

KRETAM HOLDINGS BERHAD

(Company No.: 168285 - H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2017

This interim financial report is unaudited and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2016.

A. CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 September			9 months ended 30 September		
	2017	2016	Changes	2017	2016	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<u>CONTINUING OPERATIONS:-</u>						
Revenue	168,537	145,929	15%	458,134	268,040	71%
Cost of sales and services	(147,932)	(113,762)		(391,024)	(220,395)	
Gross profit	20,605	32,167	-36%	67,110	47,645	41%
Selling and distribution costs	(9,769)	(11,026)		(25,864)	(21,860)	
	10,836	21,141		41,246	25,785	
Other income	3,191	541		9,888	4,677	
Administrative expenses	(3,543)	(3,555)		(10,692)	(11,409)	
Other expenses	(2,437)	(1,313)		(3,728)	(2,423)	
Profit/(loss) before interest and taxation	8,047	16,814	-52%	36,714	16,630	121%
Finance income	209	329		689	694	
Finance costs	(1,410)	(1,748)		(4,442)	(4,434)	
Profit/(loss) before taxation	6,846	15,395	-56%	32,961	12,890	156%
Taxation	(3,589)	(4,744)		(11,926)	(5,101)	
Profit/(loss) after taxation	3,257	10,651	-69%	21,035	7,789	170%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	3,230	10,662	-70%	20,898	7,930	164%
Non-Controlling Interests	27	(11)		137	(141)	
	3,257	10,651	-69%	21,035	7,789	170%
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>						
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic EPS	0.14	0.54		0.90	0.42	
Diluted EPS	0.14	0.46		0.90	0.36	

B. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 September			9 months ended 30 September		
	2017	2016	Changes	2017	2016	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	3,257	10,651	-69%	21,035	7,789	170%
Other Comprehensive Income (OCI)	0	0		0	0	
Income tax relating to components of OCI	0	0		0	0	
Other Comprehensive Income net of tax	0	0		0	0	
Total Comprehensive Income/(loss)	3,257	10,651	-69%	21,035	7,789	170%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	3,230	10,662	-70%	20,898	7,930	164%
Non-Controlling Interests	27	(11)	345%	137	(141)	197%
	3,257	10,651	-69%	21,035	7,789	170%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment and land use rights	495,228	505,357
Investment property	626	631
Biological assets	400,207	400,178
Intangible assets	42,777	42,777
Trade & other receivables	4,532	4,532
CURRENT ASSETS		
Inventories	129,896	139,819
Receivables	69,521	41,429
Tax refundable	11,007	9,935
Derivatives	0	0
Cash and bank balances	48,316	95,536
	258,740	286,719
Assets held for sale	2,929	2,929
	261,669	289,648
CURRENT LIABILITIES		
Payables	46,730	73,609
Loans and borrowings	104,060	126,935
Derivatives	2,743	1,725
Income tax payable	32	24
	153,565	202,293
Liabilities associated with disposal group	1	1
	153,566	202,294
NET CURRENT ASSETS	108,103	87,354
NON-CURRENT LIABILITIES		
Loans and borrowings	17,137	25,491
Deferred taxation	91,478	93,468
	942,858	921,870
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	465,525
Share premium	0	280,942
Revaluation reserve	35,362	35,362
Other reserves	(310)	(310)
Retained profits	159,026	138,127
	940,545	919,646
Equity attributable to non-controlling interests	2,313	2,224
	942,858	921,870
NET ASSETS PER SHARE	<u>Sen</u> 40.4	<u>Sen</u> 39.5

D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	EQUITY ATTRIBUTABLE TO:-					TOTAL EQUITY RM'000
	Shareholders of the Company			Non- controlling Interests RM'000	TOTAL RM'000	
	Share Capital RM'000	Reserves RM'000	Retained Profits RM'000			
<u>CURRENT YEAR TO DATE:</u>						
At 1 January 2017	465,525	315,994	138,127	919,646	2,224	921,870
Effect of Implementation of Companies Act 2016	280,942	(280,942)	0	0	0	0
Total Comprehensive Income/(loss) for the period	0	0	20,899	20,899	138	21,037
Dividend paid to non-controlling interests	0	0	0	0	(49)	(49)
At 30 September 2017	746,467	35,052	159,026	940,545	2,313	942,858
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</u>						
At 1 January 2016	375,003	406,070	141,242	922,315	2,407	924,722
ICPS Converted	18,522	(18,074)	0	448	0	448
Total Comprehensive Income/(loss) for the period	0	0	7,930	7,930	(141)	7,789
Dividend paid to non-controlling interests	0	0	0	0	(78)	(78)
At 30 September 2016	393,525	387,996	149,172	930,693	2,188	932,881

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 Sept	
	2017	2016
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	32,961	12,890
<u>Adjustments for:-</u>		
Depreciation and amortisation	25,614	26,287
Impairment loss/ (gain) on biological assets	(96)	0
Interest income	(689)	(694)
Finance costs	4,442	4,434
Loss / (gain) on disposal of assets	(18)	0
Unrealised loss/ (gain) on derivatives	2,745	1,047
Others	1,243	(270)
Changes in working capital	(21,538)	(27,971)
Income taxes paid, net of refunds	(15,578)	1,196
Interest received	679	694
Interest paid	(5,051)	(4,356)
	24,714	13,257
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,044)	(11,654)
Proceeds from disposal of property plant and equipment	109	114
Addition to Biological Assets	(1,443)	0
Withdrawal/(placement) of fixed deposits of longer-term tenure	820	510
Others	0	0
	(16,558)	(11,030)
Cash flows from financing activities		
Net drawdown/(repayment) of finance lease obligations	(677)	(13)
Net drawdown/(repayment) of revolving credit and term loan	(30,553)	25,534
Payment of dividends to shareholders	(23,276)	0
Payment of dividends to non-controlling interests	(49)	(78)
	(54,555)	25,443
Increase/(decrease) in cash and cash equivalents	(46,399)	27,670
Cash and cash equivalents at the beginning of the year	94,618	58,677
Cash and cash equivalents at the end of the period	48,219	86,347
Cash and cash equivalents comprise the following:		
Cash and bank balances	48,316	87,065
less: Fixed deposits with maturity of more than 3 months	(97)	(718)
	48,219	86,347

1. ACCOUNTING POLICIES

The interim financial statements are prepared as required by Paragraph 9.22 of the Bursa Malaysia Listing Requirements and comply with Financial Reporting Standard FRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB).

(a) Changes to Accounting Policies

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 December 2016 except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”; “FRS” when referred to in the singular) which became applicable beginning from the Group’s financial year ending 31 December 2017:

FRS 107: Disclosures Initiatives (Amendments to FRS 107)

FRS 112: Recognition of Deferred Tax for Unrealised Losses (Amendments to FRS 112)

Annual Improvements to FRS Standards 2014-2016 Cycle:

- FRS 12: Disclosures of Interests in Other Entities (Amendments to FRS 12)

The new and revised FRSs did not have any significant impact on the Group’s results and financial position upon their initial application.

(b) Malaysian Financial Reporting Standards (“MFRS”) and 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”) which is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, except for entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate (“IC 15”)*, including their parents, significant investors and venturers (collectively referred to as “Transitioning Entities”). Transitioning Entities are allowed to defer adoption of the MFRS Framework and continue to use the existing FRS framework until the MFRS Framework is mandated by the MASB.

As announced by the MASB on 28 October 2015, Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2018.

The Group falls within the definition of Transitioning Entities and has elected to defer adoption of the MFRS Framework. Consequently, the Group will apply the MFRS Framework for the first time in its financial statements for the year ending 31 December 2018. In presenting its first set of financial statements under the MFRS Framework, the Group will be required to restate its comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required to be made on transition will be made, retrospectively, against opening retained earnings.

2. SEASONAL OR CYCLICAL FACTORS

The Group’s production from its plantations generally experiences an “up-down” cycle once a year, with low production usually in the early part of the year, and peak production in the final quarter of the year.

3. SIGNIFICANT ITEMS/EVENTS

There were no items or events which arose, which affected assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

4. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

During the period under review, there were no:

- (i) material changes in estimates of amounts reported in the previous interim periods of the current financial year; and
- (ii) material changes in estimates of amounts reported in prior financial years.

5. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resale and repayments of debt and equity securities during the period under review.

6. PAYMENT OF DIVIDENDS

During the year the Company paid an interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2016 amounting to RM 23,276,271.35. The dividend was paid on 16 January 2017.

7. SEGMENT REVENUE AND RESULTS FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2017

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	52,265	405,869		458,134
Inter-segment revenue	100,472	0	(100,472)	0
	<u>152,737</u>	<u>405,869</u>	<u>(100,472)</u>	<u>458,134</u>
Segment results	<u>42,496</u>	<u>(16,143)</u>	<u>6,280</u>	<u>32,633</u>
Unallocated Items:-				
Other income				1,710
Corporate expenses				(1,382)
Finance costs				0
Profit before taxation from continuing operations				<u>32,961</u>
Taxation				<u>(11,926)</u>
Profit after taxation from continuing operations				<u>21,035</u>
<u>ASSETS:-</u>				
Segment assets	<u>890,186</u>	<u>305,479</u>		<u>1,195,665</u>
Unallocated assets				6,445
Assets classified as held for sale				2,929
Total assets				<u>1,205,039</u>

8. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuations of leasehold land, plantations and buildings have been brought forward, without amendment from the previous audited financial statements (for the year ended 31 December 2016).

9. SUBSEQUENT EVENTS

As at the date of this report, there were no other material events which arose subsequent to the end of the period under review.

10. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

During the period under review there were no:

- (a) acquisitions or disposals of subsidiaries; and
- (b) discontinued operations.

11. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS SINCE THE LAST FINANCIAL YEAR

There were no changes in contingent liabilities or contingent assets since 31 December 2016.

G. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

12. REVIEW OF PERFORMANCE

The Group achieved a total revenue of RM458.1 million (Q1-Q3 2016: RM268.0 million) and a pre-tax gain of RM33.0 million (Q1-Q3 2016: pre-tax gain of RM12.9 million).

Commentary on the performance of the operating segments of the Group is as follows:

(a) Plantations and Mills

As shown in Note 7, the Group's plantation and mill operations achieved revenue (including inter-segment revenue) of RM152.7 million (Q1-Q3 2016: RM171.2 million), and pre-tax gain of RM42.5 million (Q1-Q3 2016 pre-tax gain: RM29.1 million). These should be seen in the context of information presented in the tables below:

Table A: Crude palm oil (CPO and palm kernel (PK) prices – Sabah MPOB* average

	CPO		PK	
	2017	2016	2017	2016
January	3,213.00	2,181.00	3,447.50	1,795.00
February	3,218.00	2,385.50	3,377.50	1,900.50
March	2,911.50	2,583.00	2,450.50	2,117.50
April	2,669.50	2,617.50	1,853.50	2,319.00
May	2,762.50	2,594.00	2,037.00	2,241.00
June	2,595.00	2,541.00	1,916.00	2,400.50
July	2,612.00	2,304.00	1,882.50	2,281.50
August	2,626.50	2,567.50	2,134.50	2,510.50
September	2,779.50	2,824.50	2,508.00	2,741.50

Table B: Output indicators, and comparison with industrial average

	3rd Quarter			Year to Date		
	2017	2016	% change	2017	2016	% change
FFB Production (mt)	89,778	99,643	-9.9%	224,486	216,609	12.9%
FFB Yield (mt/hectare):						
The Group's estates	4.92	5.41	-9.0%	13.41	11.76	14.1%
MPOB Sabah average	4.62	5.03	-8.2%	13.10	12.55	4.4%
CPO Closing Stock at Palm Oil Mills (mt)	10,001	7,623	31.2%	10,001	7,623	31.2%
Oil Extraction Rate:						
The Group's palm oil mills	20.66%	21.22%	-2.6%	20.34%	20.92%	-2.8%
MPOB Sabah average	20.98%	21.31%	-1.5%	20.54%	21.10%	-2.6%

* - MPOB: Malaysian Palm Oil Board

The higher level of stock on hand (31.2% on CPO closing stock) has contributed to lower revenue in the period reviewed when compared to previous corresponding period. While for the higher pre-tax results, it is mainly due to higher CPO prices throughout the corresponding period and the 12.9% increase in FFB production.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM405.9 million (Q1-Q3 2016: RM183.1 million) and a pre-tax loss of RM16.1 million (Q1-Q3 2016: pre-tax loss of RM6.2 million). Refinery's higher pre-tax loss when compared to previous year's pre-tax loss was a result from the downtrend in commodity prices for the first 8 months of the year, where products were sold at a lower profit margin.

13. COMPARISON WITH THE PREVIOUS QUARTER'S RESULTS

The following is a summary based on the two respective quarters' condensed consolidated income statements:

	Current Quarter RM'000	Previous Quarter RM'000	Changes %
<u>CONTINUING OPERATIONS:-</u>			
Revenue	168,537	147,753	14%
Cost of sales and services, including distribution	(157,701)	(135,219)	
	10,836	12,534	
Other income	3,191	3,135	
Administrative, finance and other expenses	(5,980)	(4,441)	
Profit/(loss) before interest and taxation	8,047	11,228	(28%)
Interest income	209	281	
Interest costs	(1,410)	(1,461)	
Profit/(loss) before taxation	6,846	10,048	(32%)
Taxation	(3,589)	(5,200)	
Profit/(loss) after taxation	3,257	4,848	(33%)
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	3,230	4,775	(32%)
Non-Controlling Interests	27	73	
	3,257	4,848	(33%)

The lower Q3 2017 pre-tax profit as compared to previous quarter was mainly due to higher closing stock which has translated to higher unrealized revenue and reduced pre-tax profit. Although the Group managed to generate higher revenue than the previous quarter, the Group has to bear with lower margin in Q3 2017.

14. CURRENT YEAR PROSPECTS

The Group's performance is closely tied with the movements in the prices of CPO and refined palm products. Since the start of 2017, the CPO prices have gradually declined from RM3,200 level and stabilized at around RM 2,600 in July and August 2017.

In middle of November, the India Government announced the increase its import duties on various edible oils which included oils like CPO. This announcement has dampened the CPO prices. With the winter season in the Northern hemisphere, the China demand has been slow and the board is of the view that the CPO prices might fall further in the coming months.

In view of the broader market expectation, the Board has taken the view that Group's result will still perform better than FY 2016.

15. ACHIEVEMENT OF REVENUE/PROFIT ESTIMATES, FORECASTS AND/OR INTERNAL TARGETS

Not applicable as the Company did not provide any revenue or profit estimate, forecast or projection, and did not publish any internal targets, in any public document.

16. EXPLANATION OF VARIANCES FROM PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Company did not provide any profit forecast or guarantee, in any public document.

17. TAXATION

	Quarter ended <u>30.09.2017</u> RM'000	9 months ended <u>30.09.2017</u> RM'000
Provision in respect of results for the current quarter/period	5,535	13,869
Overprovision for taxation in respect of previous years	47	47
Deferred taxation	(1,993)	(1,990)
	<u>3,589</u>	<u>11,926</u>

The Group's effective rate of taxation is higher than the 24% statutory rate mainly due to losses incurred in its refinery operations, for which no deferred tax assets have been recognized.

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

(a) Proposed Employees' Share Option Scheme ("ESOS")

The Company has not implemented the ESOS since the date all the necessary approvals were obtained.

(b) Bulking Joint Venture Agreement ("BJVA")

On 7 July 2014 Usaha Dimega Sdn Bhd ("UDSB"), a subsidiary in which the Group holds an effective interest of 66.67%, entered into a conditional Bulking Joint Venture Agreement ("BJVA") with Rikaworth Sdn Bhd ("RSB") and Sawit Bulkers Sdn Bhd ("SBSB") to venture into the business of palm oil common bulking installations for palm oil and related products together with a system of pipe racks to facilitate the transfer of liquid products between the bulking facilities and users of such facilities and the conveyance of the same to and from the jetty facilities of the Sabah Ports Authority in Sandakan, subject to the terms and conditions of the BJVA.

The BJVA is subject to the fulfilment (unless waived by mutual written consent of UDSB and RSB) of certain Conditions Precedent, after which UDSB and RSB are to subscribe for shares at par in the JV Company in cash on a date to be decided by the Board of Directors of the JV Company within 10 days after the Conditions Precedent are fulfilled or waived. Following the subscription of shares, the equity interest held by the respective parties shall be as follows:

	<u>No. of Shares</u>	<u>Percentage</u>
UDSB	12,750,000	60%
RSB	8,500,000 (including the existing 100,000 issued shares)	40%

The status of the Conditions Precedent are as follows:

Conditions Precedent		Status
1	The approvals of RSB and UDSB for the rolling business plan for the JV Company relating to the then current financial year and three succeeding financial years	Obtained
2	RSB and UDSB obtaining the approvals of their respective shareholders to the terms and conditions of the BJVA	Obtained
3	Obtaining the licence/consent from the Malaysian Palm Oil Board to commence construction of the bulking installation	Obtained
4	Increasing the authorised capital of the JV Company to RM50,000,000 consisting of 50,000,000 shares of RM1.00 each	Done
5	RSB and UDSB agreeing to the form and substance of the Land Sale and Purchase Agreement relating to the purchase of the Land and price relating thereto	Not yet agreed
6	RSB and UDSB agreeing to the terms and conditions of the Bulking Facilities User Agreement relating to the use of the JV Company's bulking facilities by Green Edible Oil Sdn Bhd ("GEOSB") (a wholly-owned subsidiary of the Group) operating a refinery in the vicinity of the Sawit POIC Area to produce refined palm oil products	In progress
7	The JV Company (as sublessee) and Sandakan Bulkers (as sublessor) agreeing to the terms and conditions of the Pipe Rack Land Sublease relating to the sublease of a strip of land on which the JV Company's pipe racks would be erected	Not yet agreed
8	Issuance of the letter of offer in respect of the alienation of the Land by the Lands and Surveys Department	Issued
9	The JV Company obtaining such other authorizations, consents and permits as shall be necessary for commencing its business according to written laws	In progress
10	Sandakan Bulkers (as landowner and licensor) and the Offtaker (as licensee) agreeing to the form of the Land Licence Agreement for Sandakan Bulkers to grant a licence for the Offtaker to use a stretch of land for the purpose of building a pipe rack to carry pipes for liquid goods and water pipe	Not yet agreed
11	RSB issuing a letter to the JV Company promising to insert into all future sale and purchase agreements in respect of the sale of various lots within the Sawit POIC Area, words to restrict the use of the said lots for conducting bulking business	Done
12	The execution and delivery of KHB's Guarantee issued in favour of RSB to guarantee the performance, liabilities and obligations of UDSB under the BJVA	Done
13	RSB and UDSB agreeing to the rate of charges payable to the JV Company for each metric ton of goods loaded onto any barge or vessel at the mini jetty located adjacent to GEOSB's land	In progress

On 5 May 2016 UDSB received from RSB a draft Deed of Variation proposing the following major changes to the BJVA:

- the respective proportions in which UDSB and RSB will hold the issued ordinary share capital of the JV Company from time to time shall be as follows:

<u>Party</u>	<u>Percentage</u>
UDSB	40%
RSB	60%

- the BJVA shall be inserted with a new Condition Precedent as follows:

"The relevant authority shall have issued separate land titles in respect of the lands which are the subject matter of the Pipe Rack Land Sublease."

The draft Deed of Variation is under consideration by the Board of Directors and an announcement will be made once a decision has been made.

(c) **Disposal of Sri Timbul Sdn. Bhd.**

On 29 December 2015 a wholly-owned subsidiary, KHB Realty Sdn. Bhd, entered into a Sale and Purchase of Shares Agreement (“SPSA”) to dispose its entire shareholding in its wholly-owned subsidiary Sri Timbul Sdn. Bhd. for a cash consideration of RM6,000,000.

The disposal is subject to *inter alia* the purchaser’s satisfaction with the findings of the legal due diligence to be conducted on Sri Timbul Sdn. Bhd. The purchaser had on 12 January 2016 communicated its satisfaction as required by the agreement, and accordingly the agreement became unconditional on that date.

The disposal shall be completed within 24 months from the date of the SPSA or on such other date as may be agreed between the parties.

19. GROUP BORROWINGS

	As at 30.09.2017 RM’000	As at 30.09.2016 RM’000
Short term secured:		
Hire purchases	200	1,002
Bankers' acceptances	92,836	86,795
Revolving credit	0	10,000
Term loans	11,024	10,938
Long term unsecured		
Liability component of ICPS	0	1,773
	104,060	110,508
Long term secured:		
Hire purchases	653	866
Term loans	16,484	27,421
	17,137	28,287
TOTAL BORROWINGS	121,197	138,795

The above borrowings are denominated in Malaysian Ringgit except where otherwise indicated.

20. ADDITIONAL DISCLOSURES

(a) **Financial Derivatives**

Outstanding financial derivatives held by the Group as at 30 September 2017 are as follows:

	Currency	Contract/ Notional Amount '000	Fair Value	
			Assets RM’000	Liabilities RM’000
US Dollar forward contracts - less than 1 year	USD	28,073	1,106	0
Palm oil futures contracts – less than 1 year	RM	16,064	0	2,745
Olein price swap contracts - less than 1 year	USD	5,936	7	0

(b) Gains/(Losses) Arising from Fair Value Changes of Financial Liabilities

For the period ended 30 September 2017, there were no gains or losses arising from changes to fair values of the Group's financial liabilities.

(c) Breakdown of Realised and Unrealised Profits and Losses

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiaries		
- Realized	197,317	183,208
- Unrealized	(28,849)	(33,159)
	<hr/> 168,468	<hr/> 150,049
less: Consolidation adjustments	(9,442)	(11,922)
Total retained profits	<hr/> <hr/> 159,026	<hr/> <hr/> 138,127

21. CHANGES IN STATUS OF MATERIAL LITIGATION UP TO 16 NOVEMBER 2017

Not applicable as the Group is not involved in any material litigation.

22. DIVIDENDS DECLARED

No dividend has been declared or recommended in respect of the period under review.

23. EARNINGS/(LOSS) PER SHARE ("EPS")

Basic and diluted EPS for the period under review is calculated based on the following:

	Quarter ended 30.09.2017	9 months ended 30.09.2017
Weighted average number of shares in issue	2,327,627,135	2,327,627,135
Number of shares used in calculating diluted EPS	2,327,627,135	2,327,627,135
	<hr/> <hr/> RM'000	<hr/> <hr/> RM'000
Profit/(loss) after taxation from continuing operations	3,257	21,035
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(27)	(137)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	<hr/> 3,230	<hr/> 20,898
EPS:	Sen	Sen
- Basic	0.14	0.90
- Diluted	<hr/> 0.14	<hr/> 0.90

Basic EPS is calculated by dividing "Profit/(loss) after taxation attributable to shareholders of the Company" by the "Weighted average number of shares in issue".

Diluted EPS is calculated by dividing "Adjusted profit/(loss) after taxation" by the "Number of shares used in calculating diluted EPS".

24. AUDITOR'S REPORT ON THE PREVIOUS YEAR'S FINANCIAL STATEMENTS

The auditors' report on the Group's consolidated financial statements for the year ended 31 December 2016 was not qualified.

25. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:

	Quarter ended <u>30.09.2017</u> RM'000	9 months Ended <u>30.09.2017</u> RM'000
Interest income	209	664
Other income, including investment income	1,793	4,219
Interest expense	1,410	4,442
Depreciation and amortization	8,588	25,614
Provision for and write-off of receivables	1	1
Realised foreign exchange gain/(loss)	1,398	3,098
Provision for and write-off of inventories	0	0
Gain/(loss) on disposal of quoted or unquoted investments or properties	0	0
Impairment of assets	0	0
Realised gain/(loss) on derivatives	(2,436)	(1,042)
Exceptional items	0	0

By Order of the Board,

DATUK LIM NYUK SANG @ FREDDY LIM
Chief Executive Officer
24 November 2017