

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	30.09.2017	31.12.2016
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	601,709	616,336
Prepaid land lease payments	32,250	33,000
Investment properties	16,479	16,759
Investment in associates	35,099	50,517
Other investments	15,422	15,369
Intangible assets	51,600	56,214
Biological assets	399,748	390,908
	<u>1,152,307</u>	<u>1,179,103</u>
Current assets		
Prepaid land lease payments	1,000	1,000
Inventories	107,408	147,994
Trade receivables	94,834	92,572
Other receivables	53,515	53,958
Tax recoverable	7,470	6,674
Cash and bank balances	404,424	368,047
	<u>668,651</u>	<u>670,245</u>
TOTAL ASSETS	<u><u>1,820,958</u></u>	<u><u>1,849,348</u></u>

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017 (Cont'd)

	30.09.2017	31.12.2016
	Unaudited	Audited
	RM'000	RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Retirement benefit obligations	181	181
Short term borrowings	116,895	146,952
Trade payables	135,502	106,233
Other payables	21,566	23,262
Current tax payable	1,220	1,658
	<u>275,364</u>	<u>278,286</u>
Net current assets	<u>393,287</u>	<u>391,959</u>
Non-current liabilities		
Retirement benefit obligations	2,149	2,210
Long term borrowings	135,574	122,623
Deferred tax liabilities	69,946	69,912
	<u>207,669</u>	<u>194,745</u>
Total liabilities	<u>483,033</u>	<u>473,031</u>
Net assets	<u>1,337,925</u>	<u>1,376,317</u>
Equity attributable to owners of the Company		
Share capital	309,346	240,672
Share premium	-	68,674
Treasury shares	(8,156)	(8,156)
Other reserves	6,343	6,466
Retained earnings	1,022,587	1,059,556
	<u>1,330,120</u>	<u>1,367,212</u>
Non-controlling interests	7,805	9,105
Total equity	<u>1,337,925</u>	<u>1,376,317</u>
TOTAL EQUITY AND LIABILITIES	<u>1,820,958</u>	<u>1,849,348</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 - UNAUDITED**

	Current quarter		Cumulative quarter	
	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	198,353	158,771	592,318	513,439
Cost of sales	<u>(175,196)</u>	<u>(137,736)</u>	<u>(522,735)</u>	<u>(441,774)</u>
Gross profit	23,157	21,035	69,583	71,665
Other income	4,930	12,437	15,410	23,740
Selling and distribution expenses	(14,404)	(12,499)	(43,532)	(40,391)
Administrative and other expenses	<u>(20,162)</u>	<u>(9,820)</u>	<u>(39,692)</u>	<u>(27,237)</u>
Operating profit	(6,479)	11,153	1,769	27,777
Finance costs	(3,186)	(2,663)	(8,404)	(7,987)
Share of results of associates	<u>(6,052)</u>	<u>(1,228)</u>	<u>(15,418)</u>	<u>(1,348)</u>
(Loss)/Profit before tax	(15,717)	7,262	(22,053)	18,442
Income tax expense	<u>(1,978)</u>	<u>(2,984)</u>	<u>(6,667)</u>	<u>(6,535)</u>
(Loss)/Profit for the period from continuing operations	(17,695)	4,278	(28,720)	11,907
Discontinued Operation				
Loss for the period from discontinued operation	<u>-</u>	<u>(10,615)</u>	<u>-</u>	<u>(10,615)</u>
(Loss)/Profit for the period	<u>(17,695)</u>	<u>(6,337)</u>	<u>(28,720)</u>	<u>1,292</u>
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Net (loss)/gain on available-for-sale financial assets				
- (Loss)/Gain on fair value changes	(89)	172	80	46
- Transfer to profit or loss upon disposal	-	(2)	(189)	(2)
Foreign currency translation	<u>(41)</u>	<u>424</u>	<u>(14)</u>	<u>(146)</u>
Other comprehensive (loss)/income, net of tax	<u>(130)</u>	<u>594</u>	<u>(123)</u>	<u>(102)</u>
Total comprehensive (loss)/income for the period	<u>(17,825)</u>	<u>(5,743)</u>	<u>(28,843)</u>	<u>1,190</u>
(Loss)/Profit attributable to:				
Owners of the Company	(17,207)	(6,226)	(27,420)	1,979
Non-controlling interests	<u>(488)</u>	<u>(111)</u>	<u>(1,300)</u>	<u>(687)</u>
(Loss)/Profit for the period	<u>(17,695)</u>	<u>(6,337)</u>	<u>(28,720)</u>	<u>1,292</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(17,337)	(5,632)	(27,543)	1,877
Non-controlling interests	<u>(488)</u>	<u>(111)</u>	<u>(1,300)</u>	<u>(687)</u>
Total comprehensive (loss)/income for the period	<u>(17,825)</u>	<u>(5,743)</u>	<u>(28,843)</u>	<u>1,190</u>
(Loss)/Earnings per share attributable to owners of the Company:				
Basic, for (loss)/profit for the period (sen)	<u>(3.60)</u>	<u>(1.30)</u>	<u>(5.74)</u>	<u>0.41</u>
(Loss)/Earnings per share from continuing operations attributable to owners of the Company:				
Basic, for (loss)/profit for the period (sen)	<u>(3.60)</u>	<u>0.92</u>	<u>(5.74)</u>	<u>2.63</u>
Loss per share from discontinued operation attributable to owners of the Company:				
Basic, for loss for the period (sen)	<u>-</u>	<u>(2.22)</u>	<u>-</u>	<u>(2.22)</u>

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 - UNAUDITED**

	← Attributable to owners of the Company →									
	Total equity RM'000	Total equity attributable to the owners of the Company RM'000	← Non-distributable →			Distributable		← Non-distributable →		Non- controlling interests RM'000
Share capital RM'000			Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Total other reserves RM'000	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000		
Quarter ended 30 September 2017										
At 1 January 2017	1,376,317	1,367,212	240,672	68,674	(8,156)	1,059,556	6,466	6,576	(110)	9,105
Total comprehensive loss	(28,843)	(27,543)	-	-	-	(27,420)	(123)	(14)	(109)	(1,300)
Transaction with owners										
Dividends on ordinary shares	(9,549)	(9,549)	-	-	-	(9,549)	-	-	-	-
Other equity movement										
Transfer pursuant to Companies Act 2016 *	-	-	68,674	(68,674)	-	-	-	-	-	-
At 30 September 2017	1,337,925	1,330,120	309,346	-	(8,156)	1,022,587	6,343	6,562	(219)	7,805
Quarter ended 30 September 2016										
At 1 January 2016	1,393,062	1,378,422	240,672	68,674	(8,132)	1,071,366	5,842	6,038	(196)	14,640
Total comprehensive income	1,190	1,877	-	-	-	1,979	(102)	(146)	44	(687)
Transactions with owners										
Dilution of interest in non-controlling interest	(144)	31	-	-	-	31	-	-	-	(175)
Dividends on ordinary shares	(11,898)	(11,898)	-	-	-	(11,898)	-	-	-	-
Dividends paid to non-controlling interests	(2,130)	-	-	-	-	-	-	-	-	(2,130)
Disposal of a subsidiary	(1,647)	-	-	-	-	-	-	-	-	(1,647)
Repurchase of treasury shares	(24)	(24)	-	-	(24)	-	-	-	-	-
At 30 September 2016	1,378,409	1,368,408	240,672	68,674	(8,156)	1,061,478	5,740	5,892	(152)	10,001

Note

* Upon the commencement of the Companies Act 2016 ("CA2016") on 31 January 2017, the amount standing to the credit of the Company's share premium becomes part of the Company's share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon the commencement of Section 74 of the CA2016. (Note 2)

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 - UNAUDITED

	30.09.2017	30.09.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax from continuing operations	(22,053)	18,442
Loss before tax from discontinued operation	-	(9,836)
	<u>(22,053)</u>	<u>8,606</u>
Adjustments for:		
Accretion of interest on RCPS	(957)	(877)
Allowance for impairment loss on receivables	10,000	2
Allowance for impairment loss on receivables no longer required	(1,200)	(2,064)
Amortisation	5,364	5,364
Bad debts recovered	-	(3)
Depreciation	31,545	29,878
Dividend income	(11)	(34)
Gain on disposal of available-for-sale financial assets	(217)	-
Gain on disposal of investment properties	-	(6,550)
Loss on disposal of property, plant and equipment	1,997	512
Loss on disposal of a subsidiary	-	9,473
Interest expense	8,404	8,030
Interest income	(8,306)	(6,739)
Inventories written down	14	13
Inventories written off	29	14
Property, plant and equipment written off	144	122
Retirement benefit obligations	127	160
Share of results of associates	15,418	1,348
Unrealised loss on foreign exchange	352	503
	<u>40,650</u>	<u>47,758</u>
Operating profit before working capital changes		
Changes in working capital :		
Net decrease in current assets	26,247	21,463
Net increase in current liabilities	30,913	25,908
Cash generated from operations	<u>97,810</u>	<u>95,129</u>
Payment of retirement benefit	(188)	(262)
Interest paid	(10,491)	(13,075)
Interest received	8,306	6,739
Taxation paid	<u>(7,869)</u>	<u>(8,763)</u>
Net cash from operating activities	<u>87,568</u>	<u>79,768</u>

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 - UNAUDITED (Cont'd)

	30.09.2017	30.09.2016
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in a subsidiary	-	(144)
Biological assets expenditure	(5,160)	(9,709)
Net cash inflow on disposal of a subsidiary	-	12,307
Net dividend received from investment securities	11	34
Proceeds from disposal of investment properties	-	-
Proceeds from disposal of investment securities	1,013	2
Proceeds from disposal of property, plant and equipment	1,827	1,741
Purchase of property, plant and equipment	(21,088)	(15,206)
Subscription of shares in an associate	-	(368)
	<hr/>	<hr/>
Net cash used in investing activities	(23,397)	(11,343)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interests	-	(2,130)
Dividend paid to owners of the Company	(9,549)	(11,898)
Drawdown of term loans	57,287	9,784
Drawdown of trade financing facilities	25,348	79,021
Decrease in fixed deposits pledged to licensed financial institutions	64	62
Repayment of hire purchases	(1,592)	(2,244)
Repayment of term loans	(48,340)	(19,277)
Repayment of trade financing facilities	(40,705)	(66,300)
Repurchase of treasury shares	-	(24)
	<hr/>	<hr/>
Net cash used in financing activities	(17,487)	(13,006)
Net increase in cash and cash equivalents	46,684	55,419
Effects of exchange rate changes	(61)	(515)
Net cash and cash equivalents at the beginning of the period	344,570	323,452
	<hr/>	<hr/>
Net cash and cash equivalents at the end of the period	391,193	378,356
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017 - UNAUDITED (Cont'd)

	30.09.2017	30.09.2016
	RM'000	RM'000
For the purpose of statements of cash flows, net cash and cash equivalents include the following:-		
Cash and bank balances	404,424	403,630
Less: Bank overdrafts	<u>(13,231)</u>	<u>(25,274)</u>
Cash and cash equivalents	<u><u>391,193</u></u>	<u><u>378,356</u></u>

NOTE TO STATEMENTS OF CASH FLOWS

	30.09.2017	30.09.2016
	RM'000	RM'000

A. PROCEEDS FROM DISPOSAL OF INVESTMENT PROPERTIES

Investment properties were disposed by the following means:

Total proceeds	-	21,033
Less: Increase in receivables	-	(19,561)
Less: Deposit paid	<u>-</u>	<u>(1,472)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

W T K HOLDINGS BERHAD (10141-M)
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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2017 – unaudited

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 30 November 2017.

2. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

Save and disclosed as below, the interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016. 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 2016.

For the current year to date, the Group also adopted the Companies Act 2016 (“CA2016”) which took effect from 31 January 2017 except Section 241 and Division 8 of Part III of the CA2016. CA2016 was enacted to replace the Companies Act 1965.

The Companies Commission of Malaysia has clarified that CA2016 should be complied with for the preparation of financial statements, directors’ report and auditors’ report thereon commencing from the financial year/period ended 31 January 2017. The main changes in CA2016 that will affect the financial statements of the Group and of the Company upon the commencement of CA2016 on 31 January 2017 are:

- (i) removal of the authorised share capital;
- (ii) shares of the Company will cease to have par or nominal value; and
- (iii) the Company’s share premium account will become part of the Company’s share capital.

The adoption of CA2016 does not have any financial impact to the Group as any accounting implications will only be applied prospectively. The effect of adoption mainly will be on disclosures of financial statements.

Upon adoption of the CA2016, the Group’s share premium of RM68,674,000 becomes part of the share capital pursuant to Section 618(2) of the CA2016. The Group may use the credit amount of the share premium within twenty-four months upon commencement of Section 74 of the CA2016. The Board of Directors may make a decision thereon by 31 January 2019.

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2017 – unaudited

3. Significant accounting policies

The significant accounting policies and methods of computation adopted for the condensed consolidated interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2016 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”).

On 1 January 2017, the Group adopted the relevant and applicable new and amended FRSs mandatory for annual financial periods beginning on or after 1 January 2017 as follows:

Description	Effective for annual periods beginning on or after
Amendments to FRS 107 Disclosure Initiative	1 January 2017
Amendments to FRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRSs 2014 – 2016 Cycle	1 January 2017

The Group has not adopted the following new and amended FRSs applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 9 Financial Instruments	1 January 2018
Amendments to FRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts#	1 January 2018
Amendments to FRS 2#	1 January 2018
Amendments to FRS 140#	1 January 2018
IC Interpretation 22#	1 January 2018
Annual Improvements to FRSs 2014 – 2016 Cycle#	1 January 2018

An entity that has in the alternative applied FRSs shall apply MFRSs for annual periods beginning on or after 1 January 2018. Such an entity shall apply the corresponding amendments under the MFRSs instead of these Amendments, on or after 1 January 2018.

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group.

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2017 – unaudited

4. Changes in estimates

There were no changes in estimates that have had a material effect in the current financial quarter.

5. Changes in composition of the Group

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

6. Segmental information

	9 months ended 30.09.2017		9 months ended 30.09.2016	
	Revenue RM'000	Profit/(Loss) before tax RM'000	Revenue RM'000	Profit/(Loss) before tax RM'000
<u>Continuing Operations:</u>				
Timber	478,286	18,951	413,203	18,390
Plantation	34,458	(8,876)	13,150	(8,337)
Oil and gas	24,509	(38,432)	34,884	(974)
Manufacturing	30,685	4,372	27,058	3,844
Trading	22,790	1,614	23,321	2,083
Others	1,590	318	1,823	(6,037)
Total continuing operations	<u>592,318</u>	<u>(22,053)</u>	<u>513,439</u>	<u>8,969</u>
<u>Discontinued Operation:</u>				
Manufacturing	<u>-</u>	<u>-</u>	<u>25,523</u>	<u>(363)</u>
Total	<u>592,318</u>	<u>(22,053)</u>	<u>538,962</u>	<u>8,606</u>

For the purpose of segmental information, the loss on disposal of a subsidiary of RM9.5 million in the preceding year corresponding period is presented under Others segment of continuing operations.

The Group is organised into business units based on their products and services, and has six reportable operating segments as follows:

- Timber : the extraction and sales of timber, manufacture and sales of plywood, veneer and sawn timber.
- Plantation : cultivation of oil palm, production and sales of crude palm oil and palm kernel (“CPO & PK”) and tree planting.

W T K HOLDINGS BERHAD (10141-M)
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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2017 – unaudited

6. Segmental information (cont'd)

The Group is organised into business units based on their products and services, and has six reportable operating segments as follows: (cont'd)

Oil and Gas	:	provision of Offshore Service Vessels (OSV) to the oil majors in Malaysia and the regions, specifically Accommodation Work Boats (AWB), a segment within the OSV sector.
Manufacturing	:	manufacture and sales of adhesive and gummed tapes.
Trading	:	the trading of tapes, foil, papers and electrostatic discharge products.
Others	:	investment income.

7. Seasonality of operations

There were no recurrent or cyclical events that would affect the Group's operations.

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2017 – unaudited

8. (Loss)/Profit before tax

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Net (loss)/profit for the period is arrived at after charging:				
Amortisation	1,788	1,788	5,364	5,364
Allowance for impairment loss on receivables	10,000	-	10,000	2
Depreciation	11,130	9,845	31,545	29,878
Interest expense	3,186	2,673	8,404	8,030
Inventories written down	5	4	14	13
Inventories written off	20	2	29	14
Loss on foreign exchange				
- Unrealised	-	-	352	503
- Realised	108	-	65	-
Loss on disposal of property, plant and equipment	598	-	1,997	512
Loss on disposal of a subsidiary	-	9,473	-	9,473
Property, plant and equipment written off	27	65	144	122
and crediting:				
Accretion of interest on RCPS	326	299	957	877
Allowance for impairment loss on receivables no longer required	-	3	1,200	2,064
Bad debts recovered	-	3	-	3
Gain on disposal of available-for-sale investment	-	-	217	-
Gain on disposal of investment properties	-	6,550	-	6,550
Gain on disposal of property, plant and equipment	-	189	-	-
Gain on foreign exchange				
- Unrealised	37	238	-	-
- Realised	-	1	-	63
Hire of machinery	158	122	474	385
Interest income	2,995	2,520	8,306	6,739

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2017 – unaudited

9. Income tax expense

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Taxation based on results for the period:				
<u>Current income tax</u>				
- Malaysian income tax	1,145	2,267	5,709	6,777
- Foreign tax	85	102	271	353
	1,230	2,369	5,980	7,130
Over provision in respect of previous years				
- Malaysian income tax	731	(2)	731	(17)
- Foreign tax	-	-	(78)	-
	1,961	2,367	6,633	7,113
<u>Deferred income tax</u>				
- Original and reversal of temporary differences	17	(31)	31	(1,048)
- Under provision in prior year	-	-	3	-
	17	(31)	34	(1,048)
<u>Real Property Gain Tax</u>				
- Current year	-	1,247	-	1,247
- Over provision in respect of previous years	-	2	-	2
	-	1,249	-	1,249
<hr/>				
Total	1,978	3,585	6,667	7,314
Income tax attributable to:				
- Continuing operations	1,978	2,984	6,667	6,535
- Discontinued operation	-	601	-	779
	1,978	3,585	6,667	7,314

Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

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Explanatory notes pursuant to FRS 134 and Chapter 9, Appendix 9B, Part A
For the nine months ended 30 September 2017 – unaudited

10. (Loss)/Earnings per share

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the financial period net of tax, attributable to owners of the parent by weighted average number of ordinary shares outstanding during the financial period, excluding treasury shares held by the Company.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements. There are no shares in issuance which have a dilutive effect to the earnings per share of the Group.

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
(Loss)/Profit attributable to the owners of the Company (RM'000)	(17,207)	(6,226)	(27,420)	1,979
(Loss)/Profit attributable to the owners of the Company (RM'000)	(17,207)	(6,226)	(27,420)	1,979
Add: Loss from discontinued operation attributable to the owners of the Company	-	10,615	-	10,615
(Loss)/Profit from continuing operations attributable to the owners of the Company	(17,207)	4,389	(27,420)	12,594
Weighted average number of ordinary shares in issue ('000)	477,474	477,487	477,474	477,484
Dilutive potential ordinary shares	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	477,474	477,487	477,474	477,484
Basic (loss)/earnings per share (sen)	(3.60)	(1.30)	(5.74)	0.41
Diluted (loss)/earnings per share (sen)	(3.60)	(1.30)	(5.74)	0.41

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10. Earnings per share (cont'd)

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Basic (loss)/earnings per share (sen)				
attributable to:				
- Continuing operations	(3.60)	0.92	(5.74)	2.63
- Discontinued operation	-	(2.22)	-	(2.22)
	<u>(3.60)</u>	<u>(1.30)</u>	<u>(5.74)</u>	<u>0.41</u>
Diluted (loss)/earnings per share (sen)				
attributable to:				
- Continuing operations	(3.60)	0.92	(5.74)	2.63
- Discontinued operation	-	(2.22)	-	(2.22)
	<u>(3.60)</u>	<u>(1.30)</u>	<u>(5.74)</u>	<u>0.41</u>

11. Property, plant and equipment

During the 9 months ended 30 September 2017, the Group acquired assets with a total cost of RM22,158,000 (30 September 2016: RM15,541,000).

Assets with carrying amount of RM3,824,000 (30 September 2016: RM1,771,000) were disposed of by the Group during the 9 months ended 30 September 2017, resulting in a loss on disposal of RM1,997,000 (30 September 2016: RM512,000).

12. Intangible assets

	Goodwill	Timber	Total
	RM'000	rights	RM'000
	RM'000	RM'000	RM'000
Cost			
At 1 January 2017/30 September 2017	<u>33,593</u>	<u>111,584</u>	<u>145,177</u>
Accumulated amortisation and impairment			
At 1 January 2017	9,404	79,559	88,963
Amortisation	-	4,614	4,614
At 30 September 2017	<u>9,404</u>	<u>84,173</u>	<u>93,577</u>
Net carrying amount			
At 30 September 2017	<u>24,189</u>	<u>27,411</u>	<u>51,600</u>
At 31 December 2016	<u>24,189</u>	<u>32,025</u>	<u>56,214</u>

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12. Intangible assets (cont'd)

(a) Impairment testing of goodwill

Allocation of goodwill

Goodwill acquired through business combinations is allocated to the Group's cash-generating units ("CGU") as follows:

	Goodwill	
	30.09.2017	31.12.2016
	RM'000	RM'000
Timber division	22,873	22,873
Trading division	1,308	1,308
Manufacturing division	8	8
	<u>24,189</u>	<u>24,189</u>

The recoverable amount of goodwill is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period and/or over the period of the rights granted and expected to be granted.

The following are the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

i. Budgeted gross margin

The basis used to determine the values assigned to the budgeted gross margins is the average gross margins achieved during the year immediately before the budgeted year, increased for expected efficiency improvements.

ii. Discount rates

The discount rates used are pre-tax and reflect specific risks relating to the relevant cash generating units.

iii. Terminal growth rates

The forecasted growth are based on industry research and past historical trend.

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13. Cash and bank balances

	30.09.2017	31.12.2016
	RM'000	RM'000
Cash on hand and at banks	222,304	118,535
Short term deposits with licensed financial institutions	182,120	249,512
Cash and bank balances	404,424	368,047

14. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 : other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at reporting date, the Group held the following financial assets that are measured at fair value.

		Date of valuation	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value						
Available-for-sale financial assets						
- Quoted investments		30 September 2017	322	-	-	322
		31 December 2016	1,225	-	-	1,225

No transfer between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial assets that subsequently resulted in a different classification of that asset.

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15. Share capital, share premium and treasury shares

The Company did not issue any ordinary shares during the current quarter ended 30 September 2017. Upon adoption of the CA2016, the Group's share premium of RM68,674,000 becomes part of the share capital pursuant to Section 618(2) of the CA2016.

The number of shares bought back and retained as treasury shares amounted to 3,871,000 shares as at 30 September 2017.

16. Interest bearing loans and borrowings

The Group's interest bearing loans and borrowings are as follows:

	30.09.2017	31.12.2016
	RM'000	RM'000
Short term borrowings		
Secured	81,131	106,952
Unsecured	35,764	40,000
	<u>116,895</u>	<u>146,952</u>
Long term borrowings		
Secured	135,574	122,623
Total	<u>252,469</u>	<u>269,575</u>

17. Provisions for costs of restructuring

The Group did not engage in any restructuring exercise, hence, there were no provisions for costs of restructuring.

18. Dividends

No interim dividend has been declared for the current quarter ended 30 September 2017 (30 September 2016: RM Nil).

19. Commitments

There were no material capital commitments since the date of the last annual financial statements other than those disclosed below:

	30.09.2017	31.12.2016
	RM'000	RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	-	21,236
	<u>-</u>	<u>21,236</u>

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20. Contingencies

There were no material changes to the contingent liabilities since the date of the last annual financial statements.

There were no contingent assets as at 30 September 2017 and 31 December 2016.

21. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the nine months ended 30 September 2017 and 30 September 2016.

	Note	Transaction value	
		30.09.2017 RM'000	30.09.2016 RM'000
Sawn timber sales:			
W T K Realty Sdn. Bhd.	#	261	437
W T K Service & Warehousing Sdn. Bhd.	^	79	-
		340	437
Contract fee received:			
W T K Realty Sdn. Bhd.	#	51	-
Purchase of logs:			
Harbour-View Realty Sdn. Bhd.	^	7,661	7,633
Ocarina Development Sdn. Bhd.	#	13,666	23,336
		21,327	30,969
Lighterage and freight:			
Master Ace Territory Sdn. Bhd.	#	1,113	844
Ocarina Development Sdn. Bhd.	#	1,682	2,015
W T K Realty Sdn. Bhd.	#	7,414	6,420
Harbour-View Realty Sdn. Bhd.	^	49	89
		10,258	9,368
Purchase of spare parts:			
WTK Service & Warehousing Sdn. Bhd.	^	19,608	20,373

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21. Related party transactions (cont'd)

The following table provides information on the transactions which have been entered into with related parties during the nine months ended 30 September 2017 and 30 September 2016. (cont'd)

	Note	Transaction value	
		30.09.2017 RM'000	30.09.2016 RM'000
Purchase of frozen food:			
Sing Chew Coldstorage Sdn. Bhd.	^	5,874	1,988
Purchase of hardware and lubricants:			
W.T.K Trading Sdn. Bhd.	#	-	4
WTK Service & Warehousing Sdn. Bhd.	^	16,997	9,921
		<u>16,997</u>	<u>9,925</u>
Purchase of fertilizer:			
WTK Service & Warehousing Sdn. Bhd.	^	7,034	6,296
Contract fees paid in relation to logging operations:			
Ann Yun Logistics Sdn. Bhd.	*	2,430	2,430
United Agencies Sdn. Bhd.	^	5,721	7,118
W T K Realty Sdn. Bhd.	#	124	-
		<u>8,275</u>	<u>9,548</u>
Sales of fresh fruit bunches:			
Delta-Pelita Sebakong Sdn. Bhd.	#	10,492	5,465
Harvard Master Sdn. Bhd.	#	9,410	4,177
Southwind Plantation Sdn. Bhd.	#	2,468	552
WTK Oil Mill Sdn Bhd	#	72	-
		<u>22,442</u>	<u>10,194</u>
Purchase of fresh fruit bunches:			
Utahol Sdn. Bhd.	#	3,655	-
W T K Realty Sdn. Bhd.	#	229	89
		<u>3,884</u>	<u>89</u>

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21. Related party transactions (cont'd)

The following table provides information on the transactions which have been entered into with related parties during the nine months ended 30 September 2017 and 30 September 2016. (cont'd)

- ^ *The directors and/or major shareholders of W T K Holdings Berhad are directors and/or major shareholders of these companies.*
- # *The director(s) and/or major shareholder(s) of W T K Holdings Berhad is/are director(s) and/or major shareholder(s) of these companies, whilst family member(s) is/are also director(s) and/or major shareholder(s) of these companies.*
- * *The family members of a director and major shareholder of W T K Holdings Berhad, are directors and major shareholder of this company.*

The outstanding balances arising from related party transactions as at 30 September 2017 and 31 December 2016 were as follows:

	30.09.2017	31.12.2016
	RM'000	RM'000
Total outstanding balances due from/(to) related parties included in:		
Trade receivables (net of allowance for impairment)	3,231	3,045
Other receivables (net of allowance for impairment)	1,232	4,959
Trade payables	(26,517)	(23,622)
Other payables	(2,599)	(3,403)
	<u> </u>	<u> </u>

22. Events after the reporting period

There are no events after the quarter ended 30 September 2017 which could materially affect the Group.

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23. Performance review

For the quarter under review, the Group's revenue was RM198.4 million as compared to RM158.8 million in 3Q2016, representing an increase of RM39.6 million or 24.9%. All divisions recorded higher revenue this quarter, with the bulk of the increase coming from its timber and plantation divisions which recorded increase of RM26.6 million and RM11.5 million, respectively, over the preceding year corresponding quarter.

The Group registered a loss before tax of RM15.7 million in 3Q2017, as compared to a loss before tax of RM2.2 million in 3Q2016. The loss before tax of RM15.7 million was attributed to losses from the oil & gas and plantation divisions of RM16.7 million and RM3.4 million, respectively, but partially offset by profits from the timber and manufacturing divisions of RM2.6 million and RM1.6 million, respectively.

Quarter 3, 2017

Timber

For the current quarter, the Group's timber division registered a revenue of RM151.3 million, representing an increase of RM26.6 million or 21.3% as compared to RM124.7 million in 3Q2016. The higher revenue recorded was due to increase in sales of logs by RM15.6 million, or 50.1%, as a result of favourable weather conditions facilitating the transportation and sales of logs as compared to the preceding year corresponding quarter. The division's plywood sales in 3Q2017 was higher by RM10.8 million, or 12.0%, over 3Q2016's sales of RM89.8 million due to stronger demand and low plywood inventories in Japan.

Its profit before tax stood at RM2.6 million in 3Q2017, representing a decrease of RM2.2 million, or 45.8%, when compared to RM4.8 million recorded in 3Q2016. The reduction in profit before tax was mainly attributed to its timber logs, which recorded RM3.0 million in profit before tax in comparison to RM5.3 million recorded in 3Q2016. This was primarily due to higher costs of production as a result of a drastic hike of hill timber premium rate from RM0.80 per cubic meter ("M³") to RM50.00 per M³ effective 1st July 2017 and price increase in diesel.

On a year-to-date ("YTD") basis, timber division registered a revenue of RM478.3 million, representing an increase of RM65.1 million or 15.8% as compared to RM413.2 million in the preceding year corresponding period. The increase in revenue was contributed by higher sales of logs and plywood of RM27.2 million and RM32.0 million, respectively. Higher logs production volume as a result of favourable weather conditions as opposed to adverse weather conditions in preceding year corresponding period accounted for the improved sales performance of logs. Besides, the sales performance of timber division was further lifted by 6.8% increase in plywood sales volume.

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23. Performance review (cont'd)

Quarter 3, 2017 (cont'd)

Timber (cont'd)

Its profit before tax stood at RM19.0 million as compared to profit before tax of RM18.4 million in the preceding year corresponding period, representing a marginal increase of RM0.6 million or 3.3%. The increase in profit before tax from plywood of RM6.6 million was partially offset by the reduction in profit before tax for its logging related activities by RM5.3 million due to higher costs of production resulting from the hike in hill timber premium rate effective 1st July 2017 and price increase in diesel. Besides, the loss before tax for sawn timber increased by RM1.0 million due to higher unit costs of production as a result of lower production volume and 3.4% drop in the average selling price.

The Group's key export markets for round logs were India (97%) and Vietnam (3%). The export markets for plywood for the quarter under review were Japan (85%) and Taiwan (15%).

Plantation

The Group's plantation division registered a revenue of RM17.7 million in 3Q2017, which principally derived from the sales of fresh fruit bunches ("FFB") of RM9.7 million and the sales of CPO & PK of RM8.0 million from its newly commissioned palm oil mill ("POM") in July 2017. The higher FFB sales of RM9.7 million recorded in 3Q2017 as compared to RM6.2 million recorded in 3Q2016 was due to the palms moving up the production life cycle. Despite higher sales, the division recorded a loss before tax of RM3.4 million, representing an increase of RM1.3 million or 61.9% as compared to the loss before tax of RM2.1 million in 3Q2016. The higher loss before tax was mainly due to insufficient FFB production volume as the young matured palms are still in their early production life cycle to absorb fully the operational costs and the inclusion of pre-operating expenses of its POM.

On a YTD basis, the division registered a revenue of RM34.5 million as compared to preceding year corresponding period of RM13.2 million, representing an increase of RM21.3 million or 161.4%. The higher revenue was mainly contributed by the increase in FFB sales by RM13.3 million as a result of gradual increase of matured palms going into FFB production coupled with higher FFB selling price by 9.6%. The remaining RM8.0 million of the increased revenue came from the sales of CPO & PK from its newly commissioned POM in July 2017. Despite higher revenue, the division recorded a slightly higher loss before tax at RM8.9 million as compared to loss before tax of RM8.3 million in the preceding year corresponding period, mainly due to the inclusion of pre-operating expenses of its POM. Loss before tax during this period was mainly due to insufficient FFB production volume as the young matured palms are still in their early production life cycle to absorb fully the operational costs.

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23. Performance review (cont'd)

Quarter 3, 2017 (cont'd)

Manufacturing and Trading

The Group's manufacturing and trading division recorded a revenue of RM16.6 million in 3Q2017 as compared to RM15.4 million in 3Q2016, representing an increase of RM1.2 million or 7.8%. Its export sales increased by RM1.3 million or 25.7%, while local sales was RM0.1 million or 3% lower in 3Q2017 as compared to preceding year corresponding quarter. Despite increase in revenue, the division registered a marginal increase in profit before tax of RM1.6 million in 3Q2017 as compared to profit before tax of RM1.5 million reported in the preceding year corresponding quarter after netting off higher production cost arising from imported raw material denominated in USD.

On a YTD basis, the division recorded a revenue of RM53.5 million as compared to RM50.4 million in the preceding year corresponding period, representing an increase of RM3.1 million or 6.2%, as both its local and export sales were higher by 2.5% and 19%, respectively. The increase in local sales was mainly due to the impact of price increase, whereas the increase in export sales was due to higher demand in particular for its masking tapes from customers in Australia, India, Thailand, Hong Kong, Turkey and China. Despite higher sales, the division's profit before tax increased marginally by RM0.1 million, from RM5.9 million to RM6.0 million over the same period, as the effect of a weaker RM against USD has resulted in an escalation of the costs of its imported raw materials for production.

Oil and Gas

The Group's oil and gas division recorded a revenue of RM12.1 million, representing an increase of RM0.2 million or 1.7% as compared to revenue of RM11.9 million in the preceding year corresponding quarter. Its revenue was mainly derived from vessels charter fee through Alanya Marine Ventures Sdn Bhd.

Its loss before tax for 3Q2017 amounted to RM16.7 million as compared to loss before tax of RM0.9 million in the preceding year corresponding quarter. The higher loss before tax in the current quarter was mainly due to allowance for impairment loss on trade receivable of RM10.0 million provided on a more prudent basis and share of loss of an associate company for having to continue to incur charter fee and operation costs to maintain its vessels in the ready state of deployment despite these vessels were off-hired due to temporary project deferment. Besides, the loss before tax also took into account the amortization of intangible assets of RM0.7 million embedded in investment in the associate company.

On a YTD basis, revenue of the Group's oil and gas division was RM24.5 million as compared to RM34.9 million in the preceding year corresponding period, representing a decrease of RM10.4 million or 29.8%. This was mainly due to no revenue recorded in 2Q2017.

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23. Performance review (cont'd)

Quarter 3, 2017 (cont'd)

Oil and Gas (cont'd)

Consequently, the division registered a higher loss before tax of RM38.4 million as compared to loss before tax of RM1.0 million in the preceding year corresponding period. The higher loss before tax was mainly due to allowance for impairment loss on trade receivable of RM10.0 million provided on a more prudent basis and the share of loss of an associate company as the associate company has to continue to incur charter fee and operation costs to maintain vessels in the ready state of deployment. Besides, the loss before tax also took into account the amortization of intangible assets of RM2.2 million embedded in investment in the associate company.

Others

There were no material changes to the revenue in respect of the current quarter when compared to 3Q2016. The division reported a profit before tax of RM0.2 million in the current quarter as compared to loss before tax of RM5.5 million in the preceding year corresponding quarter. The performance from others in the current quarter improved mainly contributed by higher interest income from short-term deposit and the absence of loss on disposal of a subsidiary amounting to RM9.5 million and incidental expenses of RM2.2 million incurred in connection with the disposal, netted off against a gain on disposal of investment properties of RM6.6 million recorded in 3Q2016.

On a YTD basis, the division recorded a lower revenue as there was no longer rental income following the disposal of car park investment properties in August 2016. Despite lower revenue, a profit before tax of RM0.3 million was recorded in the current period as compared to loss before tax of RM6.0 million in the preceding year corresponding period. The performance from others improved in the current period mainly contributed by higher interest income from short-term deposits and the absence of net loss on disposal of a subsidiary after deducting incidental expenses, netted off against a gain on disposal of investment properties recorded in 3Q2016.

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24. Comment on material change in profit before taxation

Material Changes for the Quarter Reported on as Compared with the Preceding Quarter

Quarter 3, 2017

Timber

The timber division recorded a revenue of RM151.3 million as compared to 2Q2017's revenue of RM145.6 million, representing an increase of RM5.7 million or 3.9%. The higher revenue was mainly contributed by the increase in log sales by 18% over the preceding quarter due to favourable weather conditions for the extraction and transportation of logs in the current quarter.

Despite higher revenue, the division reported a lower profit before tax of RM2.6 million, representing a decrease of RM2.8 million or 51.9%, as compared to 2Q2017's profit before tax of RM5.4 million. The lower profit before tax generated was due to higher costs of production of plywood and logs by 7.1% and 13.3%, respectively, resulting from the hike of hill timber premium rate from RM0.80 per M³ to RM50.00 per M³ effective 1st July 2017 and price increase in diesel.

Plantation

Plantation division registered a revenue of RM17.7 million in 3Q2017, representing an increase of RM9.5 million or 115.9% as compared to RM8.2 million recorded in the preceding quarter. This was mainly contributed by CPO & PK sales of RM8 million from its newly commissioned POM in July 2017. Besides, higher FFB sales was reported at RM9.7 million as compared to RM8.2 million in the preceding quarter mainly due to 20.6% increase in its sales volume as the palms are entering into peak crop season and yield better in second half of 2017. Despite higher revenue, the division reported a marginal increase in loss before tax of RM0.1 million, from RM3.3 million in the preceding quarter to RM3.4 million in the current quarter, after the inclusion of pre-operating expenses of its POM. The division remained loss making due to insufficient FFB production volume as the young matured palms are still in their early production life cycle to absorb fully the operational costs.

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24. Comment on material change in profit before taxation (cont'd)

Material Changes for the Quarter Reported on as Compared with the Preceding Quarter (cont'd)

Quarter 3, 2017 (cont'd)

Manufacturing and Trading

The manufacturing and trading division registered a revenue of RM16.6 million in 3Q2017 as compared to RM17.6 million reported in the preceding quarter, representing a decrease of RM1.0 million or 5.7%. The lower revenue in the current quarter was attributable to reduction in both the local and export sales. Local sales decreased by 4.8% which was attributed to dealers stocking up for “last buy” in 2Q2017 before price increase and also seasonally softer demand experienced in the current quarter. Export sales also dropped by 12% as compared to 2Q2017 due to lower demand from Australia, Thailand and India. Accordingly, its profit before tax dropped by RM0.1 million as compared to profit before tax of RM1.7 million reported in the preceding quarter.

Oil and Gas

The Oil and Gas division registered an increase in revenue of RM12.1 million as compared to 2Q2017. Its revenue was mainly derived from vessels charter fee through Alanya Marine Ventures Sdn Bhd. However, its loss before tax amounted to RM16.7 million as compared to loss before tax of RM12.1 million in the preceding quarter mainly due to allowance for impairment loss on trade receivable of RM10.0 million provided in the current quarter.

Others

There were no material changes to the revenue in the current quarter when compared to 2Q2017. The division recorded a profit before tax of RM0.2 million as compared to a loss before tax of RM0.03 million in the preceding quarter. The favourable performance for current quarter as compared to 2Q2017 was mainly due the absence of incidental expenses incurred in connection with annual general meeting and lower operating expense in the current quarter.

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25. Commentary on prospects

Timber

The demand for our Group's plywood remains optimistic in view of falling plywood inventories as shipments of ordered plywood from Malaysia and Indonesia have been largely delayed due to logs supply shortages.

As for the Group's main logs export market, India, its economic growth is forecast to remain robust and continue to be one of the fastest growing economy among G-20 countries. Rising wages and increasing private investments will continue to drive and sustain the economic activities there, which bodes well for our Group's logs export.

Plantation

The Group's FFB production for YTD increased by 84.5% as compared to the preceding year corresponding period, and is expected to improve further as second half year is peak crop production season. Our newly commissioned POM during the third quarter of 2017 is expected to contribute to the division in the coming quarters as the initial commissioning performance was promising and within our expectations. Moving forward, with CPO price expected to remain stable coupled with contributions from its POM, the division is expected to improve its performance over the preceding financial year.

Manufacturing and Trading

The Group's manufacturing and trading division will continue to focus on its core competency on product quality and branding, in the face of market volatility and challenging economic conditions. At the same time, it will continue to expand efforts to broaden its market reach and penetrate new markets especially overseas markets. With all these efforts in place, the Group is cautiously optimistic of a modest growth in 2018.

Oil and Gas

Prospect remains challenging for the division which is plagued by high fixed costs for the remaining two vessels awaiting work orders from PETRONAS. Despite clinching the long-term Umbrella Contract in May from PETRONAS, its work orders were sporadic and few. The division managed to secure and carried out spot charters from other oil majors during the months of August and September to fill the gaps in work orders. PETRONAS' overall cost-savings and rationalization plan has trickled down and affected the division's cash-flow significantly as receivables were stretched beyond industry norms. In the absence of a significant rise in work orders from PETRONAS, the division's outlook remains cautious.

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26. Commentary on progress to achieve revenue or profit estimate, forecast, projection or internal targets

The Group did not announce or disclose any revenue or profit estimate, forecast, projection or internal target in a public document.

27. Statements by directors on achievability of revenue or profit estimate, forecast, projection or internal targets.

Please refer to the commentary on Note 26.

28. Profit forecast or profit guarantee

The Group has not provided any profit forecast or profit guarantee.

29. Corporate proposal

There is no corporate proposal announced.

30. Changes in material litigation

There was no material litigation against the Group.

31. Dividend payable

Please refer to Note 18 for details.

32. Disclosure on nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

33. Rationale for entering into derivatives

The Group did not enter into any derivatives during current quarter ended 30 September 2017 or the previous financial year ended 31 December 2016.

34. Risks and policies of derivatives

The Group did not enter into any derivatives during the current quarter ended 30 September 2017 or the previous financial year ended 31 December 2016.

35. Disclosure on gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 30 September 2017 and 31 December 2016.

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36. Breakdown of realised and unrealised profits

	As at 30.09.2017	As at 31.12.2016 (Audited)
	RM'000	RM'000
Total retained profits of W T K Holdings Berhad and its subsidiaries:		
- Realised	1,342,898	1,364,631
- Unrealised	<u>(67,810)</u>	<u>(66,575)</u>
	<u>1,275,088</u>	<u>1,298,056</u>
 Total share of (losses)/profits from associates:		
- Realised	(29,696)	(10,979)
- Unrealised	<u>2,328</u>	<u>(3,191)</u>
	<u>(27,368)</u>	<u>(14,170)</u>
 Total share of losses from a joint venture:		
- Realised	<u>-</u>	<u>(244)</u>
 Less: Consolidation adjustments	<u>(225,133)</u>	<u>(224,086)</u>
 Total Group retained profits as per consolidated accounts	<u>1,022,587</u>	<u>1,059,556</u>

37. Auditors report on the preceding annual financial statements

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

BY ORDER OF THE BOARD

TAN MEE LIAN
COMPANY SECRETARY
KUALA LUMPUR
Date: 30 NOVEMBER 2017