

KRETAM HOLDINGS BERHAD

(Company No.: 168285 - H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2015

This interim financial report is unaudited and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2014.

A. CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER		CUMULATIVE	
	Quarter ended 31 Mar		3 months ended 31 Mar	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	77,675	98,242	77,675	98,242
Cost of sales and services	(69,930)	(77,565)	(69,930)	(77,565)
Gross profit	7,745	20,677	7,745	20,677
Selling and distribution costs	(5,514)	(7,426)	(5,514)	(7,426)
	2,231	13,251	2,231	13,251
Other income	1,528	1,093	1,528	1,093
Administrative expenses	(3,385)	(3,614)	(3,385)	(3,614)
Other expenses	(1,060)	(1,307)	(1,060)	(1,307)
	(686)	9,423	(686)	9,423
Finance costs	(1,475)	(817)	(1,475)	(817)
Profit/(loss) before taxation	(2,161)	8,606	(2,161)	8,606
Taxation	(788)	(3,971)	(788)	(3,971)
Profit/(loss) after taxation	(2,949)	4,635	(2,949)	4,635
Profit/(loss) after taxation attributable to:-				
Shareholders of the Company	(2,855)	4,600	(2,855)	4,600
Non-Controlling Interests	(94)	35	(94)	35
	(2,949)	4,635	(2,949)	4,635
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>				
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Basic EPS	(0.15)	0.25	(0.15)	0.25
Diluted EPS	(0.12)	0.20	(0.12)	0.20

B. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER		CUMULATIVE	
	Quarter ended 31 Mar		3 months ended 31 Mar	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after taxation	(2,949)	4,635	(2,949)	4,635
Other Comprehensive Income (OCI)	0	0	0	0
Income tax relating to components of OCI	0	0	0	0
Other Comprehensive Income net of tax	0	0	0	0
Total Comprehensive Income/(loss)	(2,949)	4,635	(2,949)	4,635
Total Comprehensive Income/(loss) attributable to:-				
Shareholders of the Company	(2,855)	4,600	(2,855)	4,600
Non-Controlling Interests	(94)	35	(94)	35
	(2,949)	4,635	(2,949)	4,635

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment and land use rights	541,583	545,729
Investment property	638	641
Biological assets	400,494	400,134
Intangible assets	42,777	42,777
Trade & other receivables	5,272	5,272
CURRENT ASSETS		
Inventories	105,469	102,594
Receivables	9,293	34,223
Tax refundable	11,001	23,254
Derivatives	0	33
Cash and bank balances	54,620	61,842
	180,383	221,946
CURRENT LIABILITIES		
Payables	47,596	55,698
Loans and borrowings	55,299	86,321
Derivatives	64	211
Income tax payable	27	28
	102,986	142,258
NET CURRENT ASSETS	77,397	79,688
NON-CURRENT LIABILITIES		
Loans and borrowings	47,369	50,550
Deferred taxation	93,795	93,746
	926,997	929,945
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	375,003	375,003
Share premium reserve	169,593	169,593
Equity component of ICPS	201,423	201,423
Revaluation reserve	35,362	35,362
Other reserves	0	0
Retained profits	142,906	145,759
	924,287	927,140
Equity attributable to non-controlling interests	2,710	2,805
	926,997	929,945
NET ASSETS PER SHARE	49.3	49.4

D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	EQUITY ATTRIBUTABLE TO:-					TOTAL EQUITY
	Shareholders of the Company			Non- controlling Interests	TOTAL	
	Share Capital	Reserves	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>CURRENT YEAR TO DATE:</u>						
At 1 January 2015	375,003	406,378	145,759	927,140	2,805	929,945
Total Comprehensive Income for the period	0	0	(2,853)	(2,853)	(94)	(2,947)
At 31 March 2015	375,003	406,378	142,906	924,287	2,711	926,998
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</u>						
At 1 January 2014	365,525	415,232	135,075	915,832	3,152	918,984
Total Comprehensive Income for the period	0	0	4,600	4,600	35	4,635
At 31 March 2014	365,525	415,232	139,675	920,432	3,187	923,619

* - ICPS: Irredeemable Convertible Preference Shares

The Reserves are not distributable.

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 Mar	
	2015 RM'000	2014 RM'000
Cash flows from operating activities		
Profit/(loss) before taxation	(2,161)	8,605
<u>Adjustments for:-</u>		
Depreciation and amortisation	8,921	7,110
Interest income	(165)	(246)
Finance costs	1,475	817
Others	377	148
Changes in working capital	13,337	356
Income taxes paid, net of refunds	11,495	(1,665)
Interest received	165	219
Interest paid	(1,210)	(1,152)
	32,234	14,192
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,300)	(13,502)
Deposits paid for acquisition of property and machinery		76
Proceeds from disposal of property plant and equipment	3	0
Additions to biological assets	0	0
Others	0	(11)
	(5,297)	(13,437)
Cash flows from financing activities		
Repayment of finance lease obligations	(392)	(567)
Drawdown of revolving credit and loan	(33,767)	1,306
Payment of dividend to non-controlling interests	0	0
Payment of dividend on ICPS	0	0
	(34,159)	739
Increase/(decrease) in cash and cash equivalents	(7,222)	1,494
Cash and cash equivalents at the beginning of the year	60,675	64,756
Cash and cash equivalents at the end of the period	53,453	66,250
Cash and cash equivalents comprise of the following:		
Cash and bank balances	54,620	67,101
less: Fixed deposits with maturity of more than 3 months	(1,167)	(851)
	53,453	66,250

1. ACCOUNTING POLICIES

The interim financial statements are prepared as required by Paragraph 9.22 of the Bursa Malaysia Listing Requirements and comply with Financial Reporting Standard FRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB).

(a) Changes to Accounting Policies

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 December 2013 except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”; “FRS” when referred to in the singular) and IC Interpretations which became applicable beginning from the Group’s financial year ending 31 December 2014:

Amendments to FRS 10, FRS 12 and FRS 127	<i>Investment Entities</i>
Amendments to FRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to FRS 136	<i>Recoverable Amount Disclosures for Non-financial Assets</i>
Amendments to FRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The new and revised FRSs and IC Interpretations did not have any significant impact on the Group’s results and financial position upon their initial application.

(b) New and Revised FRSs, IC Interpretations and Amendments Issued but are Not Yet Effective for the Current Financial Year

The Group has not yet adopted the following new and revised FRSs, IC Interpretations and Amendments; they will only become effective for the Group’s financial year ending 31 December 2015 and 2016, as the case may be:

<u>FRS, Amendments to FRS and IC Interpretations</u>	<u>Effective for financial periods beginning on or after</u>
Amendments to FRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012–2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 10 and FRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to FRS 11: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 127: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 101: <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
FRS 14: <i>Regulatory Deferral Accounts</i>	1 January 2016

Adoption of those of the above that become effective on 1 January 2016 (in the next financial year) is not expected to have any material impact on the Group’s results and financial position.

(c) Malaysian Financial Reporting Standards (“MFRS”) and MFRS Framework

On 19 November 2011 the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”) which is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, except for entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including their parents, significant investors and venturers (collectively referred to as “Transitioning Entities”). Transitioning Entities are allowed to defer adoption of the MFRS Framework until such time as determined by the MASB.

On 2 September 2014 the MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

The Group falls within the definition of Transitioning Entities and has elected to defer adoption of the MFRS Framework. Consequently, the Group will apply the MFRS Framework for the first time in its financial statements for the year ending 31 December 2017. In presenting its first set of financial statements under the MFRS Framework, the Group will be required to restate its comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required to be made on transition will be made, retrospectively, against opening retained earnings.

2. SEASONAL OR CYCLICAL FACTORS

The Group's production from its plantations generally experiences an "up-down" cycle once a year, with low production usually in the early part of the year, and peak production in the final quarter of the year.

3. SIGNIFICANT ITEMS/EVENTS

There were no items or events which arose, which affected assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

4. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

During the period under review, there were no:

- (i) material changes in estimates of amounts reported in the previous interim periods of the current financial year; and
- (ii) material changes in estimates of amounts reported in prior financial years.

5. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resale and repayments of debt and equity securities during the period under review.

6. PAYMENT OF DIVIDENDS

The Company did not pay any dividends during the period under review.

7. SEGMENT REVENUE AND RESULTS FOR THE PERIOD ENDED 31 MARCH 2015

	Continuing Operations			TOTAL RM'000
	Plantation & Mill RM'000	Refinery RM'000	Elimi- nation RM'000	
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue - external	29,409	48,266	0	77,675
Inter-segment revenue	24,556	0	(24,556)	0
	<u>53,965</u>	<u>48,266</u>	<u>(24,556)</u>	<u>77,675</u>
Segment results	<u>2,567</u>	<u>(4,411)</u>	<u>146</u>	<u>(1,698)</u>
Unallocated Items:-				
Other income				97
Corporate expenses				(482)
Finance costs				(78)
Gain on disposal of subsidiary				0
Profit/(loss) before taxation				(2,161)
Taxation				(788)
Profit/(loss) after taxation				<u>(2,949)</u>
<u>ASSETS:-</u>				
Segment assets	<u>876,161</u>	<u>251,482</u>		1,127,643
Unallocated assets				43,504
Total assets				<u>1,171,147</u>

8. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuations of leasehold land, plantations and buildings have been brought forward, without amendment from the previous audited financial statements (for the year ended 31 December 2014).

9. SUBSEQUENT EVENTS

As at the date of this report, there were no material events which arose subsequent to the end of the period under review.

10. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

During the period under review, there were no:

- (a) acquisitions or disposals of subsidiaries; and
- (b) discontinued operations.

11. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS SINCE THE LAST FINANCIAL YEAR

There were no changes in contingent liabilities or contingent assets since 31 December 2014.

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

12. REVIEW OF PERFORMANCE

The Group achieved total revenue of RM77.7 million (Q1 2014: RM98.2 million) and suffered a pre-tax loss of RM2.2 million (Q1 2014: profit of RM8.6 million).

Commentary on the performance of the operating segments of the Group is as follows:-

(a) Plantations and Mills

As shown in Note 7, the Group's plantation and mill operations achieved revenues (including inter-segment revenues) of RM54.0 million (Q1 2014: RM74.8 million), and pre-tax profit of RM2.5 million (Q1 2014: RM15.7 million). These should be seen in the context of information presented in the tables below:

Table A: Crude palm oil (CPO and palm kernel (PK) prices – Sabah MPOB* average

	CPO		PK	
	2015	2014	2015	2014
January	2,253.00	2,510.00	1,525.50	1,760.50
February	2,223.50	2,625.00	1,642.50	1,945.00
March	2,200.50	2,831.00	1,720.50	2,124.50

Table B: Output indicators, and comparison with industrial average

	1st Quarter & Year to Date		
	2015	2014	% change
FFB Production (mt)	67,676	82,124	-17.6%
FFB Yield (mt/hectare):			
The Group's estates	3.77	4.86	-22.3%
MPOB* Sabah average	4.08	4.92	-17.1%
Oil Extraction Rate:			
The Group's palm oil mills	20.78%	20.70%	0.4%
MPOB* Sabah average	21.22%	20.99%	1.1%

* - MPOB: Malaysian Palm Oil Board

The lower revenue and pre-tax profit compared to the previous year's corresponding period is largely due to lower CPO prices (RM2,223 versus RM2,586) and a 18% decline in FFB output.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenues of RM48.3 million (Q1 2014: RM50.8 million) and suffered a pre-tax loss of RM4.4 million (Q1 2014: pre-tax loss of RM6.0 million). The results for the quarter reflected higher depreciation and finance costs following the completion of the refinery's expansion.

13. COMPARISON WITH THE PREVIOUS QUARTER'S RESULTS

The following is a summary based on the two respective quarters' condensed consolidated income statements:

	<u>Current Quarter</u> RM'000	<u>Previous Quarter</u> RM'000
Revenue	77,675	149,406
Cost of sales and services, including distribution	<u>(75,444)</u>	<u>(138,031)</u>
	2,231	11,375
Other income	1,528	945
Administrative, finance and other expenses	<u>(5,920)</u>	<u>(14,654)</u>
Profit before taxation	<u>(2,161)</u>	<u>(2,334)</u>

During the previous quarter higher revenue and (correspondingly cost of sales) was mainly due to higher sales volumes at the refinery. Likewise, higher administrative, finance and other expenses in the previous quarter was due to:

- (i) inclusion of employee bonuses, which were only recognized this quarter due to their discretionary nature quantum-wise; and
- (ii) losses on derivatives as a result of unfavourable movements in commodity prices.

14. CURRENT YEAR PROSPECTS

The Group's fortunes are closely tied to movements in the prices of CPO and refined palm products. Prices of the former had seen a slump that began in July 2014 and the situation was further compounded by the plunge in crude oil prices towards the end of 2014. Into the first quarter of 2015, FFB production industry-wide declined by some 17%, and despite this, by mid-May 2015, CPO prices are hovering at around RM2,150.

While the current situation is not very encouraging, the Board takes the view that it is a "bottoming out" phase that is currently underway, and the timing of any rebound in prices is crucial to an improvement to the Group's results for 2015.

15. ACHIEVEMENT OF REVENUE/PROFIT ESTIMATES, FORECASTS AND/OR INTERNAL TARGETS

Not applicable as the Company did not provide any revenue or profit estimate, forecast or projection, and did not publish any internal targets, in any public document.

16. EXPLANATION OF VARIANCES FROM PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Company did not provide any profit forecast or guarantee, in any public document.

17. TAXATION

	Quarter ended <u>31.03.2015</u> RM'000	3 months ended <u>31.03.2015</u> RM'000
Provision in respect of results for the current quarter/period	736	736
Overprovision for taxation in respect of previous years	21	21
Deferred taxation	31	31
	<u>788</u>	<u>788</u>

The Group's effective rate of taxation is significantly higher than the 25% statutory rate due to losses incurred in its refinery operations, for which no deferred tax assets have been recognized.

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

(a) Proposed Employees' Share Option Scheme ("ESOS")

The Company has not yet implemented the ESOS since the date all the necessary approvals were obtained.

(b) Bulking Joint Venture Agreement ("BJVA")

On 7 July 2014 Usaha Dimega Sdn Bhd ("UDSB"), a subsidiary in which the Group holds an effective interest of 66.67%, entered into a conditional Bulking Joint Venture Agreement ("BJVA") with Rikaworth Sdn Bhd ("RSB") and Sawit Bulkers Sdn Bhd ("SBSB") to venture into the business of palm oil common bulking installations for palm oil and related products together with a system of pipe racks to facilitate the transfer of liquid products between the bulking facilities and users of such facilities and the conveyance of the same to and from the jetty facilities of the Sabah Ports Authority in Sandakan, subject to the terms and conditions of the BJVA.

The BJVA is subject to the fulfilment (unless waived by mutual written consent of UDSB and RSB) of certain Conditions Precedent, after which UDSB and RSB are to subscribe for shares at par in the JV Company in cash on a date to be decided by the Board of Directors of the JV Company within 10 days after the Conditions Precedent are fulfilled or waived. Following the subscription of shares, the equity interest held by the respective parties shall be as follows:-

	<u>No. of Shares</u>	<u>Percentage</u>
UDSB	12,750,000	60%
RSB	8,500,000 (including the existing 100,000 issued shares)	40%

The status of the Conditions Precedent are as follows:

Conditions Precedent		Status
1	The approvals of RSB and UDSB for the rolling business plan for the JV Company relating to the then current financial year and three succeeding financial years	In progress
2	RSB and UDSB obtaining the approvals of their respective shareholders to the terms and conditions of the BJVA	Obtained
3	Obtaining the licence/consent from the Malaysian Palm Oil Board to commence construction of the bulking installation	Obtained
4	Increasing the authorised capital of the JV Company to RM50,000,000 consisting of 50,000,000 shares of RM1.00 each	Not yet done
5	RSB and UDSB agreeing to the form and substance of the Land Sale and Purchase Agreement relating to the purchase of the Land and price relating thereto	Not yet agreed
6	RSB and UDSB agreeing to the terms and conditions of the Bulking Facilities User Agreement relating to the use of the JV Company's bulking facilities by Green Edible Oil Sdn Bhd ("GEOSB") (a wholly-owned subsidiary of the Group) operating a refinery in the vicinity of the Sawit POIC Area to produce refined palm oil products	Not yet agreed
7	The JV Company (as sublessee) and Sandakan Bulkers (as lessor) agreeing to the terms and conditions of the Pipe Rack Land Sublease relating to the sublease of a strip of land on which the JV Company's pipe racks would be erected	Not yet agreed
8	Issuance of the letter of offer in respect of the alienation of the Land by the Lands and Surveys Department	Not yet issued
9	The JV Company obtaining such other authorizations, consents and permits as shall be necessary for commencing its business according to written laws	In progress
10	Sandakan Bulkers (as landowner and licensor) and the Offtaker (as licensee) agreeing to the form of the Land Licence Agreement for Sandakan Bulkers to grant a licence for the Offtaker to use a stretch of land for the purpose of building a pipe rack to carry pipes for liquid goods and water pipe	Not yet agreed
11	RSB issuing a letter to the JV Company promising to insert into all future sale and purchase agreements in respect of the sale of various lots within the Sawit POIC Area, words to restrict the use of the said lots for conducting bulking business	Done
12	The execution and delivery of KHB's Guarantee issued in favour of RSB to guarantee the performance, liabilities and obligations of UDSB under the BJVA	Done
13	RSB and UDSB agreeing to the rate of charges payable to the JV Company for each metric ton of goods loaded onto any barge or vessel at the mini jetty located adjacent to GEOSB's land	In progress

19. GROUP BORROWINGS

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
Current secured:		
Hire purchase	1,494	1,520
Bankers' acceptances	40,882	71,915
Term loan	10,938	10,937
Current unsecured: Liability component of ICPS	1,985	1,949
	55,299	86,321
Non-current secured:		
Hire purchase	1,396	1,883
Term loans	43,828	46,563
Non-current unsecured: Liability component of ICPS	2,145	2,104
	47,369	50,550
TOTAL BORROWINGS	102,668	136,871

* - ICPS: Irredeemable Convertible Preference Shares

The above borrowings are denominated in Malaysian Ringgit.

20. ADDITIONAL DISCLOSURES

(a) Financial Derivatives

Outstanding financial derivatives held by the Group as at 31 March 2015 are as follows:

	Currency	Contract/ Notional Amount '000	Fair Value	
			Assets RM'000	Liabilities RM'000
US Dollar forward contracts - less than 1 year	USD	5,236	0	62
Palm oil futures contracts - less than 1 year	RM	594	0	2

(b) Gains/(Losses) Arising from Fair Value Changes of Financial Liabilities

For the period ended 31 March 2015, there were no gains or losses arising from changes to fair values of the Group's financial liabilities.

(c) **Breakdown of Realised and Unrealised Profits and Losses**

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realized	172,850	177,885
- Unrealized	(25,535)	(32,046)
	<hr/> 147,315	<hr/> 145,839
less: Consolidation adjustments	(4,409)	(10,764)
Total retained profits	<hr/> <hr/> 142,906	<hr/> <hr/> 135,075

21. CHANGES IN STATUS OF MATERIAL LITIGATION UP TO 27 MAY 2015

Not applicable as the Group is not involved in any material litigation.

22. DIVIDENDS DECLARED

No dividend has been declared or recommended in respect of the period under review.

23. EARNINGS/(LOSS) PER SHARE (“EPS”)

Basic and diluted EPS for the period under review is calculated based on the following:

	Quarter ended <u>31.03.2015</u>	3 months ended <u>31.03.2015</u>
Weighted average number of shares in issue	1,875,018,440	1,875,018,440
Potential number of shares from conversion of ICPS*	452,608,695	452,608,695
Number of shares used in calculating diluted EPS	<u>2,327,627,135</u>	<u>2,327,627,135</u>
	<u>RM'000</u>	<u>RM'000</u>
Profit/(loss) after taxation from continuing operations	(2,949)	(2,949)
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	94	94
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	<u>(2,855)</u>	<u>(2,855)</u>
Finance costs saved from potential conversion of ICPS*	78	78
Adjusted profit/(loss) after taxation	<u>(2,777)</u>	<u>(2,777)</u>
EPS for profit/(loss) after taxation from continuing operations:	<u>sen</u>	<u>sen</u>
- Basic	<u>(0.15)</u>	<u>(0.15)</u>
- Diluted	<u>(0.12)</u>	<u>(0.12)</u>

* - ICPS: Irredeemable Convertible Preference Shares

Basic EPS is calculated by dividing “Profit/(loss) after taxation attributable to shareholders of the Company” by the “Weighted average number of shares in issue” during the period.

Diluted EPS is calculated by dividing “Adjusted profit/(loss) after taxation” by the “Number of shares used in calculating diluted EPS”.

24. AUDITOR’S REPORT ON THE PREVIOUS YEAR’S FINANCIAL STATEMENTS

The auditors’ report on the Group’s consolidated financial statements for the year ended 31 December 2014 was not qualified.

25. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:-

	Quarter ended <u>31.03.2015</u> RM'000	3 months ended <u>31.03.2015</u> RM'000
Interest income	165	165
Other income, including investment income	525	525
Interest expense	1,475	1,475
Depreciation and amortization	8,542	8,542
Provision for and write-off of receivables	0	0
Foreign exchange gain/(loss)	828	828
Provision for and write-off of inventories	0	0
Gain/(loss) on disposal of quoted or unquoted investments or properties	0	0
Impairment of assets	0	0
Gain/(loss) on derivatives	(997)	(997)
Exceptional items	0	0

By Order of the Board,

DATUK LIM NYUK SANG @ FREDDY LIM
Chief Executive Officer
27 May 2015