



SARAWAK CABLE BERHAD
(456400-V)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Revenue		364,455	343,610	364,455	343,610
Cost of sales		(342,973)	(313,014)	(342,973)	(313,014)
Gross profit		21,482	30,596	21,482	30,596
Other operating income		3,013	4,963	3,013	4,963
Administrative expenses		(7,319)	(6,600)	(7,319)	(6,600)
Other operating expenses		(6,202)	(6,682)	(6,202)	(6,682)
Operating profit		10,974	22,277	10,974	22,277
Finance costs		(5,204)	(5,751)	(5,204)	(5,751)
Profit before tax	7	5,770	16,526	5,770	16,526
Income tax expense	8	(1,865)	(4,589)	(1,865)	(4,589)
Profit for the period		3,905	11,937	3,905	11,937
Other comprehensive income					
Exchange differences on translation of foreign operation		233	19	233	19
Net movement of cash flow hedge		1,101	753	1,101	753
					772
Other comprehensive income for the period, net of tax		1,334	772	1,334	
Total comprehensive income for the period, net of tax		5,239	12,709	5,239	12,709
Profit for the period attributable to:					
Owners of the parent		3,570	11,867	3,570	11,867
Non-controlling interests		335	70	335	70
		3,905	11,937	3,905	11,937
Total comprehensive income for the period, net of tax attributable to:					
Owners of the parent		5,023	12,635	5,023	12,635
Non-controlling interests		216	74	216	74
		5,239	12,709	5,239	12,709
Earnings per share attributable to owners of the parent (sen per share):					
Basic	9	1.13	3.74	1.13	3.74
Diluted	9	1.13	3.74	1.13	3.74

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2016
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31.03.2016 RM'000	31.12.2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	341,938	343,769
Intangible assets		2,609	2,714
Deferred tax assets		47,113	46,684
Concession financial assets	11	66,989	63,586
Other assets	12	108,662	107,646
Long term retention sum		52,072	52,062
		<u>619,383</u>	<u>616,461</u>
Current assets			
Inventories		153,916	153,811
Trade and other receivables		322,593	402,702
Other current assets		198,699	58,140
Tax recoverable		2,961	3,214
Derivatives assets		-	27
Cash and bank balances	13	52,889	65,445
		<u>731,058</u>	<u>683,339</u>
TOTAL ASSETS		<u>1,350,441</u>	<u>1,299,800</u>
EQUITY AND LIABILITIES			
Current liabilities			
Derivatives liabilities		-	1,362
Loans and borrowings	14	485,251	449,898
Trade and other payables		299,053	331,843
Other current liabilities		22,678	5,982
Income tax payable		2,027	3,532
		<u>809,009</u>	<u>792,617</u>
Net current liabilities		<u>(77,951)</u>	<u>(109,278)</u>
Non-current liabilities			
Loans and borrowings	14	170,997	142,595
Trade payables		27,868	27,868
Deferred tax liabilities		12,343	11,735
		<u>211,208</u>	<u>182,198</u>
Total liabilities		<u>1,020,217</u>	<u>974,815</u>
Net assets		<u>330,224</u>	<u>324,985</u>
Equity attributable to equity holders of the Company			
Share capital		158,525	158,525
Reverse acquisition reserve		(37,300)	(37,300)
Share premium		79,796	79,796
Foreign currency translation reserves		(50)	(402)
Hedge reserve		564	(537)
Revenue reserves		127,819	124,249
		<u>329,354</u>	<u>324,331</u>
Non-controlling interests		870	654
Total equity		<u>330,224</u>	<u>324,985</u>
TOTAL EQUITY AND LIABILITIES		<u>1,350,441</u>	<u>1,299,800</u>
Net assets per share attributable to owners of the Company (sen)		104	103

The condensed consolidated statements of financial position should be read in conjunction with the accompanying notes attached to the interim financial statements



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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity, total	Attributable to owners of the parent							Non-controlling interests
		Equity attributable to owners of the Company, total	Non-distributable			Distributable			
	RM'000	RM'000	Share capital RM'000	Reverse acquisition reserve RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Hedge reserve RM'000	Revenue reserves RM'000	RM'000
At 1 January 2015	297,669	297,489	158,525	(37,300)	79,796	(1,005)	-	97,473	180
Profit for the period	11,937	11,867	-	-	-	-	-	11,867	70
Other comprehensive income	772	768	-	-	-	15	753	-	4
Total comprehensive income	12,709	12,635	-	-	-	15	753	11,867	74
At 31 March 2015	310,378	310,124	158,525	(37,300)	79,796	(990)	753	109,340	254

The condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity, total	Attributable to owners of the parent							Non-controlling interests
		Equity attributable to owners of the Company, total	Non-distributable			Distributable			
	RM'000	RM'000	Share capital RM'000	Reverse acquisition reserve RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Hedge reserve RM'000	Revenue reserves RM'000	RM'000
At 1 January 2016	324,985	324,331	158,525	(37,300)	79,796	(402)	(537)	124,249	654
Profit for the period	3,905	3,570	-	-	-	-	-	3,570	335
Other comprehensive income	1,334	1,453	-	-	-	352	1,101	-	(119)
Total comprehensive income	5,239	5,023	-	-	-	352	1,101	3,570	216
At 31 March 2016	330,224	329,354	158,525	(37,300)	79,796	(50)	564	127,819	870

The condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statement.



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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current period to date	Preceding year corresponding period
	31.03.2016	31.03.2015
	RM'000	RM'000
Operating activities		
Profit before tax	5,770	16,526
Adjustments for:		
Unwinding of discount on finance lease	(6)	(6)
Amortisation of intangible assets	105	490
Bad debts recovered	(3)	(2,632)
Property, plant and equipment written off	143	8
Depreciation of property, plant and equipment	5,107	5,122
Loss on disposal of property, plant and equipment, net	54	-
Reversal of allowance for impairment loss of trade receivables	-	(158)
Interest expense	5,204	5,751
Interest income	(238)	(622)
Inventories written-off	11	3
Unrealised loss/(gain) on foreign exchange	431	(760)
Operating cash flows before working capital changes	16,578	23,772
Changes in working capital:		
Increase in inventories	(116)	(2,377)
Decrease in trade and other receivables	80,099	72,025
Increase in other current assets	(123,864)	(29,086)
Decrease in trade and other payables	(32,093)	(70,806)
Decrease in derivative liabilities	(1,362)	(898)
Increase in concession financial assets	(3,403)	(6,734)
Total changes in working capital	(80,739)	(37,876)
Cash used in operations	(64,161)	(14,154)
Interest paid	(5,204)	(5,751)
Tax paid, net of refund	(2,936)	(1,045)
Net cash flows used in operating activities	(72,301)	(20,950)

Note

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UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

	Current period to date	Preceding year corresponding period
	31.03.2016	31.03.2015
Note	RM'000	RM'000
Investing activities		
Deposit paid for purchase of helicopter	(1,016)	-
Purchase of property, plant and equipment	(3,419)	(1,976)
Interest received	238	622
Loss from disposal of property, plant and equipment	(54)	(11)
Net cash used in investing activities	<u>(4,251)</u>	<u>(1,365)</u>
Financing activities		
Net drawdown from borrowings	63,763	33,075
Decrease in cash and bank balances pledged for bank borrowings	-	4,620
Net cash from financing activities	<u>63,763</u>	<u>37,695</u>
Net (decrease)/increase in cash and cash equivalents	(12,789)	15,380
Effect on exchange rate changes	233	16
Cash and cash equivalents at 1 January	43,579	39,735
Cash and cash equivalents at 31 December	<u>31,023</u>	<u>55,131</u>
Cash and cash equivalents comprise the following:		
Cash in hand and at banks	37,878	55,131
Deposits with licensed banks	15,011	18,577
	<u>52,889</u>	<u>73,708</u>
Deposit pledged	(21,866)	(18,577)
Cash and cash equivalents	13 <u>31,023</u>	<u>55,131</u>

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016

PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

1. Corporate information

Sarawak Cable Berhad (“the company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

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

2. Significant accounting policies

The audited financial statements of the Group for the year ended 31 December 2015 were prepared in accordance with Malaysian Financial Reporting Standards (MFRS). The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2015.

3. Changes in estimates

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

4. Item of unusual nature, size or incidence

There was no item of unusual nature, size or incidence.



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PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

5. Segment information

	Sales of power and telecommunication cables		Sales of galvanised products and steel structures		Transmission lines construction		Power generation, helicopter services and corporate		Total		Adjustments/ elimination		Per condensed consolidated financial statements	
	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Revenue														
External customers	144,138	169,670	12,460	19,884	200,941	137,447	6,916	16,609	364,455	343,610	-	-	364,455	343,610
Inter-segment	11,712	28,060	19	6	-	-	1,350	(4,951)	13,081	23,115	(13,081)	(23,115)	-	-
Total revenue	155,850	197,730	12,479	19,890	200,941	137,447	8,266	11,658	377,536	366,725	(13,081)	(23,115)	364,455	343,610
Segment profit/(loss) (Note A)	(3,680)	5,341	1,263	(28)	9,721	3,990	(1,534)	7,223	5,770	16,526	-	-	5,770	16,526

Note A

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Segment profit	10,975	22,667
Finance costs	(5,204)	(5,751)
Unallocated corporate expenses	(1)	(390)
Profit before tax	5,770	16,526



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5. Segment information (contd.)

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

- (a) The sales of power and telecommunication cables segment supplies power and telecommunication cables and cable components to consumers.
- (b) The sales of galvanised products and steel structures segment supplies galvanised products and steel structures. It also offers galvanising services.
- (c) The transmission lines construction segment involves the supply, installation and commissioning of transmission line projects.
- (d) The power generation, helicopter services and corporate segment is involved in power generation business, provision of helicopter services and Group-level corporate and management services.

Sales of power and telecommunication cables

The sales of power and telecommunication cables segment contributed 40% (31 March 2015: 49 %) of the total revenue of the Group for the period ended 31 March 2016.

The segment recorded a revenue and loss before tax of RM144.1 million and RM3.7 million respectively for the period ended 31 March 2016 as compared to revenue and profit before tax of RM169.7 million and RM5.3 million respectively in the corresponding period ended 31 March 2015. The decrease of sales and operating profit in this segment were mainly due to delay in projects for orders in hand to subsequent quarters in this financial year. The Group remains positive that with its business strategies in place, there will be growth in the coming quarter.

Sales of galvanised products and steel structures

The sales of galvanised products and steel structures segment contributed 3% (31 March 2015: 6 %) of the total revenue of the Group for the period ended 31 March 2016.

This segment recorded profit before tax of RM1.3 million when compared with corresponding period ended 31 March 2015 operating loss of RM0.03 million. This was due to adverse foreign exchange impact in the purchase of raw materials in 2015.

The Group is confident that the demand for galvanised products and steel structures will continue to improve.



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5. Segment information (contd.)

Transmission lines construction

The transmission line construction segment contributed 55% (31 March 2015: 40 %) of the total revenue of the Group and was the main contributor to the Group’s operating profit for the period ended 31 March 2016.

The Segment recorded a revenue and profit before tax of RM200.9 million and RM9.7million respectively for the financial period ended 31 March 2016 as compared to RM 137.4 million and RM4.0 million respectively for the corresponding period in 2015. Operating costs remained fairly consistent with the corresponding period of 2015.

Segment results for the financial period ended 31 March 2016 had increased as compared to corresponding period in 2015 mainly due to the ongoing projects which contributed positively to the Group.

The Group remains positive that performance for this segment will continue to improve with the Group’s development plans for the power transmission industry.

Power generation, helicopter services and corporate

The power generation, helicopter services and corporate segment provides power generation business, provision of helicopter services and Group-level corporate and management services. In the financial period ended 31 March 2016, power generation, helicopter services and corporate segment contributed RM6.9 million to the total revenue of the Group.

The Group remains positive that with its business strategies in place, there will be growth in the coming year.

Consolidated profit before tax

The Group recorded a profit before tax of RM 5.8 million (31 March 2015: RM 16.5 million) in the current quarter ended 31 March 2016, which was lower than corresponding period in 2015 principally due to customers’ delay in projects to subsequent quarters.

The main factors which had affected the current quarter’s profit before tax are explained above.

6. Seasonality of operations

The Group's operations were not significantly affected by seasonal or cyclical factors.



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7. The following items have been included in arriving at profit before tax:

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31	31	31	31
	March	March	March	March
	2016	2015	2016	2015
	RM’000	RM’000	RM’000	RM’000
Unwinding of discount on finance lease	(6)	(6)	(6)	(6)
Amortisation of intangible assets	105	490	105	490
Bad debts recovered	(3)	(2,632)	(3)	(2,632)
Property, plant and equipment written off	143	8	143	8
Depreciation of property, plant and equipment	5,107	5,122	5,107	5,122
Loss on disposal of property, plant and equipment, net	54	-	54	-
Reversal of allowance for impairment loss of trade receivables	-	(158)	-	(158)
Interest expense	5,204	5,751	5,204	5,751
Interest income	(238)	(622)	(238)	(622)
Inventories written off	11	3	11	3
Unrealised loss/(gain) on foreign exchange	431	(760)	431	(760)



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PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

8. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Current income tax:				
Based on results for the period	1,607	4,450	1,607	4,450
Deferred income tax	258	139	258	139
	<u>1,865</u>	<u>4,589</u>	<u>1,865</u>	<u>4,589</u>

The effective tax rate was higher than the statutory tax rate principally due to the certain expenses which were not deductible for tax purposes.

9. Earnings per share

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

The Group had no potential ordinary shares in issue as at the reporting date and therefore, diluted earnings per share is presented as equal to basic earnings per share.

The following are the profit and share data used in the computation of basic and diluted earnings per share:

	Current year quarter		Current year to date	
	31 March 2016	31 March 2015	31 March 2015	31 March 2015
Profit net of tax attributable to equity holders of The Company (RM'000)	3,570	11,867	3,570	11,867
Weighted average number of ordinary shares in issue (‘000)	317,050	317,050	317,050	317,050
Basic earnings per share (sen per ordinary share)	<u>1.13</u>	<u>3.74</u>	<u>1.13</u>	<u>3.74</u>
Diluted earnings per share (sen per ordinary share)	<u>1.13</u>	<u>3.74</u>	<u>1.13</u>	<u>3.74</u>



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PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

10. Property, plant and equipment

During the three months ended 31 March 2016, the Group acquired assets at the cost of RM3.4 million (31 March 2015: RM2.0 million).

11. Concession financial assets

	31 March 2016 RM’000	31 December 2015 RM’000
At 1 January 2015/2014	63,586	33,185
Concession construction revenue	2,570	23,072
Accrued financial income	833	2,192
Foreign exchange difference	-	5,137
At 31 March 2016/31 December 2015	<u>66,989</u>	<u>63,586</u>

12. Other assets

	31 March 2016 RM’000	31 December 2015 RM’000
Downpayment for purchase of helicopters	<u>108,662</u>	<u>107,646</u>

13. Cash and bank balances

Cash and bank balances comprised the following amounts:

	31 March 2016 RM’000	31 December 2015 RM’000
Cash in hand and at banks	37,878	50,400
Deposits with licensed banks	15,011	15,045
Cash and bank balances	<u>52,889</u>	<u>65,445</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	31 March 2016 RM’000	31 December 2015 RM’000
Cash in hand and at banks	31,757	43,379
Deposits with licensed Banks	166	200
Less: Bank overdraft	(900)	(879)
Cash and cash equivalents	<u>31,023</u>	<u>42,700</u>



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PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

14. Loans and borrowings

	31 March 2016 RM’000	31 December 2015 RM’000
Current		
Secured	40,945	80,278
Unsecured	444,306	369,620
	<u>485,251</u>	<u>449,898</u>
Non-current		
Secured	157,540	125,335
Unsecured	13,457	17,260
	<u>170,997</u>	<u>142,595</u>
	<u>656,248</u>	<u>592,493</u>

15. Dividend Paid

No dividend had been paid for the period ended 31 March 2016.

16. Commitments

	31 March 2016 RM’000	31 December 2015 RM’000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	61,215	63,738
Approved but not contracted for:		
Property, plant and equipment	12,059	7,699
	<u>73,274</u>	<u>71,437</u>



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

17. Contingencies

There were no contingencies as at the end of the current financial quarter.

18. Related party transactions

The following table provides information on the transactions which were entered into with related parties during the year ended 31 March 2016 and 31 March 2015 as well as the balances with the related parties as at 31 March 2016 and 31 December 2015.

		Sales to related parties RM'000	March Purchases from related parties RM'000	March/December Amounts owed by related parties RM'000	March/December Amounts owed to related parties RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:					
Sarawak Energy Berhad	2016	-	-	-	-
	2015	34	-	3,459	-
Syarikat SESCO Berhad	2016	1,106	-	1,183	-
	2015	15,475	-	14,109	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha Industries Sdn. Bhd.	2016	615	40,408	-	30,147
	2015	587	53,369	-	53,059
Leader Universal Aluminium Sdn. Bhd.	2016	513	30,002	-	17,191
	2015	438	34,166	-	28,494



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2016

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

19. Review of performance

Explanatory comments on the performance of each of the Group's business segments are provided in Note 5.

20. Comment on material change in profit before taxation

The profit before taxation for the quarter ended 31 March 2016 was lower than the immediate preceding quarter mainly due to customers' delay in projects to subsequent quarters.

21. Commentary on prospects

The Group anticipates a much improved performance in the coming quarters in 2016.

22. Profit forecast or profit guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

23. Corporate proposals

On 8 January 2016, the Company announced that it is proposing to implement a proposed private placement of up to ten percent (10%) of its issued and paid-up share capital ("the Proposal").

On 12 January 2016, the Company made an announcement that the additional listing application in relation to the Proposal has been submitted to Bursa Securities for approval.

On 14 January 2016, the Company announced that Bursa Securities has vide its letter dated 13 January 2016 approved the listing of and quotation for up to 31,705,000 new Shares ("Placement Shares") on the Main Market of Bursa Securities.

The aforementioned approval by Bursa Securities is subject to the following conditions:-

- (i) The Company and Kenanga Investment Bank Berhad ("Kenanga IB") must fully comply with the relevant provisions under the Main Market Listing Requirements ("Listing Requirements") pertaining to the implementation of the Proposal;
- (ii) The Company and Kenanga IB to inform Bursa Securities upon the completion of the Proposal;
- (ii) The Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposal is completed; and
- (iii) Kenanga IB must submit to Bursa Securities details of the placees in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable before the listing of the Placement Shares.

The Company is required to ensure full compliance of all the requirements pertaining to the Proposal as provided under the Listing Requirements at all times.

Kenanga IB is currently finalising the placees.



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24. Changes in material litigation

There were no material litigations during the current financial period up to the date of this quarterly report.

25. Dividends payable

The Annual General Meeting has on 26 May 2016 approved a final single-tier dividend of 5.0 sen (2014: 2.5 sen) per ordinary share in respect of the financial year ended 31 December 2015. The dividend will be paid on 29 July 2016 to depositors whose names appear in the Record of Depository on 1 July 2016.

26. Disclosure of nature of outstanding derivatives

The outstanding derivatives were for the forward hedges with the London Metal Exchange (“LME”) brokers.

27. Risks and policies of derivatives

The Group will only enter into a LME or currency derivative to hedge against potential commodity or currency fluctuation.

28. Disclosure of 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 March 2016 and 31 December 2015.

29. Breakdown of realised and unrealised profits or losses

The breakdown of the revenue reserves of the Group as at 31 March 2016 and 31 December 2015 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 24 March 2010, prepared in accordance with *Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Current quarter ended 31 March 2016 RM’000	Previous financial year ended 31 December 2015 RM’000
Total revenue reserves of the Company and its subsidiaries:		
Realised	93,325	84,357
Unrealised	34,770	39,411
	<u>128,095</u>	<u>123,768</u>
(Less)/Add: Consolidation adjustments	(276)	481
Revenue reserves as per financial statements	<u>127,819</u>	<u>124,249</u>

30. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the year ended 31 December 2015 was not qualified.



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31. Authorised for issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 May 2016.

By order of the Board

Teoh Wen Jinq
Company Secretary
26 May 2016