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**QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015**


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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the quarter ended 31 December 2015

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 31 December</i>		<i>Year ended 31 December</i>	
	<b>2015 RM'000</b>	<b>2014 RM'000</b>	<b>2015 RM'000</b>	<b>2014 RM'000</b>
<i>In thousand of RM</i>				
<b>Continuing operations</b>				
<b>Revenue</b>	<b>160,237</b>	<b>193,120</b>	<b>654,736</b>	<b>604,721</b>
Cost of sales	(127,328)	(162,619)	(542,356)	(495,040)
<b>Gross profit</b>	<b>32,909</b>	<b>30,501</b>	<b>112,380</b>	<b>109,681</b>
Other income	56	147	1,091	3,047
Administrative expenses	(5,287)	(4,375)	(15,176)	(13,461)
<b>Results from operating activities</b>	<b>27,678</b>	<b>26,273</b>	<b>98,295</b>	<b>99,267</b>
Finance income	848	911	3,319	4,275
Finance expense	(108)	(134)	(377)	(390)
Net finance income	740	777	2,942	3,885
<b>Profit before tax</b>	<b>28,418</b>	<b>27,050</b>	<b>101,237</b>	<b>103,152</b>
Income tax expense	(6,744)	(6,886)	(25,039)	(26,225)
<b>Profit for the period/year</b>	<b>21,674</b>	<b>20,164</b>	<b>76,198</b>	<b>76,927</b>
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/Total comprehensive income for the period/year</b>	<b>21,674</b>	<b>20,164</b>	<b>76,198</b>	<b>76,927</b>
<b>Profit/Total comprehensive income attributable to Owners of the Company</b>	<b>21,674</b>	<b>20,164</b>	<b>76,198</b>	<b>76,927</b>
<b>Earnings per share from continuing operations</b>				
Basic earnings per ordinary share (sen)	3.94	3.67	13.87	13.99

The notes set out on pages 5 to 11 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014



## QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at 31 December 2015

*In thousand of RM*

	<b>31 December 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	127,434	120,266
Investment properties	8,914	14,182
Land held for property development	185,775	174,004
<b>Total non-current assets</b>	<b>322,123</b>	<b>308,452</b>
Inventories	13,385	13,303
Property development costs	90,944	67,476
Trade and other receivables	286,133	264,119
Deposits and other assets	7,086	4,103
Cash and bank balances	94,953	149,413
<b>Total current assets</b>	<b>492,501</b>	<b>498,414</b>
<b>TOTAL ASSETS</b>	<b>814,624</b>	<b>806,866</b>
<b>EQUITY</b>		
Share capital	116,535	116,535
Capital redemption reserves	2,165	2,165
Retained earnings	577,038	515,127
Treasury shares	(37,859)	(37,859)
<b>Total equity attributable to owners of the Company</b>	<b>657,879</b>	<b>595,968</b>
<b>TOTAL EQUITY</b>	<b>657,879</b>	<b>595,968</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	13,991	15,486
<b>Total non-current liabilities</b>	<b>13,991</b>	<b>15,486</b>
Trade and other payables	142,052	192,578
Current tax payables	702	2,834
<b>Total current liabilities</b>	<b>142,754</b>	<b>195,412</b>
<b>TOTAL LIABILITIES</b>	<b>156,745</b>	<b>210,898</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>814,624</b>	<b>806,866</b>
<b>Net Assets Per Share Attributable to Ordinary Equity Owners (RM)</b>	<b>1.20</b>	<b>1.08</b>

The notes set out on pages 5 to 11 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014




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**QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015**


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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the year ended 31 December 2015

	Year ended 31 December	
	2015 RM'000	2014 RM'000
<i>In thousand of RM</i>		
<b>Cash flows from operating activities</b>		
Profit before taxation from continuing operations	101,237	103,152
Adjustments for:-		
Non-cash items	10,085	10,440
Non-operating items	(2,838)	(6,362)
<b>Operating profit before changes in working capital</b>	<b>108,484</b>	<b>107,230</b>
Change in inventories	(82)	2,158
Change in property development costs	(23,507)	(12,413)
Change in receivables, deposits and other financial assets	(24,216)	(15,184)
Change in payables	(50,708)	(30,738)
<b>Cash generated from operations</b>	<b>9,971</b>	<b>51,053</b>
Overdraft interest paid	(8)	(1)
Income taxes paid	(28,665)	(28,283)
<b>Net cash (used in)/generated from operating activities</b>	<b>(18,702)</b>	<b>22,769</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(14,431)	(9,912)
Proceeds from disposal of property, plant & equipment	2,331	5,542
Acquisition of investment properties	-	(1,888)
Land held for property development	(11,771)	(10,679)
Interest received	2,400	3,770
<b>Net cash used in investing activities</b>	<b>(21,471)</b>	<b>(13,167)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-	(1,489)
Dividends paid to owners of the Company	(14,287)	(16,491)
<b>Net cash used in financing activities</b>	<b>(14,287)</b>	<b>(17,980)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(54,460)</b>	<b>(8,378)</b>
<b>Cash and cash equivalents at 1 January 2015 / 1 January 2014</b>	<b>149,413</b>	<b>157,791</b>
<b>Cash and cash equivalents at 31 December 2015 / 31 December 2014</b>	<b>94,953</b>	<b>149,413</b>

**Cash and cash equivalents**

Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise the following amounts in condensed consolidated statements of financial position:

	Year ended 31 December	
	2015 RM'000	2014 RM'000
<i>In thousand of RM</i>		
<b>Cash and bank balances</b>	<b>61,636</b>	<b>87,587</b>
<b>Deposits placed with licensed banks</b>	<b>33,317</b>	<b>61,826</b>
	<b>94,953</b>	<b>149,413</b>

The notes set out on pages 5 to 11 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014




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**QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015**


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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the year ended 31 December 2015

	-----Attributable to owners of the Company-----				
	-----Non-distributable-----		-----Distributable-----		TOTAL
	SHARE CAPITAL	CAPITAL REDEMPTION RESERVES	TREASURY SHARES	RETAINED EARNINGS	
<i>In thousand of RM</i>	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year ended 31 December 2015</b>					
At 1 January 2015	116,535	2,165	(37,859)	515,127	595,968
Profit/Total comprehensive income for the year	-	-	-	76,198	76,198
Dividends to owners					
- 2014 final	-	-	-	(8,792)	(8,792)
- 2015 interim	-	-	-	(5,495)	(5,495)
Treasury shares, at cost	-	-	-	-	-
<b>At 31 December 2015</b>	<b>116,535</b>	<b>2,165</b>	<b>(37,859)</b>	<b>577,038</b>	<b>657,879</b>
<b>Year ended 31 December 2014</b>					
At 1 January 2014	116,535	2,165	(36,370)	454,691	537,021
Profit/Total comprehensive income for the year	-	-	-	76,927	76,927
Dividends to owners					
- 2013 final	-	-	-	(9,895)	(9,895)
- 2014 interim	-	-	-	(6,596)	(6,596)
Treasury shares, at cost	-	-	(1,489)	-	(1,489)
<b>At 31 December 2014</b>	<b>116,535</b>	<b>2,165</b>	<b>(37,859)</b>	<b>515,127</b>	<b>595,968</b>

The notes set out on pages 5 to 11 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014



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## QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015

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### NOTES TO THE INTERIM FINANCIAL REPORT

For the quarter ended 31 December 2015

#### 1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Financial Reporting Standard (FRS) 134, Interim Financial Reporting issued by Malaysian Accounting Standard Board. They do not include all the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014.

#### 2. Significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies applied in the 2014 financial statements except for the adoption of the new and revised FRSS, IC Interpretations and Amendments that are applicable to the Group for the financial period beginning 1 January 2015. The adoption of these FRSS, interpretations and amendments does not have any material impact on the financial statements of the Group.

The Group falls within the scope of IC interpretation 15, *Agreements for the Construction of Real Estate*. Therefore the Group is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) and is referred to as a “Transitioning Entity”. Being a Transitioning Entity, the Group and the Company will adopt the MFRS and present its first set of MFRS financial statements when adoption of the MFRS is mandated by the Malaysian Accounting Standard Board (MASB).

On 2 September 2014, MASB has announced that a Transitioning Entity shall apply the MRFS Framework for annual periods beginning on or after 1 January 2017. On 28 October 2015, MASB further announced that a Transitioning Entity shall apply the MRFS Framework for annual periods beginning on or after 1 January 2018, following the recent press release by the International Accounting Standards Board (IASB) confirming a one-year deferral of IFRS 15 Revenue from Contracts with Customers. The Group is currently assessing the financial impact of adopting MFRS for annual periods beginning on or after 1 January 2018.

#### 3. Seasonality and Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors except that the level of construction activities in the first quarter of the year and during rainy season is generally lower.

#### 4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year to date.

#### 5. Changes in estimates

There were no changes in estimates reported in prior financial years that have a material effect in the current interim period.

#### 6. Debt and Equity Securities etc

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

##### Share Buy Back

During the current quarter under review, the Company did not buy back any shares.

As at 31 December 2015, the number of treasury shares held were 33,158,781 shares at a total cost of RM37,858,954 and all the repurchase transactions were financed by internally generated funds. None of the shares purchased back was resold or cancelled during the quarter under review.



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015

7. Operating Segment

The Group has two reportable segments, as described below, which are the Group's strategic units.

Construction : Marine and civil engineering works and construction  
 Property development : Development of residential and commercial properties

	Construction	Property Development	Other non-Reportable segment	Inter-Segment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For the year ended 31 December 2015</b>					
<i>In thousand of RM</i>					
<b>Segment profit</b>					
Revenue from external customers	622,573	32,163	-	-	654,736
Segment profit before tax, interest, depreciation and other material non-cash items	98,664	10,295	(71)	13	108,901
Depreciation	(10,205)	(38)	(363)	-	(10,606)
Interest income from bank balances	2,033	18	224	-	2,275
Interest income from other financial assets	1,037	7	-	-	1,044
Interest expense on bank balances	-	(8)	-	-	(8)
Interest expense on other financial liabilities	(318)	(51)	-	-	(369)
<b>Segment profit before tax</b>	<b>91,211</b>	<b>10,223</b>	<b>(210)</b>	<b>13</b>	<b>101,237</b>
Income tax expense					(25,039)
<b>Profit for the year</b>					<b>76,198</b>
<b>Segment assets</b>	467,879	299,509	47,506	(270)	814,624
<b>Segment liabilities</b>	143,921	11,898	993	(67)	156,745

	Construction	Property Development	Other non-Reportable segment	Inter-Segment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For the year ended 31 December 2014</b>					
<i>In thousand of RM</i>					
<b>Segment profit</b>					
Revenue from external customers	572,768	31,953	-	-	604,721
Segment profit before tax, interest, depreciation and other material non-cash items	99,129	10,358	(11)	27	109,503
Depreciation	(9,783)	(32)	(421)	-	(10,236)
Interest income from bank balances	3,572	60	64	-	3,696
Interest income from other financial assets	547	32	-	-	579
Interest expense on bank balances	-	(1)	-	-	(1)
Interest expense on other financial liabilities	(313)	(76)	-	-	(389)
<b>Segment profit before tax</b>	<b>93,152</b>	<b>10,341</b>	<b>(368)</b>	<b>27</b>	<b>103,152</b>
Income tax expense					(26,225)
<b>Profit for the year</b>					<b>76,927</b>
<b>Segment assets</b>	522,530	257,824	26,794	(282)	806,866
<b>Segment liabilities</b>	198,337	12,615	16	(70)	210,898

The activities of the Group are carried out in Malaysia and as such, segmental reporting by geographical locations is not presented.

8. Dividend Paid

The first interim single-tier tax exempt dividend of 5% per ordinary share totaling RM5,495,172 for the year ending 31 December 2015 was paid to shareholders on 8 October 2015.

9. Subsequent Material Events

There was no material events subsequent to the end of the period reported on till the date of this quarterly report.



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015

**10. Changes in the Composition of the Group**

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

**11. Contingent Liabilities**

There were no contingent liabilities in respect of the Group that have arisen since 31 December 2015 till the date of this quarterly report.

**12. Property, plant and equipment**

The acquisitions and disposals of property, plant and equipment for the year ended 31 December 2015 were as follows:-

<i>In thousand of RM</i>	___ year ended 31 December ___	
	2015 RM'000	2014 RM'000
Acquisitions of property, plant and equipment, at cost	14,431	9,912
Disposals of property, plant and equipment, at carrying amount	<u>1,913</u>	<u>3,269</u>

**13. Commitment**

The amount of commitment not provided for in the interim financial report as at 31 December 2015 were as follows:-

<i>In thousand of RM</i>	___ As at 31 December ___	
	2015 RM'000	2014 RM'000
Acquisition of property, plant and equipment		
Approved and contracted for	7,452	64
Approved but not contracted for	<u>57,039</u>	<u>75,000</u>
	<u>64,491</u>	<u>75,064</u>

**14. Recurrent Related Party Transactions**

The aggregate gross value of significant recurrent related party transactions for the year ended 31 December 2015 were as follows:-

<i>In thousand of RM</i>	___ year ended 31 December ___	
	2015 RM'000	2014 RM'000
Aggregate gross value of significant recurrent related party transactions	<u>44,552</u>	<u>48,569</u>

The significant related party transactions comprise transactions with companies controlled by or connected to certain substantial shareholders and/or Directors of the Company, namely Yii Chi Hau, Yu Chee Hoe, Yii Chee Sing, Lau Kiing Kang, Lau Kiing Yiing and Estate of the Late Yu Chee Lieng.

The above transactions have been entered into in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public.

**15. Key Management Personnel Compensation**

<i>In thousand of RM</i>	___ year ended 31 December ___	
	2015 RM'000	2014 RM'000
Directors' compensation	3,639	3,070
Other key management personnel compensation	<u>3,706</u>	<u>3,560</u>



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## QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015

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### ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

For the quarter ended 31 December 2015

#### 16. Review of Performance

The Group derives revenue from construction and property development activities.

The Group achieved revenue of RM654.74 million and net profit before tax of RM101.24 million for the year ended 31 December 2015 as compared to previous year's figures of RM604.72 million and RM103.15 million respectively.

Revenue for the quarter under review is RM160.24 million, a decrease of 17% as compared to the preceding year corresponding quarter's figure of RM193.12 million. The construction segment contributed RM145.45 million (91%) whilst the property development segment registered a contribution of RM14.79 million (9%) to the Group's revenue during the quarter.

The net profit before tax of the Group for the current quarter is RM28.42 million, an increase of 5% as compared to RM27.05 million for the preceding year's corresponding quarter.

The changes in revenue and net profit before tax were contributed by the following segments:

Construction segment: For the 3-month period ended 31 December 2015, the revenue and net profit before tax are RM145.45 million and RM23.42 million compared to the previous year's corresponding quarter figures of RM182.36 million and RM23.43 million respectively. The revenue for the current quarter has decreased by 20% as compared to the previous year's corresponding quarter while profit before tax has remained the same due to some recovery of profit margins. The lower revenue was mainly due to the lower progress claim of construction works due to the completion of certain major projects while new projects were still in start-up phase.

Property development segment: For the 3-month period ended 31 December 2015, the revenue and net profit before tax increased to RM14.79 million and RM5.00 million from the previous year's corresponding quarter figures of RM10.76 million and RM3.62 million respectively. Higher revenue during the current quarter due to the timing of recognition of sales including part of the high end gated and guarded residential project, *la Promenade* which was launched at the end of the 3<sup>rd</sup> quarter 2015.

#### 17. Variation of Results against Immediate Preceding Quarter

The net profit before tax of the Group for the current quarter is RM28.42 million compared to RM23.66 million for the immediate preceding quarter on the back of the Group's revenue of RM160.24 million and RM158.44 million respectively. Both the revenue and profit before tax have improved compared to the immediate preceding quarter.

#### 18. Current Year Prospects

The Group will continue to focus on its core business in infrastructure related projects as upgrading of infrastructure and utilities for Sarawak's rural communities and the proposed upgrading of the Pan-Borneo Highway are Government agendas that produce opportunities for the Group. The Sarawak Corridor of Renewable Energy (SCORE) initiative as well as the forces of industrialisation and urbanization provide further contract opportunities for HSL in the key SCORE growth node towns of Tanjung Manis, Mukah and Samalaju and the major cities of Sarawak. HSL foresees the property development segment making a greater impact on the business of HSL Group with increased contribution from the property development sector in the last quarter of 2015 and is preparing for new launches in 2016 and beyond.

#### 19. Actual profit vs forecast profit / Profit guarantee

This note is not applicable, as no profit forecast was published and the Group is not required to give any profit guarantee.






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**QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015**


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**20. Income Tax Expense**

<i>In thousand of RM</i>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>year ended</b>	
	<b>31 December</b>		<b>31 December</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>
Current Tax Expense - Malaysian				
Current quarter/year	7,493	7,156	26,719	26,376
Over provision in prior year	-	-	(186)	(79)
Deferred Tax Expense - Malaysian				
Current quarter/year	(128)	(270)	(861)	(112)
Adjustment on opening timing difference	(621)	-	(621)	-
(Over)/Under provision in prior year	-	-	(12)	40
<b>Income tax expense</b>	<b>6,744</b>	<b>6,886</b>	<b>25,039</b>	<b>26,225</b>

**Reconciliation of effective tax expense**

Profit for the quarter/year	21,674	20,164	76,198	76,927
Total income tax expense	6,744	6,886	25,039	26,225
Profit before taxation	28,418	27,050	101,237	103,152
Income tax using Malaysian tax rates	7,104	6,762	25,309	25,788
Non-deductible expenses	261	124	549	475
Adjustment on opening timing difference	(621)	-	(621)	-
Over provision in prior year	-	-	(198)	(38)
<b>Income tax expense</b>	<b>6,744</b>	<b>6,886</b>	<b>25,039</b>	<b>26,225</b>

**21. Status of Corporate Proposals**

There was no corporate proposal announced but not completed at the date of this quarterly report.

**22. Group Borrowings and Debt Securities**

There were no borrowings and debt securities outstanding as at the end of the reporting period.

**23. Material Litigation**

On 11 September 2015, the Company (HSL) had filed a Writ of Summons to the High Court Kuching against the relevant defendants namely Mr. Yii Chee Ming, Datuk Yii Chi Hau, Madam Yii Chee Ping and Madam Yii Chee Hiong.

The Writ sought a declaration that the announcements made by HSL to Bursa Malaysia (Kuala Lumpur Stock Exchange then) on 10/11/1998 were valid and proper consequent to one of the defendants, Yii Chee Ming's disclosures to the relevant authorities on 9/11/1998 pertaining to the disposal of Yii Chee Ming's shares in Hock Seng Lee Enterprise Sdn Bhd, (HSLE) (the holding company of HSL) and ceasing to be a substantial shareholder of HSLE and that he, Yii Chee Ming, no longer has any deemed interest in HSL.

The Writ also sought a declaration that the defendants are estopped from claiming the existence of a purported trust and that the two statutory declarations made by two defendants namely Yii Chee Ping and Yii Chee Hiong in 2013 premised on that alleged purported trust to say that they were holding the HSLE shares in trust for Yii Chee Ming and the subsequent transfer of the shares of HSLE from Yii Chee Ping and Yii Chee Hiong to Yii Chee Ming in 2013 premised on that alleged purported trust was unlawful, ultra vires and/or illegal and therefore null and void.

The ongoing litigation described above is not expected to have any material effect on HSL's earnings per share, net assets per share, gearing, share capital or substantial shareholders' shareholdings for the financial year ending 31 December 2015. Moreover, the Board upon professional advice is confident that the Company has a strong case.

There has been no material development on the case since the filing of the writ of Summons on 11 September 2015 up to the date of this report. The case was brought up for mention before the High Court Kuching on 23 November 2015 and further mention were held on 2 December 2015 and 18 January 2016. The Court has fixed a hearing date on 4 March 2016 to hear the HSL's application for consolidation of the case with 9 other related suits and the application by the defendant to strike out/stay the action.




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**QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015**


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**24. Dividend**

The directors have proposed a final single-tier tax exempt dividend of 7% (1.4 sen) per ordinary share for the financial year ended 31 December 2015 for the approval of the shareholders at the forthcoming Annual General Meeting. The entitlement and payment date shall be announced at a later date.

**25. Earnings per Share**

	Individual Quarter		Cumulative Quarter	
	3 months ended		year ended	
	31 December		31 December	
	2015	2014	2015	2014
Net profit attributable to ordinary owners of the Company (RM'000)	21,674	20,164	76,198	76,927
Weighted average number of ordinary shares ('000)	549,517	549,677	549,517	549,792
Basic earnings per share (sen)	3.94	3.67	13.87	13.99

**26. Profit before tax**

Profit before tax is arrived at after charging/(crediting) the followings:

	Individual Quarter		Cumulative Quarter	
	3 months ended		year ended	
	31 December		31 December	
	2015 RM,000	2014 RM,000	2015 RM,000	2014 RM,000
<i>In thousand of RM</i>				
Interest income from bank balances	644	808	2,275	3,696
Interest income from other financial assets	205	104	1,044	579
Other income including investment income	75	57	296	250
Interest expense on bank balances	-	-	8	1
Interest expense on other financial liabilities	108	134	369	389
Depreciation and amortization	2,612	2,607	10,606	10,236
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of properties, plant and equipment	10	77	553	2,631
Gain/(loss) on disposal of investments	-	-	-	-
Impairment/(Reversal of impairment) of financial assets	(24)	291	(155)	(481)
Foreign exchange gain/(loss)	-	(1)	(3)	(4)
Gain/(loss) on derivatives	-	-	-	-
Exceptional item	-	-	-	-

**27. Derivative Financial Instruments**

There were no derivative financial instruments as at 31 December 2015.

**28. Gains/Losses arising from fair value changes of financial liabilities**

There were no gains or losses arising from fair value changes of the financial liabilities for the current quarter and financial year ended 31 December 2015.



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**QUARTERLY REPORT – Fourth Quarter Ended 31 December 2015**

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**29. Disclosure of realised and unrealised profits**

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to the directive of Bursa Securities Malaysia Berhad, is as follows:

<i>In thousand of RM</i>	<b>As at 31 December 2015</b>	<b>As at 31 December 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	592,271	532,130
- Unrealised	(14,963)	(16,721)
	577,308	515,409
Less : Consolidation adjustments	(270)	(282)
Total retained earnings as per consolidated financial statements	577,038	515,127

The determination of realised and unrealised profits is complied based on *Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants.

**30. Audit Report**

The auditors have expressed an unqualified opinion on the Group's and Company's statutory financial statements for the year ended 31 December 2014 in their report dated 31 March 2015.

**31. 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 25 February 2016.

Issue Date: 25 February 2016