

CEPATWAWASAN GROUP BERHAD
(Company No. 536499-K)

Condensed consolidated statement of comprehensive income
For the twelve-month year ended 31 December 2015

	Current quarter		Cumulative quarter	
	3 months ended 31.12.2015 (Unaudited) RM'000	3 months ended 31.12.2014 (Audited) RM'000	12 months ended 31.12.2015 (Unaudited) RM'000	12 months ended 31.12.2014 (Audited) RM'000
Revenue	58,935	69,573	228,879	243,912
Cost of sales	(47,980)	(56,545)	(195,022)	(201,007)
Gross profit	10,955	13,028	33,857	42,905
Other operating income	3,536	1,339	5,737	1,913
Administrative expenses	(9,623)	(6,513)	(16,796)	(11,935)
Other operating expenses	(1,351)	(1,520)	(5,186)	(5,930)
Operating profit	3,517	6,334	17,612	26,953
Finance income	1,802	1,184	6,778	4,667
Finance costs	(1,790)	(3,959)	(6,559)	(4,525)
Net finance income	12	(2,775)	219	142
Profit before tax	3,529	3,559	17,831	27,095
Income tax expense	(2,429)	119	(6,078)	(5,624)
Profit net of tax	1,100	3,678	11,753	21,471
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	70	5	204	4
Other comprehensive income for the year, net of tax	70	5	204	4
Total comprehensive income for the year	1,170	3,683	11,957	21,475
(Loss)/profit attributable to:				
Owners of the parent	(374)	3,335	9,816	20,559
Non-controlling interests	1,474	343	1,937	912
	1,100	3,678	11,753	21,471
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(342)	3,340	9,962	20,563
Non-controlling interests	1,512	343	1,995	912
	1,170	3,683	11,957	21,475
Earnings per share (EPS) attributable to owners of the parent (sen per share)				
Basic EPS	(0.12)	1.08	3.18	6.65

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 31 December 2015

	31.12.2015 (Unaudited) RM'000	31.12.2014 (Audited) RM'000
ASSETS		
Property, plant and equipment	174,294	191,069
Biological assets	159,091	157,199
Investment properties	42,700	42,700
Intangible assets	92,088	92,088
Land use rights	1,994	2,022
Deferred tax assets	3,422	3,565
Trade and other receivables	140,884	108,184
Total non-current assets	614,473	596,827
Inventories	29,421	20,623
Trade and other receivables	9,775	21,107
Tax recoverable	883	3,809
Short term investments	11,085	10,892
Deposits placed with licensed banks	9,721	10,331
Cash and bank balances	14,125	13,102
Total current assets	75,010	79,864
TOTAL ASSETS	689,483	676,691
EQUITY		
Equity attributable to owners of the parent		
Share capital	318,446	318,446
Treasury shares	(11,097)	(11,097)
Retained earnings	151,699	148,062
Other reserve	(1,946)	-
Foreign currency translation reserve	150	4
Total equity attributable to owners of the parent	457,252	455,415
Non-controlling interests	17,823	20,103
Total equity	475,075	475,518
LIABILITIES		
Lease rental payable	267	267
Borrowings	74,132	60,228
Deferred tax liabilities	48,077	47,238
Total non-current liabilities	122,476	107,733
Borrowings	68,537	65,433
Trade and other payables	23,202	27,755
Income tax payables	193	252
Total current liabilities	91,932	93,440
Total liabilities	214,408	201,173
TOTAL EQUITY AND LIABILITIES	689,483	676,691
Net assets per share attributable to owner of the parent (RM)	1.48	1.47

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 year ended 31 December 2015

	12 months ended 31.12.2015 (Unaudited) RM'000	12 months ended 31.12.2014 (Audited) RM'000
Operating activities		
Profit before tax	17,831	27,095
Adjustments for:		
Bad debts written off	4	6
Depreciation and amortisation	7,625	8,427
Impairment of receivables	6,022	2,304
Finance costs	6,560	4,525
Plant and equipment scrapped	3	20
Loss on disposal of equipment	4	-
Gain from fair value adjustment of investment properties	-	(1,100)
Gain on disposal of property, plant and equipment	(567)	-
Finance income	(6,778)	(4,667)
Net gain on foreign exchange - unrealised	(490)	(74)
Operating profit before working capital changes	30,214	36,536
Increase in inventories	(8,806)	(3,807)
Decrease/(increase) in receivables	10,342	(14,589)
Decrease in payables	(6,303)	(1,834)
Cash generated from operations	25,447	16,306
Interest paid	(6,560)	(4,525)
Income taxes paid	(7,066)	(9,178)
Tax refunded	4,838	134
Interest received	549	552
Net cash flows generated from operating activities	17,208	3,289
Investing activities		
Proceeds from disposal of property, plant and equipment	643	-
Purchase of property, plant and equipment	(20,309)	(17,162)
Additions to biological assets	(1,892)	(3,028)
Net cash outflow on acquisition of a subsidiary	(1,841)	-
Net investment in short term money market funds	(194)	(449)
Acquisition of non-controlling interests	(1,950)	(75)
Net cash flows used in investing activities	(25,543)	(20,714)
Financing activities		
Dividend paid	(6,179)	(6,179)
Dividend paid to non-controlling interests	(800)	(800)
Purchase of treasury shares	-	(1)
Drawdown of term loans	29,150	-
Drawdown of revolving credits	20,000	30,500
Repayment of revolving credits	(21,000)	-
Repayment of term loans	(11,750)	(5,750)
Repayment of obligations under finance leases	(1,042)	(1,247)
Net cash flows generated from financing activities	8,379	16,523
Net increase/(decrease) in cash and cash equivalents	44	(902)
Net foreign exchange difference	369	4
Cash and cash equivalents at beginning of financial year	23,433	24,331
Cash and cash equivalents at end of financial year	23,846	23,433
Cash and cash equivalents at the end of the financial year comprise the following:		
	As at 31.12.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
Deposits placed with licensed banks	9,721	10,331
Cash and bank balances	14,125	13,102
	23,846	23,433

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.

Condensed consolidated statement of changes in equity for the year ended 31 December 2015

	← Equity attributable to owners of the parent →		← Attributable to owners of the parent →				→ Distributable	
			← Non-distributable				Retained earnings	Non-controlling interests
	Equity, total	of the parent, total	Share capital	Treasury shares	Other reserve	Foreign currency translation reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	461,098	441,759	318,446	(11,096)	-	-	134,409	19,339
Total comprehensive income	21,475	20,563	-	-	-	4	20,559	912
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 31 December 2014	475,518	455,415	318,446	(11,097)	-	4	148,062	20,103
At 1 January 2015	475,518	455,415	318,446	(11,097)	-	4	148,062	20,103
Total comprehensive income	11,957	9,962	-	-	-	146	9,816	1,995
Acquisition of non-controlling interests	(1,889)	(646)	-	-	(646)	-	-	(1,243)
Arising from reverse takeover exercise	(3,532)	(1,300)	-	-	(1,300)	-	-	(2,232)
Dividend paid to non-controlling interests	(800)	-	-	-	-	-	-	(800)
Dividend	(6,179)	(6,179)	-	-	-	-	(6,179)	-
At 31 December 2015	475,075	457,252	318,446	(11,097)	(1,946)	150	151,699	17,823

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 year ended 31 December 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

	Results for the 3 months ended 31 December							
	Plantation		Oil Mill		Power Plant		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	3,253	3,134	47,705	59,527	7,712	6,328	58,670	68,989
Inter-segment revenue	12,476	14,201	-	-	645	925	13,121	15,126
Segment profit	4,541	5,026	2,591	1,225	1,457	1,467	8,589	7,718

	3 months ended 31.12.2015 (Unaudited) RM'000	3 months ended 31.12.2014 (Audited) RM'000
Segment profit is reconciled to consolidated profit before tax as follows:		
Segment profit	8,589	7,718
Other non-reportable segments	212	315
Elimination of inter-segment profits	(49)	(88)
Unallocated corporate income	-	1,100
Unallocated corporate expenses	(5,223)	(5,486)
Consolidated profit before tax	<u>3,529</u>	<u>3,559</u>

	Results for the 12 months ended 31 December							
	Plantation		Oil Mill		Power Plant		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	10,477	13,339	169,169	211,545	48,064	16,151	227,710	241,035
Inter-segment revenue	48,021	58,233	-	-	2,222	1,801	50,243	60,034
Segment profit/(loss)	18,523	27,696	4,723	1,306	(416)	1,440	22,830	30,442
Segment assets	357,114	349,787	85,577	92,358	160,092	146,580	602,783	588,725
Segment liabilities	5,954	6,311	30,271	34,974	70,544	80,145	106,769	121,430

4. Segment information (Contd.)

Segment profit is reconciled to consolidated profit before tax as follows:	12 months ended 31.12.2015 (Unaudited) RM'000	12 months ended 31.12.2014 (Audited) RM'000
Segment profit	22,830	30,442
Other non-reportable segments	789	1,577
Elimination of inter-segment profits	(220)	(251)
Unallocated corporate income	-	1,100
Unallocated corporate expenses	(5,568)	(5,773)
Consolidated profit before tax	<u>17,831</u>	<u>27,095</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 year 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.

No interim dividend has been paid during the current quarter ended 31 December 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 year ended 31 December 2015, the Company repurchased 200 of its issued ordinary shares from the open market at an average price of RM 0.80 per share. The total consideration paid for the purchase including transaction costs was RM 243. 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 year ended 31 December 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 31 December 2015 is as follows:

	RM'000
Approved and contracted for	16,420
Approved but not contracted for	<u>12,127</u>
	<u>28,547</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 58.94 million, which is a decrease of RM 10.64 million as compared to the preceding year corresponding quarter mainly due to lower CPO sales volume by 22%.

The Group reported a profit before tax of RM 3.53 million for this quarter under review, which is comparable to the preceding year corresponding quarter's profit before tax of RM 3.56 million.

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 decrease in profit before tax by RM 0.49 million (10%) from RM 5.03 million to RM 4.54 million was due to lower FFB production by 11%.
- ii) Oil Mill – The increase in profit before tax by RM 1.37 million (>100%) from RM 1.23 million to RM 2.60 million was due to better milling margin and higher oil extraction rate.
- iii) Power Plant – The profit before tax of RM 1.46 million for the current quarter under review is comparable to preceding year corresponding quarter's profit before tax of RM 1.47 million. The 12MW Biomass Power Plant generated and exported 14,272,041 kW for this current quarter.

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

For this financial year under review, the Group recorded a revenue of RM 228.88 million, which is a decrease of RM 15.03 million as compared to the previous financial year due to lower CPO and PK prices by 7% and 5% respectively and lower CPO and PK sales volume by 16% and 8% respectively despite increase in construction income of RM 18.64 million and supply of electricity totalling RM 9.07 million.

The Group reported a profit before tax of RM 17.83 million for this financial year under review, which is a decrease of 34% from the previous financial year due to lower CPO and PK prices by 7% and 5% respectively and a 8% decrease in FFB production.

Performance of the respective operating business segments for the year ended 31 December 2015 as compared to the previous year is analysed as follows:

- i) Plantation – The decrease in profit before tax by RM 9.18 million (33%) from RM 27.70 million to RM 18.52 million was due to a 11% decrease in FFB price and a 8% decrease in FFB production.

1. Review of performance (Contd.)

- ii) Oil Mill – The increase in profit before tax by RM 3.41 million (>100%) from RM 1.31 million to RM 4.72 million was due to better milling margin and higher oil extraction rate for this financial year under review despite lower CPO and PK sales volume by 16% and 8% respectively.
- iii) Power Plant – The loss before tax of RM 0.42 million as compared to previous year's profit before tax of RM 1.44 million was mainly due to the initial recognition in the previous year of profit margin on construction of power plant arising from the adoption of Accounting Standard IC 12: Service Concession Arrangements. The 12MW Biomass Power Plant generated and exported 46,505,403 kW in this financial year under review.

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

Profit before tax in this quarter under review is lower at RM 3.53 million as compared to RM 5.50 million in the immediate preceding quarter mainly due to impairment of receivables of RM 5.89 million on costs and prepayments incurred for the purpose of acquiring plantation land in Indonesia. This impairment loss is offset by a forgiven debt owing by the subsidiary, Timah Resources Limited, to a minority shareholder amounting to RM 1.34 million and a compensation of RM 2.00 million from the mutual termination of the Emissions Reduction Purchase Agreement.

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 2,400 and RM 1,900 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/year

	Current quarter		Cumulative quarter	
	3 months ended 31.12.2015 (Unaudited) RM'000	3 months ended 31.12.2014 (Audited) RM'000	12 months ended 31.12.2015 (Unaudited) RM'000	12 months ended 31.12.2014 (Audited) RM'000
Profit for the period is arrived at after charging / (crediting):				
Bad debts written off	4	6	4	6
Depreciation and amortisation	1,918	2,241	7,625	8,427
Impairment of receivables	6,022	2,304	6,022	2,304
Plant and equipment scrapped	-	3	3	20
Loss on disposal of equipment	-	-	4	-
Gain from fair value adjustment of investment properties	-	(1,100)	-	(1,100)
Gain on disposal of property, plant and equipment	-	-	(567)	-
Net loss / (gain) on foreign exchange - realised	60	(66)	(67)	199
Net loss / (gain) on foreign exchange - unrealised	40	(95)	(490)	(74)

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 31.12.2015 (Unaudited) RM'000	3 months ended 31.12.2014 (Audited) RM'000	12 months ended 31.12.2015 (Unaudited) RM'000	12 months ended 31.12.2014 (Audited) RM'000
Income tax				
- Current provision	1,410	1,281	4,922	6,739
- Under/(over)provision of tax in prior years	50	7	173	(273)
	<u>1,460</u>	<u>1,288</u>	<u>5,095</u>	<u>6,466</u>
Deferred tax				
- Relating to origination and reversal of temporary differences	962	331	714	812
- Under/(over)provision of tax in prior years	7	(1,694)	269	(1,610)
- Effect of reduction in tax rate	-	(44)	-	(44)
	<u>969</u>	<u>(1,407)</u>	<u>983</u>	<u>(842)</u>
Total income tax expense	<u>2,429</u>	<u>(119)</u>	<u>6,078</u>	<u>5,624</u>

6. Income tax expense (Contd.)

The Group's effective tax rate for the current quarter was higher than the statutory tax rate of 25% principally due to certain expenses not tax deductible.

The Group's effective tax rate for the cumulative quarter ended 31 December 2015 was higher than the statutory tax rate of 25% principally due to certain expenses not tax deductible.

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

	As at 31.12.2015 (Unaudited) RM'000	As at 31.12.2014 (Audited) RM'000
Short term borrowings - Secured		
Obligation under finance leases	787	683
Revolving credit	53,450	55,000
Term loans	14,300	9,750
	<hr/> 68,537	<hr/> 65,433
Long term borrowings - Secured		
Obligation under finance leases	1,023	519
Term loans	73,109	59,709
	<hr/> 74,132	<hr/> 60,228
Total borrowings	<hr/> <hr/> 142,669	<hr/> <hr/> 125,661

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 contact and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 December 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 rescheduled for trial from 11 April 2016 to 15 April 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 31 December 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.

	As at 31.12.2015 (Unaudited) RM’000	As at 31.12.2014 (Audited) RM’000
Realised retained earnings	205,942	193,103
Unrealised retained earnings	7,200	7,894
	<hr/>	<hr/>
	213,142	200,997
Less: consolidation adjustments	(61,443)	(52,935)
Total group retained earnings	<hr/> <hr/>	<hr/> <hr/>
	151,699	148,062

12. Dividend payable

The Board of Directors of the Company proposes a single tier final dividend of 1.5% per share for the financial year ended 31 December 2015 to the shareholders for approval at the forthcoming Sixteenth Annual General Meeting.

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/year excluding treasury shares held by the Company.

	Current quarter		Cumulative quarter	
	3 months	3 months	12 months	12 months
	ended	ended	ended	ended
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
(Loss)/profit for the period/year attributable to owners of the parent used in computation of earnings per share (RM'000)	(374)	3,335	9,816	20,559
Weighted average number of ordinary shares in issue ('000)	308,967	308,967	308,967	308,967
Basic (loss)/earnings per share (sen per share)	(0.12)	1.08	3.18	6.65

(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 24 February 2016.