

(Incorporated In Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

	Current year quarter 30/06/2022 RM'000	Preceding year corresponding quarter 30/06/2021 RM'000	Current year to-date 30/06/2022 RM'000	Preceding year corresponding period 30/06/2021 RM'000
Revenue from contracts with customers	40,810	33,103	73,733	56,753
Cost of sales	<u>(26,165)</u>	<u>(27,975)</u>	<u>(48,759)</u>	<u>(53,414)</u>
Gross profit	14,645	5,128	24,974	3,339
Other items of income				
Interest income	94	40	139	94
Other income	2,264	1,263	3,315	1,807
Other items of expense				
Administrative expenses	(1,663)	(1,516)	(3,346)	(3,452)
Other expenses	<u>(1,329)</u>	<u>(740)</u>	<u>(1,415)</u>	<u>(628)</u>
Profit before tax	14,011	4,175	23,667	1,160
Income tax	<u>(3,406)</u>	<u>(44)</u>	<u>(5,663)</u>	<u>76</u>
Profit net of tax, representing total comprehensive income for the period	<u>10,605</u>	<u>4,131</u>	<u>18,004</u>	<u>1,236</u>
Profit net of tax attributable to:				
Owners of the Company	<u>10,605</u>	<u>4,131</u>	<u>18,004</u>	<u>1,236</u>
Profit per share attributable to owners of the Company:				
Basic (sen)	<u>10.46</u>	<u>4.18</u>	<u>17.91</u>	<u>1.25</u>
Diluted (sen)	<u>10.30</u>	<u>4.18</u>	<u>17.55</u>	<u>1.25</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 2021 and accompanying explanatory notes attached to these interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	As at 30/06/2022 RM'000	As at 31/12/2021 RM'000
Assets		
Non-current assets		
Property, plant and equipment	23,900	24,322
Investment properties	2,092	2,133
Intangible asset	149	149
Deferred tax assets	3	93
	<u>26,144</u>	<u>26,697</u>
Current assets		
Inventories	44,872	30,852
Trade and other receivables	5,198	37,034
Other current assets	4,317	9,092
Income tax refundable	1	785
Other current financial assets	54,113	49,058
Cash and bank balances	67,593	29,608
	<u>176,094</u>	<u>156,429</u>
Total assets	<u>202,238</u>	<u>183,126</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	8,894	7,139
Contract liabilities	1,583	4,295
Provision for taxation	4,320	-
Other current financial liabilities	283	-
	<u>15,080</u>	<u>11,434</u>
Net current assets	<u>161,014</u>	<u>144,995</u>
Non-current liability		
Deferred tax liabilities	2,283	2,578
Total liabilities	<u>17,363</u>	<u>14,012</u>
Net assets	<u>184,875</u>	<u>169,114</u>
Equity attributable to owners of the Company		
Share capital	64,825	57,691
Treasury shares	(10,903)	(9,378)
Employee share option reserve	1,959	3,715
Retained earnings	128,994	117,086
Total equity	<u>184,875</u>	<u>169,114</u>
Total equity and liabilities	<u>202,238</u>	<u>183,126</u>
Net assets per share (RM)	<u>1.80</u>	<u>1.71</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 2021 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 30 JUNE 2022**

	Current year to-date 30/06/2022 RM'000	Preceding year corresponding period 30/06/2021 RM'000
Operating activities		
Profit before tax	23,667	1,160
Adjustments for:		
Depreciation of investment properties	41	41
Depreciation of property, plant and equipment	1,644	1,704
Allowance for impairment of logs advances	-	200
Gain on disposal of property, plant and equipment	(19)	(30)
Grant of equity-settled share options	47	269
Interest income	(139)	(94)
Net fair value loss on derivatives - unrealised	679	218
Unrealised foreign exchange gain	(144)	(147)
Operating cash flows before changes in working capital	25,776	3,321
Changes in inventories	(14,020)	4,175
Changes in trade and other receivables	31,832	(5,993)
Changes in other current assets	4,775	(2,833)
Changes in trade and other payables	(1,321)	123
Changes in contract liabilities	(2,712)	767
Cash flows generated from/ (used in) operations	44,330	(440)
Interest received	136	90
Income tax paid	(764)	(182)
Net cash generated from/ (used in) operating activities	43,702	(532)
Investing activities		
Interest received	7	14
Proceeds from disposal of property, plant and equipment	19	30
Purchase of property, plant and equipment	(1,222)	(1,519)
Net cash used in investing activities	(1,196)	(1,475)
Financing activities		
Dividend paid	(3,020)	(2,966)
Purchase of treasury shares	(1,525)	-
Proceeds from exercise of employee share options	5,331	-
Net cash generated from/ (used in) financing activities	786	(2,966)

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 2021 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 30 JUNE 2022**

	Current year to-date 30/06/2022 RM'000	Preceding year corresponding period 30/06/2021 RM'000
Net increase/ (decrease) in cash and cash equivalents	43,292	(4,973)
Effect of exchange rate changes on cash and cash equivalents	144	147
Cash and cash equivalents at 1 January	<u>77,884</u>	<u>88,268</u>
Cash and cash equivalents at 30 June	<u>121,320</u>	<u>83,442</u>
Analysis of cash and cash equivalents		
Cash and bank balances	67,593	41,313
Investments in money market funds	54,113	42,515
Less: Deposits with maturity of more than three months	<u>(386)</u>	<u>(386)</u>
Cash and cash equivalents	<u>121,320</u>	<u>83,442</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 2021 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 30 JUNE 2022**

	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 2021	158,239	158,239	57,691	(9,378)	3,300	106,626
Total comprehensive loss	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
Opening balance at 1 January 2022	169,114	169,114	57,691	(9,378)	3,715	117,086
Total comprehensive income	18,004	18,004	-	-	-	18,004
Dividends on ordinary shares	(6,096)	(6,096)	-	-	-	(6,096)
Exercise of employee share options	5,331	5,331	7,134	-	(1,803)	-
Purchase of treasury shares	(1,525)	(1,525)	-	(1,525)	-	-
Grant of equity-settled share options	47	47	-	-	47	-
Closing balance at 30 June 2022	184,875	184,875	64,825	(10,903)	1,959	128,994

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 2021 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 2022

**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 2022, 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 2021. 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 2021.

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 2021 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 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	

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 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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
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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

During the financial period ended 30 June 2022, the Company issued 4,852,000 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 30 June 2022 are as follows:

	No. of shares	RM'000
As at 1 January 2022	106,884,000	57,691
Ordinary shares issued pursuant to ESOS	4,852,000	7,134
	<hr/>	<hr/>
As at 30 June 2022	<u>111,736,000</u>	<u>64,825</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022

A6. Changes in debt and equity securities (continued)

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

During the period ended 30 June 2022, the Company had acquired 1,200,800 units of ordinary shares from the open market for a cash consideration of RM1.53 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 20 May 2022. 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

The following dividend payments were made during the financial year ending 31 December 2022:

	RM'000
In respect of financial year ended 31 December 2021:	
- interim single-tier dividend of 3.0 sen per ordinary share, paid on 20 April 2022	3,020
In respect of financial year ending 31 December 2022:	
- interim single-tier dividend of 3.0 sen per ordinary share, paid on 15 July 2022	3,076
	6,096

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 30 June 2022</u>				
Revenue				
External sales	73,733	-	-	73,733
Inter-segment sales	-	1,190	(1,190)	-
	73,733	1,190	(1,190)	73,733

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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>Period ended 30 June 2022</u>				
Results				
Segment profit	23,015	176	476	23,667
Segment assets as at 30 June 2022	143,253	2,776	56,209	202,238
Segment liabilities as at 30 June 2022	10,639	121	6,603	17,363
<u>Period ended 30 June 2021</u>				
Revenue				
External sales	56,681	72	-	56,753
Inter-segment sales	-	965	(965)	-
	56,681	1,037	(965)	56,753
Results				
Segment profit	591	110	459	1,160
Segment assets as at 31 December 2021	128,402	3,051	51,673	183,126
Segment liabilities as at 31 December 2021	11,377	57	2,578	14,012

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 30/06/2022 RM'000	Preceding year corresponding period 30/06/2021 RM'000
Interest income from fixed deposit	3	4
Distribution income from money market funds	73	356
Net gain on money market funds	378	73
Rental income from investment properties	132	132
Depreciation of investment properties	(41)	(41)
Direct operating expenses arising from investment properties	(69)	(65)
	476	459

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 30/06/2022	As at 31/12/2021
	RM'000	RM'000
Money market funds	54,113	48,662
Investment properties	2,092	2,133
Deferred tax assets	3	93
Tax refundable	1	785
	<u>56,209</u>	<u>51,673</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 30/06/2022	As at 31/12/2021
	RM'000	RM'000
Provision for taxation	4,320	-
Deferred tax liabilities	2,283	2,578
	<u>6,603</u>	<u>2,578</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 30/06/2022	As at 31/12/2021
	RM'000	RM'000
Approved and contracted for property, plant and equipment	-	344

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 2022 and 30 June 2021 as well as the balances with the related parties as at 30 June 2022 and 31 December 2021:

Nature of transactions	Transaction value for period ended		Balance outstanding as at	
	30/06/2022	30/06/2021	30/06/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Sales of electricity to a related party ^	-	72	-	5
Purchase of motor vehicle from a related party ^	-	85	-	-
Rental paid to a director	96	96	-	-

^ 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 2022

**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 30/06/2022	Preceding year corresponding quarter 30/06/2021	Changes
	RM'000	RM'000	%
Revenue	40,810	33,103	23.3
Operating profit	13,773	3,936	249.9
Non-operating income	238	239	-0.4
Profit before tax	14,011	4,175	235.6
Profit after tax	10,605	4,131	156.7
Profit attributable to owners of the parent	10,605	4,131	156.7

In the second quarter of current financial year, revenue was RM40.81 million, an increase of RM7.71 million, or 23% year-over-year. Despite of a drop in sales volume by approximately 17%, the Group's operating profit soared to RM13.77 million, an increase of RM9.83 million, or 250% over the prior year period and gross margin on sale of goods expanded 1,930 basis points to 40.3%. Profit after tax of the Group was RM10.61 million, or 10.46 sen per share, versus RM4.13 million, or 4.18 sen per share, in the prior year period.

Sales growth and improved profit margin was primarily attributable to higher average selling price which was driven by continued strong demand for plywood and strengthening of US dollar in current quarter. Although production cost per m3 had increased moderately due to higher logs price, increase in adhesive and diesel costs as well as the revision of minimum wages from 1 May 2022, operating profit of the Group increased significantly as compared to RM3.94 million reported in second quarter of previous financial year. In line with the improved selling price, profit before tax of the Group increased by approximately 236%.

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

	Current year to-date 30/06/2022	Preceding year corresponding period 30/06/2021	Changes
	RM'000	RM'000	%
Revenue	73,733	56,753	29.9
Operating profit	23,191	701	3208.3
Non-operating income	476	459	3.7
Profit before tax	23,667	1,160	1940.3
Profit after tax	18,004	1,236	1356.6
Profit attributable to owners of the parent	18,004	1,236	1356.6

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B1. Review of performance of the Group (continued)

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

For the six months ended 30 June 2022, revenue was RM73.73 million, an increase of RM16.98 million, or 30%, over the prior year corresponding period. Operating profit was RM23.19 million, an increase of RM22.49 million, or 3208%, over the prior year corresponding period. Gross margin on sale of goods expanded 3,250 basis points to 39.9%. We delivered our best ever half-yearly result with profit after tax of RM18.00 million, an increase of 1357% as compared to RM1.24 million in the prior year corresponding period.

The increase in profit after tax of the Group was consistent with the increase in sales and profit before tax, which primarily driven by gross margin expansion across wood products as a result of strong selling price and strengthening of US dollar. Basic earnings per share for the first six months of current financial year was 17.91 sen, an increase of 1333% as compared to 1.25 sen in the prior year corresponding period.

B2. Comparison with immediate preceding quarter's results

	Current year quarter 30/06/2022	Immediate preceding quarter 31/03/2022	Changes
	RM'000	RM'000	%
Revenue	40,810	32,923	24.0
Operating profit	13,773	9,418	46.2
Non-operating income	238	238	-
Profit before tax	14,011	9,656	45.1
Profit after tax	10,605	7,399	43.3
Profit attributable to owners of the parent	10,605	7,399	43.3

Revenue in current quarter amounted to RM40.81 million, an increase of RM7.89 million, or 24%, as compared to RM32.92 million reported in immediate preceding quarter. The Group's operating profit was RM13.77 million, an increase of RM4.35 million, or 46% quarter-over-quarter. Gross profit margin on sale of goods expanded 110 basis points to 40.3% as compared to 39.2% reported in the first quarter of current financial year. Profit after tax of the Group was RM10.61 million, or 10.46 sen per share, versus RM7.40 million, or 7.43 sen per share, in the immediate preceding quarter.

Increase in revenue and profit margin were mainly attributable to higher sales volume, increased average selling price as a result of sales mix difference and stronger USD dollar in current quarter under review. Although there is only one bulk carrier in each quarter, which arrived in January and April 2022, more plywood was loaded in April as the available plywood for loading in January was limited after the delivery of approximately 12,000m3 in December 2021. Increase in profits were offset by higher production cost due to revision of minimum wages and lower production volume as compared to first quarter of the year.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B3. Prospects for the remaining period of current financial year

In line with the slower mid-summer activity at US which muted demand for wood products, we saw declines in wood-based commodity prices at US in the second quarter. We also understand from our customers that field inventories were strong after the cargo from bulk carriers departed in December 2021 and January 2022 were discharged in the past two months. We anticipate the broad-based inflation and the rapid rise in mortgage rates may slow down the US housing industry and recreational vehicle sector. This may indirectly affect the demand and market price of our plywood in the long run. However, we expect a minimal impact on the performance of the remaining period of current year as the Group has pending orders of approximately 17,550m³ as at 30 June 2022.

Currently, we are closely monitoring the macro-environment and in no rush to increase our production volume. As production will be maintained at the same level, we expect the production cost per m³ will increase moderately in the coming quarters. However, the Board of Directors remain confident that the Group will report excellent result for 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.

B5. Income tax

	Current year quarter 30/06/2022	Preceding year corresponding quarter 30/06/2021	Current year to-date 30/06/2022	Preceding year corresponding period 30/06/2021
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	3,558	38	5,868	38
Deferred income tax:				
- Origination and reversal of temporary differences	(155)	6	(208)	(114)
- Under provision in prior years	3	-	3	-
	(152)	6	(205)	(114)
	3,406	44	5,663	(76)

The effective tax rate for current quarter was higher than the statutory tax rate, principally due to certain expenses disallowed for income tax purposes. The effective tax rate for current year to-date was lower than the statutory tax rate, principally due to certain income not subjected to income tax purposes.

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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 2022.

B8. Material litigations

There were no material litigations since the financial year ended 31 December 2021 and up to the date of this report.

B9. Dividends

The Board of Directors is pleased to declare an interim dividend of approximately 5.38 sen per ordinary share in respect of the financial year ending 31 December 2022 (Q2 2021: NIL) in the following manner:

- (a) Single tier interim dividend (cash dividend) of 3 sen per ordinary share; and
- (b) Share dividend distribution of treasury shares on the basis of 1 treasury share for every 50 existing shares, equivalent to approximately 2.38 sen per ordinary share based on the book cost of treasury share held.

The entitlement date and crediting/ payment date are on 15 September 2022 and 30 September 2022 respectively. The total dividends declared to-date for the current financial year ending 31 December 2022 is 8.38 sen per ordinary share (YTD Q2 2021: NIL).

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 2021.

B11. Earnings per share

Basic earnings per share is 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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B11. Earnings per share (Continued)

	Current year quarter 30/06/2022	Preceding year corresponding quarter 30/06/2021	Current year to-date 30/06/2022	Preceding year corresponding period 30/06/2021
Profit net of tax, attributable to owners of the parent used in the computation of loss per share (RM'000)	10,605	4,131	18,004	1,236
Weighted average number of ordinary shares in issue ('000)	101,403	98,869	100,517	98,869
Effects of dilution:				
- Employee share options ('000)	1,541	- *	2,090	- *
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	102,944	98,869	102,607	98,869
Basic earnings per share (sen per share)	10.46	4.18	17.91	1.25
Diluted earnings per share (sen per share)	10.30	4.18	17.55	1.25

* nil due to anti-dilutive effect

B12. Derivative financial instruments

As at 30 June 2022 and 31 December 2021, the Group has the following outstanding derivatives financial instruments:

	Principal or Notional Amount	Fair value	
	RM'000	Assets RM'000	Liabilities RM'000
30 June 2022			
Foreign currency forward contract:			
- Less than 1 year	30,856	-	283
31 December 2021			
Foreign currency forward contract:			
- Less than 1 year	29,155	396	-

(Incorporated in Malaysia)

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B12. Derivative financial instruments (Continued)

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.

B13. Profit before tax

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

	Current year quarter 30/06/2022	Preceding year corresponding quarter 30/06/2021	Current year to- date 30/06/2022	Preceding year corresponding period 30/06/2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(94)	(40)	(139)	(94)
Distribution income from money market funds	(32)	(177)	(73)	(356)
Net gain on money market funds	(195)	(39)	(378)	(73)
Gain on disposal of property, plant and equipment	-	-	(19)	(30)
Bad debts recovered	(120)	-	(240)	-
Rental income	(68)	(70)	(139)	(138)
Rental of office premises	48	48	96	96
Allowance for impairment of logs advances	-	200	-	200
Depreciation of property, plant and equipment	835	851	1,644	1,704
Depreciation of investment properties	20	20	41	41
Direct operating expenses arising from investment properties:				
- rental generating properties	36	25	69	65
Net fair value loss/ (gain) on derivatives:				
- realised	1,022	233	736	210
- unrealised	307	(197)	679	218
Net (gain)/ loss on foreign exchange:				
- realised	(1,653)	(511)	(2,052)	(602)
- unrealised	(114)	307	(144)	(147)