

**Condensed Consolidated Income Statement
For The Quarter Ended 30 September 2015**
(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE YEAR TO DATE | |
|--|-------------------------------------|--|---|---|
| | Current Year Quarter 30 Sep 2015 | Preceding Year Corresponding Quarter 30 Sep 2014 | Current Year 9 months ended 30 Sep 2015 | Preceding Year Corresponding Period 30 Sep 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 30,919 | 13,510 | 82,526 | 43,634 |
| Cost of sales | (18,842) | (10,911) | (51,031) | (32,146) |
| Gross profit | 12,077 | 2,599 | 31,495 | 11,488 |
| Other operating income | 73 | (101) | 267 | 202 |
| Selling Expenses | (2,120) | - | (6,171) | - |
| Other operating expenses | (573) | (397) | (1,670) | (1,362) |
| Operating profit | 9,457 | 2,101 | 23,921 | 10,328 |
| Finance costs | (807) | (40) | (2,742) | (86) |
| Interest income | 15 | 16 | 30 | 18 |
| Profit before tax | 8,665 | 2,077 | 21,209 | 10,260 |
| Income tax expense | (1,964) | (529) | (4,777) | (2,567) |
| Profit for the period attributable to equity holders of the company | 6,701 | 1,548 | 16,432 | 7,693 |
| Earnings per share attributable to equity holders of the Company: | <u>Sen</u> | <u>Sen</u> | <u>Sen</u> | <u>Sen</u> |
| Basic | 3.50 | 0.81 | 8.59 | 4.04 |
| Diluted | 3.48 | 0.80 | 8.54 | 4.01 |

The condensed consolidated income statement 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.

Condensed Consolidated Statement of Comprehensive Income
For The Quarter Ended 30 September 2015
(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE YEAR TO DATE | |
|--|-------------------------------------|--|---|---|
| | Current Year Quarter 30 Sep 2015 | Preceding Year Corresponding Quarter 30 Sep 2014 | Current Year 9 months ended 30 Sep 2015 | Preceding Year Corresponding Period 30 Sep 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 6,701 | 1,548 | 16,432 | 7,693 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period attributable to equity holders of the company | <u><u>6,701</u></u> | <u><u>1,548</u></u> | <u><u>16,432</u></u> | <u><u>7,693</u></u> |

The condensed consolidated statement 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.

**Condensed Consolidated Statement of Financial Position
As at 30 September 2015**

| | (Unaudited) | (Audited) |
|--|--|--|
| | End of Current Quarter 30 Sep 2015 | Preceding Financial Year Ended 31 Dec 2014 |
| | <u>RM'000</u> | <u>RM'000</u> |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 151,515 | 148,524 |
| Biological asset | 211,934 | 201,653 |
| | <u>363,449</u> | <u>350,177</u> |
| Current Assets | | |
| Inventories | 10,122 | 12,656 |
| Trade receivables | 3,732 | 508 |
| Other receivables | 2,819 | 2,814 |
| Fixed deposits with licensed bank | 476 | 464 |
| Money market deposits | 1,000 | 507 |
| Cash and bank balances | 573 | 1,171 |
| | <u>18,722</u> | <u>18,120</u> |
| TOTAL ASSETS | <u><u>382,171</u></u> | <u><u>368,297</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 191,237 | 191,237 |
| Share premium | 1,098 | 1,098 |
| Capital Reserves | 886 | 806 |
| Retained profits | 52,189 | 35,757 |
| Total equity | <u>245,410</u> | <u>228,898</u> |

**Condensed Consolidated Statement of Financial Position
As at 30 September 2015 (Cont'd)**

| | (Unaudited) | (Audited) |
|--|--|--|
| | End of Current Quarter 30 Sep 2015 | Preceding Financial Year Ended 31 Dec 2014 |
| | <u>RM'000</u> | <u>RM'000</u> |
| EQUITY AND LIABILITIES (CONT'D) | | |
| Non-current liabilities | | |
| Deferred tax liabilities | 20,384 | 15,641 |
| Loans and borrowings | 56,602 | 65,313 |
| | <u>76,986</u> | <u>80,954</u> |
| Current liabilities | | |
| Trade payables | 4,692 | 13,282 |
| Other payables | 17,745 | 21,982 |
| Loans and borrowings | 37,304 | 23,181 |
| Current tax payable | 34 | - |
| | <u>59,775</u> | <u>58,445</u> |
| Total liabilities | <u>136,761</u> | <u>139,399</u> |
| TOTAL EQUITY AND LIABILITIES | <u>382,171</u> | <u>368,297</u> |

The Consolidated Statement 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.

**Condensed Consolidated Statement of Changes in Equity
For the Financial Quarter ended 30 September 2015**

| | Share capital | Share premium | Other reserve | Retained earnings | Total equity |
|---|--------------------------|--------------------------|--------------------------|------------------------------|-------------------------|
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| At 1 January 2015 | 191,237 | 1,098 | 806 | 35,757 | 228,898 |
| Share options granted under ESOS | | | | | |
| - Recognised in income statement | - | - | 14 | - | 14 |
| - Included in investments in subsidiary | - | - | 66 | - | 66 |
| Total comprehensive income for the period | - | - | - | 16,432 | 16,432 |
| At 30 September 2015 | <u>191,237</u> | <u>1,098</u> | <u>886</u> | <u>52,189</u> | <u>245,410</u> |
| At 1 January 2014 | 189,634 | 215 | 1,544 | 28,191 | 219,584 |
| Exercise of employee share option | 1,603 | 909 | (909) | - | 1,603 |
| Share options granted under ESOS | | | | | |
| - Recognised in income statement | - | - | 56 | - | 56 |
| - Included in investments in subsidiary | - | - | 59 | - | 59 |
| Total comprehensive income for the period | - | - | - | 7,693 | 7,693 |
| At 30 September 2014 | <u>191,237</u> | <u>1,124</u> | <u>750</u> | <u>35,884</u> | <u>228,995</u> |

The condensed consolidated cash flow statement 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.

**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 30 September 2015**

| | 9 months ended 30 September 2015 RM'000 | 12 months ended 31 December 2014 RM'000 |
|---|--|--|
| Operating activities | | |
| Profit before tax | 21,209 | 10,217 |
| <u>Adjustment for :-</u> | | |
| Depreciation of property, plant and equipment | 3,925 | 861 |
| Property, plant and equipment written off | 1 | 12 |
| Inventories written off | - | 22 |
| Interest received | (30) | (25) |
| Interest expense | 3,732 | 996 |
| Share options granted under ESOS | 80 | 22 |
| Impairment on trade receivables | - | 2,835 |
| Total adjustments | <u>7,708</u> | <u>4,723</u> |
| Operating cash flows before changes in working capital | 28,917 | 14,940 |
| <u>Changes in working capital:</u> | | |
| Decrease in inventories | 2,534 | 676 |
| Increase in receivables | (3,229) | (900) |
| (Decrease)/increase in payables | (12,827) | 9,332 |
| Total changes in working capital | <u>(13,522)</u> | <u>9,108</u> |
| Cash generated from operating activities | 15,395 | 24,048 |
| Interest received | 30 | 25 |
| Interest paid | (4,313) | (3,975) |
| Net cash generated from operating activities | <u>11,112</u> | <u>20,098</u> |
| Investing activities | | |
| Placement of money market deposits | (505) | (507) |
| Placement of pledged fixed deposits | - | (14) |
| Purchase of property, plant and equipment | (4,762) | (52,074) |
| Plantation development expenditure | (8,826) | (20,474) |
| Net cash used in investing activities | <u>(14,093)</u> | <u>(73,069)</u> |
| Financing activities | | |
| Net (repayment)/drawdown of invoice financing | (1,110) | 2,287 |
| Net (repayment)/drawdown of term loans | (3,000) | 35,255 |
| Net drawdown of revolving credit | 7,000 | 14,000 |
| Repayment of hire purchase liabilities | (507) | (164) |
| Share issuance expense | - | (4) |
| Proceeds from exercise of employee share options | - | 1,603 |
| Net cash flows from financing activities | <u>2,383</u> | <u>52,977</u> |
| Net (decrease)/increase in cash and cash equivalents | (598) | 6 |
| Cash and cash equivalents at beginning of year | 1,171 | 1,165 |
| Cash and cash equivalents at end of period | <u>573</u> | <u>1,171</u> |

The condensed consolidated statement 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.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

A. EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statement for the financial year ended 31 December 2014.

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2014, except for the adoption of the following new/revised FRSs and amendments to FRSs:

| | Effective for annual periods beginning on or after |
|--|--|
| Amendments to FRS 119: Defined Benefit Plans: | |
| Employee Contributions | 1 July 2014 |
| Annual Improvements to FRSs 2010 - 2012 Cycle | 1 July 2014 |
| Annual Improvements to FRSs 2011 - 2013 Cycle | 1 July 2014 |
| Annual improvements to FRS 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 116 and FRS 141: Agriculture: Bearer Plants | 1 January 2016 |

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

| | Effective for annual periods beginning on or after |
|---|--|
| Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate of 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: Investments Entities: Applying the Consolidation Exception | 1 January 2016 |
| FRS 14: Regulatory Deferral Accounts | 1 January 2016 |
| FRS 15: Revenue from Contracts with Customers | 1 January 2017 |
| FRS 9: Financial Instruments | 1 January 2018 |

The adoption of the above revised FRSs, IC Interpretation and Amendments do not have any significant financial impact on the Group.

Malaysian Financial Reporting Standards (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).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called 'Transitioning Entities').

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

Adoption of the MFRS framework by Transitioning Entities will only be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2014 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

Biological assets

All direct expenses incurred in land preparation, planting, estate administrative and maintenance of plantations up to maturity are capitalised as plantation development expenditure. Maintenance expenditure subsequent to maturity is charged to income statement as and when incurred. General charges are apportioned based on proportion of matured and immature areas.

Plantation development expenditure are not amortized and are measure at cost less accumulated impairment losses. Palm trees are considered mature upon reaching 36 months after planting.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**
4. SEGMENTAL INFORMATION

Business segments

| | Cumulative Quarter ended 30 September 2015 | | |
|-------------------------------------|---|----------------|-----------------------|
| | Timber | Plantations | Consolidated |
| | RM'000 | RM'000 | RM'000 |
| Segment Revenue | <u>20,330</u> | <u>62,196</u> | <u>82,526</u> |
| Segment Results | <u>5,824</u> | <u>15,516</u> | 21,340 |
| Other income | | | 297 |
| Unallocated expenses | | | <u>(428)</u> |
| Profit before taxation | | | 21,209 |
| Income tax | | | <u>(4,777)</u> |
| Cumulative profit up to 30 Sep 2015 | | | <u><u>16,432</u></u> |
| OTHER INFORMATION | | | |
| Segments Assets | <u>1,324</u> | <u>380,584</u> | 381,908 |
| Unallocated assets | | | 263 |
| Consolidated Assets | | | <u>382,171</u> |
| Segments Liabilities | <u>-</u> | <u>116,377</u> | 116,377 |
| Unallocated liabilities | | | <u>20,384</u> |
| Consolidated Liabilities | | | <u><u>136,761</u></u> |

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2015.

6. CHANGES IN ESTIMATES

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**
7. SEASONAL OR CYCLICAL FACTORS

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

8. DIVIDENDS PAID

No dividends were paid out during the current quarter.

9. CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

There were no brought forward valuations of property, plant and equipment from the financial year ended 31 December 2014 and there were no valuations of property, plant and equipment carried out during the financial period ended 30 September 2015.

10. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale, and repayments of debt and equity securities during the financial period ended 30 September 2015.

11. CHANGES IN THE COMPOSITION OF THE GROUP

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

12. DISCONTINUED OPERATION

There were no discontinued operations for the Group during the current financial quarter.

13. CAPITAL COMMITMENTS

The commitments for the oil palm plantation development not provided for in the interim financial statements as at 30 September 2015 are as follows:

| | |
|--------------------------------|---------------|
| Capital expenditure: | 2015 |
| Property, plant and equipment: | <u>RM'000</u> |
| Approved and contracted for | <u>5,808</u> |

14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and contingent liabilities at the end of this quarter and as at the date of this report.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

15. MATERIAL LITIGATION

On 3 June 2014, Serijaya Industri Sdn. Bhd. (SJI), a wholly-owned subsidiary of the Company, filed a notice of arbitration against Asiatic Lumber Industries Sdn. Bhd. (ALISB) for a continuing losses approximately RM14,631,516 arising from a shortfall in guaranteed volume of log production under a Logging Sub-Contract agreement between SJI and ALISB.

Under the Logging Sub-Contract agreement, ALISB has undertaken to extract a minimum of 120,000 m³ of logs per annum. The amount of RM14,631,516 was computed on the loss of profit from production shortfall.

On 1 July 2014, ALISB filed a counterclaim for alleged losses of RM47,638,833. The hearing of the arbitration proceedings were commenced on 20 April 2015 and completed on 6 June 2015. On 21 July 2015, the respective parties have exchanged the Reply Submission and pending Arbitrator to fix the tentative date to consider the decision and make a ruling.

Arbitration hearings took place in July 2015 and decision of the Arbitrator is expected within the next 3 months.

The lawyers acting for SJI had expressed the following opinions:

- (i) That overall the claimant (SJI) has a reasonably good case, and
- (ii) That on evaluation of evidence currently available, the Respondent does not have a good case for its counterclaim.

16. MATERIAL RELATED PARTY TRANSACTIONS

| Group | 2015 |
|--|---------------|
| | <u>RM'000</u> |
| Trade transactions | |
| Transaction with a related party: | |
| Log extraction contract fee from Rakyat Berjaya Sdn. Bhd. | 20,330 |
| Rental paid to TSH Resources Bhd., a company in which a director of the Company has an interest. | 68 |
| Purchase of vehicle from TSH Plantation Management Sdn. Bhd. | 158 |
| Sale of oil palm seedlings to Rinukut Sdn. Bhd. | 692 |
| Sales of Crude Palm Oil to TSH-Wilmar Sdn. Bhd. | 56,760 |
| Sales of Palm Kernel to TSH-Wilmar Sdn. Bhd. | 5,427 |
| Company | |
| Trade transaction | |
| Management fees charged to subsidiary - Serijaya Industri Sdn. Bhd. | 270 |

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015****17. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED**

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****1. PERFORMANCE REVIEW**

The Group recorded a turnover of RM30.919 million for the current quarter ended 30 September 2015 representing an increase of 129% as compared to RM13.510 million for the preceding financial year corresponding quarter. The performance was mainly attributable to the increase in production of FFB by 32% and the production of CPO and PK. Palm oil mill has contributed sales of CPO and PK by RM19.256 million and RM1.662 million respectively, which is an increase of 83% compared to the sale of FFB for preceding financial year corresponding quarter. Higher logs extraction volume also contributed to increase in revenue.

Profit before tax for the current quarter ended 30 September 2015 was RM8.665 million as compared to RM2.077 million in the preceding financial year corresponding quarter. The increase was due to higher production of FFB by 32% and profit contribution from sales of CPO and PK. Higher logs extraction volume also contributed to increase in profit before tax.

For the cumulative nine months, the Group recorded turnover of RM82.526 million against RM43.634 million for the preceding year corresponding period. Profit before tax was RM21.209 million compared to RM10.260 million for the corresponding nine months. The improvement was attributed to higher FFB crop and higher log extraction volume of 132,013 cubic meter against 39,402 cubic meter for the preceding year corresponding nine months.

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

Profit before tax for the current quarter was RM8.665 million which was lower as compared to profit before tax of RM9.761 million achieved in the immediate preceding quarter. The decrease was due to decrease in FFB production by 5% and lower CPO and PK selling prices of 7% and 11% respectively.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

3. PROSPECT FOR 2015

The Board of Directors is confident of achieving reasonable profitability as oil palm segment is expected to contribute positively in 2015 with higher FFB yield and higher production of CPO and PK in the coming quarter which will reduce unit cost of production.

Logging activities will continue to contribute to group profitability in 2015.

4. PROFIT FORECAST OR PROFIT GUARANTEE

There were no profit forecasts or profit guarantees released to the public.

5. INCOME TAX EXPENSE

| | INDIVIDUAL QUARTER | | CUMULATIVE YEAR TO DATE | |
|--------------------------------------|-------------------------------------|---|--|--|
| | Current Year Quarter 30 Sep 2015 | Preceding Year Corresponding Quarter 30 Sep 2014 | Current Year 9 months ended 30 Sep 2015 | Preceding Year Corresponding Period 30 Sep 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current year tax: | | | | |
| Malaysian income tax | 34 | - | 34 | - |
| Deferred tax | 1,930 | 529 | 4,743 | 2,567 |
| | <u>1,964</u> | <u>529</u> | <u>4,777</u> | <u>2,567</u> |
| (Over)/underprovided in prior years: | | | | |
| Malaysian income tax | - | - | - | - |
| Deferred tax | - | - | - | - |
| Total | <u>1,964</u> | <u>529</u> | <u>4,777</u> | <u>2,567</u> |

6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales/disposals of unquoted investments and properties during the current financial quarter and period ended 30 September 2015.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

7. QUOTED SECURITIES

- a) There was no purchase and sale of quoted securities for the current financial quarter ended 30 September 2015.
- b) There was no investment in quoted shares as at 30 September 2015.

8. STATUS OF CORPORATE PROPOSALS

On 9 October 2015, RHB Investment Bank Berhad announced on behalf of the Company proposals to undertake the followings:-

- (i) Proposed share split involving the subdivision of every one (1) existing ordinary share of RM1 each in the Company into two (2) ordinary shares of RM0.50 each in the Company (“Proposed Share Split”);
- (ii) Proposed renounceable two-call rights issue of up to 96,230,650 Split Shares after the proposed share split (“Right Share(s)”) on the basis of one (1) rights share for every four (4) existing shares held on an entitlement date to be determined later; and
- (iii) Proposed amendment to the Memorandum of Association of the Company.

The above corporate proposals have yet to be completed.

9. UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate exercise during the year.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**
10. LOANS AND BORROWINGS

| | As at end of current quarter 30 Sep 2015 RM'000 | As at 31 Dec 2014 RM'000 |
|--------------------------|--|------------------------------------|
| Short term borrowings | | |
| Secured; | | |
| - Invoice financing | 2,527 | 3,637 |
| - Revolving credit | 21,000 | 14,000 |
| - Term loans | 12,750 | 5,281 |
| - Hire purchase creditor | 1,027 | 263 |
| | 37,304 | 23,181 |
| Long term borrowings | | |
| Secured | | |
| - Term loans | 54,250 | 64,719 |
| - Hire purchase creditor | 2,352 | 594 |
| | 56,602 | 65,313 |
| Total borrowings | | |
| Secured | | |
| - Invoice financing | 2,527 | 3,637 |
| - Term loans | 67,000 | 70,000 |
| - Revolving credit | 21,000 | 14,000 |
| - Hire purchase creditor | 3,379 | 857 |
| | 93,906 | 88,494 |

All borrowings are denominated in Ringgit Malaysia.

11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 September 2015.

12. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 September 2015 (30 September 2014: Nil).

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**
13. EARNINGS PER SHARE
(a) Basic earning per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year:

| | INDIVIDUAL QUARTER | | CUMULATIVE YEAR TO DATE | |
|--|-------------------------------------|---|--|--|
| | Current Year Quarter 30 Sep 2015 | Preceding Year Corresponding Quarter 30 Sep 2014 | Current Year 9 months ended 30 Sep 2015 | Preceding Year Corresponding Period 30 Sep 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit attributable to ordinary equity holders of the parent | 6,701 | 1,548 | 16,432 | 7,693 |
| Weighted average number of ordinary shares in issue ('000) | 191,237 | 191,725 | 191,237 | 190,339 |
| | <u>Sen</u> | <u>Sen</u> | <u>Sen</u> | <u>Sen</u> |
| Basic earnings per share | 3.50 | 0.81 | 8.59 | 4.04 |

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**
13. EARNINGS PER SHARE (Cont'd)
(b) Diluted earnings per share

| | INDIVIDUAL QUARTER | | CUMULATIVE YEAR TO DATE | |
|--|-------------------------------------|---|--|--|
| | Current Year Quarter 30 Sep 2015 | Preceding Year Corresponding Quarter 30 Sep 2014 | Current Year 9 months ended 30 Sep 2015 | Preceding Year Corresponding Period 30 Sep 2014 |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Profit attributable to ordinary equity holders of the parent | 6,701 | 1,548 | 16,432 | 7,693 |
| Weighted average number of ordinary shares in issue ('000) | 191,237 | 191,725 | 191,237 | 190,339 |
| Effect of ESOS ('000) | 1,224 | 1,547 | 1,133 | 1,566 |
| Weighted average number of ordinary shares in issue ('000) | 192,461 | 193,272 | 192,370 | 191,905 |
| | <u>Sen</u> | <u>Sen</u> | <u>Sen</u> | <u>Sen</u> |
| Diluted earnings per share | 3.48 | 0.80 | 8.54 | 4.01 |

The diluted earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

The share options was calculated based on the number of shares which would have been acquired at the market price (average annual share price of the company's share) based on the monetary value of the subscription rights attached to the outstanding share options. No adjustment is made to the net profit attributable to shareholders for the share options calculations.

14. AUTHORISATION FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 27 November 2015.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES.

Total unappropriated profit as at 30 September 2015 and 31 December 2014 is analysed as follows:

| | As at end of current quarter 30 Sep 2015 RM'000 | As at end of preceding year 31 Dec 2014 RM'000 |
|--|--|---|
| Total unappropriated profit of the Company and its subsidiary | | |
| - Realised | 75,723 | 54,278 |
| - Unrealised | (20,384) | (15,641) |
| | 55,339 | 38,637 |
| Consolidation adjustments | (3,150) | (2,880) |
| Total Group accumulated profits as per consolidated accounts | 52,189 | 35,757 |