

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Income Statement
For the Second Quarter Ended 30 June 2016
The figures have not been audited

| | INDIVIDUAL QUARTER 3 MONTHS ENDED | | CUMULATIVE QUARTER 6 MONTHS ENDED | |
|--|--|---|--|--|
| | CURRENT YEAR QUARTER 30 June 2016 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30 June 2015 RM'000 | CURRENT YEAR PERIOD TO-DATE 30 June 2016 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD TO-DATE 30 June 2015 RM'000 |
| Revenue | 246,238 | 259,962 | 493,032 | 492,090 |
| Cost of sales | (180,707) | (181,905) | (358,050) | (342,166) |
| Gross Profit | <u>65,531</u> | <u>78,057</u> | <u>134,982</u> | <u>149,924</u> |
| Other operating income/ (expenses) | 2,720 | 786 | (1,655) | 3,396 |
| Selling & administrative expenses | (44,850) | (47,621) | (84,748) | (94,406) |
| Finance costs | (1,740) | (2,992) | (3,416) | (5,919) |
| Net gain/(loss) on financial instruments at fair value | 15 | (198) | 838 | (182) |
| Profit/(Loss) Before Tax | <u>21,676</u> | <u>28,032</u> | <u>46,001</u> | <u>52,813</u> |
| Taxation - company & subsidiary | (6,325) | (4,003) | (10,002) | (8,278) |
| Net Profit/(Loss) For The Period | <u>15,351</u> | <u>24,029</u> | <u>35,999</u> | <u>44,535</u> |
| Net profit/(loss) attributable to: | | | | |
| Owners of the parent | 16,459 | 23,888 | 37,078 | 43,946 |
| Non-controlling interests | (1,108) | 141 | (1,079) | 589 |
| | <u>15,351</u> | <u>24,029</u> | <u>35,999</u> | <u>44,535</u> |
| Earnings per share (Note B 12) | | | | |
| - Basic (Sen) | 2.04 | 4.66 | 4.59 | 8.57 |
| - Diluted (Sen) | 2.04 | 4.66 | 4.59 | 8.57 |

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st December 2015 and the accompanying explanatory notes attached to the interim financial statements.

EVERGREEN FIBREBOARD BERHAD (217120 W)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Comprehensive Income****For the Second Quarter Ended 30 June 2016**

The figures have not been audited

| | INDIVIDUAL QUARTER 3 MONTHS ENDED | | CUMULATIVE QUARTER 6 MONTHS ENDED | |
|---|--------------------------------------|--|--------------------------------------|---|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR PERIOD TO-DATE | PRECEDING YEAR CORRESPONDING PERIOD TO-DATE |
| | 30 June 2016 RM'000 | 30 June 2015 RM'000 | 30 June 2016 RM'000 | 30 June 2015 RM'000 |
| Net Profit/(Loss) For The Period | 15,351 | 24,029 | 35,999 | 44,535 |
| Other comprehensive income | | | | |
| Currency translation differences | 12,545 | (6,875) | (19,063) | 12,544 |
| Changes in fair value of cash flow hedges | (2) | (335) | (14) | (85) |
| Other comprehensive income/(loss) net of tax | 12,543 | (7,210) | (19,077) | 12,459 |
| Total comprehensive income/(loss) for the period | 27,894 | 16,819 | 16,922 | 56,994 |
| Total comprehensive income/(loss) attributable to: | | | | |
| Owners of the parent | 29,002 | 16,678 | 18,001 | 56,405 |
| Non-controlling interests | (1,108) | 141 | (1,079) | 589 |
| | 27,894 | 16,819 | 16,922 | 56,994 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st December 2015 and the accompanying explanatory notes attached to the interim financial statements.

EVERGREEN FIBREBOARD BERHAD (217120 W)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Financial Position****As at 30 June 2016****The figures have not been audited**

| | As at 30 June 2016 RM'000 (Unaudited) | As at 31 December 2015 RM'000 Audited |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 863,860 | 846,072 |
| Biological assets | 24,237 | 26,900 |
| Other intangible asset | 108 | 127 |
| Land use rights | 36,319 | 37,066 |
| Goodwill | 18,629 | 19,510 |
| | <u>943,153</u> | <u>929,675</u> |
| Current assets | | |
| Investment | 101 | 145 |
| Inventories | 203,803 | 218,276 |
| Trade receivables | 87,696 | 97,194 |
| Other receivables, deposits & prepayments | 34,054 | 66,588 |
| Cash and cash equivalents | 106,748 | 116,571 |
| | <u>432,402</u> | <u>498,774</u> |
| TOTAL ASSETS | <u>1,375,555</u> | <u>1,428,449</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Parent | | |
| Share capital | 211,606 | 141,073 |
| Share premium | 133,144 | 203,677 |
| Treasury shares | (70) | (15) |
| Retained earnings | 663,307 | 634,693 |
| Other reserve | 39,780 | 58,857 |
| | <u>1,047,767</u> | <u>1,038,285</u> |
| Non-controlling interests | 30,673 | 31,752 |
| Total equity | <u>1,078,440</u> | <u>1,070,037</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 15,321 | 10,709 |
| Long-term borrowings | 57,836 | 37,229 |
| Other payables | 7,965 | 8,815 |
| | <u>81,122</u> | <u>56,753</u> |
| Current liabilities | | |
| Trade payables | 40,210 | 55,576 |
| Other payables and accruals | 54,638 | 76,319 |
| Short-term borrowings | 116,081 | 161,479 |
| Provision for taxation | 5,026 | 7,409 |
| Derivatives | 38 | 876 |
| | <u>215,993</u> | <u>301,659</u> |
| Total liabilities | <u>297,115</u> | <u>358,412</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,375,555</u> | <u>1,428,449</u> |
| <i>Net assets per share (RM) **</i> | <i>1.27</i> | <i>1.90</i> |

**** Net assets per share is calculated based on Total assets (including intangibles) minus total liabilities divided by the total number of ordinary shares of RM0.25 each in issue as at each reporting date.**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with Annual Financial Report for the year ended 31st December 2015 and the accompanying explanatory notes attached to the interim financial statements.

EVERGREEN FIBREBOARD BERHAD (217120 W)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statements of Changes in Equity****For the Financial Period Ended 30 June 2016**

The figures have not been audited

| | Attributable to Owners of the Parent | | | | | | | | | |
|---|--------------------------------------|-------------------------|---------------------------|--------------------------------------|------------------------------|------------------------------------|----------------------------|------------------|-------------------------------------|------------------------|
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM'000 | Equity Transaction Reserve RM'000 | Fair Value Reserve RM'000 | Foreign Exchange Reserve RM'000 | Retained Profits RM'000 | Total RM'000 | Non-Controlling Interests RM'000 | Total Equity RM'000 |
| 6 months period ended 30 June 2016 | | | | | | | | | | |
| At 1 January 2016 | 141,073 | 203,677 | (15) | 383 | 45 | 58,429 | 634,693 | 1,038,285 | 31,752 | 1,070,037 |
| Repurchase of treasury shares | - | - | (55) | - | - | - | - | (55) | - | (55) |
| Bonus issued | 70,533 | (70,533) | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (14) | (19,063) | 37,078 | 18,001 | (1,079) | 16,922 |
| Dividends | - | - | - | - | - | - | (8,464) | (8,464) | - | (8,464) |
| At 30 June 2016 | 211,606 | 133,144 | (70) | 383 | 31 | 39,366 | 663,307 | 1,047,767 | 30,673 | 1,078,440 |
| 6 months period ended 30 June 2015 | | | | | | | | | | |
| At 1 January 2015 | 128,250 | 113,129 | (15) | 383 | (149) | 16,267 | 543,790 | 801,655 | 28,613 | 830,268 |
| Total comprehensive income for the period | - | - | - | - | (85) | 12,544 | 43,946 | 56,405 | 589 | 56,994 |
| At 30 June 2015 | 128,250 | 113,129 | (15) | 383 | (234) | 28,811 | 587,736 | 858,060 | 29,202 | 887,262 |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2015 and the accompanying explanatory notes attached to the interim financial statements.

EVERGREEN FIBREBOARD BERHAD (217120 W)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Cash Flows****For the Second Quarter Ended 30 June 2016****The figures have not been audited**

| | 6 MONTHS ENDED 30 June 2016 RM'000 | 6 MONTHS ENDED 30 June 2015 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 46,001 | 52,813 |
| Adjustment for :- | | |
| Non-cash items | 36,051 | 29,564 |
| Interest income | (874) | (458) |
| Interest expense | 3,416 | 5,919 |
| Operating profit before changes in working capital | <u>84,594</u> | <u>87,838</u> |
| Changes in working capital | | |
| Net Change in inventory | 14,473 | (5,948) |
| Net Change in trade and other receivables | 42,936 | (6,334) |
| Net Change in trade and other payables | (37,899) | (9,189) |
| Total changes in working capital | <u>19,510</u> | <u>(21,471)</u> |
| Interest paid | (3,416) | (5,919) |
| Income taxes paid | (7,691) | (782) |
| | <u>(11,107)</u> | <u>(6,701)</u> |
| Net cash flow generated from/(used in) operating activities | <u>92,997</u> | <u>59,666</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| - Purchase of property, plant and equipment | (71,958) | (48,555) |
| - Proceeds from disposal of property, plant and equipment | 1,565 | 1,156 |
| - Interest received | 874 | 458 |
| Net cash flow generated from/(used in) investing activities | <u>(69,519)</u> | <u>(46,941)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| - Repurchase of treasury shares | (55) | - |
| - Dividend Paid | (8,464) | - |
| - Drawdown of borrowings | 216,301 | 66,277 |
| - Repayment of borrowings | (241,083) | (91,294) |
| Net cash flow generated from/(used in) financing activities | <u>(33,301)</u> | <u>(25,017)</u> |
| Net Change in Cash & Cash Equivalents | (9,823) | (12,292) |
| Cash and Cash Equivalents at beginning of period | 116,571 | 73,909 |
| Cash and Cash Equivalents at end of period | <u>106,748</u> | <u>61,617</u> |
| Cash and cash equivalents at the end of the financial period comprise the following: | | |
| Cash and Cash Equivalents | 106,748 | 61,617 |
| | <u>106,748</u> | <u>61,617</u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December 2015 and the accompanying explanatory notes attached to the interim financial statements.