

**Condensed Consolidated Income Statement
For The Quarter Ended 31 December 2019**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2018 (Unaudited)	Current Year 12 months ended 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2018 (Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	36,571	33,004	118,600	114,222
Cost of sales	(23,723)	(28,626)	(98,750)	(96,823)
Gross profit	12,848	4,378	19,850	17,399
Other operating income	1,336	406	2,626	1,891
Other operating expenses	(955)	(2,146)	(3,683)	(5,015)
Operating profit	13,229	2,638	18,793	14,275
Finance costs	(470)	(434)	(1,272)	(1,864)
Interest income	7	23	25	73
Profit before tax	12,766	2,227	17,546	12,484
Income tax expense	(3,256)	(250)	(3,906)	(3,019)
Profit for the period attributable to equity holders of the company	9,510	1,977	13,640	9,465
Earnings per share attributable to equity holders of the Company:	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	1.99	0.41	2.85	1.98
Diluted	1.98	0.41	2.84	1.98

The condensed consolidated income statement 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 31 December 2019**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2018 (Unaudited)	Current Year 12 months ended 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2018 (Audited)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	9,510	1,977	13,640	9,465
Other comprehensive income	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the company	<u><u>9,510</u></u>	<u><u>1,977</u></u>	<u><u>13,640</u></u>	<u><u>9,465</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 31 December 2019**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Dec 2019	Preceding Financial Year Ended 31 Dec 2018
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	362,760	373,326
Right-of-use assets	2,118	-
Other receivables	2,096	2,085
	<u>366,974</u>	<u>375,411</u>
Current Assets		
Inventories	5,755	4,135
Biological asset	3,856	1,336
Trade receivables	3,560	2,169
Other receivables	197	1,410
Tax recoverable	55	193
Fixed deposits with licensed bank	540	525
Cash and bank balances	9,550	1,525
	<u>23,513</u>	<u>11,293</u>
TOTAL ASSETS	<u>390,487</u>	<u>386,704</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	239,675	239,675
Capital Reserves	247	391
Retained profits	77,454	68,459
Total equity	<u>317,376</u>	<u>308,525</u>

**Condensed Consolidated Statement of Financial Position
As at 31 December 2019 (Cont'd)**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Dec 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	41,175	37,269
Lease liability	2,118	-
Loans and borrowings	-	29
	<u>43,293</u>	<u>37,298</u>
Current liabilities		
Trade payables	1,411	3,132
Other payables	13,378	12,778
Loans and borrowings	15,029	24,970
Income tax payable	-	1
	<u>29,818</u>	<u>40,881</u>
Total liabilities	<u>73,111</u>	<u>78,179</u>
TOTAL EQUITY AND LIABILITIES	<u>390,487</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 31 December 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	-	-	13,640	13,640
Lapse of ESOS	-	(144)	144	-
Dividends on ordinary shares	-	-	(4,789)	(4,789)
At 31 December 2019	<u>239,675</u>	<u>247</u>	<u>77,454</u>	<u>317,376</u>
At 1 January 2018	239,675	382	73,360	313,417
Share options granted under ESOS				
- Recognised in income statement	-	9	-	9
- Included in investments in subsidiary	-	-	-	-
Total comprehensive income for the period	-	-	9,465	9,465
Dividends on ordinary shares	-	-	(14,366)	(14,366)
At 31 December 2018	<u>239,675</u>	<u>391</u>	<u>68,459</u>	<u>308,525</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 31 December 2019**

	12 months ended 31 Dec 2019 (Unaudited) <u>RM'000</u>	12 months ended 31 Dec 2018 (Audited) <u>RM'000</u>
Operating activities		
Profit before tax	17,546	12,484
<u>Adjustment for :-</u>		
Depreciation of property, plant and equipment	21,190	20,191
Property, plant and equipment written off	-	14
Interest received	(25)	(73)
Interest expense	1,272	1,864
Share options granted under ESOS	-	3
Loss/(gain) on disposal of equipment	7	(1,162)
Fair value changes of biological assets	(2,520)	776
Total adjustments	<u>19,924</u>	<u>21,613</u>
Operating cash flows before changes in working capital	37,470	34,097
<u>Changes in working capital:</u>		
(Increase)/decrease in inventories	(1,620)	216
(Increase)/decrease in receivables	(189)	5,008
Decrease in payables	(1,121)	(2,293)
Total changes in working capital	<u>(2,930)</u>	<u>2,931</u>
Cash generated from operating activities	34,540	37,028
Interest received	25	73
Interest paid	(1,281)	(1,920)
Income tax paid	(60)	(103)
Income tax refunded	197	-
Net cash generated from operating activities	<u>33,421</u>	<u>35,078</u>
Investing activities		
Placement of pledged fixed deposits	(15)	(15)
Purchase of property, plant and equipment	(10,644)	(22,168)
Proceeds from disposal of property, plant and equipment	22	2,165
Net cash used in investing activities	<u>(10,637)</u>	<u>(20,018)</u>

**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 31 December 2019 (Cont'd.)**

	12 months ended 31 Dec 2019 (Unaudited) <u>RM'000</u>	12 months ended 31 Dec 2018 (Audited) <u>RM'000</u>
Financing activities		
Drawdown of revolving credit	3,000	12,000
Drawdown of invoice financing	5,698	1,678
Repayment of invoice financing	(5,698)	(1,678)
Repayment of term loans	(12,500)	(21,500)
Repayment of hire purchase liabilities	(470)	(1,361)
Dividend paid	(4,789)	(14,366)
Net cash used in financing activities	<u>(14,759)</u>	<u>(25,227)</u>
Net increase/(decrease) in cash and cash equivalents	8,025	(10,167)
Cash and cash equivalents at beginning of year	1,525	11,692
Cash and cash equivalents at end of year	<u>9,550</u>	<u>1,525</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 FOURTH QUARTER ENDED 31 DECEMBER 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 significant impact on the Group’s financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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

The amount of dividend paid during the twelve months period ended 31 December 2019:

In respect of financial year ended 31 December 2018:

A final single tier dividend of 1.0 sen
per ordinary share paid on 16 August 2019

2018
RM'000

4,789

No interim dividend has been paid during the current quarter ended 31 December 2019.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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 31 December 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 31 December 2019 are as follows:

Capital expenditure:	2019
Property, plant and equipment:	<u>RM'000</u>
Approved and contracted for	2,851
	<u><u>2,851</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 FOURTH QUARTER ENDED 31 DECEMBER 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 received.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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. Negotiation between both parties are on-going and the claim for year 2018 is still in dispute and pending resolutions and therefore has not been recognised in these interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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.	112
Purchase of vehicle from TSH Resources Berhad	433
Sales of crude palm oil to TSH-Wilmar Sdn. Bhd.	108,338
Sales of palm kernel to TSH-Wilmar Sdn. Bhd.	9,420
Sales of oil palm fresh fruit bunches to TSH Plantation Management Sdn. Bhd.	842
Purchase of oil palm seedlings from TSH Biotech Sdn. Bhd.	621
Purchase of oil palm fresh fruit bunches from Benta Wawasan Sdn. Bhd.	2,925
Company	
Trade transaction	
Management fees paid to subsidiary - Serijaya Industri Sdn. Bhd.	109
Transaction with related party - Rental paid to Yayasan Sabah	43

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 BURSAMALAYSIA SECURITIES BERHAD

1. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER			CUMMULATIVE YEAR TO DATE		
	Current Year Quarter 31 Dec 2019	Preceding Year Quarter 31 Dec 2018	Variance	Current Year 12 months ended 31 Dec 2019	Preceding Year Period 31 Dec 2018	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
FINANCIAL INFORMATION:						
Revenue	36,571	33,004	11%	118,600	114,222	4%
Operating Profit	13,229	2,638	401%	18,793	14,275	32%
Profit Before Tax	12,766	2,227	473%	17,546	12,484	41%
Profit After Tax	9,510	1,977	381%	13,640	9,465	44%
Profit Attributable to Equity Holders of the Company	9,510	1,977	381%	13,640	9,465	44%
OPERATION STATISTICS:						
Palm Products:						
FFB Production (MT)	68,275	68,859	(1%)	224,517	209,937	7%
CPO Production (MT)	14,499	15,008	(3%)	52,394	46,542	13%
PK Production (MT)	2,176	2,471	(12%)	8,016	7,317	10%
CPO Sold (MT)	13,555	15,570	(13%)	51,940	46,328	12%
PK Sold (MT)	2,156	2,498	(14%)	7,962	7,304	9%
CPO Oil Extraction Rate (%)	21.88	21.50	2%	22.79	22.37	2%
PK Extraction Rate (%)	3.28	3.54	(7%)	3.49	3.52	(1%)
Average CPO Price Per MT (RM)	2,426	1,896	28%	2,086	2,177	(4%)
Average PK Price Per MT (RM)	1,321	1,396	(5%)	1,183	1,714	(30%)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

1. PERFORMANCE REVIEW (CONT'D.)

The Group recorded revenue of RM36.571 million for the current quarter ended 31 December 2019 representing an increase of 11% as compared to RM33.004 million for the preceding year corresponding quarter. Profit before tax for the current quarter was RM12.766 million compared to preceding year corresponding quarter of RM2.227 million, an increase of 473%. The increase in revenue and profit before tax was due to higher average selling prices of CPO by 28%.

For the current year-to-date, the Group recorded revenue of RM118.600 million compared to RM114.222 in preceding year corresponding period, which is an increase of 4%. Profit before tax was RM17.546 million, an increase of 41% compared to last year corresponding period. The increase in revenue and profit before tax for year-to-date were due to higher sales volume of CPO and PK arising from higher FFB crop and better OER.

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		
	Current Year Quarter 31 Dec 2019	Immediate Preceding Quarter 30Sep 2019	Variance
	RM'000	RM'000	%
FINANCIAL INFORMATION:			
Revenue	36,571	29,744	23%
Operating Profit	13,229	5,250	152%
Profit Before Tax	12,766	5,088	151%
Profit After Tax	9,510	4,709	102%
Profit Attributable to Equity of the Company	9,510	4,709	102%
OPERATION STATISTICS:			
FFB Production (MT)	68,275	57,347	19%
CPO Production (MT)	14,499	13,854	5%
PK Production (MT)	2,176	2,130	2%
CPO Sold (MT)	13,555	13,785	(2%)
PK Sold (MT)	2,156	2,159	-
CPO Oil Extraction Rate (%)	21.88	23.43	(7%)
PK Extraction Rate (%)	3.28	3.60	(1%)
Average CPO Price Per MT (RM)	2,426	1,987	22%
Average PK Price Per MT (RM)	1,321	1,093	21%

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**

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

The Group recorded profit before tax of RM12.766 million for the current quarter compared to RM5.088 million in the immediate preceding quarter mainly due to higher average selling prices of CPO and PK by 22% and 21% respectively. Higher production of CPO and PK by 5% and 2% respectively arising from higher FFB production also contributed to the margin.

3. COMMENTARY ON PROSPECT FOR 2020

FFB production in 2020 is expected to increase compared to 2019 as more area comes into higher yielding age and with additional area coming into maturity. Given the current level of CPO and PK prices, the Board is confident of achieving reasonable profit in the coming quarters.

Management will continue to focus on productivity and efficiency improvement to reduce unit cost of production.

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 FOURTH QUARTER ENDED 31 DECEMBER 2019**
5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2018 (Unaudited)	Current Year 12 months ended 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2018 (Audited)
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
Malaysian income tax	-	1	-	12
Deferred tax	3,256	249	3,906	3,007
	<u>3,256</u>	<u>250</u>	<u>3,906</u>	<u>3,019</u>
(Over)/underprovided in prior years:				
Malaysian income tax	-	-	-	-
Deferred tax	-	-	-	-
Total	<u>3,256</u>	<u>250</u>	<u>3,906</u>	<u>3,019</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 31 December 2019.

7. QUOTED SECURITIES

- (a) There were no purchase and sale of quoted securities for the current financial quarter ended 31 December 2019.
- (b) There were no investments in quoted shares as at 31 December 2019.

8. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the current financial quarter ended 31 December 2019.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 Dec 2019 (Unaudited) RM'000	As at 31 Dec 2018 (Audited) RM'000
Short term borrowings		
Secured:		
Revolving credit	15,000	12,000
Term loans	-	12,500
Hire purchase creditor	29	470
	15,029	24,970
Long term borrowings		
Secured:		
Hire purchase creditor	-	29
	-	29
Total borrowings		
Secured:		
Revolving credit	15,000	12,000
Term loans	-	12,500
Hire purchase creditor	29	499
	15,029	24,999

The weighted average effective interest rate of borrowings as at 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 2019**
11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 December 2019.

12. PROPOSED DIVIDEND

The Company did not declare any interim dividend for the current quarter ended 31 December 2019.

13. EARNINGS PER SHARE
(a) Basic earnings 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 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2018 (Unaudited)	Current Year 12 months ended 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2018 (Audited)
	<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	9,510	1,977	13,640	9,465
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	1.99	0.41	2.85	1.98

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019**
13. EARNINGS PER SHARE (CONT'D)
(b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2018 (Unaudited)	Current Year 12 months ended 31 Dec 2019 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2018 (Audited)
	<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	9,510	1,977	13,640	9,465
Weighted average number of ordinary shares in issue ('000)	478,858	478,858	478,858	478,858
Effect of ESOS ('000)	711	1,243	711	259
Weighted average number of ordinary shares in issue ('000)	479,569	480,101	479,569	479,117
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Diluted earnings per share	1.98	0.41	2.84	1.98

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 FOURTH QUARTER ENDED 31 DECEMBER 2019**

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 24 February 2020.