

TH PLANTATIONS BERHAD

(Incorporated in Malaysia)

(Company No : 12696-M)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

The Directors have pleasure in announcing the unaudited consolidated results for the first quarter ended 31 March 2013.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		UNAUDITED FIRST QUARTER	
		CURRENT YEAR 31.03.13 RM'000	PRECEDING YEAR 31.03.12 RM'000
	Note		
Revenue	18	89,453	95,046
Cost of sales		(57,247)	(56,649)
Depreciation and amortisation		(17,197)	(8,762)
Gross profit		15,009	29,635
Other income		792	1,389
Administrative expenses		(4,577)	(2,759)
Other expenses		(1,248)	(391)
Depreciation		(297)	(245)
Zakat expense		-	(711)
Profit from operations		9,679	26,918
Finance costs		(4,630)	(1,814)
Profit before tax		5,049	25,104
Tax expense	22	1,200	(9,358)
Profit after tax / Total comprehensive income for the quarter		6,249	15,746
Attributable to:			
Owners of the Company		3,209	13,066
Non-Controlling Interests		3,040	2,680
Profit/ Total comprehensive income for the quarter		6,249	15,746
Earnings per share (sen) :			
Basic earnings per share	31	0.44	2.53
Diluted earnings per share	31	0.43	2.44

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.13 RM'000 (unaudited)	As at 31.12.12 RM'000 (audited)
Assets			
Property, plant & equipment		2,028,742	1,673,475
Plantation development expenditure		650,701	558,442
Intangible assets	10	60,276	14,006
Other investment		599	599
Total non-current assets		2,740,318	2,246,522
Inventories		31,323	41,733
Trade and other receivables		196,599	107,256
Prepayments and other assets		4,893	6,242
Cash and cash equivalents		82,446	125,217
Total current assets		315,261	280,448
Total assets		3,055,579	2,526,970
Equity			
Capital reserve		770,559	770,144
Retained earnings		352,151	348,942
Total equity attributable to equity holders of the Company		1,122,710	1,119,086
Non-controlling interests		396,939	393,899
Total equity		1,519,649	1,512,985
Liabilities			
Deferred tax liabilities		339,096	278,366
Loans and borrowings	27	858,711	470,562
Trade and other payables		11,409	11,349
Total non-current liabilities		1,209,216	760,277
Current liabilities			
Trade and other payables		304,805	230,340
Loan and borrowings	27	20,000	20,000
Current tax liabilities		1,909	3,368
Total current liabilities		326,714	253,708
Total liabilities		1,535,930	1,013,985
Total equity and liabilities		3,055,579	2,526,970
Net tangible assets per share (RM)		1.54	1.54

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2013

	Attributable to equity holders of the Company							Total RM'000	
	Non-distributable			Distributable					
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Share Option reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling Interests RM'000	Total RM'000
At 1 January 2012	254,548	39,925	26,245	5,149	325,867	298,149	624,016	194,631	818,647
Profit/ Total comprehensive income for the year	-	-	-	-	-	156,554	156,554	10,982	167,536
Issuance of ordinary shares pursuant to ESOS	5,013	13,258	-	(1,988)	16,283	-	16,283	-	16,283
Issuance of new ordinary shares issued on acquisition of subsidiaries	104,617	431,023	-	-	535,640	-	535,640	-	535,640
Acquisition of subsidiaries	-	-	-	-	-	-	-	192,677	192,677
Adjustments on premium of shares issued on acquisition of subsidiaries	-	-	(108,802)	-	(108,802)	-	(108,802)	-	(108,802)
Share option granted under ESOS	-	-	-	1,156	1,156	-	1,156	-	1,156
Dividends to shareholders of the Company	-	-	-	-	-	(105,761)	(105,761)	-	(105,761)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(4,391)	(4,391)
At 31 December 2012 (audited)	364,178	484,206	(82,557)	4,317	770,144	348,942	1,119,086	393,899	1,512,985
At 1 January 2013	364,178	484,206	(82,557)	4,317	770,144	348,942	1,119,086	393,899	1,512,985
Total comprehensive income for the quarter	-	-	-	-	-	3,209	3,209	3,040	6,249
Issuance of ordinary shares pursuant to ESOS	135	335	-	(55)	415	-	415	-	415
At 31 March 2013 (unaudited)	364,313	484,541	(82,557)	4,262	770,559	352,151	1,122,710	396,939	1,519,649

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUATER ENDED 31 MARCH 2013**

	FOR THE FIRST QUATER ENDED	
	31.03.13 RM'000 (unaudited)	31.03.12 RM'000 (unaudited)
Cash flows from operating activities		
Profit before tax	5,049	25,104
Adjustment for non-cash flow items	17,903	10,596
Operating profit before changes in working capital	<u>22,952</u>	<u>35,700</u>
Changes in working capital		
Net changes in working capital	(84,796)	(46,619)
Cash used in operations	<u>(61,844)</u>	<u>(10,919)</u>
Borrowing cost paid	(1,046)	(2,481)
Profit margin expenses on inter-company payables	-	-
Profit margin income from short term Islamic deposits and inter-company receivables	298	658
Tax paid	(6,354)	(8,113)
Tax refund	1,242	-
Net cash used in operating activities	<u>(67,704)</u>	<u>(20,855)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(41,247)	(6,022)
Net cash acquired arising from acquisition of subsidiaries**	(266,019)	-
Decrease/(increase) in deposits pledged	1,403	-
Plantation development expenditure	(30,468)	(16,883)
Proceed from disposal of property, plant and equipment	-	2
Net cash used in investing activities	<u>(336,331)</u>	<u>(22,903)</u>
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(25,966)	(5,725)
Proceeds from issuance of Murabahah Medium Term Notes	-	50,000
Proceeds from issuance of SUKUK Murabahah	370,000	-
Proceeds from loan drawdown	18,163	-
Proceeds from issuance of new shares pursuant to ESOS	470	11,023
Net cash generated from financing activities	<u>362,667</u>	<u>55,298</u>
Net (decrease)/increase in cash and cash equivalents	<u>(41,368)</u>	<u>11,540</u>
Cash and cash equivalents at beginning of the year	<u>123,764</u>	<u>166,488</u>
Cash and cash equivalents at end of the quarter	<u>82,396</u>	<u>178,028</u>
Cash and cash equivalents comprise:		
Deposits with licensed banks	61,778	109,051
Cash and bank balances	20,668	69,683
	<u>82,446</u>	<u>178,734</u>
Less :		
Deposits pledged	(50)	(706)
	<u>82,396</u>	<u>178,028</u>
**Note:		RM'000
Net cash acquired arising from acquisition of subsidiary-Bumi Suria Ventures Sdn Bhd ("BSV") Note 14 (a)		223,571
Net cash acquired arising from acquisition of subsidiary-Maju Warisanmas Sdn Bhd ("MWM") Note 14 (b)		42,448
		<u>266,019</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

NOTES PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**1 Basis Of Preparation**

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements have been prepared in accordance with the requirements of FRS 134: *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. The 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 year ended 31 December 2012.

2 Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2012.

3 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those applied to the financial statements as at and for the year ended 31 December 2012.

4 Auditors' Report on Preceding Annual Financial Statements

The auditors have expressed an unqualified opinion on the Group's statutory consolidated financial statements for the year ended 31 December 2012 in their report dated 27 February 2013.

5 Seasonal Or Cyclical Factors

The Group's plantation operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices.

6 Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity and net income.

7 Changes In Estimated Amounts Reported In Prior Period Which Have Effect On The Current Period

There were no estimated amounts reported in prior period.

8 Changes In Debt And Equity Securities

During the quarter the company issued:

- (i) RM370 million SUKUK Murabahah ("SUKUK") with maturity periods ranging from 6 to 10 years from the date of issuance at effective profit margin rates ranging from 5.39% to 5.88%.
- (ii) 271,000 new ordinary shares of RM0.50 each being shares exercised by eligible employees pursuant to THP Employee Share Option Scheme ("ESOS") as follows:

Exercise price per share (RM)	1.52	1.74
No. of shares issued ('000)	257	14

Apart from the above, there were no other issuances, cancellations, repurchases, resale of debt and equity securities in the period.

9 Dividends

There were no dividends paid during the first quarter ended 31 March 2013.

10 Intangible assets

	As at 31.03.2013	As at 31.12.2012
	RM'000	RM'000
Cost		
Balance at the beginning of period/year	14,006	-
Acquisition through business combinations (see note 14)	46,270	14,006
Balance at the end of period/year	<u>60,276</u>	<u>14,006</u>
Carrying amounts		
Balance at the beginning of period/year	<u>14,006</u>	<u>-</u>
Balance at the end of period/year	<u>60,276</u>	<u>14,006</u>

The recoverable amount of the cash-generating unit was based on value in use.

Value in use of the company was determined by discounting the future cash flows expected to be generated from the continuing use of the units. Value in use as at 31 March 2013 was based on the following key assumptions:

- o Cash flows was projected based on past experiences, actual operating results and the 25 year business plan. Management believes that this 25-year forecast period was justified due to the long-term nature of the oil palm plantation.
- o A pre-tax discount rate of 10% was applied in determining the recoverable amount of the units. The discount rate was estimated based on an industry average weighted cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the oil palm plantation industry and are based on both external sources and internal historical data.

11 Operating segments

The Group has two reportable segments, which are the Group's strategic business units. For each of the strategic business units, the Chief Executive Officer reviews internal management reports on quarterly basis.

	Plantation	Management	Elimination	Consolidated
	RM'000	Services	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013				
External operating revenue	88,366	3,710	(2,623)	89,453
Inter-segment revenue	12,863	4,338	(17,201)	-
Total operating revenue	101,229	8,048	(19,824)	89,453
Other income	17,929	1	(17,138)	792
	119,158	8,049	(36,962)	90,245
Operating expenses	(81,269)	(5,349)	12,174	(74,444)
Segment results	37,889	2,700	(24,788)	15,801
Other expenses	(12,372)	(1,396)	7,646	(6,122)
Finance costs	(12,371)	-	7,741	(4,630)
Profit before tax	<u>13,146</u>	<u>1,304</u>	<u>(9,401)</u>	<u>5,049</u>

**RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2012**

External operating revenue	90,023	5,023	-	95,046
Inter-segment revenue	2,794	3,014	(5,808)	-
Total operating revenue	92,817	8,037	(5,808)	95,046
Other income	9,732	1	(8,344)	1,389
	102,549	8,038	(14,152)	96,435
Operating expenses	(59,898)	(6,223)	710	(65,411)
Segment results	42,651	1,815	(13,442)	31,024
Other expenses	(4,708)	(1,463)	2,065	(4,106)
Finance costs	(6,613)	-	4,799	(1,814)
Profit before tax	31,330	352	(6,578)	25,104

	Plantation RM'000	Management Services RM'000	Elimination RM'000	Consolidated RM'000
ASSETS AND LIABILITIES AS AT 31 MARCH 2013				
Assets that belong to the Group	4,163,708	15,534	(1,123,663)	3,055,579
Total assets	4,163,708	15,534	(1,123,663)	3,055,579
Liabilities that belong to the Group	2,005,510	8,002	(477,582)	1,535,930
Total liabilities	2,005,510	8,002	(477,582)	1,535,930

ASSETS AND LIABILITIES AS AT 31 DECEMBER 2012				
Assets that belong to the Group	3,623,363	13,986	(1,110,379)	2,526,970
Total assets	3,623,363	13,986	(1,110,379)	2,526,970
Liabilities that belong to the Group	1,484,419	6,790	(477,224)	1,013,985
Total liabilities	1,484,419	6,790	(477,224)	1,013,985

12 Valuation Of Property, Plant And Equipment

There was no valuation of the property, plant and equipment in the current quarter under review except as disclosed in the Note 14.

13 Material Event Subsequent To The Balance Sheet Date

On 20 May 2013, TH Plantations Berhad ("THP") had obtained the shareholders approval on the proposed bonus issue up to 149,730,395 new ordinary shares of RM0.50 each in THP on the basis of one (1) bonus share for every five (5) existing THP shares held on the entitlement date.

14. Changes In The Composition Of The Group

- (a) On 27 February 2013 the Company completed its acquisition of 100% equity interest in BSV for an indicative cash consideration of RM212,504,000. BSV is principally involved in oil palm cultivations.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	As at 27.2.2013 RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	258,395
Plantation development expenditure	117,418
Inventories	838
Trade and other receivables	696
Cash and bank balances	(1,872)
Trade and other payables	(54,218)
Loan and borrowings	(50,852)
Deferred tax liability	(63,355)
Total identifiable net assets	<u>207,050</u>
	As at 27.2.2013 RM'000
Net cash arising from acquisition of subsidiary	
Final adjusted purchase consideration settled in cash and cash equivalents ^{^^}	221,699
Cash and bank balances acquired	<u>1,872</u>
Net cash outflow	<u>223,571</u>
	As at 27.2.2013 RM'000
Intangible assets	
Intangible assets was recognised as a result of the acquisition as follows:	
Total consideration transferred	221,699
Fair value of identifiable net assets	<u>(207,050)</u>
Intangible assets	<u>14,649</u>

Acquisition related costs

The Group incurred acquisition related costs of RM1,098,000 relating to legal fees and due diligence costs. The legal fees and due diligence costs have been included in other expenses in the statement of comprehensive income.

- (b) On 27 February 2013 the Company had completed its acquisition of 100% equity interest in MWM for an indicative cash consideration of RM42,081,000. MWM is principally engaged in the letting of investment property.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	As at 27.2.2013 RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	13,775
Trade and other receivables	430
Cash and bank balances	46
Trade and other payables	(66)
Deferred tax liability	(3,312)
Total identifiable net assets	<u>10,873</u>
	As at 27.2.2013 RM'000
Net cash arising from acquisition of subsidiary	
Final adjusted purchase consideration settled in cash and cash equivalents ^{^^}	42,494
Cash and bank balances acquired	(46)
Net cash outflow	<u>42,448</u>
	As at 27.2.2013 RM'000
Intangible assets	
Intangible assets was recognised as a result of the acquisition as follows:	
Total consideration transferred	42,494
Fair value of identifiable net assets	(10,873)
Intangible assets	<u>31,621</u>

Note:

- ^{^^} Final adjusted purchase consideration was based on adjusted net assets as at 31 January 2013 plus additional plantation development expenditures incurred between 1 June 2012 to 31 January 2013 for non-matured plantations.

Acquisition related costs

The Group incurred acquisition related costs of RM135,000 relating to legal fees and due diligence costs. The legal fees and due diligence costs have been included in other expenses in the statement of comprehensive income.

15 Contingent Liabilities

The Directors are of the opinion that the Group has no contingent liabilities which may have a material impact on the financial position and business of the Group as at 31 May 2013.

16 Capital And Other Commitments Outstanding Not Provided For In The Interim Financial Report

**As at
31.03.2013**

RM'000

Approved and contracted for

44,360

Approved but not contracted for

413,366

457,726

17 Material Related Party Transactions

**For the first
quarter ended
31.03.2013**

Transactions with THP

Transacting Parties	Relationship	Nature of transactions	RM'000
Lembaga Tabung Haji	Holding Corporation	Lease of land	605
Lembaga Tabung Haji	Holding Corporation	Rental of office	483

Transactions with THP Agro Management Sdn Bhd (wholly owned subsidiary of THP)

Transacting Parties	Relationship	Nature of transactions	RM'000
PT. TH Indo Plantations	Related Company	Provision of management services	3,710

Transactions with THP Group

CCM Fertilizers Sdn Bhd	Related Company	Purchase of fertilisers	273
Syarikat Takaful Malaysia	Related Company	Purchase of insurance premium	402
TH Travel Services Sdn Bhd	Related Company	Purchase of flight tickets	296

NOTES PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

18 Review Of Performance

Revenue

The Group's revenue and profits are mainly contributed by its plantation operations.

For the first quarter ended 31 March 2013, the Group recorded revenue of RM89.45 million, compared with RM95.05 million for the same quarter last year. The lower revenue was due to lower average commodity prices despite higher sales volume of CPO, PK and FFB.

		First quarter		Variance	%
		2013	2012		
Sales Volume					
Crude palm oil sales	(Metric tonnes)	32,940	22,055	10,885	49.35
Palm kernel sales	(Metric tonnes)	8,229	6,976	1,253	17.96
FFB sales	(Metric tonnes)	27,577	14,983	12,594	84.06

		First quarter		Variance	%
		2013	2012		
Average realised					
Crude palm oil sales	(RM/tonne)	2,035	3,076	(1,041)	(33.84)
Palm kernel sales	(RM/tonne)	1,115	1,935	(820)	(42.38)
FFB sales	(RM/tonne)	346	579	(233)	(40.24)

Profit before tax

Profit before tax for the quarter ended 31 March 2013 was RM5.05 million, a decrease of 80% as compared to profit before tax of RM25.1 million up to the same quarter last year mainly due:

- (i) Revenue was lower due to lower average commodity prices, despite higher sales volume.
- (ii) Higher estate production cost by RM1.6 million or 5.25% was due to higher production of FFB by 54,646 mt during the quarter. However, on per tonne basis the production cost of FFB was lower by RM 88.42 as compared to same quarter last year.
- (iii) Higher amortisation cost of RM7.5 million of which RM5.7 million resulting from the amortisation of fair value of the nets assets acquired arising from acquisition of new subsidiaries in 2012.
- (iv) Higher administration cost was due to professional, processing fees and other incidental expenses incurred in relation to acquisitions of subsidiaries by RM0.9 million and legal fees amounting to RM0.4 million.
- (v) Higher other operating cost was due to stamp duty expenses incurred in relation of acquisition of new subsidiaries, AGM expenses and donation.
- (vi) Higher finance cost due to additional issuance of SUKUK Murabahah amounting to RM370 million in the current quarter of which RM336.11 million related to acquisition of new subsidiaries.

19 Material Changes In The Quarterly Results Compared To The Preceding Quarter

The comparison of the Group revenue and profit before taxation for the current and preceding quarter is as follows:

		2013	2012		
		Quarter1	Quarter 4	Variance	%
Sales Volume					
Crude palm oil sales	(Metric tonnes)	32,940	36,736	(3,796)	(10.33)
Palm kernel sales	(Metric tonnes)	8,229	8,300	(71)	(0.86)
FFB sales	(Metric tonnes)	27,577	31,131	(3,554)	(11.42)

		2013	2012		
		Quarter1	Quarter 4	Variance	%
Average realised					
Crude palm oil sales	(RM/tonne)	2,035	2,038	(3)	(0.15)
Palm kernel sales	(RM/tonne)	1,115	1,113	2	0.18
FFB sales	(RM/tonne)	346	310	36	11.61

	2013	2012		
	Quarter1	Quarter 4	Variance	%
	RM'000	RM'000	RM'000	%
Revenue	89,453	99,106	(9,653)	(9.7)
Profit before tax	5,049	116,297	(111,248)	(95.7)

Revenue was lower by 9% mainly due to lower sales volume for CPO,PK and FFB as compared to the preceding quarter. Meanwhile profit before tax was lower as compared to the preceding quarter mainly due to lower other income resulting from surplus over fair value on the net assets acquired amounting to RM101 million recognised in the preceding quarter.

During last quarter of 2012, surplus over fair value on the net assets acquired amounting to RM101 million was recognised as a result of the completion of the acquisition of subsidiary companies from Lembaga Tabung Haji. The computation of surplus over fair value of net assets acquired is as follows:

	As at
	23.11.2012
	RM'000
Surplus over fair value of net assets acquired	
Surplus over fair value of net assets acquired was recognised in profit or loss as a result of the acquisition as follows:	
Total consideration transferred	412,781
Non-controlling interests, based on their proportionate interest in the recognised amounts	161,584
Fair value of identifiable net assets	<u>(675,606)</u>
Surplus over fair value of net assets acquired	<u>(101,241)</u>

20 Current Year Prospects**(a) Commentary on Prospects**

Notwithstanding the volatility of commodity prices, the Group is cautiously optimistic in being able to sustain its current performance.

(b) Projection of Targets Previously Announced

On 22 April 2013, the Group announced that its target was to achieve 6.5% return on equity ("ROE"), 20.50 mt/ha FFB yield per matured hectare and to distribute approximately 50% of Group's annual net profit after tax as dividend.

As at 31 March 2013, the Group had achieved 1.15% annualised ROE and the distribution of annual net profit after tax will be done after finalisation of audited financial statements for financial year 2013.

However, the Directors will endeavour to achieve its full year targeted yield per hectare despite the cyclical nature of plantations industry and unforeseen circumstances surrounding the remaining period of the year.

21 Variance Of Actual Profit From Forecast Profit

The Group did not issue any profit forecast for the current quarter.

22 Taxation

	First Quarter	
	Current Year RM'000	Preceding Year RM'000
Current	4,737	8,761
Deferred	(5,937)	597
	<u>(1,200)</u>	<u>9,358</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the quarter.

The effective tax rate of the Group for the quarter under review is lower than its statutory rate as a result of higher deferred tax recognised.

23 Realised and Unrealised Profits

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
Realised	469,289	482,400
Unrealised	35,284	28,230
	<u>504,573</u>	<u>510,630</u>
Less: Consolidation adjustments	(152,422)	(161,688)
Total Group retained earnings as per consolidated interim financial statements	<u>352,151</u>	<u>348,942</u>

The unrealised portion of retained earnings comprise mainly of deferred tax expense.

The determination of realised and unrealised profits is based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

24 Unquoted Investments And/Or Properties

There were no purchases or disposals of unquoted investments for the current quarter under review other than as disclosed in Note 14.

25 Quoted Investments

There were no purchases of quoted investments for the current quarter under review.

26 Status Of Corporate Proposals

On 11 November 2011, the Company had entered into A Conditional Sale and Purchase of Shares Agreement with Indonesian shareholders namely Drs. H. Rajasa Abdurachman and Ir. Badai Sakti Daniel, to acquire 5,580,000 shares of Rp1,000 each held collectively by the sellers in the share capital of PT Persada Kencana Prima ("PKP"), representing 93% of the total issued and fully paid-up share capital of PKP, for a total purchase consideration ("PC") of Rp46,211,960,000. The RM equivalent of the total PC is RM16,822,701 based on the exchange rate as at 10 November 2011 of Rp2,747:RM1.00

The proposal has yet to be completed, pending completion of the last condition precedent, which is the obtaining of the Surat Keputusan Hak Guna Usaha ("SKHGU").

Save as disclosed above, there are no other corporate proposals announced but not completed as at end of the current period under review.

27 Group Borrowings

As at 31 March 2013, the total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
Loans and borrowings		
Non current		
Secured:		
Ijarah Term Financing-i Facility	46,885	28,722
Flexi Term Financing-i	41,826	41,840
Unsecured:		
Murabahah Medium Term Notes ("MMTNs")	200,000	200,000
SUKUK Murabahah Medium Term Notes	570,000	200,000
	<u>858,711</u>	<u>470,562</u>
Current		
Secured:		
Ijarah Term Financing-i Facility	10,000	10,000
Tawarruq Flexi Term Financing-i	10,000	10,000
	<u>878,711</u>	<u>490,562</u>

Maturity analysis

Tenure	Year of maturity	Interest rate %	Amount Non Current RM'000
1-2 years	2014	4.85-6.41	11,650
2-3 years	2015	4.85-6.41	17,050
3-4 years	2016	4.85-6.41	101,000
4-5 years	2017	4.85-6.41	90,826
5-6 years	2018	4.85-6.10	67,000
6-7 years	2019	4.85-5.39	71,185
7-8 years	2020	5.51	75,000
8-9 years	2021	5.62	75,000
9-10 years	2022	5.75	75,000
10-11 years	2023	5.88	75,000
11-12 years	2024	-	-
12-13 years	2025	-	-
13-14 years	2026	-	-
14-15 years	2027	6.6	200,000
			<u>858,711</u>

28 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

29 Material Litigation

**(a) The Kuching High Court Suit No. 21-2-2010-II ('Ngawai Case');
The Sri Aman High Court Suit No. SA-22-1-2011-I ('Agnes Case'); and
The Sri Aman High Court Suit No. SRA-21-1/3-2012 ('Antas Case')**

On 6 March 2013, our Company announced that the counsels for the Plaintiffs and the 1st Defendant of Nyawai Case had tendered written submissions on the Plaintiff's application to amend their pleadings to the High Court.

On 23 April 2013, our Company announced that the High Court had allowed the Plaintiff's application to amend their pleadings in the Statement of Claim with no order as to cost. The Plaintiff shall file and serve their amended Statement of Claim to the respective parties accordingly.

The Court has also fixed the trial for the above action to commence from 28 October 2013 till 8 November 2013.

In relation to the Gazetted Lands, the Company is presently looking at various options in resolving the issues out of court.

(b) Kuala Lumpur High Court Suit No. 22NCVC-1210-10-2012

On 18 March 2013, our Company announced that it had been served with a Notice of Appeal dated 15 March 2013 ("Notice of Appeal") whereby the Plaintiff is appealing to the Court of Appeal against the decision of the High Court to strike out the Civil Suit ("Plaintiff's Appeal"). The Court of Appeal had subsequently fixed the matter for Case Management on 23 April 2013.

On 23 April 2013, the Court of Appeal had fixed the Plaintiff's Appeal for Hearing on 9 July 2013.

(c) The Kuching High Court Suit No. 22-249-98-III(I)

On 11 April 2013, our Company announced that the CoA has granted TH PELITA Gedong and TH PELITA Sadong an Order to Intervene and has fixed the date of hearing of the appeal proper on 28 August 2013.

(d) The Kuching High Court Suit No. 22-134/6-2012

The Court has fixed the matter for Pre-Trial Case Management on 19 April 2013 and further adjourned to 17 June 2013. On 18 April 2013, our Company announced that the solicitors for TH PELITA Sadong Sdn Bhd and TH PELITA Gedong have been served by the Defendants with a Notice of Application to Strike Out the Plaintiffs' Writ of Summons and Statement of Claim. The Hearing for the said Notice of Application is fixed on 27 May 2013.

Notwithstanding the aforesaid legal suits and following the dismissal of the stay of execution on 24 September 2012, TH PELITA Gedong was considering options suggested by the State Attorney-General of Sarawak for resolving the problem arising from the claims of the natives whilst the appeal process is continuing. One of the options was to apply for a Lease of State Land in respect of the Gedong Land (including the Surveyed Area). In the meantime, actions may be taken in accordance with the Sarawak Land Code, to extinguish the rights of the natives over the Surveyed Area, subject to payment of compensation to the rightful/lawful claimants of the Native Customary Land.

(e) The Kuching High Court Civil Suit No. 22-43-2002-I

The 3rd and 4th Defendants had on 29 March 2011 obtained an order for a stay of execution of the judgment. On 31 March 2011, the 3rd and 4th Defendants had filed an appeal to the Court of Appeal ("CoA").

Notwithstanding that TH PELITA Sadong is not the party to the suit and in order to protect TH PELITA Sadong's assets and interest, on 16 April 2012 TH PELITA Sadong has successfully obtained a leave from the CoA to intervene. The Court of Appeal has further fixed the appeal on 12 April 2013, which was subsequently adjourned to 29 August 2013.

30 Dividend

No dividend has been proposed for the current quarter under review.

31 Earnings Per Share

		UNAUDITED	AUDITED
		First Quarter	Preceding
		Current	Year
		Year	Year
(i)	<i>Basic earnings per share</i>		
	(Loss)/ Profit attributable to shareholders	RM'000	
		<u>3,209</u>	<u>13,066</u>
	Weighted average number of ordinary shares in issue	'000	
		<u>728,626</u>	<u>515,742</u>
	Basic earnings per share	sen	
		<u>0.44</u>	<u>2.53</u>
(ii)	<i>Diluted earnings per share</i>		
	(Loss)/ Profit attributable to shareholders	RM'000	
		<u>3,209</u>	<u>13,066</u>
	Weighted average number of ordinary shares in issue	'000	
		<u>728,626</u>	<u>515,742</u>
	Effect of dilution (ESOS outstanding)	'000	
		<u>14,351</u>	<u>19,107</u>
	Adjusted weighted average number of ordinary shares in issue	'000	
		<u>742,977</u>	<u>534,849</u>
	Diluted earnings per share	sen	
		<u>0.43</u>	<u>2.44</u>

32 Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 31 May 2013.

By Order of the Board
Aliatun binti Mahmud
LS0008841
Secretary

Kuala Lumpur
31 May 2013