







ASEAN's Largest MDF Producer

4th Quarter Ended 31 December 2015 Financial Results

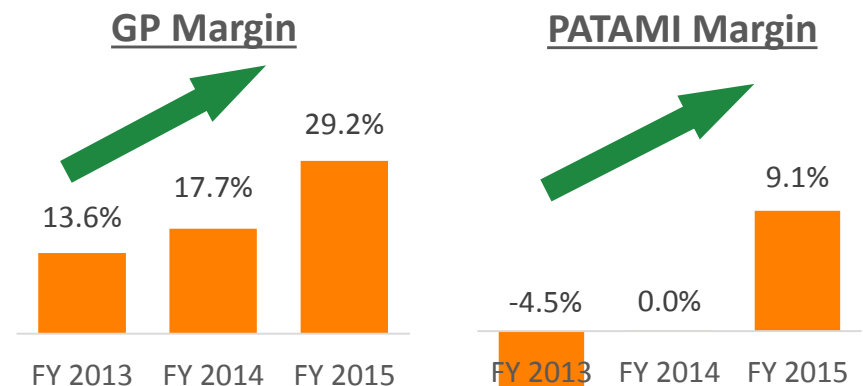
Table of Contents

-  FY15 Financial Review
-  Q-o-Q Financial Results
-  Financial Position
-  Updates

FY15 Financial Review

RM'm	FY 2013	FY 2014	FY 2015
Revenue	938.7	942.0	1,014.5
Gross Profit	127.5	166.6	296.3
EBITDA	34.2	81.4	191.3
PBT	(49.0)	4.2	114.9
PATAMI	(42.7)	0.2	92.6
EPS (cent)	n.a.	0.03	17.89
GP Margin	13.6%	17.7%	29.2%
EBITDA Margin	3.6%	8.6%	18.9%
PBT Margin	(5.2%)	0.4%	11.3%
PATAMI Margin	(4.5%)	0.0%	9.1%

- Group revenue in FY 2015 surpassed RM1b due to higher selling price
- GP & PAT margins saw progressive growth largely attributable to favourable exchange rates & lower log & glue costs
- Additionally, management's restructuring efforts yielded higher operational efficiency that results in synergistic cost savings
- The Board of Directors declared an interim dividend of **1 sen per share** & also adopted a dividend policy to pay out a **minimum 25%** of its net profit starting FY 2016



Q-o-Q Financial Results

RM'm	1Q 2015	2Q 2015	3Q 2015	4Q 2015	FY 2015
Revenue	232.1	260.0	256.0	266.3	1,014.5
Gross Profit	71.9	78.1	75.0	71.4	296.3
EBITDA	43.5	47.4	54.5	45.9	191.3
PBT	24.8	28.0	34.8	27.3	114.9
PATAMI	20.1	23.9	27.6	21.0	92.6
Forex (gain)/loss	(2.2)	(0.6)	(7.2)	3.1	(6.8)
PATAMI ex. forex	17.9	23.3	20.4	24.1	85.7

- Revenue grew by **4.0%** q-o-q due to increased sales volume
- Profits came in lower q-o-q due to foreign exchange losses of RM3.1m
- One-time impairment loss of RM3.1m on idle plants in Masai & Segamat could potentially be reversed when the plants are upgraded and back in production again in 2016-2017
- Thailand power plant was shut down for 2 months in 4Q 2015 for major maintenance, resulting in RM2.0m of losses. It is now running in full capacity since January 2016

Financial Flexibility to Pursue Growth

RM'm	3Q 2015	4Q 2015
PPE	853.1	845.8
Non-Current Assets	76.9	83.6
Current Assets	388.4	387.4
Cash	49.9	116.6
Total Assets	1,368.3	1,433.4
Current Liabilities	353.1	287.3
Non Current Liabilities	62.3	68.4
Total Liabilities	415.4	355.7
Total Equity	952.9	1,077.7
Total Equity & Liabilities	1,368.3	1,433.4
<i>Net Asset/Share (RM)</i>	<i>1.86</i>	<i>2.08</i>
<i>Net Gearing</i>	<i>0.22x</i>	<i>0.08x</i>
<i>Current Ratio</i>	<i>1.24x</i>	<i>1.75x</i>
<i>Quick Ratio</i>	<i>0.58x</i>	<i>0.96x</i>

- Net gearing improved **63.6%** to **0.08x**, indicating stronger flexibility to undertake growth strategies
- Net asset per share rose **12.1%** to **RM2.08**
- Current ratio improved **41.4%** to **1.75x** while quick ratio improved **66.2%** to **0.96x**
- Cash of **RM116.6m** reinforces the ability to fund business expansion
- Continuous restructuring of short term borrowings further improves profit margins via interest cost savings

Batu Pahat RTA Plant

- Management's initiative to diversify and focus on expanding downstream business with higher margins
- The new fully-automated RTA furniture line from Italy has arrived and currently in the midst of installation & commissioning
- The new line is scheduled to go into production by end of 1Q 2016
- This new catalyst is expected to **triple** the existing production volume and reduce manpower by **30%** while improving product quality



Private Placement

- The private placement of 51.29 million new shares was **completed on 1 December 2015** with RM105.14m raised
- Proceeds utilisation updates:-

RM'm	Proposed Utilisation	Actual Utilisation	Balance	Intended timeframe
Development & business expansion	40.00	14.75	25.25	≤ 12 months
Repayment of borrowings	30.00	30.00	-	≤ 12 months
Working capital	33.14	2.90	30.24	≤ 12 months
Expenses relating to the Proposals	2.00	1.88	0.12	≤ 3 months
Total	105.14	49.53	55.61	

Bonus Issue

- 1 for 2 bonus issue involving the issuance of 282.13m new shares was **completed on 26 January 2016**
- Current total shares outstanding after completion of both proposals are 846.42 million shares

Dividend & Dividend Policy

- An interim dividend of **1 sen per share** was declared on 29 February 2016
- The Group also adopted a dividend policy to **pay out ≥25% of net profits** starting FY16

The image features a wood-grain background with a central horizontal band of a lighter, yellowish-gold color. The wood grain is dark brown and runs vertically. The central band is a solid, light color. The text "Thank You" is centered in the band.

Thank You