

**Condensed Consolidated Income Statement  
For The Quarter Ended 31 December 2015**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2014 (Unaudited)	Current Year 12 months ended 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2014 (Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	32,526	14,175	115,052	57,816
Cost of sales	(22,994)	(9,606)	(74,025)	(41,800)
<b>Gross profit</b>	9,532	4,569	41,027	16,016
Other operating income	76	(42)	343	161
Selling Expenses	(2,226)	(416)	(8,397)	(416)
Other operating expenses	(1,056)	(3,402)	(2,726)	(4,573)
<b>Operating profit</b>	6,326	709	30,247	11,188
Finance costs	(834)	(248)	(3,576)	(996)
Interest income	17	2	47	25
<b>Profit before tax</b>	5,509	463	26,718	10,217
Income tax expense	(1,862)	(81)	(6,639)	(2,651)
<b>Profit for the period attributable to equity holders of the company</b>	3,647	382	20,079	7,566
<b>Earnings per share attributable to equity holders of the Company:</b>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	1.91	0.20	10.50	3.97
Diluted	1.90	0.20	10.44	3.96

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 31 December 2015**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE YEAR TO DATE</b>	
	Current Year Quarter 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2014 (Unaudited)	Current Year 12 months ended 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2014 (Audited)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,647	382	20,079	7,566
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period attributable to equity holders of the company</b>	<u>3,647</u>	<u>382</u>	<u>20,079</u>	<u>7,566</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 31 December 2015**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Dec 2015	Preceding Financial Year Ended 31 Dec 2014
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	127,972	148,524
Biological asset	242,441	201,653
	<u>370,413</u>	<u>350,177</u>
<b>Current Assets</b>		
Inventories	8,527	12,656
Trade receivables	3,740	508
Other receivables	3,248	2,814
Fixed deposits with licensed bank	476	464
Money market deposits	-	507
Cash and bank balances	1,297	1,171
	<u>17,288</u>	<u>18,120</u>
<b>TOTAL ASSETS</b>	<u><u>387,701</u></u>	<u><u>368,297</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	191,237	191,237
Share premium	1,098	1,098
Capital Reserves	908	806
Retained profits	55,836	35,757
Total equity	<u>249,079</u>	<u>228,898</u>

**Condensed Consolidated Statement of Financial Position  
As at 31 December 2015 (Cont'd)**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Dec 2015	Preceding Financial Year Ended 31 Dec 2014
	<u>RM'000</u>	<u>RM'000</u>
<b>EQUITY AND LIABILITIES (CONT'D)</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	22,143	15,641
Loans and borrowings	52,679	65,313
	<u>74,822</u>	<u>80,954</u>
<b>Current liabilities</b>		
Trade payables	4,160	13,282
Other payables	20,372	21,982
Loans and borrowings	39,234	23,181
Current tax payable	34	-
	<u>63,800</u>	<u>58,445</u>
Total liabilities	<u>138,622</u>	<u>139,399</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>387,701</u></u>	<u><u>368,297</u></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 31 December 2015**

	<b>Share capital</b>	<b>Share premium</b>	<b>Other reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>At 1 January 2015</b>	191,237	1,098	806	35,757	228,898
Share options granted under ESOS					
- Recognised in income statement	-	-	19	-	19
- Included in investments in subsidiary	-	-	83	-	83
Total comprehensive income for the period	-	-	-	20,079	20,079
<b>At 31 December 2015</b>	<u>191,237</u>	<u>1,098</u>	<u>908</u>	<u>55,836</u>	<u>249,079</u>
<b>At 1 January 2014</b>	189,634	215	1,544	28,191	219,584
Exercise of employee share option	1,603	883	(887)	-	1,599
Share options granted under ESOS					
- Recognised in income statement	-	-	22	-	22
- Included in investments in subsidiary	-	-	127	-	127
Total comprehensive income for the period	-	-	-	7,566	7,566
<b>At 31 December 2014</b>	<u>191,237</u>	<u>1,098</u>	<u>806</u>	<u>35,757</u>	<u>228,898</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 31 December 2015**

	12 months ended 31 December 2015 (Unaudited) <u>RM'000</u>	12 months ended 31 December 2014 (Audited) <u>RM'000</u>
<b>Operating activities</b>		
Profit before tax	26,718	10,217
<u>Adjustment for :-</u>		
Depreciation of property, plant and equipment	5,838	861
Property, plant and equipment written off	69	12
Loss on disposal of property, plant and equipment	13	-
Inventories written off	-	22
Interest received	(47)	( 25)
Interest expense	4,858	996
Share options granted under ESOS	102	22
Impairment on trade receivables	-	2,835
Total adjustments	<u>10,833</u>	<u>4,723</u>
<b>Operating cash flows before changes in working capital</b>	37,551	14,940
<u>Changes in working capital:</u>		
Decrease in inventories	4,129	676
Increase in receivables	(3,666)	(900)
(Decrease)/increase in payables	(10,732)	9,332
Total changes in working capital	<u>(10,269)</u>	<u>9,108</u>
<b>Cash generated from operating activities</b>	27,282	24,048
Interest received	47	25
Interest paid	(5,604)	(3,975)
Income tax paid	(103)	-
<b>Net cash generated from operating activities</b>	<u>21,622</u>	<u>20,098</u>
<b>Investing activities</b>		
Withdrawal/(placement) of money market deposits	495	(507)
Placement of pledged fixed deposits	-	(14)
Purchase of property, plant and equipment	(9,823)	(52,074)
Proceeds from disposal of property, plant and equipment	220	-
Plantation development expenditure	(12,599)	(20,474)
<b>Net cash used in investing activities</b>	<u>(21,707)</u>	<u>(73,069)</u>

**Condensed Consolidated Statement of Cash Flows  
For the Quarter ended 31 December 2015 (Cont'd.)**

	12 months ended 31 December 2015 (Unaudited) <u>RM'000</u>	12 months ended 31 December 2014 (Audited) <u>RM'000</u>
<b>Financing activities</b>		
Net drawdown of invoice financing	8	2,287
Net (repayment)/drawdown of term loans	(6,000)	35,255
Net drawdown of revolving credit	7,000	14,000
Repayment of hire purchase liabilities	(797)	(164)
Share issuance expense	-	(4)
Proceeds from exercise of employee share options	-	1,603
<b>Net cash flows from financing activities</b>	<u>211</u>	<u>52,977</u>
Net increase in cash and cash equivalents	126	6
Cash and cash equivalents at beginning of year	<u>1,171</u>	<u>1,165</u>
<b>Cash and cash equivalents at end of period</b>	<u>1,297</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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2015**
**4. SEGMENTAL INFORMATION**

Business segments

	<b>Cumulative Quarter ended 31 December 2015</b>		
	Timber	Plantations	Consolidated
	RM'000	RM'000	RM'000
<b>Segment Revenue</b>	<u>30,182</u>	<u>84,870</u>	<u>115,052</u>
<b>Segment Results</b>	<u>8,562</u>	<u>18,509</u>	27,071
Other income			390
Unallocated expenses			<u>(743)</u>
Profit before taxation			26,718
Income tax			<u>(6,639)</u>
Cumulative profit up to 31 Dec 2015			<u><u>20,079</u></u>
<b>OTHER INFORMATION</b>			
<b>Segments Assets</b>	<u>1,570</u>	<u>385,971</u>	387,541
Unallocated assets			160
Consolidated Assets			<u>387,701</u>
<b>Segments Liabilities</b>	<u>-</u>	<u>116,238</u>	116,238
Unallocated liabilities			<u>22,384</u>
Consolidated Liabilities			<u><u>138,622</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 31 December 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 FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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 31 December 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 31 December 2015 are as follows:

Capital expenditure:	<b>2015</b>
Property, plant and equipment:	<u>RM'000</u>
Approved and contracted for	<u>9,005</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 FOURTH QUARTER ENDED 31 DECEMBER 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 m<sup>3</sup> 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. Arbitration hearings took place in July 2015 and awaiting the final decision from the Arbitrator.

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**

<b>Group</b>	<b>2015</b>
	<u>RM'000</u>
<b>Trade transactions</b>	
Transaction with a related party:	
Log extraction contract fee from Rakyat Berjaya Sdn. Bhd.	30,182
Rental paid to TSH Resources Bhd., a company in which a director of the Company has an interest.	91
Purchase of vehicle from TSH Plantation Management Sdn. Bhd.	158
Purchase of vehicle from TSH Plantation Sdn. Bhd.	24
Purchase of vehicle from Eko Pulp & Paper Sdn. Bhd.	91
Sale of oil palm seedlings to Rinukut Sdn. Bhd.	692
Sales of Crude Palm Oil to TSH-Wilmar Sdn. Bhd.	77,041
Sales of Palm Kernel to TSH-Wilmar Sdn. Bhd.	7,820
<b>Company</b>	
<b>Trade transaction</b>	
Management fees charged to subsidiary	
- Serijaya Industri Sdn. Bhd.	360
- IPB Bio Energy Sdn Bhd	36

## **EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 RM32.526 million for the current quarter ended 31 December 2015 representing an increase of 129% as compared to RM14.175 million for the preceding financial year corresponding quarter. The performance was mainly attributable to the increase in FFB production by 16% and higher CPO and PK sales volume and selling price. Palm products contributed sales of RM22.674 million, which is an increase of 84% compared to the total sales of FFB, CPO and PK for preceding financial year corresponding quarter. Higher logs extraction volume also contributed to increase in revenue.

Profit before tax for the current quarter ended 31 December 2015 was RM5.509 million as compared to RM0.463 million in the preceding financial year corresponding quarter. The increase was due to higher FFB production by 16% and higher oil extraction rate. Higher logs extraction volume also contributed to increase in profit before tax.

For the cumulative twelve months, the Group recorded turnover of RM115.052 million against RM57.816 million for the preceding year corresponding period. Profit before tax was RM26.718 million compared to RM10.217 million for the preceding year corresponding twelve months. The improvement was attributed to higher FFB crop and higher oil extraction rate. Higher log extraction volume of 195,987 cubic meter against 51,539 cubic meter for the preceding year corresponding twelve months also contributed to improved profit before tax.

#### **2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION**

Profit before tax for the current quarter was RM5.509 million which was lower as compared to RM8.665 million achieved in the immediate preceding quarter. The decrease was due to lower logs extraction volume and higher upkeep costs and adjustment in depreciation provision.

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

### 3. PROSPECT FOR 2016

The Board of Directors is confident of achieving reasonable profitability as oil palm segment is expected to contribute positively in 2016 with higher FFB yield and higher production of CPO and PK in the coming year which will reduce unit cost of production.

Logging activities will continue to contribute to group profitability in 2016. However the Log Extraction Contract will not be extended upon expiry on 5 June 2016.

### 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 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2014 (Unaudited)	Current Year 12 months ended 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2014 (Audited)
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
Malaysian income tax	103	-	137	-
Deferred tax	1,759	81	6,502	2,651
	1,862	81	6,639	2,651
(Over)/underprovided in prior years:				
Malaysian income tax	-	-	-	-
Deferred tax	-	-	-	-
Total	1,862	81	6,639	2,651

### 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 31 December 2015.

## **EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

### **7. QUOTED SECURITIES**

- a) There was no purchase and sale of quoted securities for the current financial quarter ended 31 December 2015.
- b) There was no investment in quoted shares as at 31 December 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.

As at the date of this announcement, the above corporate proposals remain uncompleted except for item (i) and (iii).

### **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 FOURTH QUARTER ENDED 31 DECEMBER 2015**
**10. LOANS AND BORROWINGS**

	As at end of current quarter 31 Dec 2015 (Unaudited) RM'000	As at 31 Dec 2014  (Audited) RM'000
Short term borrowings		
Secured;		
- Invoice financing	3,644	3,637
- Revolving credit	21,000	14,000
- Term loans	13,500	5,281
- Hire purchase creditor	1,090	263
	39,234	23,181
Long term borrowings		
Secured		
- Term loans	50,500	64,719
- Hire purchase creditor	2,179	594
	52,679	65,313
Total borrowings		
Secured		
- Invoice financing	3,644	3,637
- Term loans	64,000	70,000
- Revolving credit	21,000	14,000
- Hire purchase creditor	3,269	857
	91,913	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 31 December 2015.

**12. DIVIDEND PAYABLE**

No interim ordinary dividend has been declared for the financial period ended 31 December 2015 (31 December 2014: Nil).

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2014 (Unaudited)	Current Year 12 months ended 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2014 (Audited)
	<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	<u>3,647</u>	<u>382</u>	<u>20,079</u>	<u>7,566</u>
Weighted average number of ordinary shares in issue ('000)	<u>191,237</u>	<u>191,237</u>	<u>191,237</u>	<u>190,565</u>
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic earnings per share	<u>1.91</u>	<u>0.20</u>	<u>10.50</u>	<u>3.97</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**
**13. EARNINGS PER SHARE (Cont'd)**
**(b) Diluted earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Quarter 31 Dec 2014 (Unaudited)	Current Year 12 months ended 31 Dec 2015 (Unaudited)	Preceding Year Corresponding Period 31 Dec 2014 (Audited)
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	3,647	382	20,079	7,566
Weighted average number of ordinary shares in issue ('000)	191,237	191,237	191,237	190,565
Effect of ESOS ('000)	1,211	1,525	1,143	624
Weighted average number of ordinary shares in issue ('000)	192,448	192,762	192,380	191,189
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Diluted earnings per share	1.90	0.20	10.44	3.96

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 authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 February 2016.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**
**C. DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES.**

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

	As at end of current quarter 31 Dec 2015 (Unaudited) RM'000	As at end of preceding year 31 Dec 2014 (Audited) RM'000
Total unappropriated profit of the Company and its subsidiary		
- Realised	81,219	54,278
- Unrealised	( 22,143)	( 15,641)
	59,076	38,637
Consolidation adjustments	(3,240)	( 2,880)
Total Group accumulated profits as per consolidated accounts	55,836	35,757