

KRETAM HOLDINGS BERHAD

(Company No.: 168285 - H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2016

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 2015.

A. CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER		CUMULATIVE	
	Quarter ended 31 Mar 2016	2015	3 months ended 31 Mar 2016	2015
	RM'000	RM'000	RM'000	RM'000
<u>CONTINUING OPERATIONS:-</u>				
Revenue	41,582	77,675	41,582	77,675
Cost of sales and services	(38,086)	(69,930)	(38,086)	(69,930)
Gross profit	3,496	7,745	3,496	7,745
Selling and distribution costs	(4,720)	(5,514)	(4,720)	(5,514)
	(1,224)	2,231	(1,224)	2,231
Other income	3,760	1,528	3,760	1,528
Administrative expenses	(4,546)	(3,385)	(4,546)	(3,385)
Other expenses	(922)	(1,060)	(922)	(1,060)
	(2,932)	(686)	(2,932)	(686)
Finance costs	(1,236)	(1,475)	(1,236)	(1,475)
Profit/(loss) before taxation	(4,168)	(2,161)	(4,168)	(2,161)
Taxation	18	(788)	18	(788)
Profit/(loss) after taxation	(4,150)	(2,949)	(4,150)	(2,949)
Profit/(loss) after taxation attributable to:-				
Shareholders of the Company	(4,089)	(2,855)	(4,089)	(2,855)
Non-Controlling Interests	(61)	(94)	(61)	(94)
	(4,150)	(2,949)	(4,150)	(2,949)
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Basic EPS	(0.22)	(0.15)	(0.22)	(0.15)
Diluted EPS	(0.17)	(0.12)	(0.17)	(0.12)

B. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER		CUMULATIVE	
	Quarter ended 31 Mar		3 months ended 31 Mar	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after taxation	(4,150)	(2,949)	(4,150)	(2,949)
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)	(4,150)	(2,949)	(4,150)	(2,949)
Total Comprehensive Income/(loss) attributable to:-				
Shareholders of the Company	(4,089)	(2,855)	(4,089)	(2,855)
Non-Controlling Interests	(61)	(94)	(61)	(94)
	(4,150)	(2,949)	(4,150)	(2,949)

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2016 RM'000	As at 31.12.2015 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment and land use rights	514,935	522,300
Investment property	634	636
Biological assets	400,097	400,069
Intangible assets	42,777	42,777
Trade & other receivables	6,272	6,272
CURRENT ASSETS		
Inventories	96,465	84,610
Receivables	16,898	44,809
Tax refundable	9,496	16,793
Derivatives	2,262	95
Cash and bank balances	49,616	59,905
	174,737	206,212
Assets held for sale	2,959	2,959
	177,696	209,171
CURRENT LIABILITIES		
Payables	38,948	45,719
Loans and borrowings	55,184	77,609
Derivatives	53	1,508
Income tax payable	193	167
	94,378	125,003
Liabilities associated with disposal group	1	1
	94,379	125,004
NET CURRENT ASSETS	83,317	84,167
NON-CURRENT LIABILITIES		
Loans and borrowings	33,055	36,161
Deferred taxation	94,405	95,338
	920,572	924,722
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	(308)	(308)
Retained profits	137,153	141,242
	918,226	922,315
Equity attributable to non-controlling interests	2,346	2,407
	920,572	924,722
NET ASSETS PER SHARE	sen 49.0	sen 49.2

D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	EQUITY ATTRIBUTABLE TO:-					TOTAL EQUITY
	Shareholders of the Company				Non- controlling Interests	
	Share Capital	Reserves	Retained Profits	TOTAL		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>CURRENT YEAR TO DATE:</u>						
At 1 January 2016	375,003	406,070	141,242	922,315	2,407	924,722
Total Comprehensive Income/(loss) for the period	0	0	(4,089)	(4,089)	(61)	(4,150)
At 31 March 2016	375,003	406,070	137,153	918,226	2,346	920,572
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</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

* - ICPS: Irredeemable Convertible Preference Shares

The Reserves are not distributable.

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 Mar	
	2016 RM'000	2015 RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	(4,168)	(2,161)
<u>Adjustments for:-</u>		
Depreciation and amortisation	8,931	8,921
Interest income	(171)	(165)
Finance costs	1,236	1,475
Others	(3,522)	377
Changes in working capital	8,712	13,337
Income taxes paid, net of refunds	6,408	11,495
Interest received	171	165
Interest paid	(1,015)	(1,210)
	16,582	32,234
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,401)	(5,300)
Proceeds from disposal of property plant and equipment	0	3
Others	(13)	0
	(1,414)	(5,297)
Cash flows from financing activities		
Repayment of finance lease obligations	(372)	(392)
Net drawdown/(repayment) of revolving credit and term loan	(25,098)	(33,767)
	(25,470)	(34,159)
Increase/(decrease) in cash and cash equivalents	(10,302)	(7,222)
Cash and cash equivalents at the beginning of the year	58,677	60,675
Cash and cash equivalents at the end of the period	48,375	53,453
Cash and cash equivalents comprise of the following:		
Cash and bank balances	49,616	54,620
less: Fixed deposits with maturity of more than 3 months	(1,241)	(1,167)
	48,375	53,453

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 2015 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 2016:

Annual Improvements to FRSs 2012 – 2014 Cycle
 Amendments to FRS 116 and FRS 138: *Clarification of Acceptable Methods of Depreciation and Amortisation*
 Amendments to FRS 10 and FRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
 Amendments to FRS 11: *Accounting for Acquisitions of Interests in Joint Operations*
 Amendments to FRS 127: *Equity Method in Separate Financial Statements*
 Amendments to FRS 101: *Disclosure Initiatives*
 Amendments to FRS 10, FRS 12 and FRS 128: *Investment Entities: Applying the Consolidation Exception*
 FRS 14: *Regulatory Deferral Accounts*

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) 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 and continue to use the existing FRS framework until the MFRS Framework is mandated by the MASB.

As announced by the MASB on 28 October 2015, Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2018.

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 2018. 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 YEAR ENDED 31 MARCH 2016

	Plantation & Mill	Refinery	Elimi- nation	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue - external	24,086	17,496	0	41,582
Inter-segment revenue	17,182	0	(17,182)	0
	<u>41,268</u>	<u>17,496</u>	<u>(17,182)</u>	<u>41,582</u>
Segment results	<u>(3,237)</u>	<u>(3,027)</u>	<u>2,926</u>	<u>(3,338)</u>
Unallocated Items:-				
Other income				96
Corporate expenses				(885)
Finance costs				(41)
Profit before taxation from continuing operations				(4,168)
Taxation				18
Profit after taxation from continuing operations				<u>(4,150)</u>
<u>ASSETS:-</u>				
Segment assets	<u>860,083</u>	<u>246,426</u>		1,106,509
Unallocated assets				35,902
Total assets				<u>1,142,411</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 2015).

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 2015.

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 RM41.6 million (Q1 2015: RM77.7 million) and a pre-tax loss of RM4.2 million (Q1 2015: pre-tax loss of RM2.2 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 RM41.3 million (Q1 2015: RM54.0 million), and pre-tax loss of RM3.2 million (Q1 2015: pre-tax profit of RM2.6 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	
	2016	2015	2016	2015
January	2,181.00	2,253.00	1,795.00	1,525.50
February	2,385.50	2,223.50	1,900.50	1,642.50
March	2,583.50	2,200.50	2,117.50	1,720.50

Table B: Output indicators, and comparison with industrial average

	1st Quarter		
	2016	2015	% change
FFB Production (mt)	48,979	67,676	-27.6%
FFB Yield (mt/hectare):			
The Group's estates	2.66	3.77	-29.5%
MPOB Sabah average	3.21	4.06	-20.9%
Oil Extraction Rate:			
The Group's palm oil mills	21.08%	20.78%	1.4%
MPOB Sabah average	21.52%	21.22%	1.4%

* - MPOB: Malaysian Palm Oil Board

The lower revenue and pre-tax results compared to the previous year's corresponding period is mostly due to a significant decline in FFB output as a result of the recent *El Nino* weather phenomenon. Signs of its effect on FFB production had begun to emerge in the previous financial year, and the first quarter of 2016, while usually a low crop season as in any other year, appears to be the effect approaching its peak.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenues of RM17.5 million (Q1 2015: RM48.3 million) and suffered a pre-tax loss of RM3.0 million (Q1 2015: pre-tax loss of RM4.4 million). Although operating losses had narrowed, the results for the period reflected higher depreciation and finance costs.

13. COMPARISON WITH THE PREVIOUS QUARTER'S RESULTS

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

	Current Quarter RM'000	Previous Quarter RM'000
<u>CONTINUING OPERATIONS:-</u>		
Revenue	41,582	118,855
Cost of sales and services, including distribution	(42,806)	(96,628)
	(1,224)	22,227
Other income	3,760	(1,097)
Administrative, finance and other expenses	(6,704)	(10,959)
Profit/(loss) before taxation	(4,168)	10,171

Lower revenue and (correspondingly cost of sales) in the current quarter was mainly due to reduced volumes at the refinery and also significantly lower FFB output at the estates.

14. CURRENT YEAR PROSPECTS

While CPO prices began to edge upwards from February onwards and are around the RM2,500 - RM2,600 level in the first half of May 2016, FFB production is expected to be significantly lower as a result of *El Nino*. Across Malaysia, CPO production from January to April 2016 was around 15% lower than that in previous years' corresponding periods, and in line with this, palm oil stocks fell from the November 2015 all-time-high of 2.91 million tonnes to 1.80 million at the end of April 2016.

As the upsurge in CPO prices had so far been limited despite these, the Board anticipates another challenging year for the Group.

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>31.03.2016</u> RM'000	3 months ended <u>31.03.2016</u> RM'000
Provision in respect of results for the current quarter/year	915	915
Overprovision for taxation in respect of previous years	0	0
Deferred taxation	(933)	(933)
	<u>(18)</u>	<u>(18)</u>

The Group's effective rate of taxation is significantly higher than the 24% statutory rate mainly 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	Obtained
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	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	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

On 5 May 2016 UDSB received from RSB a draft Deed of Variation proposing the following major changes to the BJVA:-

- the respective proportions in which UDSB and RW will hold the issued ordinary share capital of the JV Company from time to time shall be as follows –

<u>Party</u>	<u>Percentage</u>
UDSB	40%
RSB	60%

- the BJVA shall be inserted with a new Condition Precedent as follows:

"The relevant authority shall have issued separate land titles in respect of the lands which are the subject matter of the Pipe Rack Land Sublease."

The draft Deed of Variation is under consideration by the Board of Directors and an announcement will be made once a decision has been made.

(c) **Disposal of Sri Timbul Sdn. Bhd.**

On 29 December 2015 a wholly-owned subsidiary, KHB Realty Sdn. Bhd, entered into a Sale and Purchase of Shares Agreement (“SPSA”) to dispose its entire shareholding in its wholly-owned subsidiary Sri Timbul Sdn. Bhd. for a cash consideration of RM6,000,000.

The disposal is subject to *inter alia* the purchaser’s satisfaction with the findings of the legal due diligence to be conducted on Sri Timbul Sdn. Bhd. The purchaser had on 12 January 2016 communicated its satisfaction as required by the agreement, and accordingly the agreement became unconditional on that date.

The disposal shall be completed within 24 months from the date of the SPSA or on such other date as may be agreed between the parties.

19. GROUP BORROWINGS

	As at 31.03.2016 RM’000	As at 31.12.2015 RM’000
Current secured:		
Hire purchase	1,246	1,348
Bankers' acceptances	25,856	48,058
Revolving credit	15,000	15,000
Term loan	10,937	11,099
Current unsecured: Liability component of ICPS	2,145	2,104
	55,184	77,609
Non-current secured:		
Hire purchase	164	536
Term loans	32,891	35,625
	33,055	36,161
TOTAL BORROWINGS	88,239	113,770

* - ICPS: Irredeemable Convertible Preference Shares

The above borrowings are denominated in Malaysian Ringgit except where otherwise indicated.

20. ADDITIONAL DISCLOSURES

(a) **Financial Derivatives**

Outstanding financial derivatives held by the Group as at 31 March 2016 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	5,001	1,139	0
Olein price swap contracts - less than 1 year	USD	13,879	1,123	0

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

For the period ended 31 March 2016, 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

	<u>As at</u> <u>31.03.2016</u> RM'000	<u>As at</u> <u>31.12.2015</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realized	163,334	178,662
- Unrealized	(23,847)	(32,418)
	<hr/> 139,487	<hr/> 146,244
less: Consolidation adjustments	(2,334)	(5,002)
Total retained profits	<hr/> <hr/> 137,153	<hr/> <hr/> 141,242

21. CHANGES IN STATUS OF MATERIAL LITIGATION UP TO 23 MAY 2016

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:

	<u>Quarter</u> <u>ended</u> <u>31.03.2016</u>	<u>3 months</u> <u>ended</u> <u>31.03.2016</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	<hr/> 2,327,627,135	<hr/> 2,327,627,135
	<hr/> RM'000	<hr/> RM'000
Profit/(loss) after taxation from continuing operations	(4,150)	(4,150)
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	61	61
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	<hr/> (4,089)	<hr/> (4,089)
Finance costs saved from potential conversion of ICPS	41	41
Adjusted profit/(loss) after taxation	<hr/> (4,048)	<hr/> (4,048)
EPS:	<hr/> sen	<hr/> sen
- Basic	(0.22)	(0.22)
- Diluted	<hr/> (0.17)	<hr/> (0.17)

* - 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”.

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 2015 was not qualified.

25. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:-

	Quarter ended <u>31.03.2016</u> RM'000	3 months ended <u>31.03.2016</u> RM'000
Interest income	171	171
Other income, including investment income	260	260
Interest expense	1,236	1,236
Depreciation and amortization	8,597	8,597
Provision for and write-off of receivables	0	0
Foreign exchange gain/(loss)	(559)	(559)
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	2,968	2,968
Exceptional items	0	0

By Order of the Board,

WONG LEN KEE
Executive Director
25 May 2016