

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/01/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2016 RM'000	CURRENT YEAR TO-DATE 31/01/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/01/2016 RM'000
Revenue	255,991	172,375	892,593	757,730
Cost of sales	<u>(215,886)</u>	<u>(146,035)</u>	<u>(755,215)</u>	<u>(619,678)</u>
Gross profit	40,105	26,340	137,378	138,052
Other income	3,395	2,275	12,555	9,900
Operating expenses	(13,661)	(13,919)	(37,037)	(39,325)
Finance costs	<u>(389)</u>	<u>(237)</u>	<u>(1,472)</u>	<u>(1,048)</u>
Profit before tax	29,450	14,459	111,424	107,579
Tax	<u>(6,753)</u>	<u>140</u>	<u>(25,539)</u>	<u>(21,915)</u>
Profit for the period	<u>22,697</u>	<u>14,599</u>	<u>85,885</u>	<u>85,664</u>
Other comprehensive income:				
Cash flow hedge	185	-	185	-
Tax relating to other comprehensive income	(45)	-	(45)	-
Other comprehensive income for the period, net of tax	140	-	140	-
Total comprehensive income for the period	<u>22,837</u>	<u>14,599</u>	<u>86,025</u>	<u>85,664</u>
Profit for the period attributable to :				
Owners of the Company	16,756	12,360	71,315	73,783
Non-controlling interests	<u>5,941</u>	<u>2,239</u>	<u>14,570</u>	<u>11,881</u>
	<u>22,697</u>	<u>14,599</u>	<u>85,885</u>	<u>85,664</u>
Total comprehensive income for the period attributable to :				
Owners of the Company	16,896	12,360	71,455	73,783
Non-controlling interests	<u>5,941</u>	<u>2,239</u>	<u>14,570</u>	<u>11,881</u>
	<u>22,837</u>	<u>14,599</u>	<u>86,025</u>	<u>85,664</u>
Earnings per share (sen) :				
- Basic	5.38	3.97	22.92	23.71
- Diluted	N/A	N/A	N/A	N/A
Dividends per share (sen)	8.00	6.00	20.00	23.00

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2016)

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT QUARTER ENDED 31/01/2017 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	389,461	394,725
Biological assets	81,357	84,989
Land use rights	2,108	2,248
Deferred tax assets	13,300	13,522
	486,226	495,484
Current assets		
Inventories	39,579	43,956
Receivables	29,237	28,431
Prepayments	6,186	5,293
Tax recoverable	2,708	415
Derivative financial asset	185	-
Deposits with licensed banks and other financial institutions	228,139	187,234
Cash and bank balances	57,382	44,241
	363,416	309,570
TOTAL ASSETS	849,642	805,054
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	311,804	311,804
Reserves	283,368	269,717
Treasury shares	(1,626)	(1,558)
	593,546	579,963
Non-controlling interests	80,097	74,250
Total equity	673,643	654,213
Non-current liabilities		
Interest bearing borrowings (secured)	17,555	25,595
Other payables	188	272
Deferred tax liabilities	52,822	51,887
	70,565	77,754
Current liabilities		
Payables and accruals	67,706	51,759
Interest bearing borrowings (secured)	17,560	17,725
Dividend payable	15,560	-
Tax payable	4,608	3,603
	105,434	73,087
Total liabilities	175,999	150,841
TOTAL EQUITY AND LIABILITIES	849,642	805,054
Net assets per share (RM)	1.91	1.86

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2016)

KIM LOONG RESOURCES BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Non-distributable			Distributable						
	Share capital	Share premium	Revaluation reserve	Hedging reserve	Other reserve	Retained profits	Treasury shares			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Year ended										
<u>31 January 2017</u>										
Balance as at 1 February 2016	311,804	6,626	39,170	-	-	223,921	(1,558)	579,963	74,250	654,213
Changes in equity for the year:										
Realisation of revaluation reserve to retained earnings	-	-	(833)	-	-	833	-	-	-	-
Profit or loss	-	-	-	-	-	71,315	-	71,315	14,570	85,885
Other comprehensive income	-	-	-	140	-	-	-	140	-	140
Total comprehensive income for the year	-	-	-	140	-	71,315	-	71,455	14,570	86,025
Dividends	-	-	-	-	-	(56,017)	-	(56,017)	(10,510)	(66,527)
Buy-back of shares	-	-	-	-	-	-	(68)	(68)	-	(68)
Acquisition from non-controlling interests	-	-	-	-	-	(1,787)	-	(1,787)	1,787	-
Total for transactions with owners	-	-	-	-	-	(57,804)	(68)	(57,872)	(8,723)	(66,595)
Balance as at 31 January 2017	<u>311,804</u>	<u>6,626</u>	<u>38,337</u>	<u>140</u>	<u>-</u>	<u>238,265</u>	<u>(1,626)</u>	<u>593,546</u>	<u>80,097</u>	<u>673,643</u>

KIM LOONG RESOURCES BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Non-distributable				Distributable					
	Share capital	Share premium	Revaluation reserve	Hedging reserve	Other reserve	Retained profits	Treasury shares			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Year ended										
<u>31 January 2016</u>										
Balance as at 1 February 2015	311,109	5,505	40,002	-	761	220,271	(1,496)	576,152	73,869	650,021
Changes in equity for the year:										
Realisation of revaluation reserve to retained earnings	-	-	(832)	-	-	832	-	-	-	-
Profit or loss	-	-	-	-	-	73,783	-	73,783	11,881	85,664
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	73,783	-	73,783	11,881	85,664
Dividends	-	-	-	-	-	(71,583)	-	(71,583)	(11,500)	(83,083)
Share-based payment under ESOS	-	-	-	-	95	-	-	95	-	95
Transfer of reserve arising from exercise of ESOS	-	238	-	-	(238)	-	-	-	-	-
Transfer of reserve upon expiry of ESOS	-	-	-	-	(618)	618	-	-	-	-
Issuance of shares pursuant to: - exercise of ESOS	695	890	-	-	-	-	-	1,585	-	1,585
Buy-back of shares	-	-	-	-	-	-	(62)	(62)	-	(62)
Expenses in relation to issuance of shares	-	(7)	-	-	-	-	-	(7)	-	(7)
Total for transactions with owners	695	1,121	-	-	(761)	(70,965)	(62)	(69,972)	(11,500)	(81,472)
Balance as at 31 January 2016	<u>311,804</u>	<u>6,626</u>	<u>39,170</u>	<u>-</u>	<u>-</u>	<u>223,921</u>	<u>(1,558)</u>	<u>579,963</u>	<u>74,250</u>	<u>654,213</u>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2016)

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31/01/2017 RM'000	Year ended 31/01/2016 RM'000
Operating activities		
Cash receipts from customers	893,406	749,675
Rental received	168	183
Interest received	8,973	8,774
Cash paid to suppliers and employees	(738,303)	(644,780)
Cash generated from operations	164,244	113,852
Interest paid	(1,396)	(1,012)
Tax paid	(25,714)	(24,226)
Net cash from operating activities	137,134	88,614
Investing activities		
Net cash effects on disposal of subsidiary company	-	6
Proceeds from disposal of property, plant and equipment	565	638
Acquisition of biological assets and property, plant and equipment	(25,268)	(35,907)
Proceeds from compulsory acquisition	1,317	-
Interest paid	(461)	(1,203)
Net cash used in investing activities	(23,847)	(36,466)
Financing activities		
Proceeds from issuance of shares	-	1,585
Expenses paid in relation to issuance of shares	-	(7)
Repayments of bank borrowings	(7,370)	(6,022)
Dividend paid to shareholders of the Company	(40,458)	(71,583)
Dividend paid to NCI in subsidiary companies	(10,510)	(11,500)
Purchase of treasury shares	(68)	(62)
Net cash used in financing activities	(58,406)	(87,589)
Net increase/(decrease) in cash and cash equivalents	54,881	(35,441)
Cash and cash equivalents at beginning of year	228,620	264,061
Cash and cash equivalents at end of year (Note a)	<u>283,501</u>	<u>228,620</u>
Note a : Cash and cash equivalents at end of year		
Cash and bank balances	57,382	44,241
Deposits with licensed banks and other financial institutions	228,139	187,234
Bank overdrafts	(2,020)	(2,855)
	<u>283,501</u>	<u>228,620</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2016)

KIM LOONG RESOURCES BERHAD

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EXPLANATORY NOTES

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2016.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 January 2016 except for the adoption of the amended FRSs and annual improvements which are relevant to the Group’s operations with effect from 1 February 2016 as set out below:

Annual Improvements to FRSs 2012-2014 Cycle

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to FRS 127: Equity Method in Separate Financial Statements

Amendments to FRS 101: Disclosure Initiative

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The Directors do not expect any material impact on the financial statements arising from adoption of the above standards.

The Group has not elected for early adoption of the following new and amended FRSs, annual improvements and IC Interpretation relevant to the current operations of the Group, which were issued but not yet effective for the financial year ended 31 January 2017:

	Effective for financial 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
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 9 Financial Instruments	1 January 2018
Annual Improvements to FRS Standards 2014-2016 Cycle	
(i) Amendments to FRS 1: First-time Adoption of Financial Reporting Standards	1 January 2018
(ii) Amendments to FRS 12: Disclosure of Interests in Other Entities	1 January 2017
(iii) Amendments to FRS 128: Investments in Associates and Joint Venture	1 January 2018
Amendments to FRS 140: Transfers of Investment Property	1 January 2018

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IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

1 January 2018

Amendments to FRS 10 and FRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred

Malaysian Financial Reporting Standards (MFRS Framework)

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Company falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2019. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group and the Company are in the midst of assessing the impact of adopting the MFRS Framework.

A2. Seasonal or cyclical factors

Based on observation, the production of Fresh Fruit Bunches ("FFB") from our mature estates is normally low during the first quarter of each year and will rise in the second quarter, peak in the third quarter and then slowly decline in the fourth quarter. The production of FFB for the current quarter has dropped by about 5% comparing to the preceding third quarter. The drop was less severe comparing to the average Sabah state yield performance which was down by 16%, mainly contributed by significant recovery of FFB production in the Keningau region in Sabah.

The Group has about 80% of its productive area located in Sabah.

A3. Unusual items

There were no unusual items that have material effects on the assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

A4. Material changes in estimates

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

A5. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the year ended 31 January 2017 except for repurchase of 20,000 ordinary shares of RM1 each of its issued share capital from the open market for a total consideration of RM67,991 at an average price of RM3.37 per share.

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A6. Dividends paid

The gross dividends paid during the current financial year-to-date were as follows:

- (a) A final single tier dividend of 6 sen per ordinary share in respect of the financial year 2016 was paid on 29 August 2016.
- (b) An interim single tier dividend of 7 sen per ordinary share in respect of the financial year 2017 was paid on 21 November 2016.

A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	Year ended		Year ended	
	31/01/2017	31/01/2016	31/01/2017	31/01/2016
	RM'000	RM'000	RM'000	RM'000
Plantation operations	143,285	124,930	65,970	46,894
Milling operations	868,745	738,611	43,776	57,261
	1,012,030	863,541	109,746	104,155
Add/(Less):				
Inter-segment adjustments and eliminations	(119,437)	(105,811)	(1,094)	(41)
	<u>892,593</u>	<u>757,730</u>	108,652	104,114
Less:				
Unallocated expenses			(4,650)	(4,211)
Finance income			8,894	8,724
Finance costs			(1,472)	(1,048)
Profit before tax			<u>111,424</u>	<u>107,579</u>
Tax expenses			(25,539)	(21,915)
Profit for the year			<u>85,885</u>	<u>85,664</u>

A8. Material subsequent events

As at 28 March 2017, there were no material subsequent events that have not been reflected in the financial statements for the current financial period.

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A9. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year-to-date, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except for the following:

- (a) On 18 October 2016, an indirect wholly-owned subsidiary of the Company, Kim Loong Palm Oil Mills Sdn. Bhd. (“KLPOM”), has been allotted with a total of 2,800,000 new ordinary shares of RM1 each fully paid in Sungkit Enterprise Sdn. Bhd. (“SESB”) which were subscribed by KLPOM at par for a total cash consideration of RM2,800,000 (“Transaction”) pursuant to a Renounceable Rights Issue undertaken by SESB.

As a result of the Transaction, KLPOM has increased its equity interest from 70% to 98% in SESB.

A10. Contingent liabilities or Contingent assets

As at 28 March 2017, there were no material changes in contingent liabilities or contingent assets at Group level since the end of last annual reporting period at 31 January 2016. Save for disclosed in Note B9, there were no contingent liabilities or contingent assets, which upon becoming enforceable, may have material effect on the net assets, profits or financial position of our Group.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of the performance of the Company and its principal subsidiaries

The Group recorded a higher revenue and profit before tax (“PBT”) at RM892.59 million and RM111.42 million respectively for the financial year ended 31 January 2017, as compared to RM757.73 million and RM107.58 million respectively for the corresponding period last year.

Performance analysis by segments:

	Revenue			
	Quarter ended		Year-to-date ended	
	31/01/2017	31/01/2016	31/01/2017	31/01/2016
	RM'000	RM'000	RM'000	RM'000
Plantation operations	42,716	27,399	143,285	124,930
Milling operations	248,951	168,245	868,745	738,611
	291,667	195,644	1,012,030	863,541

	Results			
	Quarter ended		Year-to-date ended	
	31/01/2017	31/01/2016	31/01/2017	31/01/2016
	RM'000	RM'000	RM'000	RM'000
Plantation operations	23,627	7,203	65,970	46,894
Milling operations	8,987	8,616	43,776	57,261
	32,614	15,819	109,746	104,155

Plantation operations

The revenue from plantation operations for the current quarter and the year-to-date was 56% and 15% higher as compared to the corresponding periods last year. In terms of profit for the current quarter and year-to-date, the plantation operations recorded higher profit by 228% and 41% respectively as compared to the corresponding periods last year. The remarkable higher profit for the current quarter was mainly due to better FFB price despite marginally lower production.

The FFB production for the current quarter was 64,300 MT which was about the same as 64,400 MT achieved in last year corresponding quarter. For the year-to-date, the FFB production was 251,900 MT which was 16% lower than 299,400 MT in last year corresponding period. The significant drop in production was broadly in line with the national production trend and was likely caused by the El Nino phenomenon.

The plantation operations did not face problem in selling its FFB production as most of the produce was supplied to mills within the Group. The average FFB prices were about 56% and 36% higher for the current quarter and year-to-date respectively comparing to the corresponding periods last year.

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Palm oil milling operations

The revenue from the milling operations for the current quarter and the year-to-date was 48% and 18% higher as compared to the corresponding periods last year. However, the profit recorded for the current quarter was only RM8.99 million which was only 4% higher comparing to the profit achieved in the corresponding period last year. For the year-to-date, the profit of RM43.78 million achieved was 24% lower as compared to RM57.26 million recorded for the last financial year. The drop in profit was partly caused by lower oil extraction rate (“OER”) as well as lower FFB intake arising from competition for crop in view of low FFB production during the current quarter and year-to-date.

Total CPO production for the current quarter and year-to-date were 64,300 MT and 250,200 MT which were 3% and 16% respectively lower than 66,000 MT and 297,200 MT achieved in the corresponding periods last year.

The market condition and demand for the Group’s milling products has been good and steady for the current quarter and year-to-date. The sale of CPO, the main product, for the current quarter and year-to-date were 65,600 MT and 263,700 MT respectively. The average selling prices of CPO for the current quarter and year-to-date were in the region of RM3,050 per MT and RM2,680 per MT respectively which were about 42% and 25% higher comparing to the respective corresponding periods last year.

B2. Comparison of profit before tax for the quarter reported on with the immediate preceding quarter

The PBT for the current quarter was RM29.45 million which was 21% lower than RM37.33 million achieved in the preceding quarter ended 31 October 2016. Despite increase in palm oil prices has benefited plantation operation, the Group still recorded a drop in profit mainly due to drop in margin from the milling operation which was caused by lower OER and stiff competition for crop. The FFB production for the current quarter was 64,300 MT which was about 5% lower than 67,900 MT achieved in the preceding quarter.

As for the milling operations, FFB processed during the current quarter was 297,300 MT which was 7% lower than 319,900 MT recorded in the preceding quarter. The average price of CPO for the current quarter stood at about RM3,050 per MT level which was 13% higher than RM2,690 per MT in the preceding quarter.

B3. Current financial year prospects

For the financial year ending 31 January 2018, we foresee an increase in FFB production from young mature area and FFB yield recovery in Keningau region in where about 50% of the Group’s planted mature area is located. We expect the Group’s FFB production could be potentially 20% higher comparing the quantity achieved in the financial year 2017.

In term of CPO production, despite stiff competition from surrounding mills, we target to achieve FFB intake of 1.20 million MT which is slightly higher than 1.15 million MT achieved in the financial year 2017.

Subject to the fluctuation in the Ringgit currency and volatility of commodity market, we expect the prospect of CPO price to be positive and good.

Based on the above, we expect the Group’s performance for the financial year 2018 to be satisfactory.

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B4. Variance of actual profit from forecast profit and shortfall in profit guarantee

This is not applicable.

B5. Income tax

	Current Quarter Ended 31/01/2017 RM'000	Financial Year-to-date Ended 31/01/2017 RM'000
Malaysian Income Tax		
- Current year	5,209	24,965
- Overprovision in prior year	-	(538)
	5,209	24,427
Deferred tax		
- Current year	1,614	1,390
- Realisation of revaluation surplus on land	(69)	(277)
- Underprovision of liabilities in prior year	1	1
- Underprovision of assets in prior year	(2)	(2)
	1,544	1,112
	<u>6,753</u>	<u>25,539</u>

For the current quarter and the financial year-to-date, the lower effective tax rate is mainly due utilization of tax incentives.

B6. Status of corporate proposals

There is no outstanding corporate proposal as at 28 March 2017.

B7. Group borrowings and debt securities

As at 31 January 2017, the total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	RM'000
Short term borrowings :	
Overdrafts	2,020
Revolving credit	7,500
Term loans	8,040
	<u>17,560</u>
Long term borrowings :	
Term loans	<u>17,555</u>

There were no unsecured interest bearing borrowings as at 31 January 2017.

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B8. Breakdown of realised and unrealised profits or losses of the Group

The breakdown of the retained profits of the Group is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	At as 31/01/2017 RM'000	At as 31/01/2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	312,202	295,408
- Unrealised	(22,538)	(20,937)
	<u>289,664</u>	<u>274,471</u>
Less: Consolidation adjustments	(51,399)	(50,550)
Retained earnings as per consolidated accounts	<u>238,265</u>	<u>223,921</u>

B9. Material litigation

As at 28 March 2017, there were no material litigations against the Group except for the following:

Prior to the acquisition of the subsidiary company, Tetangga Akrab Pelita (Pantu) Sdn. Bhd. (currently known as Winsome Pelita (Pantu) Sdn. Bhd.), announced by the Company on 1 December 2009, there were several legal claims made against that subsidiary company by natives for customary rights to land that subsidiary company has development rights over.

On 18 February 2011, the High Court Civil Suit No. 22-1-2005-I (SG) gave judgment against the subsidiary company was delivered at Kuching High Court, which had been announced to Bursa Securities on 22 February 2011.

On 9 March 2011, the Court of Appeal had granted a stay of execution of the Judgment delivered by the High Court.

The Group has filed an Appeal against the said High Court decision and our Memorandum and Record of Appeal subsequently filed on 11 April 2011. The Appeal was heard on 17 October 2012 but the Court of Appeal reserved Ruling.

On 29 December 2014, more than 2 years after the hearing of the said Appeal, the decision of the Court of Appeal was delivered. Only a summary of the grounds of judgment was read out by the Senior Assistant Registrar and the Court of Appeal dismissed the Appeal. The full ground of judgment was issued on 26 January 2015.

The Group has filed its Appeal against the Court of Appeal Decision to the Federal Court a Notice of Motion for Leave to Appeal and has also filed to the Court of Appeal, a Notice of Motion for an extension of Court of Appeal Order to stay the High Court Judgment in January 2015.

The Federal Court has on 14 January 2016 allowed the subsidiary company's Notice of Motion for Leave to Appeal to the Federal Court against the decision of the Court of Appeal. The Federal Court has heard the Appeal on 7 February 2017 and 27 March 2017 and the Appeal has been adjourned by the Federal Court to 23 May 2017.

The Group has accounted for impairment of assets and provision of liabilities of RM3.1 million.

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B10. Dividend

The Board is pleased to propose a final single tier dividend of 8 sen per share in respect of the financial year ended 31 January 2017 subject to shareholders' approval at the forthcoming 42nd Annual General Meeting.

- (a) (i) amount per share: 8 sen single tier;
 - (ii) previous corresponding period: 6 sen;
 - (iii) date of payment: 29 August 2017; and
 - (iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of the depositors as at 11 August 2017; and
- (b) total dividend for the current financial year: 20 sen single tier per share.

B11. Earnings per share

Basic earnings per share ("Basic EPS")

The Basic EPS is calculated by dividing the profit attributable to the owners of the Company for the current quarter and the financial year by the weighted average number of ordinary shares in issue during the current quarter and the financial year respectively, excluding treasury shares held by the Company:

		Current Quarter Ended 31/01/2017	Financial Year-to-date Ended 31/01/2017
Net profit for the period/year	(RM'000)	<u>16,756</u>	<u>71,315</u>
Weighted average number of ordinary shares in issue	('000)	<u>311,202</u>	<u>311,202</u>
Basic EPS	(sen)	<u>5.38</u>	<u>22.92</u>

Diluted earnings per share ("Diluted EPS")

Not applicable

B12. Audit qualification

The auditors' report of the preceding annual financial statements of the Group did not contain any qualification.

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B13. Profit before tax

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

	Current Quarter Ended 31/01/2017 RM'000	Financial Year-to-date Ended 31/01/2017 RM'000
(a) Interest income	(2,248)	(8,894)
(b) Other income including investment income	(589)	(2,109)
(c) Interest expense	389	1,472
(d) Depreciation and amortization	7,707	30,308
(e) Provision for and write off of receivables	31	31
(f) Provision for and write off of inventories	5	12
(g) Gain or loss on disposal of quoted or unquoted investment or properties	(273)	(319)
(h) Impairment of assets	486	486
(i) Foreign exchange gain or loss	-	-
(j) Gain or loss on derivatives	(284)	(1,233)
(k) Exceptional items	-	-