

**Condensed Consolidated Income Statement
For The Quarter Ended 30 September 2019**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2018 (Unaudited)	Current Year 9 months ended 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2018 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	29,744	29,361	82,030	81,219
Cost of sales	(24,615)	(23,205)	(75,027)	(67,997)
Gross profit	5,129	6,156	7,003	13,222
Other operating income	1,062	473	1,444	1,817
Other operating expenses	(941)	(1,005)	(2,883)	(3,199)
Operating profit	5,250	5,624	5,564	11,840
Finance costs	(164)	(509)	(802)	(1,429)
Interest income	2	2	18	50
Profit before tax	5,088	5,117	4,780	10,461
Income tax expense	(379)	(1,076)	(650)	(2,253)
Profit for the period attributable to equity holders of the company	4,709	4,041	4,130	8,208
Earnings per share attributable to equity holders of the Company:	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	0.98	0.84	0.86	1.71
Diluted	0.98	0.84	0.86	1.70

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Comprehensive Income
For The Quarter Ended 30 September 2019**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2018 (Unaudited)	Current Year 9 months ended 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2018 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	4,709	4,041	4,130	8,208
Other comprehensive income	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the company	<u><u>4,709</u></u>	<u><u>4,041</u></u>	<u><u>4,130</u></u>	<u><u>8,208</u></u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Financial Position
As at 30 September 2019**

	(Unaudited)	(Audited)
	End of Current Quarter 30 Sep 2019	Preceding Financial Year Ended 31 Dec 2018
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	366,171	373,326
Right-of-use assets	2,160	-
Other receivables	2,186	2,085
	<u>370,517</u>	<u>375,411</u>
Current Assets		
Inventories	3,967	4,135
Biological asset	2,548	1,336
Trade receivables	2,271	2,169
Other receivables	125	1,410
Tax recoverable	40	193
Fixed deposits with licensed bank	540	525
Cash and bank balances	3,452	1,525
	<u>12,943</u>	<u>11,293</u>
TOTAL ASSETS	<u>383,460</u>	<u>386,704</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	239,675	239,675
Capital Reserves	391	391
Retained profits	67,800	68,459
Total equity	<u>307,866</u>	<u>308,525</u>

**Condensed Consolidated Statement of Financial Position
As at 30 September 2019 (Cont'd)**

	(Unaudited)	(Audited)
	End of Current Quarter 30 Sep 2019	Preceding Financial Year Ended 31 Dec 2018
	<u>RM'000</u>	<u>RM'000</u>
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Deferred tax liabilities	37,919	37,269
Lease liability	2,160	-
Loans and borrowings	-	29
	<u>40,079</u>	<u>37,298</u>
Current liabilities		
Trade payables	2,791	3,132
Other payables	16,567	12,778
Loans and borrowings	16,157	24,970
Income tax payable	-	1
	<u>35,515</u>	<u>40,881</u>
Total liabilities	<u>75,594</u>	<u>78,179</u>
TOTAL EQUITY AND LIABILITIES	<u>383,460</u>	<u>386,704</u>

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

**Condensed Consolidated Statement of Changes in Equity
For the Financial Quarter ended 30 September 2019**

	Share capital	Other reserve	Retained earnings	Total equity
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2019	239,675	391	68,459	308,525
Total comprehensive income for the period	-	-	4,130	4,130
Dividends on ordinary shares	-	-	(4,789)	(4,789)
At 30 September 2019	<u>239,675</u>	<u>391</u>	<u>67,800</u>	<u>307,866</u>
At 1 January 2018	239,675	382	77,379	317,436
Share options granted under ESOS				
- Recognised in income statement	-	3	-	3
- Included in investments in subsidiary	-	6	-	6
Total comprehensive income for the period	-	-	8,208	8,208
Dividends on ordinary shares	-	-	(14,366)	(14,366)
At 30 September 2018	<u>239,675</u>	<u>391</u>	<u>71,221</u>	<u>311,287</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 30 September 2019**

	9 months ended 30 Sep 2019 (Unaudited) <u>RM'000</u>	9 months ended 30 Sep 2018 (Unaudited) <u>RM'000</u>
Operating activities		
Profit before tax	4,780	10,461
<u>Adjustment for :-</u>		
Depreciation of property, plant and equipment	15,850	15,047
Property, plant and equipment written off	-	14
Interest received	(18)	(50)
Interest expense	803	1,429
Share options granted under ESOS	-	3
Loss/(gain) on disposal of equipment	7	(1,162)
Total adjustments	<u>16,642</u>	<u>15,281</u>
Operating cash flows before changes in working capital	21,422	25,742
<u>Changes in working capital:</u>		
Decrease/(increase) in inventories	168	(3,216)
(Increase)/decrease in receivables and others assets	(130)	5,077
Increase/(decrease) in payables	3,448	(72)
Total changes in working capital	<u>3,486</u>	<u>1,789</u>
Cash generated from operating activities	24,908	27,531
Interest received	18	50
Interest paid	(812)	(1,477)
Income tax paid	(45)	(88)
Income tax refunded	197	-
Net cash generated from operating activities	<u>24,266</u>	<u>26,016</u>
Investing activities		
Placement of pledged fixed deposits	(15)	-
Purchase of property, plant and equipment	(8,715)	(19,606)
Proceeds from disposal of property, plant and equipment	22	2,165
Net cash used in investing activities	<u>(8,708)</u>	<u>(17,441)</u>

**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 30 September 2019 (Cont'd.)**

	9 months ended 30 Sep 2019 (Unaudited) <u>RM'000</u>	9 months ended 30 Sep 2018 (Unaudited) <u>RM'000</u>
Financing activities		
Drawdown of revolving credit	3,000	12,000
Drawdown of invoice financing	5,698	628
Repayment of invoice financing	(4,657)	-
Repayment of term loans	(12,500)	(15,250)
Repayment of hire purchase liabilities	(383)	(1,181)
Dividend paid	(4,789)	(14,366)
Net cash used in financing activities	<u>(13,631)</u>	<u>(18,169)</u>
Net increase/(decrease) in cash and cash equivalents	1,927	(9,594)
Cash and cash equivalents at beginning of year	1,525	11,692
Cash and cash equivalents at end of period	<u><u>3,452</u></u>	<u><u>2,098</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard MFRS 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2018.

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2018, except for the adoption of the following new/revised MFRSs and amendments to MFRSs:

	Effective for annual periods beginning on or after
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2019
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

Except for MFRS 16, these new standards, amendments and interpretations are not expected to have a significant impact on the Group’s financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2018 was not qualified.

4. SEGMENTAL INFORMATION

No segment information has been prepared as the Group is primarily engaged in the cultivation of oil palm and processing and sale of crude palm oil and palm kernel.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2019.

6. CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the current quarter results.

7. SEASONAL OR CYCLICAL FACTORS

The effects of seasonal or cyclical fluctuations, if any, are explained under Paragraphs 1 and 2 of Part B i.e. Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Securities.

8. DIVIDENDS PAID

A final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 December 2018, amounting to RM4,788,579 was paid on 16 August 2019.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

9. CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

There were no brought forward valuations of property, plant and equipment from the financial year ended 31 December 2018 and there were no valuations of property, plant and equipment carried out during the financial period ended 30 September 2019.

10. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale, and repayments of debt and equity securities during the financial period ended 30 September 2019.

11. CHANGES IN THE COMPOSITION OF THE GROUP

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

12. DISCONTINUED OPERATION

There were no discontinued operations for the Group during the current financial quarter.

13. CAPITAL COMMITMENTS

The amount of capital commitments not provided for in the interim financial statements as at 30 September 2019 are as follows:

Capital expenditure:	2019
Property, plant and equipment:	<u>RM'000</u>
Approved and contracted for	3,785
	<u><u> </u></u>

14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and contingent liabilities at the end of this quarter and as at the date of this report.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

15. MATERIAL LITIGATION/CLAIMS

- (a) On 3 June 2014, Serijaya Industri Sdn. Bhd. (SJI), a wholly-owned subsidiary of the Company, filed a notice of arbitration against Asiatic Lumber Industries Sdn. Bhd. (ALISB) for a claim approximately RM14,631,516 arising from a shortfall in guaranteed volume of log production under a Logging Sub-Contract agreement between SJI and ALISB.

Under the Logging Sub-Contract agreement, ALISB has undertaken to extract a minimum of 120,000 m³ of logs per annum. The amount of RM14,631,516 was computed on the loss of profit from production shortfall.

On 1 July 2014, ALISB filed a counterclaim for alleged losses of RM47,638,833.

The Arbitrator had on 6 October 2016 awarded SJI the whole claim amounted to RM11,619,123 for shortfall from 2011 to 2013 with interest at 10% per annum.

ALISB has sought determination from the High Court on questions of law arising from the Arbitrator's award and, on 4 April 2017, the High Court in Sandakan had dismissed the application to set aside the arbitration award by ALISB and delivered the ruling in favour of SJI. On 10 April 2017, ALISB has filed a Notice of Appeal in the Court of Appeal to set aside the arbitration award. On 24 July 2018, ALISB has filed a Notice of Discontinuance in the Court of Appeal.

On 17 April 2017, the High Court of Sabah and Sarawak has ordered that leave be granted to SJI to enforce the arbitration award. ALISB failed to pay the sums under the arbitrations award. On 14 August 2017, the High Court of Sabah and Sarawak has ordered that ALISB be wound up and the Director General of Insolvency be appointed as the liquidator of ALISB. On 5 March 2019, SJI was informed by the Insolvency Department that there will be payment to be made to SJI. However, there was no amount being mentioned.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

15. MATERIAL LITIGATION (CONT'D.)

- (b) On 13 September 2018, SJI received a Writ of Summons and Statement of Claim in relation to a suit of the Plaintiff, Nip Wing Hon against SJI as the 3rd Defendant together with six (6) other named defendants (Defendants).

The Plaintiff has claimed that the Defendants have since 2013, wrongfully and maliciously conspired and combined amongst themselves to defraud and injure the Plaintiff in his business and claimed for the various damages. SJI's defense is that there is no conspiracy to injure ALISB and the plaintiff. Given that the plaintiff has no legal standing (locus standi) to sue for damages incurred by ALISB in his personal capacity, and the matter is res judicata (already have been decided on and should not be re-litigating) since similar allegations were previously raised and dismissed via arbitration proceedings. SJI and the 6 others have filed applications to strike out the matter. On 10 May 2019, The Court has ordered that the Plaintiff's claim be struck out and the action against SJI be dismissed.

Cost of RM3,000 to be paid by the Plaintiff to SJI subject to allocator fee.

- (c) On 9 July 2018, SJI and Benta Wawasan Sdn Bhd ("BW") entered into a third supplemental agreement of the Agreement of Oil Palm Plantation ("AOPP"), whereby the two parties mutually agreed that SJI should pay rental on the land for oil palm plantation of RM2,201,502 covering the period from year 2018 to year 2070 in an equal annual payment of RM41,538 and interest on the total outstanding rental sum at the rate of 8% per annum on a reducing balance basis.

Via a letter dated 10 January 2019, BW has informed SJI that the third supplemental agreement of the AOPP was not approved by the board of directors of BW. Subsequently, BW has issued a letter dated 6 March 2019 and an invoice dated 8 March 2019, claiming the rental for year 2017 and year 2018 amounting to RM5,288,459 and RM4,261,721 respectively. SJI has obtained legal opinions that BW would not be entitled to treat the third supplemental agreement of the AOPP as invalid on the ground that there was no board of director resolution from BW to approve the third supplemental agreement. The claim for year 2018 is in dispute and pending resolutions from both parties and therefore has not been recognised in these interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

16. MATERIAL RELATED PARTY TRANSACTIONS

Group	2019
	<u>RM'000</u>
Trade transactions	
Transaction with a related party:	
Rental paid to TSH Resources Bhd., a company in which a director of the Company has an interest.	84
Sales of crude palm oil to TSH-Wilmar Sdn. Bhd.	75,457
Sales of palm kernel to TSH-Wilmar Sdn. Bhd.	6,573
Purchase of oil palm seedlings from TSH Biotech Sdn. Bhd.	621
Purchase of oil palm fresh fruit bunches to Benta Wawasan Sdn. Bhd.	2,437
 Company	
Trade transaction	
Management fees paid to subsidiary - Serijaya Industri Sdn Bhd	82
Transaction with related party - Rental paid to Yayasan Sabah	32

17. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER			CUMMULATIVE YEAR TO DATE		
	Current Year Quarter 30 Sep 2019	Preceding Year Quarter 30 Sep 2018	Variance	Current Year 9 months ended 30 Sep 2019	Preceding Year Period 30 Sep 2018	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
FINANCIAL INFORMATION:						
Revenue	29,744	29,361	1%	82,030	81,219	1%
Operating Profit	5,250	5,624	(7%)	5,564	11,840	(53%)
Profit Before Tax	5,088	5,117	(1%)	4,780	10,461	(54%)
Profit After Tax	4,709	4,041	17%	4,130	8,208	(50%)
Profit Attributable to Equity Holders of the Company	4,709	4,041	17%	4,130	8,208	(50%)
OPERATION STATISTICS:						
Palm Products:						
FFB Production (MT)	57,347	56,535	1%	156,242	141,078	11%
CPO Production (MT)	13,854	12,250	13%	37,895	31,535	20%
PK Production (MT)	2,130	1,824	17%	5,840	4,847	20%
CPO Sold (MT)	13,785	11,669	18%	38,385	30,757	25%
PK Sold (MT)	2,159	1,716	26%	5,806	4,806	21%
CPO Oil Extraction Rate (%)	23.43	22.82	3%	23.16	23.00	1%
PK Extraction Rate (%)	3.60	3.40	6%	3.57	3.51	2%
Average CPO Price Per MT (RM)	1,987	2,193	(9%)	1,966	2,320	(15%)
Average PK Price Per MT (RM)	1,093	1,708	(36%)	1,132	1,879	(40%)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

1. PERFORMANCE REVIEW (CONT'D.)

The Group recorded revenue of RM29.744 million for the current quarter and RM82.030 million for year-to-date ended 30 September 2019 representing an increase of 1% as compared to RM29.361 million and RM81.219 million respectively for the preceding financial year corresponding quarter. Profit before tax for the current quarter was RM5.088 million and RM4.780 million for year-to-date compared to preceding financial year corresponding quarter of RM5.117 million and RM10.461 respectively.

The slight increase in revenue and decrease in profit before tax for current quarter and year-to-date were mainly due to fluctuation of average selling price of CPO and PK despite higher CPO and PK sales volume and FFB production.

2. MATERIAL CHANGES IN PROFIT/(LOSS) BEFORE TAXATION

	INDIVIDUAL QUARTER		
	Current Year Quarter 30 Sep 2019	Immediate Preceding Quarter 30 June 2019	Variance
	RM'000	RM'000	%
FINANCIAL INFORMATION:			
Revenue	29,744	23,887	25%
Operating Profit/(Loss)	5,250	(1,940)	371%
Profit/(Loss) Before Tax	5,088	(2,219)	329%
Profit/(Loss) After Tax	4,709	(2,219)	312%
Profit/(Loss) Attributable to Equity of the Company	4,709	(2,219)	312%
OPERATION STATISTICS:			
FFB Production (MT)	57,347	46,500	23%
CPO Production (MT)	13,854	11,288	23%
PK Production (MT)	2,130	1,614	32%
CPO Sold (MT)	13,785	11,449	20%
PK Sold (MT)	2,159	1,466	47%
CPO Oil Extraction Rate (%)	23.43	23.21	1%
PK Extraction Rate (%)	3.60	3.32	8%
Average CPO Price Per MT (RM)	1,987	1,952	2%
Average PK Price Per MT (RM)	1,093	1,051	4%

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

2. MATERIAL CHANGES IN PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

The Group recorded profit before tax of RM5.088 million for the current quarter compared to loss before tax of RM2.219 million in the immediate preceding quarter mainly due to higher sales volume of CPO and PK arising from higher FFB production by 23%.

3. COMMENTARY ON PROSPECT FOR 2019

FFB production in coming quarter is expected to increase due to seasonal factor. Given the current level of CPO and PK prices, the Board is confident of achieving reasonable profit in the coming months.

Management will continue to focus on efficiency and productivity to control production cost.

4. PROFIT FORECAST OR PROFIT GUARANTEE

There were no profit forecasts or profit guarantees released to the public.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**
5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2018 (Unaudited)	Current Year 9 months ended 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2018 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
Malaysian income tax	-	-	-	-
Deferred tax	379	1,076	650	2,253
	<u>379</u>	<u>1,076</u>	<u>650</u>	<u>2,253</u>
(Over)/underprovided in prior years:				
Malaysian income tax	-	-	-	-
Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>379</u></u>	<u><u>1,076</u></u>	<u><u>650</u></u>	<u><u>2,253</u></u>

6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales/disposals of unquoted investments and properties during the current financial quarter and period ended 30 September 2019.

7. QUOTED SECURITIES

- (a) There was no purchase and sale of quoted securities for the current financial quarter ended 30 September 2019.
- (b) There was no investment in quoted shares as at 30 September 2019.

8. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the current financial quarter ended 30 September 2019.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

9. UTILISATION OF PROCEEDS

No proceed were raised by the Company from any corporate exercise during the period.

10. LOANS AND BORROWINGS

	As at end of current quarter 30 Sep 2019 (Unaudited) RM'000	As at 31 Dec 2018 (Audited) RM'000
Short term borrowings		
Secured:		
Revolving credit	15,000	12,000
Invoice financing	1,041	-
Term loans	-	12,500
Hire purchase creditor	116	470
	<u>16,157</u>	<u>24,970</u>
Long term borrowings		
Secured:		
Hire purchase creditor	-	29
	<u>-</u>	<u>29</u>
Total borrowings		
Secured:		
Revolving credit	15,000	12,000
Invoice financing	1,041	-
Term loans	-	12,500
Hire purchase creditor	116	499
	<u>16,157</u>	<u>24,999</u>

The weighted average effective interest rate of borrowings as at 30 September 2019 was 5.41%.

Loans and borrowings of the Group are secured by the following:

- (a) Corporate guarantee given by the Company.
- (b) Assignment of rights, title and interest including but not limited to the right to occupy and develop a parcel of land.
- (c) All monies debenture and power of attorney over all of the existing and future assets of a subsidiary.
- (d) Pledge of deposits with licensed bank.

All borrowings are denominated in Ringgit Malaysia.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**
11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 September 2019.

12. PROPOSED DIVIDEND

The Company did not declare any interim dividend for the current quarter ended 30 September 2019.

13. EARNINGS PER SHARE
(a) Basic earning per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period:

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2018 (Unaudited)	Current Year 9 months ended 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2018 (Unaudited)
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to ordinary equity holders of the parent	4,709	4,041	4,130	8,208
Weighted average number of ordinary shares in issue ('000)	478,858	478,858	478,858	478,858
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic earnings per share	0.98	0.84	0.86	1.71

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**
13. EARNINGS PER SHARE (CONT'D)
(b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2018 (Unaudited)	Current Year 9 months ended 30 Sep 2019 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2018 (Unaudited)
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to ordinary equity holders of the parent	4,709	4,041	4,130	8,208
Weighted average number of ordinary shares in issue ('000)	478,858	478,858	478,858	478,858
Effect of ESOS ('000)	793	1,243	793	1,243
Weighted average number of ordinary shares in issue ('000)	479,651	480,101	479,651	480,101
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Diluted earnings per share	0.98	0.84	0.86	1.70

The diluted earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

The share options was calculated based on the number of shares which would have been acquired at the market price (average annual share price of the company's share) based on the monetary value of the subscription rights attached to the outstanding share options. No adjustment is made to the net profit attributable to shareholders for the share options calculations.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

14. AMENDMENT ON ANNOUNCEMENT TO BURSA MALAYSIA

This amendment is made to rectify the error on item 7 of Part A2: Summary of Key Financial Information (Net Assets per Share) for the period from 1 January 2016 to September 2018. This amendment was due to the capital reconstruction and rights issue exercise which was completed on 4 March 2016.

There is no affect on the Quarterly Report from the financial period ended from 31 March 2016 to 30 September 2018.

A summary of amended Net Asset per Share are as follows:

Announcement Reference No	Announcement Period	Net Asset Per Share (As Announced)	Net Asset Per Share (Amended)
FRA-16052016-00003	31 March 2016	1.20	0.60
FRA-18082016-00009	30 June 2016	1.24	0.62
FRA-15112016-00001	30 September 2016	1.29	0.65
FRA-15022017-00002	31 December 2016	1.33	0.67
FRA-16052017-00015	31 March 2017	1.36	0.68
FRA-16082017-00015	30 June 2017	1.36	0.68
FRA-16112017-00032	30 September 2017	1.37	0.69
FRA-06022018-00005	31 December 2017	1.42	0.71
FRA-15052018-00010	31 March 2018	1.33	0.67
FRA-16082018-00036	30 June 2018	1.28	0.64
FRA-01112018-00004	30 September 2018	1.30	0.65

15. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 November 2019.