

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

	Current year quarter 31/12/2021 RM'000	Preceding year corresponding quarter 31/12/2020 RM'000	Current year to-date 31/12/2021 RM'000	Preceding year corresponding period 31/12/2020 RM'000
Revenue from contracts with customers	55,224	25,831	133,975	87,779
Cost of sales	<u>(37,976)</u>	<u>(27,036)</u>	<u>(111,679)</u>	<u>(93,907)</u>
Gross profit/ (loss)	17,248	(1,205)	22,296	(6,128)
Other items of income				
Interest income	67	63	210	411
Other income	2,725	869	4,770	2,895
Other items of expense				
Administrative expenses	(2,424)	(1,348)	(7,370)	(6,029)
Other expenses	<u>(671)</u>	<u>(849)</u>	<u>(938)</u>	<u>(1,006)</u>
Profit/ (Loss) before tax	16,945	(2,470)	18,968	(9,857)
Income tax	<u>(4,010)</u>	<u>(944)</u>	<u>(3,097)</u>	<u>818</u>
Profit/ (Loss) net of tax, representing total comprehensive loss for the period	<u>12,935</u>	<u>(3,414)</u>	<u>15,871</u>	<u>(9,039)</u>
Profit/ (Loss) net of tax attributable to:				
Owners of the Company	<u>12,935</u>	<u>(3,414)</u>	<u>15,871</u>	<u>(9,039)</u>
Earnings/ (Loss) per share attributable to owners of the Company:				
Basic (sen)	<u>13.08</u>	<u>(3.45)</u>	<u>16.05</u>	<u>(9.01)</u>
Diluted (sen)	<u>13.08</u>	<u>(3.45)</u>	<u>16.05</u>	<u>(9.01)</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 31 DECEMBER 2021**

	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000
Assets		
Non-current assets		
Property, plant and equipment	24,322	26,086
Investment properties	2,133	2,215
Intangible asset	149	149
Deferred tax assets	93	15
	<u>26,697</u>	<u>28,465</u>
Current assets		
Inventories	30,852	38,720
Trade and other receivables	37,034	1,668
Other current assets	9,092	6,154
Income tax refundable	637	2,909
Other current financial assets	49,058	47,176
Cash and bank balances	29,608	41,568
	<u>156,281</u>	<u>138,195</u>
Total assets	<u>182,978</u>	<u>166,660</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	6,523	7,844
Contract liabilities	4,295	577
Total liabilities	<u>10,818</u>	<u>8,421</u>
Net current assets	<u>145,463</u>	<u>129,774</u>
Non-current liability		
Deferred tax liabilities	2,578	-
Total liabilities	<u>13,396</u>	<u>8,421</u>
Net assets	<u>169,582</u>	<u>158,239</u>
Equity attributable to owners of the Company		
Share capital	57,691	57,691
Treasury shares	(9,378)	(9,378)
Employee share option reserve	3,715	3,300
Retained earnings	117,554	106,626
Total equity	<u>169,582</u>	<u>158,239</u>
Total equity and liabilities	<u>182,978</u>	<u>166,660</u>
Net assets per share (RM)	<u>1.72</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 YEAR ENDED 31 DECEMBER 2021**

	Current year to-date 31/12/2021 RM'000	Preceding year corresponding period 31/12/2020 RM'000
Operating activities		
Profit/ (Loss) before tax	18,968	(9,857)
Adjustments for:		
Depreciation of investment properties	82	82
Depreciation of property, plant and equipment	3,404	4,968
Distribution income from money market funds	(722)	(1,277)
Gain on disposal of property, plant and equipment	(30)	-
Reversal of allowance for impairment of logs advances	(1,479)	(226)
Grant of equity-settled share options	415	865
Inventory written down	-	76
Interest income	(210)	(411)
Net (gain)/ loss on money market funds	(153)	45
Net fair value (gain)/ loss on derivatives - unrealised	(306)	145
Unrealised foreign exchange loss	600	147
Operating cash flows before changes in working capital	20,569	(5,443)
Changes in inventories	7,868	3,293
Changes in trade and other receivables	(35,865)	5,051
Changes in other current assets	(1,459)	(1,432)
Changes in trade and other payables	1,645	(2,197)
Changes in contract liabilities	3,718	(163)
Cash flows used in operations	(3,524)	(891)
Interest received	202	397
Income tax refunded	2,266	-
Income tax paid	(591)	(643)
Net cash used in operating activities	(1,647)	(1,137)
Investing activities		
Interest received	15	29
Distribution income from money market funds	722	1,277
Purchase of money market funds	(32,025)	(7,277)
Proceeds from disposal of money market funds	30,602	13,500
Proceeds from disposal of property, plant and equipment	30	-
Purchase of property, plant and equipment	(1,640)	(556)
Net cash (used in)/ generated from investing activities	(2,296)	6,973
Financing activities		
Dividend paid	(7,909)	-
Purchase of treasury shares	-	(2,638)
Net cash used in financing activities	(7,909)	(2,638)

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 YEAR ENDED 31 DECEMBER 2021**

	Current year to-date 31/12/2021 RM'000	Preceding year corresponding period 30/09/2020 RM'000
Net (decrease)/ increase in cash and cash equivalents	(11,852)	3,198
Effect of exchange rate changes on cash and cash equivalents	(108)	(147)
Cash and cash equivalents at 1 January	<u>41,182</u>	<u>38,131</u>
Cash and cash equivalents at 31 December	<u><u>29,222</u></u>	<u><u>41,182</u></u>
Analysis of cash and cash equivalents		
Cash and bank balances	29,608	41,568
Less: Deposits with maturity of more than three months	<u>(386)</u>	<u>(386)</u>
Cash and cash equivalents	<u><u>29,222</u></u>	<u><u>41,182</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 2020 and accompanying explanatory notes attached to these interim financial statements.

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 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	(9,039)	(9,039)	-	-	-	(9,039)
Purchase of treasury shares	(2,638)	(2,638)	-	(2,638)	-	-
Grant of equity-settled share options	865	865	-	-	865	-
Dividends on ordinary shares	(2,966)	(2,966)	-	-	-	(2,966)
Closing balance at 31 December 2020	158,239	158,239	57,691	(9,378)	3,300	106,626
Opening balance at 1 January 2021	158,239	158,239	57,691	(9,378)	3,300	106,626
Total comprehensive income	15,871	15,871	-	-	-	15,871
Grant of equity-settled share options	415	415	-	-	415	-
Dividends on ordinary shares	(4,943)	(4,943)	-	-	-	(4,943)
Closing balance at 31 December 2021	169,582	169,582	57,691	(9,378)	3,715	117,554

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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 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 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
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 financial period-to-date.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A7. Dividend paid

The following dividend payments were made during the financial year ended 31 December 2021:

	RM'000
In respect of financial year ended 31 December 2020:	
- first interim single-tier tax exempt dividend of 3.0 sen per ordinary share, paid on 20 January 2021	2,966
In respect of financial year ended 31 December 2021:	
- first interim single-tier tax exempt dividend of 5.0 sen per ordinary share, paid on 22 December 2021	4,943
	7,909

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>Year ended 31 December 2021</u>				
Revenue				
External sales	133,892	83	-	133,975
Inter-segment sales	-	1,956	(1,956)	-
	133,892	2,039	(1,956)	133,975
Results				
Segment profit	17,661	360	947	18,968
Segment assets as at 31 December 2021	125,666	5,787	51,525	182,978
Segment liabilities as at 31 December 2021	10,761	57	2,578	13,396

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A8. Segment reporting (continued)

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

	Manufacturing RM'000	Electricity RM'000	Adjustment/ Elimination RM'000	Total RM'000
<u>Year ended 31 December 2020</u>				
Revenue				
External sales	87,458	321	-	87,779
Inter-segment sales	-	2,319	(2,319)	-
	<u>87,458</u>	<u>2,640</u>	<u>(2,319)</u>	<u>87,779</u>
Results				
Segment loss	<u>(9,518)</u>	<u>(1,613)</u>	<u>1,274</u>	<u>(9,857)</u>
Segment assets as at 31 December 2020	<u>110,943</u>	<u>3,492</u>	<u>52,225</u>	<u>166,660</u>
Segment liabilities as at 31 December 2020	<u>8,363</u>	<u>58</u>	<u>-</u>	<u>8,421</u>

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:

	Current year to-date 31/12/2021 RM'000	Preceding year corresponding period 31/12/2020 RM'000
Interest income from fixed deposit	7	14
Interest income from money market funds	1	-
Distribution income from money market funds	722	1,277
Net gain/ (loss) on money market funds	153	(45)
Rental income from investment properties	264	242
Depreciation of investment properties	(82)	(82)
Direct operating expenses arising from investment properties	(118)	(132)
	<u>947</u>	<u>1,274</u>

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A8. Segment reporting (continued)

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 31/12/2021	As at 31/12/2020
	RM'000	RM'000
Money market funds	48,662	47,086
Investment properties	2,133	2,215
Deferred tax assets	93	15
Tax refundable	637	2,909
	<u>51,525</u>	<u>52,225</u>

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

	As at 31/12/2021	As at 31/12/2020
	RM'000	RM'000
Deferred tax liabilities	2,578	-
	<u>2,578</u>	<u>-</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.

A11. Capital commitments

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

	As at 31/12/2021	As at 31/12/2020
	RM'000	RM'000
Approved and contracted for property, plant and equipment	344	872
	<u>344</u>	<u>872</u>

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

A12. Material events subsequent to the reporting period

Subsequent to the financial year ended 31 December 2021, the Company issued 606,000 units of ordinary shares for cash pursuant to the Company's Employee Share Option Scheme ("ESOS") at exercise price of RM1.01 per ordinary share.

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 year ended 31 December 2021 and 31 December 2020 as well as the balances with the related parties as at 31 December 2021 and 31 December 2020:

	Transaction value for year ended		Balance outstanding as at	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
<u>Nature of transactions</u>				
Sales of electricity to a related party ^	83	321	5	92
Purchase of motor vehicle from a related party ^	85	-	-	-
Rental paid to a director	192	168	-	-

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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

	Current year quarter 31/12/2021 RM'000	Preceding year corresponding quarter 31/12/2020 RM'000	Changes %
Revenue	55,224	25,831	113.8
Operating profit/ (loss)	16,680	(2,711)	-715.3
Non-operating income	265	241	10.0
Profit/ (Loss) before tax	16,945	(2,470)	-786.0
Profit/ (Loss) after tax	12,935	(3,414)	-478.9
Profit/ (Loss) attributable to owners of the parent	12,935	(3,414)	-478.9

The Group recorded revenue of RM55.22 million in current quarter under review. Revenue doubled as compared to previous year's corresponding quarter, mainly attributed to higher sales volume and higher average selling price. Sales volume grew by 53% in current quarter with 12,000 m3 of finished goods loaded on bulk carriers in December 2021 while average selling price was approximately 50% higher as compared to fourth quarter of previous financial year. Average selling price is currently at its peak due to the strong demand on plywood especially from the United States.

In line with the topline growth, operating profit of the Group soared tremendously to RM16.68 million as compared to operating loss of RM2.71 million recorded in preceding year's corresponding quarter. The Group achieved a very good gross profit margin in current quarter due to better selling price and lower production cost per cubic metre. Production volume increased since the factory runs at 24 hours in November 2021 which reduced the cost per m3 accordingly. Apart from the excellent performance from sales and production, the Group also managed to recover log advances of approximately RM1.73 million in current quarter of which impairment had been made previously.

Profit before and after tax of the Group amounted to RM16.95 million and RM12.94 million respectively in current quarter under review, a record-breaking financial performance which was mainly attributable to high average selling price and improving production efficiency.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B1. Review of performance of the Group (continued)

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

	Current year to-date 31/12/2021	Preceding year corresponding period 31/12/2020	Changes
	RM'000	RM'000	%
Revenue	133,975	87,779	52.6
Operating profit/ (loss)	18,020	(11,131)	-261.9
Non-operating income	948	1,274	-25.6
Profit/ (Loss) before tax	18,968	(9,857)	-292.4
Profit/ (Loss) after tax	15,871	(9,039)	-275.6
Profit/ (Loss) attributable to owners of the parent	15,871	(9,039)	-275.6

The Group recorded revenue of RM133.98 million in current financial year, which represents an increase of 53% as compared to revenue in previous financial year. The increase was due to higher sales volume and average selling price in current year. In line with the increase of our production volume under a more relax SOP in current financial year, our sales volume had jumped by approximately 21%. Average selling price grew by circa 26% in current financial year.

The Group's production was running smoothly throughout the year although it was affected by the shortage of labours and the implementation of EMCO in July and August. Coupled with the surge of selling price and strong demand on plywood, the Group had turned the operating loss of RM11.13 million recorded in previous financial year to an operating profit of RM18.02 million in current financial year. Operating profit in current financial year included the recovery of impaired log advances of RM1.68 million. However, the Group's non-operating income in current financial year dropped by about 26% due to lower return from money market funds.

For current financial year, profit before and after tax of the Group were RM18.97 million and RM15.87 million respectively. Performance of the Group improved in current financial year attributable to the high demand and selling price of our products.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B2. Comparison with immediate preceding quarter's results

	Current year quarter 31/12/2021 RM'000	Immediate preceding quarter 30/09/2021 RM'000	Changes %
Revenue	55,224	21,998	151.0
Operating profit	16,680	639	2,510.3
Non-operating income	265	224	18.3
Profit before tax	16,945	863	1,863.5
Profit after tax	12,935	1,700	660.9
Profit attributable to owners of the parent	12,935	1,700	660.9

The Group achieved higher revenue of RM55.22 million in current quarter under review, an increase of 151% as compared to immediate preceding quarter due to higher sales volume and average selling price. As explained previously, production and sales of immediate preceding quarter were affected by the implementation of EMCO at our factory area. Hence, sales volume in current quarter was higher comparatively especially when there were 12,000 m3 finished goods loaded to bulk carriers in the month of December. Better product mix and higher product price also lead to a higher average selling price in current quarter.

As a result of aforementioned, the Group's operating profit soared significantly from RM0.64 million in immediate preceding quarter to RM16.68 million. Non-operating income improved slightly from the placement of money market funds.

Overall, the Group reported an excellent performance for the current quarter. Profit before tax of the Group increased significantly to RM16.95 million in current quarter. Profit after tax of the Group amounted to RM12.94 million, an increase of 661% as compared to RM1.70 million recorded in previous quarter.

B3. Prospects for the next financial year

As mentioned in previous few reports, selling price of our products is at historical high as a result of strong demand on plywood. We expect the demand for plywood will remain strong based on the housing statistic of United States and forecast from the Recreational Vehicle Industry Association.

Since November last year, we can produce approximately 30% more after we are allowed to operate at full capacity albeit the issue of workers shortage persists. We are positive that the government will slowly reopen the border and new foreign workers can be brought in by manufacturing sector as well over time. Logs supplies issue might be tighter because the state government had uplifted the log export ban effective 3 January this year. However, we do not expect it would have any significant impact on our production level as preference is given to local mills and logs export which is capped at 20% is not automatically granted. Overall, the Board of Directors is optimistic that the Group is able to achieve an excellent performance in the next financial year.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

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.

B5. Income tax

	Current year quarter 31/12/2021	Preceding year corresponding quarter 31/12/2020	Current year to-date 31/12/2021	Preceding year corresponding period 31/12/2020
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	537	-	597	-
Deferred income tax:				
- Origination and reversal of temporary differences	3,478	993	2,506	(772)
- Over provision in respect of prior years	(5)	(49)	(6)	(46)
	3,473	944	2,500	(818)
	4,010	944	3,097	(818)

The effective tax rate for current quarter was lower than the statutory tax rate, principally due to the certain income not subjected to tax. The effective tax rate for current year to-date was lower than the statutory tax rate, mainly due to the utilisation and recognition 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 31 December 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.

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

B9. Dividends

The Board of Directors is pleased to declare an interim tax-exempt dividend of 3 sen per ordinary share in respect of the financial year ended 31 December 2021. The entitlement date and payment date are on 4 April 2022 and 20 April 2022 respectively. The total dividends declared to date for the current financial year ended 31 December 2021 is 8 sen per ordinary share (2020: 3 sen).

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.

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 31/12/2021	Preceding year corresponding quarter 31/12/2020	Current year to-date 31/12/2021	Preceding year corresponding period 31/12/2020
Profit/ (Loss) net of tax, attributable to owners of the parent used in the computation of loss per share (RM'000)	12,935	(3,414)	15,871	(9,039)
Weighted average number of ordinary shares in issue ('000)	98,869	98,967	98,869	100,366
Effects of dilution:				
- Employee share options	- *	- *	- *	- *
Weighted average number of ordinary shares for diluted loss per share computation ('000)	98,869	98,967	98,869	100,366

* nil due to anti-dilutive effect

(Incorporated in Malaysia)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

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

	Current year quarter 31/12/2021	Preceding year corresponding quarter 31/12/2020	Current year to-date 31/12/2021	Preceding year corresponding period 31/12/2020
Basic earnings/ (loss) per share (sen per share)	13.08	(3.45)	16.05	(9.01)
Diluted earnings/ (loss) per share (sen per share)	13.08	(3.45)	16.05	(9.01)

B12. Derivative financial instruments

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

	Principal or Notional Amount	Fair value	
	RM'000	Assets RM'000	Liabilities RM'000
<u>31 December 2021</u>			
Foreign currency forward contract:			
- Less than 1 year	29,155	396	-
<u>31 December 2020</u>			
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 FOURTH QUARTER ENDED 31 DECEMBER 2021

B13. Profit/ Loss before tax

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

	Current year quarter 31/12/2021	Preceding year corresponding quarter 31/12/2020	Current year to-date 31/12/2021	Preceding year corresponding period 31/12/2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(67)	(63)	(210)	(411)
Distribution income from money market funds	(196)	(183)	(722)	(1,277)
Net (gain)/ loss on money market funds	(48)	(52)	(153)	45
Gain on disposal of property, plant and equipment	-	-	(30)	-
Rental income	(69)	(66)	(278)	(258)
Rental of office premises	48	48	192	168
Inventory written down	-	76	-	76
(Reversal of) allowance for impairment of log advances	(1,529)	192	(1,479)	(226)
Bad debts recovered	(200)	-	(200)	-
Depreciation of property, plant and equipment	848	1,235	3,404	4,968
Depreciation of investment properties	20	20	82	82
Direct operating expenses arising from investment properties:				
- rental generating properties	28	43	118	132
Net fair value loss/ (gain) on derivatives:				
- realised	43	(371)	338	669
- unrealised	(394)	(103)	(306)	145
Net (gain)/ loss on foreign exchange:				
- realised	(57)	585	(888)	(911)
- unrealised	628	72	600	147