

**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Condensed consolidated statement of comprehensive income**  
**For the nine-month period ended 30 September 2015**

	Current quarter		Cumulative quarter	
	3 months ended 30.09.2015 (Unaudited) RM'000	3 months ended 30.09.2014 (Restated) RM'000	9 months ended 30.09.2015 (Unaudited) RM'000	9 months ended 30.09.2014 (Restated) RM'000
Revenue	73,536	55,200	169,944	174,339
Cost of sales	(65,648)	(49,094)	(147,042)	(144,462)
<b>Gross profit</b>	<b>7,888</b>	<b>6,106</b>	<b>22,902</b>	<b>29,877</b>
Other operating income	760	190	2,201	574
Administrative expenses	(2,171)	(1,786)	(7,173)	(5,422)
Other operating expenses	(1,390)	(1,501)	(3,835)	(4,410)
<b>Operating profit</b>	<b>5,087</b>	<b>3,009</b>	<b>14,095</b>	<b>20,619</b>
Finance income	2,191	1,149	4,976	3,483
Finance costs	(1,782)	(145)	(4,769)	(566)
<b>Net finance income</b>	<b>409</b>	<b>1,004</b>	<b>207</b>	<b>2,917</b>
<b>Profit before tax</b>	<b>5,496</b>	<b>4,013</b>	<b>14,302</b>	<b>23,536</b>
Income tax expense	(1,621)	(940)	(3,649)	(5,743)
<b>Profit net of tax</b>	<b>3,875</b>	<b>3,073</b>	<b>10,653</b>	<b>17,793</b>
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations	117	1	134	(1)
<b>Other comprehensive income for the period, net of tax</b>	<b>117</b>	<b>1</b>	<b>134</b>	<b>(1)</b>
<b>Total comprehensive income for the period</b>	<b>3,992</b>	<b>3,074</b>	<b>10,787</b>	<b>17,792</b>
<b>Profit attributable to:</b>				
Owners of the parent	3,622	2,890	10,190	17,224
Non-controlling interests	253	183	463	569
	<b>3,875</b>	<b>3,073</b>	<b>10,653</b>	<b>17,793</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	3,719	2,891	10,304	17,223
Non-controlling interests	273	183	483	569
	<b>3,992</b>	<b>3,074</b>	<b>10,787</b>	<b>17,792</b>
<b>Earnings per share (EPS) attributable to owners of the parent (sen per share)</b>				
Basic EPS	1.17	0.93	3.30	5.57

These 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 these interim financial statements.

**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Condensed consolidated statement of financial position as at 30 September 2015**

	<b>30.09.2015</b> <b>(Unaudited)</b> <b>RM'000</b>	<b>31.12.2014</b> <b>(Audited)</b> <b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	174,742	191,069
Biological assets	158,546	157,199
Investment properties	42,700	42,700
Intangible assets	92,088	92,088
Land use rights	2,001	2,022
Deferred tax assets	3,686	3,565
Trade and other receivables	140,608	108,184
<b>Total non-current assets</b>	<b>614,371</b>	<b>596,827</b>
Inventories	30,345	20,623
Trade and other receivables	15,791	21,107
Tax recoverable	4,684	3,809
Short term investments	9,684	10,892
Deposits placed with licensed banks	3,424	10,331
Cash and bank balances	15,025	13,102
<b>Total current assets</b>	<b>78,953</b>	<b>79,864</b>
<b>TOTAL ASSETS</b>	<b>693,324</b>	<b>676,691</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	318,446	318,446
Treasury shares	(11,097)	(11,097)
Retained earnings	152,073	148,062
Other reserve	(1,946)	-
Foreign currency translation reserve	118	4
<b>Total equity attributable to owners of the parent</b>	<b>457,594</b>	<b>455,415</b>
Non-controlling interests	16,311	20,103
<b>Total equity</b>	<b>473,905</b>	<b>475,518</b>
<b>LIABILITIES</b>		
Lease rental payable	267	267
Borrowings	77,757	60,228
Deferred tax liabilities	47,370	47,238
<b>Total non-current liabilities</b>	<b>125,394</b>	<b>107,733</b>
Borrowings	70,130	65,433
Trade and other payables	23,862	27,755
Income tax payables	33	252
<b>Total current liabilities</b>	<b>94,025</b>	<b>93,440</b>
<b>Total liabilities</b>	<b>219,419</b>	<b>201,173</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>693,324</b>	<b>676,691</b>
<b>Net assets per share attributable to owner of the parent (RM)</b>	<b>1.48</b>	<b>1.47</b>

These condensed 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 these interim financial statements.

## Condensed consolidated statement of cash flows for the period ended 30 September 2015

	<b>9 months ended 30.09.2015 (Unaudited) RM'000</b>	<b>9 months ended 30.09.2014 (Unaudited) (Restated) RM'000</b>
<b>Operating activities</b>		
Profit before tax	14,302	23,536
Adjustments for:		
Depreciation and amortisation	5,707	6,186
Finance costs	4,769	566
Plant and equipment scrapped	3	17
Loss on disposal of equipment	4	-
Gain on disposal of property, plant and equipment	(567)	-
Finance income	(4,976)	(3,483)
Net (gain)/loss on foreign exchange - unrealised	(530)	21
<b>Operating profit before working capital changes</b>	<b>18,712</b>	<b>26,843</b>
Increase in inventories	(9,674)	(6,776)
Decrease/(increase) in receivables	7,246	(7,662)
Decrease in payables	(5,644)	(1,383)
<b>Cash generated from operations</b>	<b>10,640</b>	<b>11,022</b>
Interest paid	(4,769)	(566)
Income taxes paid	(6,650)	(5,252)
Tax refunded	1,918	134
Interest received	406	397
<b>Net cash flows generated from operating activities</b>	<b>1,545</b>	<b>5,735</b>
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	643	-
Purchase of property, plant and equipment	(16,979)	(13,894)
Additions to biological assets	(1,348)	(2,387)
Net cash outflow on acquisition of a subsidiary	(1,841)	-
Net redemption of/(investment in) short term money market funds	1,208	(563)
Acquisition of non-controlling interests	(1,950)	(75)
<b>Net cash flows used in investing activities</b>	<b>(20,267)</b>	<b>(16,919)</b>
<b>Financing activities</b>		
Dividend paid	(6,179)	(6,179)
Dividend paid to non-controlling interests	(800)	(800)
Drawdown of term loans	29,150	-
Drawdown of revolving credits	18,000	40,500
Repayment of revolving credits	(17,500)	-
Repayment of term loans	(8,313)	(3,313)
Repayment of obligations under finance leases	(761)	(957)
<b>Net cash flows generated from financing activities</b>	<b>13,597</b>	<b>29,251</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,125)</b>	<b>18,067</b>
<b>Net foreign exchange difference</b>	<b>141</b>	<b>(20)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>23,433</b>	<b>24,331</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>18,449</b>	<b>42,378</b>
<b>Cash and cash equivalents at the end of the financial period comprise the following:</b>		
	<b>As at 30.09.2015 (Unaudited) RM'000</b>	<b>As at 30.09.2014 (Unaudited) (Restated) RM'000</b>
Deposits placed with licensed banks	3,424	28,697
Cash and bank balances	15,025	13,681
	<b>18,449</b>	<b>42,378</b>

These 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 these interim financial statements.

**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Condensed consolidated statement of changes in equity for the period ended 30 September 2015**

	←		←					→	
			←					→	
			←					→	
	Equity attributable to owners of the parent		Attributable to owners of the parent Non-distributable			Foreign currency translation reserve		Retained earnings	Non-controlling interests
Equity, total	of the parent, total	Share capital	Treasury shares	Other reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interests		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2014 (Restated)	461,098	441,759	318,446	(11,096)	-	-	134,409	19,339	
Total comprehensive income	17,792	17,223	-	-	-	(1)	17,224	569	
Purchase of treasury shares	(1)	(1)	-	(1)	-	-	-	-	
Acquisition of non-controlling interests	(75)	(727)	-	-	-	-	(727)	652	
Dividend paid to non-controlling interests	(800)	-	-	-	-	-	-	(800)	
Dividend	(6,179)	(6,179)	-	-	-	-	(6,179)	-	
At 30 September 2014	471,835	452,075	318,446	(11,097)	-	(1)	144,727	19,760	
At 1 January 2015	475,518	455,415	318,446	(11,097)	-	4	148,062	20,103	
Total comprehensive income	10,787	10,304	-	-	-	114	10,190	483	
Acquisition of non-controlling interests	(1,889)	(646)	-	-	(646)	-	-	(1,243)	
Arising from reverse takeover exercise	(3,531)	(1,300)	-	-	(1,300)	-	-	(2,231)	
Dividend paid to non-controlling interests	(800)	-	-	-	-	-	-	(800)	
Dividend	(6,179)	(6,179)	-	-	-	-	(6,179)	-	
At 30 September 2015	473,905	457,594	318,446	(11,097)	(1,946)	118	152,073	16,311	

The above condensed consolidated statement 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 these interim financial statements.

**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Notes to the condensed consolidated interim financial statements**

1. Basis of preparation

These condensed consolidated interim financial statements for the period ended 30 September 2015, have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014.

The accounting policies used in the preparation of interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the 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.

2. Significant 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 financial periods beginning on or after 1 July 2014:

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions  
Annual Improvements to FRSs 2010 – 2012 Cycle  
Annual Improvements to FRSs 2011 – 2013 Cycle

Effective for financial periods beginning on or after 1 January 2016:

Amendments to FRS 11: Accounting for Acquisition of Interest in Joint Operations  
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation  
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture  
Amendments to FRS 127: Equity Method in Separate Financial Statements  
Amendments to FRS 101: Disclosure Initiative  
Amendments to FRS 10, FRS 12 and FRS 18: Investment Entities: Applying the Consolidation Exception  
Annual Improvements to FRSs 2012 – 2014 Cycle  
FRS 14: Regulatory Deferral Accounts

Effective for financial periods beginning on or after 1 January 2018:

FRS 9: Financial Instruments

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

## 2. Significant accounting policies (Contd.)

### **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 venturer (herein called ‘Transitioning Entities’).

Transitioning Entities are allowed to defer adoption of the new MFRS Framework and continue to use the existing Financial Reporting Standards framework until the MFRS Framework is mandated by the MASB. According to an announcement made by the MASB on 8 September 2015, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2018.

The Group falls within the definition of Transitioning Entities and accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. 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.

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 2018.

The new and amended standards (which are applicable upon adoption of MFRS Framework) that are issued but not yet effective are disclosed below.

Effective for financial periods beginning on or after 1 January 2016:

Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants

Effective for financial periods beginning on or after 1 January 2018:

MFRS 15: Revenue from Contracts with Customers

## 3. Auditors’ report on preceding annual financial statements

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

## 4. Segment information

The Group has three reportable segments, as described below, which are the Group’s strategies business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments:

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products
- c. Power Plant - Power generation and sales of biomass by-products

4. Segment information (Contd.)

**Information about reportable segments**

	<b>Results for the 3 months ended 30 September</b>							
	<b>Plantation</b>		<b>Oil Mill</b>		<b>Power Plant</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>External revenue</b>	2,507	3,192	37,156	47,879	33,621	3,591	73,284	54,662
<b>Inter-segment revenue</b>	12,532	13,067	-	-	639	2,323	13,171	15,390
<b>Segment profit/(loss)</b>	4,906	4,751	(54)	(1,072)	154	199	5,006	3,878

	<b>3 months ended 30.09.2015 (Unaudited) RM'000</b>	<b>3 months ended 30.09.2014 (Unaudited) (Restated) RM'000</b>
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	5,006	3,878
Other non-reportable segments	189	387
Elimination of inter-segment profits	(28)	(35)
Unallocated corporate income/(expenses)	329	(217)
<b>Consolidated profit before tax</b>	<b>5,496</b>	<b>4,013</b>

	<b>Results for the 9 months ended 30 September</b>							
	<b>Plantation</b>		<b>Oil Mill</b>		<b>Power Plant</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>External revenue</b>	7,224	10,205	121,464	152,018	40,352	9,823	169,040	172,046
<b>Inter-segment revenue</b>	35,545	44,032	-	-	1,577	4,230	37,122	48,262
<b>Segment profit/(loss)</b>	13,982	22,670	2,132	81	(1,873)	(27)	14,241	22,724
<b>Segment assets</b>	357,348	346,206	86,081	92,731	157,262	140,820	600,691	579,757
<b>Segment liabilities</b>	5,836	7,953	31,446	36,971	71,816	81,519	109,098	126,443

4. Segment information (Contd.)

<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>	<b>9 months ended 30.09.2015 (Unaudited) RM'000</b>	<b>9 months ended 30.09.2014 (Unaudited) (Restated) RM'000</b>
Segment profit	14,241	22,724
Other non-reportable segments	577	1,262
Elimination of inter-segment profits	(171)	(163)
Unallocated corporate expenses	(345)	(287)
Consolidated profit before tax	<u>14,302</u>	<u>23,536</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 under review.

6. Changes in estimates

There was no estimation of amount used in the preceding reporting quarter having a material impact in the current reporting quarter.

7. Comments about seasonal or cyclical factors

In line with the trend of Fresh Fruit Bunches (FFB) production in the oil palm industry, the Group expects 'low' crop in the beginning of the year and 'high' crop towards the second half of the year.

8. Dividend paid

The final single-tier dividend of 2% declared on 15 June 2015, on 308,967,210 ordinary shares (excluding 9,479,000 treasury shares) amounting to RM 6,179,344 in respect of the financial year ended 31 December 2014 was paid on 29 June 2015.

9. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review except disclosed as below.

During the financial period ended 30 September 2015, the Company repurchased 100 of its issued ordinary shares from the open market at an average price of RM 0.81 per share. The total consideration paid for the purchase including transaction costs was RM 121. The repurchase transaction was financed by internally generated funds. The repurchased share are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. None of the treasury shares has been resold or distributed as share dividends during the financial period ended 30 September 2015.



#### 10. Changes in composition of the Group

- (a) On 11 May 2015, Cash Nexus (M) Sdn. Bhd., a wholly owned subsidiary acquired 150,000 ordinary shares of RM 1 each in Power Precinct Sdn. Bhd., representing its entire equity interest for a total consideration of RM 1.95 million. Power Precinct Sdn. Bhd. holds the remaining 30% equity interest in Cash Horse (M) Sdn. Bhd.. As a result of this acquisition, Cash Horse (M) Sdn. Bhd. becomes a wholly-owned subsidiary of the Group; and
- (b) On 10 September 2015, the Group acquired 61.51% equity interest in Timah Resources Limited (TRL), a company incorporated in Australia. The transfer listing exercise of TRL to the Australian Securities Exchange was completed on 16 September 2015. As a result of the acquisition, the effective equity interest of the Group in Mistral Engineering Sdn Bhd, previously a wholly-owned subsidiary was reduced to 61.51%.

#### 11. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 30 September 2015 is as follows:

	<b>RM'000</b>
Approved and contracted for	17,063
Approved but not contracted for	<u>12,337</u>
	<u>29,400</u>

#### 12. Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2014.

#### 13. Subsequent events

There were no material subsequent events to the end of the current quarter.

**CEPATWAWASAN GROUP BERHAD**  
(Company No. 536499-K)

**Information required by Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

1. Review of performance

**Current Quarter vs. Previous Year Corresponding Quarter**

For this quarter under review, the Group recorded a revenue of RM 73.54 million, which is an increase of RM 18.34 million as compared to the preceding year corresponding quarter due to increase in construction income totalling RM 26.49 million from power plant despite lower CPO and PK sales volume by 23% and 17% respectively.

The Group reported a profit before tax of RM 5.50 million for this quarter under review, which is an increase of 37% from the preceding year corresponding quarter mainly due to better milling margin and higher oil extraction rate.

Performance of the respective operating business segments for this quarter under review as compared to the preceding year corresponding quarter is analysed as follows:

- i) Plantation – The increase in profit before tax by RM 0.16 million (3%) from RM 4.75 million to RM 4.91 million was due to lower estate operating cost despite lower FFB price by 9%.
- ii) Oil Mill – The decrease in loss before tax by RM 1.02 million (95%) from RM 1.07 million to RM 0.05 million was due to better milling margin and higher oil extraction rate.
- iii) Power Plant – The decrease in profit before tax by RM 0.05 million (25%) from RM 0.20 million to profit RM 0.15 million was due to higher operating cost incurred as a result of the commencement of the supply of electricity. The 12MW Biomass Power Plant generated and exported 12,170,697 kW for this current quarter.

**Current Year-to-date vs. Previous Year-to-date**

For this financial period under review, the Group recorded a revenue of RM 169.94 million, which is a decrease of RM 4.40 million as compared to the previous financial period due to lower CPO and PK prices by 9% and 11% respectively and lower CPO and PK sales volume by 13% and 8% respectively despite increase in construction income of RM 20.25 million and supply of electricity totalling RM 6.94 million.

The Group reported a profit before tax of RM 14.30 million for this financial period under review, which is a decrease of 39% from the previous financial period due to lower CPO and PK prices by 9% and 11% respectively and a 7% decrease in FFB production.

Performance of the respective operating business segments for the period ended 30 September 2015 as compared to the previous period is analysed as follows:

- i) Plantation – The decrease in profit before tax by RM 8.69 million (38%) from RM 22.67 million to RM 13.98 million was due to a 16% decrease in FFB price and a 7% decrease in FFB production.

1. Review of performance (Contd.)

- ii) Oil Mill – The increase in profit before tax by RM 2.05 million (>100%) from RM 0.08 million to RM 2.13 million was due to better milling margin and higher oil extraction rate for this financial period under review despite lower CPO and PK prices by 9% and 11% respectively.
- iii) Power Plant – The increase in loss before tax by RM 1.84 million (>100%) from RM 0.03 million to RM 1.87 million was due to higher operating cost incurred as a result of the commencement of the supply of electricity. The 12MW Biomass Power Plant generated and exported 32,233,362 kW in this financial period under review.

2. Comment on material change in profit before tax against immediate preceding quarter

Profit before tax in this quarter under review is higher at RM 5.50 million as compared to RM 4.67 million in the immediate preceding quarter due to increase in profit from construction income of RM 0.87 million despite by lower CPO and PK prices by 6% and 8% respectively and lower CPO and PK sales volume by 18% and 12% respectively.

3. Commentary on prospects

Barring any unforeseen circumstances, the Board is confident that the Group will continue to perform satisfactorily in view that CPO and PK prices have recently stabilised to around RM 2,200 and RM 1,600 per metric tonne respectively.

4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast or guarantee published.

5. Profit for the period

	Current quarter		Cumulative quarter	
	3 months ended 30.09.2015 (Unaudited) RM'000	3 months ended 30.09.2014 (Unaudited) (Restated) RM'000	9 months ended 30.09.2015 (Unaudited) RM'000	9 months ended 30.09.2014 (Unaudited) (Restated) RM'000
Profit for the period is arrived at after charging / (crediting):				
Depreciation and amortisation	1,456	2,236	5,707	6,186
Plant and equipment scrapped	-	-	3	17
Loss on disposal of equipment	-	-	4	-
Gain on disposal of property, plant and equipment	-	-	(567)	-
Net (gain) / loss on foreign exchange - realised	(173)	174	(127)	265
Net (gain) / loss on foreign exchange - unrealised	(330)	(2)	(530)	21

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

6. Income tax expense

	Current quarter		Cumulative quarter	
	3 months ended 30.09.2015 (Unaudited)	3 months ended 30.09.2014 (Unaudited) (Restated)	9 months ended 30.09.2015 (Unaudited)	9 months ended 30.09.2014 (Unaudited) (Restated)
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current provision	1,095	1,077	3,512	5,458
- Under/(over)provision of tax in prior years	123	(286)	123	(280)
	<u>1,218</u>	<u>791</u>	<u>3,635</u>	<u>5,178</u>
Deferred tax				
- Relating to origination and reversal of temporary differences	141	61	(249)	481
- Underprovision of tax in prior years	262	88	263	84
	<u>403</u>	<u>149</u>	<u>14</u>	<u>565</u>
Total income tax expense	<u>1,621</u>	<u>940</u>	<u>3,649</u>	<u>5,743</u>

The Group's effective tax rate for the current quarter was lower than the statutory tax rate of 25% principally due to certain income not subject to tax.

The Group's effective tax rate for the cumulative quarter ended 30 September 2015 was lower than the statutory tax rate of 25% principally due to certain provision in previous year were allowed to deduct in this financial period.

7. Corporate proposals

The following proposals which have been approved by shareholders at an Extraordinary General Meeting on 18 March 2015 have been completed on 10 September 2015:

- (a) The Proposed Disposal by Cash Nexus (M) Sdn. Bhd. ("CNSB") of 100% equity interest in Mistral Engineering Sdn Bhd to Timah Resources Limited ("TRL") for a total consideration of AUD8,550,000 to be fully satisfied by the issuance of 85,550,000 new fully paid ordinary shares in TRL at an issue price of AUD0.10 per TRL share and the Proposed Subscription by CNSB of 10,000,000 TRL shares for a total cash consideration of AUD2,000,000 or AUD0.20 per TRL share in conjunction with the transfer listing exercise to be undertaken by TRL; and
- (b) The Granting of Call Option by Timah Pasir Sdn Bhd, a substantial shareholder of TRL, for CNSB to acquire 9,500,000 TRL shares for a total cash consideration of up to AUD950,000.

The transfer listing exercise of TRL to the Australian Securities Exchange was completed on 16 September 2015.

8. Borrowings

	<b>As at 30.09.2015 (Unaudited) RM'000</b>	<b>As at 31.12.2014 (Audited) RM'000</b>
<b>Short term borrowings - Secured</b>		
Obligation under finance leases	880	683
Revolving credit	55,500	55,000
Term loans	13,750	9,750
	<u>70,130</u>	<u>65,433</u>
<b>Long term borrowings - Secured</b>		
Obligation under finance leases	1,211	519
Term loans	76,546	59,709
	<u>77,757</u>	<u>60,228</u>
 Total borrowings	 <u>147,887</u>	 <u>125,661</u>

The Group's total borrowings included an amount of RM 56.11 million (31.12.2014: RM 63.12 million) that was obtained under the Green Technology Financing Scheme for the renewable power plant.

9. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 September 2015.

10. Material litigation

Suara Baru Sdn Bhd. ("SESB") vs. Borhill Estates Sdn Bhd ("BESB") (Suit No. SDK-22NCvC-39/11-2014)

The Company's wholly owned subsidiary, SESB had commenced legal proceedings against BESB in the Sessions Court at Sandakan vide Suit No. SDK-A 52-63/7-2013 ("Suit") on 19 July 2013 to claim for the sum of RM115,169.66, being the amount due and owing by BESB to SBSB in respect of block stones and crusher run A stones ("Stones") supplied by SBSB to BESB. In defending the Suit, BESB contends, among others, that the Stones supplied by SBSB did not fit the description of stones ordered by BESB, were not of merchantable quality, and were not fit for the purpose they were ordered for. BESB has also filed a counterclaim against SBSB, among others, a sum of RM5,612,850 in respect of BESB's purported loss of profit allegedly caused by SBSB's alleged breach. The Suit was subsequently transferred to the High Court of Sabah and Sarawak at Sandakan on 13 October 2014 and registered as Suit No. SDK-22NCvC-39/11-2014. Both parties were unable to resolve the dispute through mediation on 19 October 2015. The Suit is now fixed for trial from 5 January 2016 to 8 January 2016.

The Board of Directors of the Company is of the view that the Suit will have no immediate material financial and operational impact on the Company and Group as the Company expects that pursuant to the facts of the case, the documents presently available and advice of its solicitors, the Company will be able to advance a cogent defence to BESB's counterclaim.

## 11. Breakdown of realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at 30 September 2015 and 31 December 2014 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 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.

	<b>As at 30.09.2015 (Unaudited)</b>	<b>As at 31.12.2014 (Audited) (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
Realised retained earnings	203,643	193,103
Unrealised retained earnings	8,274	7,894
	<u>211,917</u>	<u>200,997</u>
Less: consolidation adjustments	(59,844)	(52,935)
Total group retained earnings	<u>152,073</u>	<u>148,062</u>

## 12. Dividend payable

No interim dividend has been declared during the quarter ended 30 September 2015.

The total dividend paid in 2015 is 2% (2014:2%).

## 13. Earnings per share

### (a) Basic

Basic earnings per share amounts are calculated by dividing the Group's profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period excluding treasury shares held by the Company.

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended 30.09.2015 (Unaudited)</b>	<b>3 months ended 30.09.2014 (Unaudited) (Restated)</b>	<b>9 months ended 30.09.2015 (Unaudited)</b>	<b>9 months ended 30.09.2014 (Unaudited) (Restated)</b>
Profit for the period attributable to owners of the parent used in computation of earnings per share (RM'000)	<u>3,622</u>	<u>2,890</u>	<u>10,190</u>	<u>17,224</u>
Weighted average number of ordinary shares in issue ('000)	<u>308,967</u>	<u>308,967</u>	<u>308,967</u>	<u>308,967</u>
Basic earnings per share (sen per share)	<u>1.17</u>	<u>0.93</u>	<u>3.30</u>	<u>5.57</u>

### (b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet and therefore, diluted earnings per share have not been presented.

#### 14. Authorisation for issue

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 November 2015.