RM)</b>	<u>1.62</u>	<u>1.60</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 2020 and accompanying explanatory notes attached to these interim financial statements.*

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE PERIOD ENDED 30 JUNE 2021**

	<b>Current year to-date 30/06/2021 RM'000</b>	<b>Preceding year corresponding period 30/06/2020 RM'000</b>
<b>Operating activities</b>		
Profit/ (Loss) before tax	1,160	(5,692)
<u>Adjustments for:</u>		
Depreciation of investment properties	41	41
Depreciation of property, plant and equipment	1,704	2,488
Distribution income from money market funds	(356)	(846)
Gain on disposal of property, plant and equipment	(30)	-
Allowance for impairment of logs advances	200	-
Grant of equity-settled share options	269	621
Interest income	(94)	(246)
Net (gain)/ loss on money market funds	(73)	123
Net fair value loss on derivatives - unrealised	218	142
Unrealised foreign exchange (gain)/ loss	(147)	49
<b>Operating cash flows before changes in working capital</b>	<u>2,892</u>	<u>(3,320)</u>
Changes in inventories	4,175	3,397
Changes in trade and other receivables	(5,993)	4,187
Changes in other current assets	(2,833)	1,215
Changes in trade and other payables	123	(3,464)
Changes in contract liabilities	767	(288)
<b>Cash flows (used in)/ generated from operations</b>	<u>(869)</u>	<u>1,727</u>
Interest received	90	239
Income tax paid	(182)	(643)
<b>Net cash (used in)/ generated from operating activities</b>	<u>(961)</u>	<u>1,323</u>
<b>Investing activities</b>		
Interest received	14	29
Distribution income from money market funds	356	846
Purchase of money market funds	(356)	(6,846)
Proceeds from disposal of money market funds	5,000	8,500
Proceeds from disposal of property, plant and equipment	30	-
Purchase of property, plant and equipment	(1,519)	(143)
<b>Net cash generated from investing activities</b>	<u>3,525</u>	<u>2,386</u>
<b>Financing activities</b>		
Dividend paid	(2,966)	-
Purchase of treasury shares	-	(1,364)
<b>Net cash used in financing activities</b>	<u>(2,966)</u>	<u>(1,364)</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 2020 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 30 JUNE 2021**

	<b>Current year to-date 30/06/2021 RM'000</b>	<b>Preceding year corresponding period 30/06/2020 RM'000</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(402)	2,345
Effect of exchange rate changes on cash and cash equivalents	147	(49)
<b>Cash and cash equivalents at 1 January</b>	<u>41,182</u>	<u>38,131</u>
<b>Cash and cash equivalents at 30 June</b>	<u>40,927</u>	<u>40,427</u>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	41,313	40,813
Less: Deposits with maturity of more than three months	<u>(386)</u>	<u>(386)</u>
<b>Cash and cash equivalents</b>	<u>40,927</u>	<u>40,427</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 2020 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 30 JUNE 2021**

	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 2020	172,017	172,017	57,691	(6,740)	2,435	118,631
Total comprehensive loss	(4,358)	(4,358)	-	-	-	(4,358)
Purchase of treasury shares	(1,364)	(1,364)	-	(1,364)	-	-
Grant of equity-settled share options	621	621	-	-	621	-
Closing balance at 30 June 2020	166,916	166,916	57,691	(8,104)	3,056	114,273
Opening balance at 1 January 2021	158,239	158,239	57,691	(9,378)	3,300	106,626
Total comprehensive income	1,236	1,236	-	-	-	1,236
Grant of equity-settled share options	269	269	-	-	269	-
Closing balance at 30 June 2021	159,744	159,744	57,691	(9,378)	3,569	107,862

*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 2020 and accompanying explanatory notes attached to these interim financial statements.*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**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 30 June 2021, 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 2020. 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 2020.

**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 2020 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 2021:

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 9, MFR 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2

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 2022**

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**A2. Significant accounting policies (continued)**

**MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2023**

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**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**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**A7. Dividend paid**

An interim tax exempt dividend of 3 sen per ordinary share amounting to RM2.97 million was paid on 20 January 2021 in respect of the financial year ended 31 December 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
<b><u>Period ended 30 June 2021</u></b>				
<b>Revenue</b>				
External sales	56,681	72	-	56,753
Inter-segment sales	-	965	(965)	-
	<u>56,681</u>	<u>1,037</u>	<u>(965)</u>	<u>56,753</u>
<b>Results</b>				
Segment profit	<u>591</u>	<u>110</u>	<u>459</u>	<u>1,160</u>
<b>Segment assets as at 30 June 2021</b>	<u>115,340</u>	<u>3,016</u>	<u>47,871</u>	<u>166,227</u>
<b>Segment liabilities as at 30 June 2021</b>	<u>6,435</u>	<u>48</u>	<u>-</u>	<u>6,483</u>
<b><u>Period ended 30 June 2020</u></b>				
<b>Revenue</b>				
External sales	42,614	74	-	42,688
Inter-segment sales	-	1,043	(1,043)	-
	<u>42,614</u>	<u>1,117</u>	<u>(1,043)</u>	<u>42,688</u>
<b>Results</b>				
Segment loss	<u>(5,078)</u>	<u>(1,358)</u>	<u>744</u>	<u>(5,692)</u>
<b>Segment assets as at 31 December 2020</b>	<u>110,943</u>	<u>3,492</u>	<u>52,225</u>	<u>166,660</u>
<b>Segment liabilities as at 31 December 2020</b>	<u>8,363</u>	<u>58</u>	<u>-</u>	<u>8,421</u>



(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**A8. Segment reporting (continued)**

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

	<b>Current year to-date 30/06/2021</b>	<b>Preceding year corresponding period 30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income from fixed deposit	4	7
Distribution income from money market funds	356	846
Net gain/ (loss) on money market funds	73	(123)
Rental income from investment properties	132	119
Depreciation of investment properties	(41)	(41)
Direct operating expenses arising from investment properties	(65)	(64)
	<u>459</u>	<u>744</u>

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

	<b>As at 30/06/2021</b>	<b>As at 31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Money market funds	42,515	47,086
Investment properties	2,174	2,215
Deferred tax assets	129	15
Tax refundable	3,053	2,909
	<u>47,871</u>	<u>52,225</u>

**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.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**A11. Capital commitments**

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

	As at 30/06/2021	As at 31/12/2020
	RM'000	RM'000
Approved and contracted for property, plant and equipment	-	872

**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 30 June 2021 and 30 June 2020 as well as the balances with the related parties as at 30 June 2021 and 31 December 2020:

	Transaction value for period ended		Balance outstanding as at	
	30/06/2021	30/06/2020	30/06/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
<u>Nature of transactions</u>				
Sales of electricity to a related party ^	72	74	4	92
Purchase of motor vehicle from a related party ^	85	-	-	-
Rental paid to a director	96	72	-	-

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**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**

**(a) Comparison of the current quarter against the corresponding quarter**

	<b>Current year quarter 30/06/2021 RM'000</b>	<b>Preceding year corresponding quarter 30/06/2020 RM'000</b>	<b>Changes %</b>
Revenue	33,103	9,809	237.5
Operating profit/ (loss)	3,936	(3,690)	206.7
Non-operating income	239	327	-26.9
Profit/ (Loss) before tax	4,175	(3,363)	224.1
Profit/ (Loss) after tax	4,131	(2,553)	261.8
Profit/ (Loss) attributable to owners of the parent	4,131	(2,553)	261.8

The Group recorded revenue of RM33.10 million (which consist of RM33.09 million from the manufacturing segment and RM0.01 million from the electricity segment respectively) in current quarter under review. Revenue had increased significantly in current quarter comparatively because Malaysia was implementing the MCO in the corresponding quarter of previous year. Sales and production activity were badly affected in April and May previous year as the Group is not allowed to operate during such period.

The Group has finally returned to profitability in current quarter under review after suffering losses in the previous eight consecutive quarters. The Group recorded operating profit of RM3.94 million as compared to operating loss of RM3.69 million a year ago. This was mainly due to increase in average selling price of plywood, apart from the higher sales and production volume in current quarter under review. Selling price of plywood in current quarter had increased by approximately 30% as compared to corresponding quarter of preceding year due to the market supply and demand factor. The demand for plywood, especially from US region is strong while the supply from the producers at Southeast Asia is limited due to the impact from the pandemic. Non-operating income of the Group decreased by approximately 27% due to lower gain generated from the money market funds.

As a result of aforementioned, the Group recorded profit before tax of RM4.18 million, compared to loss before tax of RM3.36 million recorded in corresponding quarter of previous year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**B1. Review of performance of the Group (Continued)**

**(b) Comparison of current year to-date against the corresponding period**

	Current year to-date 30/06/2021 RM'000	Preceding year corresponding period 30/06/2020 RM'000	Changes %
Revenue	56,753	42,688	32.9
Operating profit/ (loss)	701	(6,436)	110.9
Non-operating income	459	744	-38.3
Profit/ (Loss) before tax	1,160	(5,692)	120.4
Profit/ (Loss) after tax	1,236	(4,358)	128.4
Profit/ (Loss) attributable to owners of the parent	1,236	(4,358)	128.4

The Group recorded revenue of RM56.75 million (which consist of RM56.68 million from the manufacturing segment and RM0.07 million from the electricity segment respectively) in current year to-date, an increase of 33% as compared to revenue of RM42.69 million recorded in preceding year corresponding period. The increase was mainly due to higher sales volume and average selling price since the sales and production activities from March to May 2020 were disrupted by the implementation of MCO. Higher average selling price is a result of market supply and demand factor whereby the price of plywood is increasing since the fourth quarter of previous financial year.

The Group recorded operating profit of RM0.70 million in current year to-date as compared to operating loss of RM6.44 million in preceding year corresponding period. Higher average selling price is the main reason of the Group recording profit in current year-to-date. On the other hand, the Group recorded a lower non-operating income in current year to-date due to lower return from placement in money market funds.

Taking advantage of the high average selling price, the Group also achieved profit before and after tax of slightly higher than RM1.0 million in current year-to-date as compared to losses suffered in corresponding period of previous financial year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**B2. Comparison with immediate preceding quarter's results**

	Current year quarter 30/06/2021 RM'000	Immediate preceding quarter 31/03/2021 RM'000	Changes %
Revenue	33,103	23,650	40.0
Operating profit/ (loss)	3,936	(3,235)	221.7
Non-operating income	239	220	8.6
Profit/ (Loss) before tax	4,175	(3,015)	238.5
Profit/ (Loss) after tax	4,131	(2,895)	242.7
Profit/ (Loss) attributable to owners of the parent	4,131	(2,895)	242.7

Revenue in current quarter had increased by approximately 40% as compared to revenue of RM23.65 million recorded in immediate preceding quarter. This was mainly due to higher selling price in current quarter under review. As compared to the average selling price in immediate preceding quarter, current quarter's average selling price is approximately 36% higher.

The Group had recorded higher non-operating net income from renting of investment property in current quarter because there are some one-off annual costs such as quit rent and assessment recorded in the immediate preceding quarter. Due to the high average selling price, the Group had managed to return to profitability in current quarter although the Group is still facing the issues of low production volume and high production cost per cubic metre.

Overall, the Group recorded profit before tax and after tax of approximately RM4.10 million as compared to losses of approximately RM3.0 million in immediate preceding quarter.

**B3. Prospects for the remaining period of current financial year**

We are hit with a cluster of Covid-19 outbreak among our workers and the area where our factory located was placed under the Enhanced Movement Control Order ("EMCO") from 14 July to 10 August. Hence, there were no production and business activities during this period. However, the increasing market price of wood products since the end of last year had helped the Group in returning to profitability after recording losses for two years. As of the date of the report, the average price of the pending sales orders of the Group is still very high. In additions, weakening of Ringgit Malaysia due to worsening Covid-19 situation and also political instability in Malaysia had indirectly benefited the Group as most of our sales are denominated in US dollar. As explained in previous few quarters, our production volume will still be limited due to the restriction imposed in order to comply with the SOP. Barring unforeseen circumstances, the Board of Directors remains confident that the Group will be profitable 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.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**B5. Income tax**

	Current year quarter 30/06/2021	Preceding year corresponding quarter 30/06/2020	Current year to-date 30/06/2021	Preceding year corresponding period 30/06/2020
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	38	-	38	-
Deferred income tax:				
- Origination and reversal of temporary differences	6	(810)	(114)	(1,334)
	44	(810)	(76)	(1,334)

The effective tax rates for current quarter and current year to-date were lower than the statutory tax rate, principally due to the utilisation of tax losses which deferred tax were not recognised previously.

**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 30 June 2021.

**B8. Material litigations**

There were no material litigations since the financial year ended 31 December 2020 and up to the date of this report.

**B9. Dividends**

No interim dividend has been declared during the quarter under review (2020: nil). No dividend has been declared for the current financial period ended 30 June 2021.

**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 2020.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**B11. Earnings/ (Loss) per share**

Basic earnings/ (loss) per share is calculated by dividing the profit/ (loss) 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/ (loss) 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/ (loss) 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 30/06/2021	Preceding year corresponding quarter 30/06/2020	Current year to-date 30/06/2021	Preceding year corresponding period 30/06/2020
Profit/ (Loss) net of tax, attributable to owners of the parent used in the computation of loss per share (RM'000)	4,131	(2,553)	1,236	(4,358)
Weighted average number of ordinary shares in issue ('000)	98,869	100,784	98,869	101,455
Effects of dilution:				
- Employee share options	- *	- *	- *	- *
Weighted average number of ordinary shares for diluted loss per share computation ('000)	98,869	100,784	98,869	101,455
Basic earnings/ (loss) per share (sen per share)	4.18	(2.53)	1.25	(4.30)
Diluted earnings/ (loss) per share (sen per share)	4.18	(2.53)	1.25	(4.30)

\* nil due to anti-dilutive effect

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2021

**B12. Derivative financial instruments**

As at 30 June 2021 and 31 December 2020, the Group has the following outstanding derivatives financial instruments:

	Principal or Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
<b>30 June 2021</b>			
Foreign currency forward contract:			
- Less than 1 year	18,684	10	138
<b>31 December 2020</b>			
Foreign currency forward contract:			
- Less than 1 year	7,512	90	-

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 SECOND QUARTER ENDED 30 JUNE 2021

**B13. Profit/ Loss before tax**

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

	Current year quarter 30/06/2021	Preceding year corresponding quarter 30/06/2020	Current year to-date 30/06/2021	Preceding year corresponding period 30/06/2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(40)	(120)	(94)	(246)
Distribution income from money market funds	(177)	(379)	(356)	(846)
Net (gain)/ loss on money market funds	(39)	56	(73)	123
Gain on disposal of property, plant and equipment	-	-	(30)	-
Rental income	(70)	(58)	(138)	(130)
Rental of office premises	48	32	96	72
Allowance for impairment of logs advances	200	-	200	-
Depreciation of property, plant and equipment	851	1,244	1,704	2,488
Depreciation of investment properties	20	20	41	41
Direct operating expenses arising from investment properties:				
- rental generating properties	25	32	65	64
Net fair value loss/ (gain) on derivatives:				
- realised	233	1,017	210	1,449
- unrealised	(197)	(883)	218	142
Net (gain)/ loss on foreign exchange:				
- realised	(511)	(634)	(602)	(1,967)
- unrealised	307	492	(147)	49