

TIMBERWELL BERHAD**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR 6 MONTHS PERIOD ENDED 30 JUNE 2019**

| | ← INDIVIDUAL QUARTER → | | ← CUMULATIVE YTD → | |
|---|--|--|--|--|
| | Current year | Preceding year comparative | Current year | Preceding year comparative |
| | 3 months ended 30.06.2019 (RM'000) | 3 months ended 30.06.2018 (RM'000) | 6 months ended 30.06.2019 (RM'000) | 6 months ended 30.06.2018 (RM'000) |
| Continuing Operations | | | | |
| Revenue | 8,918 | 11,568 | 14,072 | 16,521 |
| Operating expenses | (6,930) | (9,173) | (11,556) | (13,557) |
| Other income | 7 | 1 | 12 | 6 |
| Profit from operations | <u>1,995</u> | <u>2,396</u> | <u>2,528</u> | <u>2,970</u> |
| Finance costs | <u>(44)</u> | <u>(64)</u> | <u>(87)</u> | <u>(127)</u> |
| Profit before tax | <u>1,951</u> | <u>2,332</u> | <u>2,441</u> | <u>2,843</u> |
| Income tax expense | <u>(546)</u> | <u>(681)</u> | <u>(708)</u> | <u>(936)</u> |
| Profit for the period from continuing operations | <u><u>1,405</u></u> | <u><u>1,651</u></u> | <u><u>1,733</u></u> | <u><u>1,907</u></u> |
| Profit after taxation/Total comprehensive income attributable to: | | | | |
| Ordinary equity holders of the parent | 1,436 | 1,755 | 1,786 | 2,137 |
| Non-controlling interest | <u>(31)</u> | <u>(104)</u> | <u>(53)</u> | <u>(230)</u> |
| | <u>1,405</u> | <u>1,651</u> | <u>1,733</u> | <u>1,907</u> |
| Earnings per share (Sen) attributable to ordinary equity holders of the parent : | | | | |
| - Basic | <u>1.61</u> | <u>1.97</u> | <u>2.01</u> | <u>2.40</u> |
| - Diluted | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |

The Condensed Unaudited Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

TIMBERWELL BERHAD
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

| | As at 30.06.2019 (RM'000) | As at 31.12.2018 (RM'000) |
|---|---------------------------------|---------------------------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 13,551 | 14,490 |
| Biological assets | 21,740 | 21,279 |
| Intangible assets | 8,778 | 8,786 |
| Investment properties | 11,660 | 11,660 |
| Right-of-use assets | 450 | 0 |
| Non-trade receivables | 794 | 794 |
| | <u>56,973</u> | <u>57,009</u> |
| CURRENT ASSETS | | |
| Inventories | 1,798 | 1,142 |
| Trade and other receivables | 3,460 | 3,330 |
| Fixed deposits with licensed banks | 390 | 390 |
| Cash and bank balances | 2,691 | 906 |
| | <u>8,339</u> | <u>5,768</u> |
| | <u>8,339</u> | <u>5,768</u> |
| TOTAL ASSETS | <u>65,312</u> | <u>62,777</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the company | | |
| Share capital | 98,677 | 98,677 |
| Reserves | (47,887) | (49,673) |
| | <u>50,790</u> | <u>49,004</u> |
| Non-controlling interest | (1,227) | (1,174) |
| Total equity | <u>49,563</u> | <u>47,830</u> |
| NON-CURRENT LIABILITIES | | |
| Non-trade payables | 1,981 | 1,894 |
| Lease liabilities | 234 | 234 |
| Deferred tax liabilities | 8,169 | 8,169 |
| | <u>10,384</u> | <u>10,297</u> |
| CURRENT LIABILITIES | | |
| Trade and other payables | 4,546 | 4,074 |
| Lease liabilities | 87 | 207 |
| Tax payables | 732 | 369 |
| | <u>5,365</u> | <u>4,650</u> |
| Total liabilities | <u>15,749</u> | <u>14,947</u> |
| TOTAL EQUITY AND LIABILITIES | <u>65,312</u> | <u>62,777</u> |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 0.5703 | 0.5503 |

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

TIMBERWELL BERHAD
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 3 MONTHS PERIOD ENDED 30 JUNE 2019

| | Attributable to ordinary equity holders of the parent | | | | Attributable to ordinary equity holders of the Parent | Non-controlling interests | Total equity |
|---|---|------------------------|------------------------------|---|---|---------------------------|--------------|
| | Non-Distributable | | | Distributable retained earnings/ (Accumulated losses) | | | |
| | Share capital (RM'000) | Share premium (RM'000) | Revaluation reserve (RM'000) | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| For The Period Ended 30 JUNE 2019 | | | | | | | |
| At 1 January 2019 | 98,677 | 0 | 7,552 | (57,225) | 49,004 | (1,174) | 47,830 |
| Net profit/(loss) for the year/Total comprehensive income/(expenses) for the period | 0 | 0 | 0 | 1,786 | 1,786 | (53) | 1,733 |
| At 30 June 2019 | 98,677 | 0 | 7,552 | (55,439) | 50,790 | (1,227) | 49,563 |
| For The Year Ended 31 DECEMBER 2018 | | | | | | | |
| At 1 January 2018 | 98,677 | 0 | 7,552 | (62,678) | 43,551 | (1,258) | 42,293 |
| Dividend | 0 | 0 | 0 | (891) | (891) | 0 | (891) |
| Net profit/(loss) for the year/Total comprehensive income/(expenses) for the year | 0 | 0 | 0 | 6,344 | 6,344 | 84 | 6,428 |
| At 31 December 2018 | 98,677 | 0 | 7,552 | (57,225) | 49,004 | (1,174) | 47,830 |

The Condensed Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

TIMBERWELL BERHAD
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2019

| | 6 months ended | |
|---|-----------------------|-----------------------|
| | 30.06.2019 | 31.12.2018 |
| | (RM'000) | (RM'000) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | | |
| Continuing operations | 2,441 | 7,631 |
| Adjustments for : | | |
| Non-cash Items | (555) | (1,258) |
| Non-operating Items | (264) | 392 |
| Operating profit before changes in working capital | <u>1,622</u> | <u>6,765</u> |
| Net change in Non Current Assets | (36) | 0 |
| Net change in Current Assets | 2,571 | (675) |
| Net change in Non-Current Liabilities | 87 | 0 |
| Net change in Current Liabilities | 715 | (2,433) |
| Cash generated from operations | <u>4,959</u> | <u>3,657</u> |
| Interest paid | (87) | (288) |
| Interest received | 0 | 20 |
| Tax paid | (708) | (1,281) |
| Net cash generated from operating activities | <u>4,164</u> | <u>2,108</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 0 | 11 |
| Purchase of property, plant and equipment | (16) | (248) |
| Acquisition of biological assets | (461) | (857) |
| Net cash used in investing activities | <u>(477)</u> | <u>(1,094)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (1,782) | (891) |
| Repayment of borrowings | (120) | (252) |
| Net cash used in financing activities | <u>(1,902)</u> | <u>(1,143)</u> |
| Net increase / (decrease) in Cash and Cash Equivalents | 1,785 | (129) |
| Cash and Cash Equivalents at beginning of the financial year | 1,296 | 1,425 |
| Cash and Cash Equivalents at end of the financial period / year | <u>3,081</u> | <u>1,296</u> |
| Cash and Cash equivalents at the end of the financial period/year comprise the following: | | |
| | As at | As at |
| | 30.06.2019 | 31.12.2018 |
| | (RM'000) | (RM'000) |
| Fixed deposits, cash and bank balances | <u>3,081</u> | <u>1,296</u> |
| | <u>3,081</u> | <u>1,296</u> |

The Condensed Unaudited Consolidated Statement of cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad (Bursa Securities) Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

A2. Changes in Accounting Policies

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

During the current financial year, the Group and the Company have adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")

Adoption of new MFRS, amendments / improvements to MFRSs and new IC Interpretation ("IC Int")

The Group and the Company have adopted the following new MFRS, amendments / improvements to MFRSs and new IC Int that are mandatory for the current financial year.

New MFRS

MFRS 16 Leases

Amendments/Improvements to MFRSs

| | |
|----------|--|
| MFRS 3 | Business Combinations |
| MFRS 9 | Financial Instruments |
| MFRS 11 | Joint Arrangements |
| MFRS 112 | Income Taxes |
| MFRS 119 | Employee Benefits |
| MFRS 123 | Borrowing Cost |
| MFRS 128 | Investments in Associates and Joint Ventures |

New IC Int

IC Int 23 Uncertainty over Income Tax Treatments

The adoption of the above new MFRSs, amendments/improvements to MFRSs and new IC Int did not have any material impact on the Company's financial statements.

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs and amendments to IC Int that have been issued, but not yet to be effective:

New MFRSs

| | | Effective for financial periods beginning on or after |
|---------|---------------------|---|
| MFRS 17 | Insurance Contracts | 1 January 2021 |

Amendments/Improvements to MFRSs

| | | |
|--------|--|---|
| MFRS 1 | First-time Adoption of Malaysian Financial Reporting Standards | 1 January 2021 [#] |
| MFRS 2 | Share-based Payment | 1 January 2020* |
| MFRS 3 | Business Combinations | 1 January 2020*/ 1 January 2021 [#] |
| MFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | 1 January 2021 [#] |
| MFRS 6 | Exploration for and Evaluation of Mineral Resources | 1 January 2020* |
| MFRS 7 | Financial Instruments: Disclosures | 1 January 2021 [#] |

A2. Changes in Accounting Policies (Cont'd)

| <u>Amendments/Improvements to MFRSs (Cont'd)</u> | | Effective for financial periods beginning on or after |
|--|--|---|
| MFRS 9 | Financial Instruments | 1 January 2021 [#] |
| MFRS 10 | Consolidated Financial Statements | Deferred |
| MFRS 14 | Regulatory Deferral Accounts | 1 January 2020* |
| MFRS 15 | Revenue from Contracts with Customers | 1 January 2021 [#] |
| MFRS 101 | Presentation of Financial Statements | 1 January 2020*/ 1 January 2021 [#] |
| MFRS 107 | Statements of Cash Flows | 1 January 2021 [#] |
| MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Error | 1 January 2020* |
| MFRS 116 | Property, Plant and Equipment | 1 January 2021 [#] |
| MFRS 119 | Employee Benefits | 1 January 2021 [#] |
| MFRS 128 | Investments in Associates and Joint Ventures | Deferred/ 1 January 2021 [#] |
| MFRS 132 | Financial Instruments: Presentation | 1 January 2021 [#] |
| MFRS 134 | Interim Financial Reporting | 1 January 2020* |
| MFRS 136 | Impairment of Assets | 1 January 2021 [#] |
| MFRS 137 | Provisions, Contingent Liabilities and Contingent Assets | 1 January 2020*/ 1 January 2021 [#] |
| MFRS 138 | Intangible Assets | 1 January 2020*/ 1 January 2021 [#] |
| MFRS 140 | Investment Property | 1 January 2021 [#] |
| <u>Amendments to IC Int</u> | | |
| IC Int 12 | Service Concession Arrangements | 1 January 2020* |
| IC Int 19 | Extinguishing Financial Liabilities with Equity Instruments | 1 January 2020* |
| IC Int 20 | Stripping Costs in the Production Phase of a Surface Mine | 1 January 2020* |
| IC Int 22 | Foreign Currency Transactions and Advance Consideration | 1 January 2020* |
| IC Int 132 | Intangible Assets - Web Site Costs | 1 January 2020* |

* Amendments to References to the Conceptual Framework in MFRS Standards

" Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

A3. Auditors' Report on Preceding Annual Financial Statements

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

A4. Comments about Seasonality or Cyclicity

The Group's performance is not subject to seasonality or cyclicity except that the timber logs harvesting operation could be severely affected by the prevailing weather condition.

A5. 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 current quarter under review due to their nature, size or incidence.

A6. Changes in Estimates

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

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt securities nor any movement in the share capital for the current quarter and financial period under review.

A8. Dividends Paid

Dividends paid or declared by the Group since 31 December 2018 are as follow:

In respect of the financial year 31 December 2018

RM'000

A final dividend of 2.00 sen per ordinary shares, approved by the shareholders at the Annual General Meeting held on 21 May 2019, will be paid on 2 July 2019.

1,782

A9. Segmental Information

No segmental analysis was prepared as the Group is primarily engaged in forest management, timber harvesting, marketing and trading of timber and related products in Malaysia.

A10. Valuations of Property, Plant and Equipment

The Group did not carry out any valuation exercise during the quarter ended 30 June 2019.

A11. Subsequent Events

There were no material events subsequent to the end of the current quarter.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group during the quarter ended 30 June 2019.

A13. Capital Commitments

| | As at 30.06.2019 RM'000 | As at 30.06.2018 RM'000 |
|--|-------------------------------|-------------------------------|
| Approved but not contracted for | | |
| - Industrial tree-planting project (2014-2023) | 108,715 | 109,572 |
| - Plant & equipment | 0 | 0 |
| - Biological assets | 0 | 0 |
| | <u>108,715</u> | <u>109,572</u> |

A14. Changes in Contingent Liabilities and Contingent Assets

The Group's contingent liabilities of a material nature as at the date of issue of this interim report were as follows:

| | As at 30.06.2019 RM'000 | As at 30.06.2018 RM'000 |
|---|-------------------------------|-------------------------------|
| Unsecured | | |
| Bank guarantees obtained by the Company in order for the Company to provide a performance bond to the forestry department | 5,000 | 5,000 |
| Bank guarantee facility in favor of third party | 10 | 24 |
| | <u>5,010</u> | <u>5,024</u> |

A15. Biological Assets

The Company has been granted a sustainable forest management license (SFML) for 100 years commencing 1997 over an area of 71,293 hectares in the Lingkabau Forest Reserve ("LFR") in Sabah under an agreement entered into with the State Government of Sabah. Under the agreement, the State Government of Sabah granted permission to the Company to plant, rehabilitate and harvest forests in the sustainable forest management concession area.

Out of the total 71,293 hectares according to the principal licence agreement, 46,522.67 hectares is marked for Natural Forest Management (NFM), 9,340.42 hectares for conservation and the remaining 15,429.91 hectares for Industrial Tree Plantation (ITP).

The Company had subsequently on 12 April 2018 entered into a supplemental agreement with the State Government of Sabah to convert a total area of 25,633.58 hectares for Totally Protected Area (15,438.30 hectares) and excised an area for socio-economic purposes (10,195.28 hectares). There are no significant or detrimental operational and financial impact affecting the Company. Nevertheless, the conversion may enhance the Company's long term prospect as the ITP area increased from 15,429.91 hectares to 30,399.14 hectares and hence will enable the Company to enhance its production capacity and area for planting.

To date, total area planted with various tree species under the ITP area is about 4,102.6 hectares with a total expenditure of RM12,238,126.

The Group has carried out a valuation exercise on the Biological Asset during the quarter ended 31 December 2018. The revaluation is conducted by Smiths Gore Sabah, to comply with the requirements of the Malaysian Financial Reporting Standards ("MFRS") in respect of the fair value measurement of biological assets and also to ascertain the carrying value of intangible assets of the Group for impairment purposes. This revaluation is in compliance with MFRS 141. According to MFRS 1, first time adopters are required to present 3 years comparatives on their Statement of Financial Position.

Based on the External Auditor's opinion on MFRS 141 (Agriculture), only the planted trees should be categorized as Biological Assets. Therefore, only the planted trees will be reflected as fair value in the financial statement. The biological asset previously stated in the financial statement at cost which comprises expenditure incurred on infrastructure cost, land clearing, new planting, enrichment planting, silvicultural treatments, upkeep and maintenance of the sustainable forest management concession area is reclassified as intangible asset.

A15. Biological Assets (Cont'd)

| Particulars | Smiths Gore Sabah | | |
|-------------------|---|---|---|
| | Valuation Report 01.01.2017 RM'000 | Valuation Report 31.12.2017 RM'000 | Valuation Report 31.12.2018 RM'000 |
| Biological Assets | 15,802 | 17,698 | 21,279 |
| Intangible Assets | 9,010 | 8,898 | 8,786 |
| Total | 24,812 | 26,596 | 30,065 |

| Particulars | Net Book Value As at 31.12.2018 RM'000 | Valuation As at 31.12.2018 RM'000 | Surplus / (Deficit) RM'000 |
|-------------------|---|--|----------------------------------|
| Biological Assets | 18,555 | 21,279 | 2,724 |
| Intangible Assets | 8,786 | 8,786 | 0 |
| Total | 27,341 | 30,065 | 2,724 |

The Directors are of the opinion that the standing timber in the concession area commands a valuation far greater than the carrying value of the intangible asset.

Effect on Net Assets per Share

Based on the 4th quarter financial report for the financial year ended 31 December 2018, the net assets per share of the Group will be increased from 51.97 sen to 55.03 sen upon incorporation of the Revaluation surplus, net of deferred tax.

| Description | Unaudited as at 31 December 2018 Before the Revaluation | Effect of the Revaluation | After The Revaluation |
|--|---|------------------------------|--------------------------|
| Equity Attributable to the Owners of the Company (RM'000') | 46,280 | 2,724 | 49,004 |
| No. of shares ('000) | 89,051 | 89,051 | 89,051 |
| Net Assets per share (Sen) | 51.97 | 3.06 | 55.03 |

* Revaluation surplus is net of deferred tax.

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of Performance

| | Individual Period | | Changes (Amount/%) | Cumulative Period | | Changes (Amount/%) |
|---|----------------------------|--|-----------------------|-----------------------------|---|-----------------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | | Current Year To- date | Preceding Year Corresponding Period | |
| | 30.06.2019 | 30.06.2018 | | 30.06.2019 | 30.06.2018 | |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Revenue | 8,918 | 11,568 | -22.91% | 14,072 | 16,521 | -14.82% |
| Operating Profit | 3,135 | 3,414 | -8.17% | 4,614 | 5,125 | -9.97% |
| Profit Before Interest and Tax | 1,995 | 2,396 | -16.74% | 2,528 | 2,970 | -14.88% |
| Profit Before Tax | 1,951 | 2,332 | -16.34% | 2,441 | 2,843 | -14.14% |
| Profit After Tax | 1,405 | 1,651 | -14.90% | 1,733 | 1,907 | -9.12% |
| Profit Attributable to Ordinary Equity Holders of the Parent | 1,436 | 1,755 | -18.18% | 1,786 | 2,137 | -16.42% |

For the current quarter ended 30 June 2019, the Group generated a revenue of RM 8.9 million as compared to RM 11.6 million in the corresponding quarter ended 30 June 2018. The decrease in sales was due to slow down in the global economy affected the demand of timber.

The Group recorded a profit of RM 1.4 million for the current quarter ended 30 June 2019 as compared to a profit of RM 1.8 million in the corresponding quarter ended 30 June 2018.

B2 Variation of Results as Compared to the Preceding Quarter

| | Current Quarter 30.06.2019 RM'000 | Immediate Preceding Quarter 31.03.2019 RM'000 | Changes Amount/% |
|---|---|---|---------------------|
| Revenue | 8,918 | 5,154 | 73.03% |
| Operating Profit | 3,135 | 1,479 | 111.97% |
| Profit Before Interest and Tax | 1,995 | 534 | 273.60% |
| Profit Before Tax | 1,951 | 491 | 297.35% |
| Profit After Tax | 1,405 | 328 | 328.35% |
| Profit Attributable to Ordinary Equity Holders of the parent | 1,436 | 349 | 311.46% |

In the current quarter ended 30 June 2019, the Group recorded a profit of RM 1.4 million as compared to a profit of RM 1.6 million in the immediate preceding quarter. This was mainly due to the reason as mentioned above.

B3 Commentary on Prospects

The company has received approval from the Sabah Forestry Department for the export of sawn timber. Although this was meant to generate additional income, the slow demand for timber affected sales. Aggressive efforts have been undertaken to address this.

B4 Statement of Revenue or Profit Estimate, Forecast, Projection or Internal Targets previously announced or disclosed in a Public Document

This note is not applicable.

B5 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the current financial period to date.

B6 Taxation

| | 3 months ended | | 6 months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2019 RM'000 | 30.06.2018 RM'000 | 30.06.2019 RM'000 | 30.06.2018 RM'000 |
| <u>Taxation comprise the following :</u> | | | | |
| <u>Malaysian income tax</u> | | | | |
| Current | (546) | (681) | (708) | (936) |
| Deferred Tax | 0 | 0 | 0 | 0 |
| | (546) | (681) | (708) | (936) |

B7 Corporate Proposal

There are no corporate proposals announced as at the date of this report.

B8 Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2019 were as follows :-

| | As at 30.06.2019 | | |
|---------------------|---------------------|----------------------|---------------------------|
| | Long Term RM'000 | Short Term RM'000 | Total Borrowing RM'000 |
| Secured | | | |
| - Lease liabilities | 234 | 87 | 321 |
| Unsecured | | | |
| - Friendly loans | 1,981 | 0 | 1,981 |
| | As at 30.06.2018 | | |
| | Long Term RM'000 | Short Term RM'000 | Total Borrowing RM'000 |
| Secured | | | |
| - Lease liabilities | 224 | 87 | 311 |
| Unsecured | | | |
| - Friendly loans | 2,892 | 0 | 2,892 |

There are no outstanding foreign borrowings as at 30 June 2019.

B9 Material Litigation

There is no litigation received during the current quarter ended 30 June 2019.

B10 Dividend Proposed or Declared

A final dividend of 2.00 sen per ordinary shares amounting to RM1,781,014 in respect of the financial year ended 31 December 2018 has been approved by the Shareholders at the 23rd Annual General Meeting and shall be paid on 2 July 2019 to the members whose names appeared in the Record of Depositors on 3 June 2019.

B11 Earnings per Share

The basic earnings per share for the current quarter and preceding year corresponding quarter are computed as follows:

| | 3 months ended | | 6 months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2019 RM'000 | 30.06.2018 RM'000 | 30.06.2019 RM'000 | 30.06.2018 RM'000 |
| Profit for the period | 1,436 | 1,755 | 1,786 | 2,137 |
| Weighted average number of ordinary shares of RM1.00 each in issue | 89,051 | 89,051 | 89,051 | 89,051 |
| Basic Earnings Per Share (sen) | 1.61 | 1.97 | 2.01 | 2.40 |

B12 Derivative Financial Instruments

There is no derivative financial instruments during the current quarter ended 30 June 2019.

B13 Fair Value Changes of Financial Instruments

There is no fair value changes of financial instruments during the current quarter ended 30 June 2019.

B14 Profit for the period

| | 3 months ended | | 6 months ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2019 RM'000 | 30.06.2018 RM'000 | 30.06.2019 RM'000 | 30.06.2018 RM'000 |
| This is arrived at after (charging)/crediting: | | | | |
| Amortisation and Depreciation | (278) | (428) | (555) | (856) |
| Foreign exchange gain or loss | 5 | 0 | 5 | 0 |
| Interest expense | (44) | (64) | (87) | (127) |
| Rental income | 39 | 39 | 78 | 66 |

Other disclosure items pursuant to Appendix 9B Note 16 for the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.