

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	31.12.2015	31.12.2014
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	657,451	685,359
Prepaid land lease payments	35,000	36,000
Investment properties	-	34,742
Investment in a jointly controlled entity	1,582	1,582
Investment in an associate	71,214	70,377
Other investments	14,102	12,752
Intangible assets	64,093	72,555
Biological assets	371,977	339,065
Deferred tax assets	43	2,136
	<u>1,215,462</u>	<u>1,254,568</u>
Current assets		
Inventories	156,670	179,924
Trade receivables	49,793	44,468
Other receivables	73,424	28,907
Tax recoverable	9,603	9,239
Cash and bank balances	352,623	272,588
	<u>642,113</u>	<u>535,126</u>
Assets classified as held for sale	14,483	-
	<u>656,596</u>	<u>535,126</u>
TOTAL ASSETS	<u>1,872,058</u>	<u>1,789,694</u>

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015 (Cont'd)

	31.12.2015	31.12.2014
	Unaudited	Audited
	RM'000	RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Retirement benefit obligations	257	214
Short term borrowings	166,276	127,263
Trade payables	49,870	49,400
Other payables	37,245	35,766
Land premium payable	-	424
Current tax payable	2,346	3,551
	<u>255,994</u>	<u>216,618</u>
Net current assets	<u>400,602</u>	<u>318,508</u>
Non-current liabilities		
Retirement benefit obligations	2,348	2,325
Long term borrowings	144,406	154,941
Deferred tax liabilities	76,251	75,937
	<u>223,005</u>	<u>233,203</u>
Total liabilities	<u>478,999</u>	<u>449,821</u>
Net assets	<u>1,393,059</u>	<u>1,339,873</u>
Equity attributable to owners of the Company		
Share capital	240,672	240,672
Share premium	68,674	68,674
Treasury shares	(8,132)	(8,111)
Other reserves	5,842	2,387
Retained earnings	1,071,363	1,020,542
	<u>1,378,419</u>	<u>1,324,164</u>
Non-controlling interests	14,640	15,709
Total equity	<u>1,393,059</u>	<u>1,339,873</u>
TOTAL EQUITY AND LIABILITIES	<u>1,872,058</u>	<u>1,789,694</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015 - UNAUDITED**

	Current quarter		Cumulative quarter	
	Three months ended 31 December		Twelve months ended 31 December	
	2015	2014 (Restated)	2015	2014
	RM'000	RM'000	RM'000	RM'000
Revenue	208,523	170,515	724,241	676,652
Cost of sales	<u>(162,150)</u>	<u>(146,334)</u>	<u>(566,632)</u>	<u>(549,540)</u>
Gross Profit	46,373	24,181	157,609	127,112
Other income	17,582	5,257	29,822	17,417
Other item of expenses				
Selling and distribution expenses	(14,903)	(13,527)	(55,966)	(51,408)
Administrative expenses	<u>(13,174)</u>	<u>(14,325)</u>	<u>(45,581)</u>	<u>(37,495)</u>
Operating profit	35,878	1,586	85,884	55,626
Finance costs	(4,983)	(1,616)	(11,112)	(6,031)
Share of results of an associate	(181)	-	1,097	-
Share of results of a jointly controlled entity	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>16</u>
Profit/(loss) before tax	30,714	(37)	75,869	49,611
Income tax (expense)/income	<u>(4,896)</u>	<u>1,829</u>	<u>(17,322)</u>	<u>(10,113)</u>
Profit for the period/year	<u>25,818</u>	<u>1,792</u>	<u>58,547</u>	<u>39,498</u>
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to profit or loss:				
Net (loss)/gain on available-for-sale financial assets				
- (Loss)/Gain on fair value changes	(231)	(315)	4	(103)
Foreign currency translation	<u>(750)</u>	<u>713</u>	<u>3,451</u>	<u>386</u>
Other comprehensive (loss)/income, net of tax	<u>(981)</u>	<u>398</u>	<u>3,455</u>	<u>283</u>
Total comprehensive income for the period/year	<u>24,837</u>	<u>2,190</u>	<u>62,002</u>	<u>39,781</u>
Profit attributable to:				
Owners of the Company	26,415	2,333	59,559	39,978
Non-controlling interests	(597)	(541)	(1,012)	(480)
Profit for the period/year	<u>25,818</u>	<u>1,792</u>	<u>58,547</u>	<u>39,498</u>
Total comprehensive income attributable to:				
Owners of the Company	25,434	2,731	63,014	40,261
Non-controlling interests	(597)	(541)	(1,012)	(480)
Total comprehensive income for the period/year	<u>24,837</u>	<u>2,190</u>	<u>62,002</u>	<u>39,781</u>
Earnings per share attributable to owners of the Company:				
Basic, for profit for the period/year (sen)	<u>5.53</u>	<u>0.54</u>	<u>12.47</u>	<u>9.21</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015 - UNAUDITED**

	← Attributable to owners of the Company →							← Non-distributable →		Non-controlling interests RM'000
	Total equity RM'000	Total equity attributable to the owners of the Company RM'000	← Non-distributable →		Distributable		Total other reserves RM'000	← Non-distributable →		
Share capital RM'000			Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Foreign currency translation reserve RM'000		Fair value adjustment reserve RM'000		
Year ended 31 December 2015										
At 1 January 2015	1,339,873	1,324,164	240,672	68,674	(8,111)	1,020,542	2,387	2,587	(200)	15,709
Total comprehensive income	62,002	63,014	-	-	-	59,559	3,455	3,451	4	(1,012)
Transactions with owners										
Dividends on ordinary shares	(8,738)	(8,738)	-	-	-	(8,738)	-	-	-	-
Dividends paid to non-controlling interests	(57)	-	-	-	-	-	-	-	-	(57)
Repurchase of treasury shares	(21)	(21)	-	-	(21)	-	-	-	-	-
At 31 December 2015	1,393,059	1,378,419	240,672	68,674	(8,132)	1,071,363	5,842	6,038	(196)	14,640
Year ended 31 December 2014										
At 1 January 2014 (Restated)	1,266,661	1,250,241	219,007	45,708	(8,084)	991,506	2,104	2,201	(97)	16,420
Total comprehensive income	39,781	40,261	-	-	-	39,978	283	386	(103)	(480)
Transactions with owners										
Dividends on ordinary shares	(10,942)	(10,942)	-	-	-	(10,942)	-	-	-	-
Dividends paid to non-controlling interests	(231)	-	-	-	-	-	-	-	-	(231)
Repurchase of treasury shares	(27)	(27)	-	-	(27)	-	-	-	-	-
Share issued for acquisition of a subsidiary	44,631	44,631	21,665	22,966	-	-	-	-	-	-
At 31 December 2014	1,339,873	1,324,164	240,672	68,674	(8,111)	1,020,542	2,387	2,587	(200)	15,709

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015 - UNAUDITED

	31.12.2015	31.12.2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	75,869	49,611
Adjustments for:		
Accretion of interest on RCPS	(1,339)	-
Allowance for impairment loss on receivables	9,193	3,959
Allowance for impairment loss on receivables no longer required	-	(5,844)
Amortisation	7,154	7,154
Bad debts written off	-	17
Depreciation	39,703	38,350
Dividend income	(146)	(42)
Loss/(Gain) on disposal of property, plant and equipment	156	(105)
Gain on disposal of investment properties	(9,903)	-
Impairment loss on goodwill	2,308	-
Interest income	(5,517)	(4,984)
Interest expense	11,112	6,031
Property, plant and equipment written off	184	344
Retirement benefit obligations	213	211
Share of results of an associate	(1,097)	-
Share of results of a jointly controlled entity	-	(16)
Unrealised gain on foreign exchange	(1,189)	(131)
Other non-cash items	133	83
	126,834	94,638
Operating profit before working capital changes		
Changes in working capital :		
Net (increase)/decrease in current assets	(6,739)	39,903
Net increase/(decrease) in current liabilities	952	(8,975)
Cash generated from operations	121,047	125,566
Payment of retirement benefit	(147)	(137)
Payment of land premium	(424)	(394)
Interest paid	(19,494)	(17,153)
Interest received	5,517	4,984
Taxation paid	(15,642)	(13,180)
Net cash from operating activities	90,857	99,686

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015 - UNAUDITED (Cont'd)

	Note	31.12.2015 RM'000	31.12.2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary		-	(26,719)
Biological assets expenditure		(20,415)	(19,678)
Net dividend received from investment securities		146	42
Proceeds from disposal of property, plant and equipment		591	1,294
Proceeds from disposal of investment properties	A	2,098	-
Purchase of investment properties		-	(198)
Purchase of investment securities		-	(14)
Purchase of property, plant and equipment		<u>(12,346)</u>	<u>(23,082)</u>
Net cash used in investing activities		<u>(29,926)</u>	<u>(68,355)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid to non-controlling interests		(57)	(231)
Dividend paid to owners of the Company		(8,738)	(10,942)
Drawdown of term loans		16,251	24,188
Drawdown of trade financing facilities		302,025	187,200
Repayment of hire purchases		(4,275)	(2,029)
Repayment of term loans		(15,933)	(9,580)
Repayment of trade financing facilities		(274,534)	(207,940)
Repurchase of treasury shares		<u>(21)</u>	<u>(27)</u>
Net cash from/(used in) financing activities		<u>14,718</u>	<u>(19,361)</u>
Net increase in cash and cash equivalents		75,649	11,970
Effects of exchange rate changes		1,997	259
Net cash and cash equivalents at the beginning of the year		245,864	233,635
Net cash and cash equivalents at the end of the year		<u><u>323,510</u></u>	<u><u>245,864</u></u>
For cashflow purposes, net cash and cash equivalents include the following:-			
Cash and bank balances		352,623	272,588
Less: Bank overdraft		<u>(29,113)</u>	<u>(26,724)</u>
Cash and cash equivalents		<u><u>323,510</u></u>	<u><u>245,864</u></u>

NOTE TO STATEMENTS OF CASH FLOWS

	31.12.2015 RM'000	31.12.2014 RM'000
A. PROCEEDS FROM DISPOSAL OF INVESTMENT PROPERTIES		
Investment properties were disposed by the following means:		
Total proceeds	29,967	-
Increase in receivables	<u>(27,869)</u>	-
	<u><u>2,098</u></u>	<u><u>-</u></u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 26 February 2016.

2. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

Save and disclosed as below, the interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014. 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 2014.

3. Significant accounting policies

The significant accounting policies and methods of computation adopted for the condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2014 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”).

On 1 January 2015, the Group adopted the relevant and applicable new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2015 as follows:

Description	Effective for annual periods beginning on or after
Amendments to FRS 119: Defined Benefit Plans: Employee Contribution	1 July 2015
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2015
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2015

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

3. Significant accounting policies (cont'd)

The Group has not adopted the following new and amended FRSs applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101 Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 9 Financial Instruments	1 January 2018

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group.

4. Changes in estimates

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

5. Changes in composition of the Group

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

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

6. Segmental information

	12 months ended 31.12.2015		12 months ended 31.12.2014	
	Revenue RM'000	Profit/(loss) before tax RM'000	Revenue RM'000	Profit/(loss) before tax RM'000
Timber	573,203	64,478	547,577	45,578
Plantation	11,015	(14,774)	3,820	(8,972)
Oil and Gas	25,545	7,248	-	-
Manufacturing	63,087	8,280	76,166	8,875
Trading	47,584	4,732	45,359	4,421
Others	3,807	5,905	3,730	(291)
Total	<u>724,241</u>	<u>75,869</u>	<u>676,652</u>	<u>49,611</u>

The Group is organised into business units based on their products and services, and has six reportable operating segments as follows:-

Timber	:	the extraction and sales of timber, manufacture and sales of plywood, veneer and sawn timber.
Plantation	:	cultivation of oil palm and tree planting.
Oil and Gas	:	provision of Offshore Service Vessels (OSV) to the oil majors in Malaysia and the regions, specifically Accommodation Work Boats (AWB), a segment within the OSV sector.
Manufacturing	:	conversion and sales of aluminium foils, flexible packaging, metallized and electrostatic discharge products, manufacture and sales of adhesive and gummed tapes.
Trading	:	the trading of tapes, foil, papers and electrostatic discharge products.
Others	:	investment income, rental of properties and car park operations.

7. Seasonality of operations

There were no recurrent or cyclical events that would affect the Group's operations.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

8. Profit/(loss) before tax

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	(Restated)			
	RM'000	RM'000	RM'000	RM'000
Net profit for the period/year is arrived at after charging:				
Amortisation	1,790	1,710	7,154	7,154
Allowance for impairment loss on receivables	1,721	3,911	9,193	3,959
Bad debts written off	-	12	-	17
Depreciation	10,655	10,806	39,703	38,350
Impairment loss on goodwill	2,308	-	2,308	-
Interest expense	4,983	1,616	11,112	6,031
Inventories written down	5	-	17	-
Inventories written off	145	37	157	83
Loss on disposal of property, plant and equipment	-	-	156	-
Property, plant and equipment written off	172	315	184	344
and crediting:				
Accretion of interest on RCPS	280	-	1,339	-
Allowance for impairment loss on receivables no longer required	-	1,459	-	5,844
Gain on disposal of investment properties	9,903	-	9,903	-
Gain on disposal of property, plant and equipment	17	380	-	105
Gain on foreign exchange	1,441	519	3,642	719
Hire of machinery	438	260	850	645
Interest income	2,044	1,366	5,517	4,984

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

9. Income tax expense/(income)

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Taxation based on results for the year:				
Current income tax				
- Malaysian income tax	4,211	3,256	13,241	15,132
- Foreign tax	(154)	123	152	467
	<u>4,057</u>	<u>3,379</u>	<u>13,393</u>	<u>15,599</u>
(Over)/Under provision in respect of previous years				
- Malaysian income tax	(2,638)	(1,914)	753	(1,816)
- Foreign tax	(122)	-	(122)	(168)
	<u>1,297</u>	<u>1,465</u>	<u>14,024</u>	<u>13,615</u>
Deferred income tax				
- Original and reversal of temporary differences	2,330	(4,621)	2,029	(4,829)
- Under provision in respect of previous years	369	1,327	369	1,327
	<u>2,699</u>	<u>(3,294)</u>	<u>2,398</u>	<u>(3,502)</u>
Real Property Gain Tax	900	-	900	-
	<u>4,896</u>	<u>(1,829)</u>	<u>17,322</u>	<u>10,113</u>

Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

10. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the financial period net of tax, attributable to owners of the parent by weighted average number of ordinary shares outstanding during the financial period, excluding treasury shares held by the Company.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements. There are no shares in issuance which have a dilutive effect to the earnings per share of the Group.

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit attributable to the owners of the Company (RM'000)	<u>26,415</u>	<u>2,333</u>	<u>59,559</u>	<u>39,978</u>
Weighted average number of ordinary shares in issue ('000)	477,504	434,182	477,505	434,191
Dilutive potential ordinary shares	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	<u>477,504</u>	<u>434,182</u>	<u>477,505</u>	<u>434,191</u>
Basic EPS (sen)	<u>5.53</u>	<u>0.54</u>	<u>12.47</u>	<u>9.21</u>
Diluted EPS (sen)	<u>5.53</u>	<u>0.54</u>	<u>12.47</u>	<u>9.21</u>

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

11. Property, plant and equipment

During the 12 months ended 31 December 2015, the Group acquired assets with a total cost of RM14,622,000 (31 December 2014: RM25,056,000) excluding property, plant and equipment acquired through business combinations.

Assets with carrying amount of RM747,000 were disposed of by the Group during the 12 months ended 31 December 2015 (31 December 2014: RM1,189,000), resulting in a loss on disposal of RM156,000 (31 December 2014: Gain on disposal of RM105,000).

12. Intangible assets

	Goodwill RM'000	Timber rights RM'000	Total RM'000
Cost			
At 1 January 2015	33,728	111,584	145,312
Addition	-	-	-
At 31 December 2015	<u>33,728</u>	<u>111,584</u>	<u>145,312</u>
Accumulated amortisation and impairment			
At 1 January 2015	5,506	67,251	72,757
Amortisation for current financial year	-	6,154	6,154
Impairment for current financial year	2,308	-	2,308
At 31 December 2015	<u>7,814</u>	<u>73,405</u>	<u>81,219</u>
Net carrying amount			
At 31 December 2015	<u>25,914</u>	<u>38,179</u>	<u>64,093</u>
At 31 December 2014	<u>28,222</u>	<u>44,333</u>	<u>72,555</u>

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

12. Intangible assets (cont'd)

Allocation of goodwill and timber rights

Goodwill and logs purchase rights had been allocated to the Group's CGUs identified according to the cash generating units in the respective business segment as follows:

	Goodwill	Timber	Total
	RM'000	rights	RM'000
		RM'000	
At 31 December 2015			
Timber division	24,598	38,179	62,777
Trading division	1,308	-	1,308
Manufacturing division	8	-	8
	<u>25,914</u>	<u>38,179</u>	<u>64,093</u>
At 31 December 2014			
Timber division	24,598	44,333	68,931
Trading division	3,616	-	3,616
Manufacturing division	8	-	8
	<u>28,222</u>	<u>44,333</u>	<u>72,555</u>

The recoverable amount of goodwill and timber rights are determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five year period and/or over the period of the rights granted. The following are the key assumptions on which management has based its cash flow projections to undertake the impairment testing of goodwill and timber rights:

i. Budgeted gross margin

The basis used to determine the values assigned to the budgeted gross margins is the average gross margins achieved during the year immediately before the budgeted year, increased for expected efficiency improvements.

ii. Discount rates

The discount rates used are pre-tax and reflect specific risks relating to the relevant cash generating units.

iii. Raw materials price

The basis used to determine the value assigned to the raw materials price is the forecast price indices during the budget year for countries where raw materials are sourced.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

13. Cash and cash equivalents

	31.12.2015	31.12.2014
	RM'000	RM'000
Cash on hand and at bank	223,017	179,786
Short term deposits with licensed financial institutions	129,606	92,802
Cash and bank balances	<u>352,623</u>	<u>272,588</u>

14. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 : other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at reporting date, the Group held the following financial assets that are measured at fair value.

		Date of valuation	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value						
Available-for-sale financial assets						
- Quoted investments	31 December 2015	<u>1,141</u>	<u>-</u>	<u>-</u>	<u>1,141</u>	
	31 December 2014	<u>1,130</u>	<u>-</u>	<u>-</u>	<u>1,130</u>	

No transfer between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial assets that subsequently resulted in a different classification of that asset.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

15. Share capital, share premium and treasury shares

The Company did not issue any ordinary shares during the current quarter ended 31 December 2015.

The number of shares bought back and retained as treasury shares amounted to 3,851,000 shares as at 31 December 2015.

16. Interest bearing loans and borrowings

The Group's interest bearing loans and borrowings are as follows:

	31.12.2015	31.12.2014
	RM'000	RM'000
Short term borrowings		
Secured	92,003	66,449
Unsecured	74,273	60,814
	<u>166,276</u>	<u>127,263</u>
Long term borrowings		
Secured	144,406	154,941
Total	<u>310,682</u>	<u>282,204</u>

17. Provisions for costs of restructuring

The Group did not engage in any restructuring exercise, hence there were no provisions for costs of restructuring.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

18. Dividends

A final single-tier dividend of 3.66% on 481,344,552 ordinary shares less shares bought back and held as treasury shares, amounting to a dividend payable of RM8,738,000 (1.83 sen net per share) in respect of the financial year ended 31 December 2014 was approved during the Annual General Meeting held on 26 June 2015. The said dividend was paid on 3 August 2015.

At the forthcoming Annual General Meeting, a final single-tier dividend of 4.98% (31 December 2014: 3.66%) on 481,344,552 ordinary shares less shares bought back and held as treasury shares, amounting to a dividend payable of approximately RM11,889,000 (2.49 sen net per share) in respect of the financial year ended 31 December 2015 will be proposed for shareholders' approval.

19. Commitments

There were no material capital commitments in the current quarter ended 31 December 2015.

20. Contingencies

There were no material changes since the date of the last annual financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

21. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the twelve months ended 31 December 2015 and 31 December 2014 as well as the balances with the related parties as at 31 December 2015 and 31 December 2014:

	Note	Transaction value		Balance outstanding	
		31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Sawn timber sales:					
W T K Realty Sdn. Bhd.	#	72	-	-	-
W T K Realty Builder Sdn. Bhd.	#	131	-	275	-
		<u>203</u>	<u>-</u>	<u>275</u>	<u>-</u>
Log sales:					
Harbour-View Realty Sdn. Bhd.	^	-	599	-	141
Road toll received:					
Elite Honour Sdn. Bhd.	#	-	1,542	-	15
Purchase of logs:					
Faedah Mulia Sdn. Bhd.	#	3,443	10,630	(234)	(1,919)
Harbour-View Realty Sdn. Bhd.	^	4,201	618	711	(126)
Harvard Rank Sdn. Bhd.	#	-	10,121	-	2,965
Ocarina Development Sdn. Bhd.	#	41,754	21,003	(69)	(1,225)
Protection Gloves Sdn. Bhd.	^	3,378	14,004	30	(2,935)
Sabal Sawmill Sdn. Bhd.	^	-	442	-	1,105
Sunrise Megaway Sdn. Bhd.	#	-	4,106	-	(317)
		<u>52,776</u>	<u>60,924</u>	<u>438</u>	<u>(2,452)</u>
Literage and freight:					
Master Ace Territory Sdn. Bhd.	#	1,218	1,257	(165)	(404)
Ocarina Development Sdn. Bhd.	#	2,052	1,786	(201)	(146)
W T K Realty Sdn. Bhd.	#	7,164	6,785	(543)	(345)
		<u>10,434</u>	<u>9,828</u>	<u>(909)</u>	<u>(895)</u>
Purchase of spare parts:					
W. T. K. Enterprises Sdn. Bhd.	#	32	48	(98)	(83)
WTK Service & Warehousing Sdn. Bhd.	^	6,891	10,064	(1,101)	(260)
		<u>6,923</u>	<u>10,112</u>	<u>(1,199)</u>	<u>(343)</u>

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

21. Related party transactions (cont'd)

	Note	Transaction value		Balance outstanding	
		31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Purchase of frozen food:					
Sing Chew Coldstorage Sdn. Bhd.	^	1,717	1,771	(27)	(72)
Purchase of hardware and lubricants:					
W.T.K Trading Sdn. Bhd.	#	27	293	(47)	(59)
WTK Service & Warehousing Sdn. Bhd.	^	13,498	14,505	(182)	(2,252)
		<u>13,525</u>	<u>14,798</u>	<u>(229)</u>	<u>(2,311)</u>
Purchase of fertilizer:					
WTK Service & Warehousing Sdn. Bhd.	^	9,595	6,669	(844)	(871)
Contract fees paid in relation to logging operations:					
Ann Yun Logistics Sdn. Bhd.	*	3,240	3,238	(1,145)	(539)
Harbour-View Realty Sdn. Bhd.	^	-	312	-	-
Hung Ling Sawmill Sdn. Bhd.	^	-	552	-	-
United Agencies Sdn. Bhd.	^	8,002	11,282	427	270
W T K Realty Builder Sdn. Bhd.	#	70	354	(323)	(665)
W T K Realty Sdn. Bhd.	#	317	270	(325)	-
		<u>11,629</u>	<u>16,008</u>	<u>(1,366)</u>	<u>(934)</u>

^ The directors and/or major shareholders of W T K Holdings Berhad are directors and/or major shareholders of these companies.

The director(s) and/or major shareholder(s) of W T K Holdings Berhad is/are director(s) and/or major shareholder(s) of these companies, whilst family member(s) is/are also director(s) and/or major shareholder(s) of these companies.

* The family members of a director and major shareholder of W T K Holdings Berhad, are directors and major shareholder of this company.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

22. Events after the reporting period

There are no events after the quarter ended 31 December 2015 which could materially affect the Group.

23. Disposal of properties

The Company and its subsidiaries (“the Group”) had on 9 October 2015 entered into Sale and Purchase Agreements (“SPAs”) with the respective Purchasers to dispose the Group’s entire investment properties located at Wisma Central for a total cash consideration of RM51.0 million.

Further to the SPAs that were signed, a subsidiary, Dusun Nyiur Sdn Bhd has on 28 December 2015 entered into a Supplemental Agreement with the Purchaser to amend the terms of the SPA pertaining to one of the parcel of properties. This was due to that parcel’s original strata title deed being damaged at the Land Office and the replacement strata title deed is still pending from the Land Office. Under the circumstances, until the disposal of this parcel is completed, the carrying amount of its value is presented in the Statements of Financial Position as “Assets classified as held for sale”. Once the disposal of this parcel is completed, the Group would then recognise the gain on disposal of approximately RM6 million in the financial year December 31, 2016.

With the exception of the above parcel, the remaining parcels of properties signed in the SPAs were successfully completed and a disposal gain of RM9.9 million was recognized in the financial year ended 31 December 2015.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

24. Performance review

For the quarter under review, the Group's revenue was RM208.5 million as compared to RM170.5 million in 4Q2014, representing an increase of RM38.0 million (22.3%), with profit before tax of RM30.71 million, an increase of RM30.75 million as compared to loss of RM37 thousand in 4Q2014. This is mainly attributed to the timber division and oil & gas division.

Quarter 4, 2015

Timber

For the current quarter, the Group's timber division registered a revenue of RM158.8 million, representing an increase of RM14.9 million (10.4%) as compared to RM143.9 million in the 4Q2014. Its pre-tax profit stood at RM25.3 million as compared to year-on-year (YOY) of RM7.2 million, representing an increase of RM18.1 million (252.4%). The better performance for timber division was mainly contributed by plywood products with the effect of 26.0% exchange rate appreciation of USD Dollar against the Malaysian Ringgit despite a constant sales volume.

On a year-to-date (YTD) basis, the timber division registered a revenue of RM573.2 million, RM25.6 million (4.7%) higher when compared with the previous corresponding year of RM547.6 million, whilst its pre-tax profit stood at RM64.5 million, an increase of RM18.9 million (41.5%) when compared with the previous corresponding year of RM45.6 million. The better performance achieved in current year was mainly contributed by the plywood products with a foreign exchange gain of 20.2% in USD Dollar against the Malaysian Ringgit.

The Group's key export markets for round logs were India (91%) and Vietnam (9%). The export markets for plywood for the quarter under review were Japan (81%) and Taiwan (19%).

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

24. Performance review (cont'd)

Quarter 4, 2015 (cont'd)

Plantation

The plantation division registered a revenue of RM5.3 million for 4Q2015 with a loss before tax of RM9.6 million. During the quarter, certain phases of oil palm plantation have matured. As such, the Group wrote-off one-time expenses of RM7.4 million which were previously capitalised. In addition, the loss also attributed to low yield of fresh fruit bunches (FFB) as the palms are still in their early mature age profile coupled with weak crude palm oil (CPO) prices.

On a YTD basis, the division registered a revenue of RM11.0 million as compared to the last corresponding year of RM3.8 million, representing an increase of 189.5%. The higher revenue was mainly contributed by the gradual increase of maturing hectareage going into FFB production.

In view of certain areas of oil palm plantation being declared matured, the costs of RM7.4 million related to these matured area which have been capitalised previously is now fully written off. As a result, the division registered a loss before tax of RM14.8 million for the current financial year as compared to a loss before tax of RM9.0 million in the previous financial year.

Manufacturing and Trading

The division registered revenue of RM26.1 million in 4Q2015, an increase of RM1.4 million or 5.7% when compared to RM24.7 million in 4Q2014. The increase in revenue was mainly due to higher sales for tape products associated with a 17% exchange rate appreciation from its Singapore subsidiary. As such, profit before tax increased by RM0.5 million or 31.3% to RM2.1 million compared to 4Q2014 of RM1.6 million.

On a YTD basis, the Group registered a total revenue of RM110.7 million, a decrease of RM10.8 million or 8.9% when compared to RM121.5 million achieved in the last corresponding year. The decline in revenue was attributed to lower sales for foil and flexible packaging products. Consequently, profit before tax dropped by RM0.3 million or 2.3% to RM13.0 million, as compared to RM13.3 million in the last corresponding year. The marginal decline in profit before tax as compared to the lower revenue recorded was due to the strength of exchange gain contribution from the Group's US dollar-based export sales.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

24. Performance review (cont'd)

Quarter 4, 2015 (cont'd)

Oil and Gas

The Group's oil and gas division which was invested in December 2014 registered a revenue of RM17.4 million for 4Q2015 through Alanya Marine Ventures (AMV) and its associate company. The RM17.4 million include a year-end RCPS dividend income of RM5.3 million declared by the associate company. The quarter saw full deployment of a new Accommodation Workboat (AWB) that was delivered in mid-September 2015. The vessel is presently supporting PETRONAS off Sarawak waters.

During the current quarter, the division had commenced a Pipeline Pre-Commissioning Engineering project in Sarawak and had also secured a three-year time charter contract in Brunei. Consequently, the division registered net profits of RM5.8 million for the quarter in review.

On a YTD basis, the division recorded revenue of RM25.5 million and net profits of RM7.2 million. This was mainly attributed to the two (2) new AWBs deployed for work during the year, the commencement of the Pipeline Pre-Commissioning project and RCPS dividend income received. The net profits of RM7.2 million also took into account the amortization of intangible assets of RM2.7 million embedded in investment in the associate company.

Others

There is no change to revenue in the current quarter when compared with 4Q2014. However, with the disposal of investment properties at RM9.9 million, there is a net gain on disposal of RM7.6 million after deducting one-off expenses of RM2.3 million incurred in goodwill impairment loss. Consequently, a profit before tax of RM7.1 million was registered for 4Q2015 as compared with 4Q2014.

However, on a YTD basis, this division recorded profit before tax of RM5.9 million, after netting off the gain on disposal of investment properties of RM9.9 million less expenses incurred for impairment loss on goodwill of RM2.3 million and an overall increase in operating expenses.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

25. Comment on material change in profit before taxation

Material Changes for the Quarter Reported on as Compared with the Preceding Quarter

Quarter 4, 2015

Timber

The timber division recorded a revenue of RM158.8 million as compared to 3Q2015's revenue of RM152.6 million, representing an increase of 4.1%. The increase in revenue was mainly due to the improved sales of its round logs following a dry spell season in the previous quarter which affected the logs shipment.

The timber division recorded a higher pre-tax profit of RM25.3 million, an increase of 9.7% as compared to the preceding quarter of RM23.1 million. This was mainly due to the lower plywood production cost of 9.5% and appreciation of US dollar of 3.6%.

Plantation

During the 4Q2015, the plantation division registered a revenue of RM5.3 million as compared to RM2.2 million in 3Q2015, representing an increase of 140.9%. The higher revenue is mainly attributed to the gradual increase of FFB production. However, the division registered a loss before tax of RM9.6 million as compared to RM1.6 million reported in 3Q2015. The loss before tax for this quarter was mainly due to one-time write off of expenses amounting to RM7.4 million previously capitalized in addition to low FFB yield coupled with weak CPO prices to cover the operational costs as the palms are still at its early production life cycle.

Manufacturing and Trading

Revenue for the manufacturing and trading division recorded a decrease of RM3.3 million or 11.2% to RM26.1 million when compared to RM29.4 million in 3Q2015. The decrease was mainly due to the reduced volume for foil products after the spike in delivery for the export market in 3Q2015. As a result, profit before tax was reported at RM2.1 million, representing a decrease of 58% as compared to RM5.0 million in 3Q2015.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

25. Comment on material change in profit before taxation (cont'd)

Material Changes for the Quarter Reported on as Compared with the Preceding Quarter (cont'd)

Quarter 4, 2015 (cont'd)

Oil and Gas

The Oil and Gas division registered a revenue of RM17.4 million, representing an increase of 190% when compared to 3Q2015's revenue of RM6.0 million. Consequently, a RM5.8 million net profits is recorded for the quarter, an increase of 544% when compared to 3Q2015 of RM0.9 million. This was mainly due to the contribution from the latest AWB delivered in September 2015 and fully-deployed for work during the quarter. This vessel chartering, together with the commencement of engineering works in the Pipeline Pre-Commissioning Project and the receipt of RCPS dividend income from the associate company, contributed to the significant increase in net profits.

Others

There is no material change to the revenue in 4Q2015 as compared with 3Q2015, whilst profit before tax was registered at RM7.1 million. This represented an increase of RM7.7 million when compared to 3Q2015 mainly due to the gain on disposal of investment properties of RM9.9 million during the quarter.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

26. Commentary on prospects

Timber

The major economies are expected to chart modest growths at best in 2017, although this outlook is fragile given macro-economic challenges that persists, for example lower commodity prices especially oil that strains and weigh on the growth prospects of oil exporters, the gradual slowdown in China arising from its economic rebalancing and the tightening of monetary policy in the US versus monetary easing in the EU and Japan. These factors may cause financial volatility in the emerging market economies including causing currency depreciation. Amidst this backdrop, the Group has to remain alert and competitive to preserve its position in its major markets in Japan, India and the ASEAN region.

In Japan, which is a major plywood market for the Group, it is envisaged a moderate recovery with expected GDP growth of 1.5% in 2016. Housing demand expanded by 1.9% over the preceding year and is expected to improve and may spike prior to the imposition of the consumption tax hike to 10% in April 2017. Other positive developments in the economy, in addition to government spending and a favorable employment situation, is expected to drive consumption which includes private housing. This would in turn, increase demand for the Group's plywood.

As for India and the rest of emerging Asia, including Taiwan, growth is projected to continue at a robust pace. In India, The International Monetary Fund (IMF) projected GDP growth rates of 7.5% during the next two fiscal years and is touted as the fastest economy in the world. Major reforms and investment initiatives including infrastructure spending by its Government has boosted consumer confidence and drove domestic demand. This augurs well for the Group that supply round logs to support construction activities in India.

Plantation

The Group's plantation division's FFB production increased by 173% as compared to the previous corresponding year. With the Group's oil palm maturing into higher yields cycle, this division is expected to derive significant contributions to Group earnings in future. The first half of 2016 is expected to see a stabilization of CPO prices.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

26. Commentary on prospects (cont'd)

Manufacturing and Trading

For the Group's manufacturing and trading division, the challenges continue to be a landscape of competitive overseas markets, a weak domestic market, increased substitute/alternative products and a weakened domestic currency resulting in increased costs of production as raw materials are imported. In view of this, the Group has embarked on measures to be competitive and to preserve its position through the opening of new markets including India, the development of new value-added products like high-temperature masking tapes, actively controlled costs through the sourcing of cheaper alternative materials and improved its efficiency to lower wastages. The segments with growth prospects are tobacco and food (with the completion of the FSSC 22000 certification). With all these efforts in place, the Group is cautious and expects a modest growth in 2016.

Oil and Gas

The uncertain outlook in the Oil and Gas sector remains; with sometimes volatile swings in crude oil prices which are now highly sensitive to news impacting supply levels. The uncertainty serves to heighten prudent approaches in management of operations and improving efficiency by most oil majors including PETRONAS. Petronas recently announced plans to cut up to RM50 billion in operating and capital expenditures over the next four years to cushion the impact of the low crude oil prices. This would entail a review of contracts currently not critical to PETRONAS' core business activities, which is to prolong and enhance production for the long term.

Nevertheless, the demand for the Group's Accommodation Workboats (AWBs) which are required for use throughout the entire Oil & Gas lifecycle, remains steady, and are being deployed in various PETRONAS and its PSCs' on-going Oil and Gas fields. Additionally, the Group has also embarked on the provision of engineering services for the service and maintenance of oil and gas pipelines in Sarawak, which would contribute positively to the division's financial performance for the next 2 years. To further supplement the Group's order books, we are also actively participating in tender bids for other projects in Malaysia and in neighbouring countries such as Brunei. However, given the strong track record with the oil majors thus far, the Group is confident of securing additional projects during the year to sustain growth and profitability.

Currency impact to the Group

For the Group, the weakened Malaysian Ringgit has a direct impact on the cost of goods sold, specifically with the suppliers that we transact in US Dollars. However, the management is mitigating the impact of the currency fluctuation and will continue to manage this risk.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

27. Commentary on progress to achieve revenue or profit estimate, forecast, projection or internal targets

The Group did not announce or disclose any revenue or profit estimate, forecast, projection or internal target in a public document.

28. Statements by directors on achievability of revenue or profit estimate, forecast, projection or internal targets.

Please refer to the commentary of Note 27.

29. Profit forecast or profit guarantee

The Group has not provided any profit forecast or profit guarantee.

30. Corporate proposals

There are no other outstanding proposals that have been announced but pending completion.

31. Changes in material litigation

There was no material litigation against the Group.

32. Dividend payable

Please refer to Note 18 for details.

33. Disclosure on nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

34. Rationale for entering into derivatives

The Group did not enter into any derivatives during current quarter ended 31 December 2015 or the previous financial year ended 31 December 2014.

35. Risks and policies of derivatives

The Group did not enter into any derivatives during the current quarter ended 31 December 2015 or the previous financial year ended 31 December 2014.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the twelve months ended 31 December 2015 – unaudited

36. Disclosure on gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2015 and 31 December 2014.

37. Breakdown of realised and unrealised profits

	As at 31.12.2015	As at 31.12.2014 (Audited)
	RM'000	RM'000
Total retained profits of W T K Holdings Berhad and its subsidiaries:		
- Realised	1,356,840	1,297,080
- Unrealised	(72,448)	(71,453)
	1,284,392	1,225,627
Total share of profits from an associate company:		
- Realised	837	-
Total share of retained profits from a jointly controlled entity:		
- Realised	(244)	(244)
	1,284,985	1,225,383
Less: Consolidation adjustments	(213,622)	(204,841)
Total Group retained profits as per consolidated accounts	<u>1,071,363</u>	<u>1,020,542</u>

38. Auditors report on the preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2014 was not qualified.

BY ORDER OF THE BOARD

TAN MEE LIAN
COMPANY SECRETARY
KUALA LUMPUR
Date: 26 FEBRUARY 2016