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 QUARTERLY REPORT – First Quarter Ended 31 March 2017
 

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the quarter ended 31 March 2017

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 31 March</i>		<i>3 months ended 31 March</i>	
	<b>2017 RM'000</b>	<b>2016 RM'000</b>	<b>2017 RM'000</b>	<b>2016 RM'000</b>
<i>In thousand of RM</i>				
<b>Continuing operations</b>				
<b>Revenue</b>	<b>105,179</b>	<b>142,259</b>	<b>105,179</b>	<b>142,259</b>
Cost of sales	(87,015)	(118,224)	(87,015)	(118,224)
<b>Gross profit</b>	<b>18,164</b>	<b>24,035</b>	<b>18,164</b>	<b>24,035</b>
Other income	31	155	31	155
Administrative expenses	(3,803)	(3,690)	(3,803)	(3,690)
<b>Results from operating activities</b>	<b>14,392</b>	<b>20,500</b>	<b>14,392</b>	<b>20,500</b>
Finance income	770	1,142	770	1,142
Finance expense	(117)	(101)	(117)	(101)
Net finance income	653	1,041	653	1,041
<b>Profit before tax</b>	<b>15,045</b>	<b>21,541</b>	<b>15,045</b>	<b>21,541</b>
Income tax expense	(3,754)	(5,286)	(3,754)	(5,286)
<b>Profit for the period</b>	<b>11,291</b>	<b>16,255</b>	<b>11,291</b>	<b>16,255</b>
<b>Other comprehensive income, net of tax</b>	-	-	-	-
<b>Profit and total comprehensive income for the period</b>	<b>11,291</b>	<b>16,255</b>	<b>11,291</b>	<b>16,255</b>
<b>Profit and total comprehensive income attributable to:</b>				
<b>Owners of the Company</b>	<b>11,271</b>	<b>16,255</b>	<b>11,271</b>	<b>16,255</b>
<b>Non-controlling Interests</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>-</b>
<b>Profit and total comprehensive income for the period</b>	<b>11,291</b>	<b>16,255</b>	<b>11,291</b>	<b>16,255</b>
<b>Earnings per share from continuing operations</b>				
Basic/Diluted earnings per ordinary share (sen)	2.05	2.96	2.05	2.96

The notes set out on pages 5 to 11 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016




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**QUARTERLY REPORT – First Quarter Ended 31 March 2017**


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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at 31 March 2017

*In thousand of RM*

	<b>31 March 2017 RM'000</b>	<b>31 December 2016 RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	157,146	153,425
Investment properties	8,460	8,551
Land held for property development	165,425	162,977
<b>Total non-current assets</b>	<b>331,031</b>	<b>324,953</b>
Inventories	23,854	25,629
Property development costs	149,690	141,214
Trade and other receivables	274,421	284,690
Deposits and prepayments	2,630	3,240
Current tax refundable	4,398	4,696
Cash and bank balances	75,234	88,482
<b>Total current assets</b>	<b>530,227</b>	<b>547,951</b>
<b>TOTAL ASSETS</b>	<b>861,258</b>	<b>872,904</b>
<b>EQUITY</b>		
Share capital	118,700	116,535
Capital redemption reserves	-	2,165
Retained earnings	631,542	620,271
Treasury shares	(37,859)	(37,859)
<b>Total equity attributable to owners of the Company</b>	<b>712,383</b>	<b>701,112</b>
<b>Non-controlling interests</b>	<b>3,056</b>	<b>3,036</b>
<b>TOTAL EQUITY</b>	<b>715,439</b>	<b>704,148</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	14,037	14,342
<b>Total non-current liabilities</b>	<b>14,037</b>	<b>14,342</b>
Loans and borrowings	8,604	6,802
Trade and other payables	123,178	147,555
Current tax payable	-	57
<b>Total current liabilities</b>	<b>131,782</b>	<b>154,414</b>
<b>TOTAL LIABILITIES</b>	<b>145,819</b>	<b>168,756</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>861,258</b>	<b>872,904</b>
<b>Net Assets Per Share Attributable to Ordinary Equity Owners (RM)</b>	<b>1.30</b>	<b>1.28</b>

The notes set out on pages 5 to 11 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016




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**QUARTERLY REPORT – First Quarter Ended 31 March 2017**


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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the period ended 31 March 2017

<i>In thousand of RM</i>	Period ended 31 March	
	2017 RM'000	2016 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation from continuing operations	15,045	21,541
<i>Adjustments for:-</i>		
Non-cash items	2,963	2,290
Non-operating items	(450)	(735)
<b>Operating profit before changes in working capital</b>	<b>17,558</b>	<b>23,096</b>
Change in inventories	1,774	(1,030)
Change in property development costs	(8,472)	3,066
Change in trade and other receivables, deposits and prepayments	21,287	37,734
Change in trade and other payables	(34,623)	(11,532)
<b>Cash (used in)/generated from operations</b>	<b>(2,476)</b>	<b>51,334</b>
Overdraft interest paid	-	-
Interest received	491	722
Income taxes paid	(3,816)	(6,754)
<b>Net cash (used in)/generated from operating activities</b>	<b>(5,801)</b>	<b>45,302</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(6,800)	(6,367)
Proceeds from disposal of property, plant & equipment	-	72
Land held for property development	(2,448)	(1,654)
(Placement)/Withdrawal of FDs with original maturities exceeding three months	2,938	(11)
<b>Net cash used in investing activities</b>	<b>(6,310)</b>	<b>(7,960)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to owners of the Company	-	-
Proceeds from loans and borrowings	2,038	-
<b>Net cash generated from financing activities</b>	<b>2,038</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10,073)</b>	<b>37,342</b>
<b>Cash and cash equivalents at 1 January 2017 / 1 January 2016</b>	<b>84,938</b>	<b>94,606</b>
<b>Cash and cash equivalents at 31 March 2017 / 31 March 2016</b>	<b>74,865</b>	<b>131,948</b>

**Cash and cash equivalents**

Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise the following amounts in condensed consolidated statements of financial position:

<i>In thousand of RM</i>	Period ended 31 March	
	2017 RM'000	2016 RM'000
<b>Cash and bank balances</b>	<b>34,515</b>	<b>95,878</b>
<b>Deposits placed with licensed banks</b>	<b>40,719</b>	<b>36,428</b>
<b>Total</b>	<b>75,234</b>	<b>132,306</b>
<b>Fixed deposits with original maturities exceeding three months</b>	<b>(369)</b>	<b>(358)</b>
	<b>74,865</b>	<b>131,948</b>

The notes set out on pages 5 to 11 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016



## QUARTERLY REPORT – First Quarter Ended 31 March 2017

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the period ended 31 March 2017

	----- Attributable to owners of the Company -----						NON- CONTROLLING INTERESTS	TOTAL EQUITY
	----- Non-distributable -----		----- Distributable -----		TOTAL			
	SHARE CAPITAL	CAPITAL REDEMPTION RESERVES	TREASURY SHARES	RETAINED EARNINGS		RM'000		
<i>In thousand of RM</i>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Period ended 31 March 2017</b>								
At 1 January 2017	116,535	2,165	(37,859)	620,271	701,112	3,036	704,148	
Profit and total comprehensive income for the period	-	-	-	11,271	11,271	20	11,291	
Transfer in accordance with Section 618(2) of the CA 2016*	2,165	(2,165)	-	-	-	-	-	
Treasury shares, at cost	-	-	-	-	-	-	-	
<b>At 31 March 2017</b>	<b>118,700</b>	<b>-</b>	<b>(37,859)</b>	<b>631,542</b>	<b>712,383</b>	<b>3,056</b>	<b>715,439</b>	
<b>Period ended 31 March 2016</b>								
At 1 January 2016	116,535	2,165	(37,859)	577,038	657,879	-	657,879	
Profit and total comprehensive income for the period	-	-	-	16,255	16,255	-	16,255	
Treasury shares, at cost	-	-	-	-	-	-	-	
<b>At 31 March 2016</b>	<b>116,535</b>	<b>2,165</b>	<b>(37,859)</b>	<b>593,293</b>	<b>674,134</b>	<b>-</b>	<b>674,134</b>	

\* Pursuant to Section 74 of the new Companies Act 2016 ("the Act"), the Company's shares no longer have par or nominal value with effect from 31 January 2017. In accordance with the transitional provision set out in Section 618(2) of the Act, any amount standing to the credit of the Company's capital redemption reserve account has become part of the Company's share capital.

Notwithstanding this provision, the Company has twenty-four (24) months upon the commencement of the Act to utilise the amount standing to the credit of its capital redemption reserve of RM2,165,500 for purposes as set out in Section 618(3) of the Act.

There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. During the financial period, the Company has not utilised any of the credit in the capital redemption reserve account which is now part of share capital.

The notes set out on pages 5 to 11 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016



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## QUARTERLY REPORT – First Quarter Ended 31 March 2017

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### NOTES TO THE INTERIM FINANCIAL REPORT

For the quarter ended 31 March 2017

#### 1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Financial Reporting Standard (FRS) 134, Interim Financial Reporting issued by Malaysian Accounting Standard Board. They do not include all the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016.

#### 2. Significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies applied in the 2016 financial statements except for the adoption of the new and revised FRSs, IC Interpretations and Amendments that are applicable to the Group for the financial period beginning 1 January 2017. The adoption of these FRSs, interpretations and amendments does not have any material impact on the financial statements of the Group.

The Group falls within the scope of IC interpretation 15, *Agreements for the Construction of Real Estate*. Therefore the Group is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) and is referred to as a “Transitioning Entity”. Being a Transitioning Entity, the Group and the Company will adopt the MFRS and present its first set of MFRS financial statements when adoption of the MFRS is mandated by the Malaysian Accounting Standard Board (MASB).

On 2 September 2014, MASB has announced that a Transitioning Entity shall apply the MFRS Framework for annual periods beginning on or after 1 January 2017. On 8 September 2015, MASB further announced that a Transitioning Entity shall apply the MFRS Framework for annual periods beginning on or after 1 January 2018, following the recent press release by the International Accounting Standards Board (IASB) confirming a one-year deferral of IFRS 15 Revenue from Contracts with Customers. The Group is currently assessing the financial impact of adopting MFRS for annual periods beginning on or after 1 January 2018.

#### 3. Seasonality and Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors except that the level of construction activities in the first quarter of the year and during rainy season is generally lower.

#### 4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period to date.

#### 5. Changes in estimates

There were no changes in estimates reported in prior financial years that have a material effect in the current interim period.

#### 6. Debt and Equity Securities etc

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

##### Share Buy Back

During the current quarter under review, the Company did not buy back any shares.

As at 31 March 2017, the number of treasury shares held were 33,158,781 shares at a total cost of RM37,858,954 and all the repurchase transactions were financed by internally generated funds. None of the shares purchased back was resold or cancelled during the quarter under review.




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**QUARTERLY REPORT – First Quarter Ended 31 March 2017**


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**7. Operating Segment**

The Group has two reportable segments, as described below, which are the Group's strategic units.

Construction : Marine and civil engineering works and construction  
 Property development : Development of residential and commercial properties

	<b>Construction</b>	<b>Property Development</b>	<b>Other non-Reportable segment</b>	<b>Inter-Segment elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>For the period ended 31 March 2017</b>					
<i>In thousand of RM</i>					
<b>Segment profit</b>					
<i>Revenue from external customers</i>	99,056	14,119	-	(7,996)	105,179
<i>Segment profit before tax, interest, depreciation and other material non-cash items</i>	13,173	4,205	(10)	2	17,370
<i>Depreciation</i>	(2,863)	(9)	(106)	-	(2,978)
<i>Interest income from bank balances</i>	396	7	39	-	442
<i>Interest income from other financial assets</i>	328	-	-	-	328
<i>Interest expense on bank balances</i>	-	-	-	-	-
<i>Interest expense on other financial liabilities</i>	(117)	-	-	-	(117)
<b>Segment profit before tax</b>	<b>10,917</b>	<b>4,203</b>	<b>(77)</b>	<b>2</b>	<b>15,045</b>
<i>Income tax expense</i>					(3,754)
<b>Profit for the period</b>					<b>11,291</b>
<b>Segment assets</b>	499,622	322,542	49,867	(10,773)	861,258
<b>Segment liabilities</b>	121,282	31,631	3,483	(10,577)	145,819

	<b>Construction</b>	<b>Property Development</b>	<b>Other non-Reportable segment</b>	<b>Inter-Segment elimination</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>For the period ended 31 March 2016</b>					
<i>In thousand of RM</i>					
<b>Segment profit</b>					
<i>Revenue from external customers</i>	120,932	21,327	-	-	142,259
<i>Segment profit before tax, interest, depreciation and other material non-cash items</i>	15,079	8,051	(17)	3	23,116
<i>Depreciation</i>	(2,522)	(3)	(91)	-	(2,616)
<i>Interest income from bank balances</i>	554	14	147	-	715
<i>Interest income from other financial assets</i>	427	-	-	-	427
<i>Interest expense on bank balances</i>	-	-	-	-	-
<i>Interest expense on other financial liabilities</i>	(101)	-	-	-	(101)
<b>Segment profit before tax</b>	<b>13,437</b>	<b>8,062</b>	<b>39</b>	<b>3</b>	<b>21,541</b>
<i>Income tax expense</i>					(5,286)
<b>Profit for the period</b>					<b>16,255</b>
<b>Segment assets</b>	529,896	240,813	47,760	(267)	818,202
<b>Segment liabilities</b>	135,359	7,632	1,143	(66)	144,068

The activities of the Group are carried out in Malaysia and as such, segmental reporting by geographical locations is not presented.

**8. Dividend Paid**

There was no dividend paid during the quarter ended 31 March 2017.

**9. Subsequent Material Events**

There was no material events subsequent to the end of the period reported on till the date of this quarterly report.



QUARTERLY REPORT – First Quarter Ended 31 March 2017

**10. Changes in the Composition of the Group**

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

**11. Contingent Liabilities**

There were no contingent liabilities in respect of the Group that have arisen since 31 March 2017 till the date of this quarterly report.

**12. Property, plant and equipment**

The acquisitions and disposals of property, plant and equipment for the period ended 31 March 2017 were as follows:-

<i>In thousand of RM</i>	<u>3 months ended 31 March</u>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Acquisitions of property, plant and equipment, at cost	6,800	6,367
Disposals of property, plant and equipment, at carrying amount	<u>188</u>	<u>52</u>

**13. Commitment**

The amount of commitment not provided for in the interim financial report as at 31 March 2017 were as follows:-

<i>In thousand of RM</i>	<u>As at 31 March</u>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Acquisition of property, plant and equipment		
Approved and contracted for	6,976	7,652
Approved but not contracted for	<u>43,797</u>	<u>57,263</u>
	<u>50,773</u>	<u>64,915</u>

**14. Recurrent Related Party Transactions**

The aggregate gross value of significant recurrent related party transactions for the period ended 31 March 2017 were as follows:-

<i>In thousand of RM</i>	<u>3 months ended 31 March</u>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Aggregate gross value of significant recurrent related party transactions	<u>15,682</u>	<u>12,194</u>

The significant related party transactions comprise transactions with companies controlled by or connected to certain substantial shareholders and/or Directors of the Company, namely Yii Chi Hau, Yu Chee Hoe, Yii Chee Sing, Lau Kiing Kang, Lau Kiing Yieing and Estate of the Late Yu Chee Lieng.

The above transactions have been entered into in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public.

**15. Key Management Personnel Compensation**

<i>In thousand of RM</i>	<u>3 months ended 31 March</u>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors' compensation	840	701
Other key management personnel compensation	<u>855</u>	<u>873</u>



QUARTERLY REPORT – First Quarter Ended 31 March 2017

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA’S LISTING REQUIREMENTS**

For the quarter ended 31 March 2017

**16. Review of Performance**

The Group derives revenue from construction and property development activities.

Revenue for the quarter under review is RM105.18 million, a decrease of 26% as compared to the preceding year corresponding quarter’s figure of RM142.26 million. The construction segment contributed RM91.06 million (87%) whilst the property development segment registered a contribution of RM14.12 million (13%) to the Group’s revenue during the quarter.

The net profit before tax of the Group for the current quarter is RM15.05 million, a decrease of 30% as compared to RM21.54 million for the preceding year’s corresponding quarter.

The changes in revenue and net profit before tax were contributed by the following segments:

Construction segment: For the 3-month period ended 31 March 2017, the revenue and net profit before tax are RM91.06 million and RM10.94 million compared to the previous year’s corresponding quarter figures of RM120.93 million and RM13.57 million respectively. The revenue for the current quarter has decreased by 25% as compared to the previous year’s corresponding quarter while profit before tax has decreased by 19%. The lower revenue was due to timing of progress claims for construction works as major contract works are at their initial stages of execution. The profit margin for the works executed during the period remained stable.

Property development segment: For the 3-month period ended 31 March 2017, the revenue and net profit before tax are RM14.12 million and RM4.11 million compared to the previous year’s corresponding quarter figures of RM21.33 million and RM7.97 million respectively. Revenue recorded during the current quarter was lower compared to 2016 while margin has decreased due to higher cost and the type/mix of properties sold.

**17. Variation of Results against Immediate Preceding Quarter**

The net profit before tax of the Group for the current quarter is RM15.05 million compared to RM15.68 million for the immediate preceding quarter on the back of the Group’s revenue of RM105.18 million and RM113.21 million respectively.

**18. Current Year Prospects**

Despite a record order book of RM2.8 billion in hand, the Group will continue to bid for projects that are related to our core business in infrastructure works. Such additional procurement shall be undertaken in keeping with our prudent project management strategies, taking due consideration of the capacity and capabilities of the Group. The Sarawak Corridor of Renewable Energy (SCORE) initiative as well as the forces of industrialisation and urbanization provides further contract opportunities for HSL in the key SCORE growth node towns of Tanjung Manis, Mukah and Samalaju and the major cities of Sarawak. HSL foresees the property development segment, with a variety of products on offer, will make a greater impact on the business of HSL Group in 2017.

**19. Actual profit vs forecast profit / Profit guarantee**

This note is not applicable, as no profit forecast was published and the Group is not required to give any profit guarantee.

**20. Income Tax Expense**

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		3 months ended 31 March	
	2017	2016	2017	2016
<i>In thousand of RM</i>	RM’000	RM’000	RM’000	RM’000
Current Tax Expense - Malaysian				
Current quarter/period	4,059	5,515	4,059	5,515
Deferred Tax Expense - Malaysian				
Current quarter/period	(305)	(229)	(305)	(229)
<b>Income tax expense</b>	<b>3,754</b>	<b>5,286</b>	<b>3,754</b>	<b>5,286</b>





QUARTERLY REPORT – First Quarter Ended 31 March 2017

**Reconciliation of effective tax expense**

Profit for the quarter/period	11,291	16,255	11,291	16,255
Total income tax expense	3,754	5,286	3,754	5,286
Profit before taxation	15,045	21,541	15,045	21,541
Income tax using Malaysian tax rates	3,610	5,170	3,610	5,170
Non-deductible expenses	144	116	144	116
Over provision in prior year	-	-	-	-
<b>Income tax expense</b>	<b>3,754</b>	<b>5,286</b>	<b>3,754</b>	<b>5,286</b>

**21. Status of Corporate Proposals**

There was no corporate proposal announced but not completed at the date of this quarterly report.

**22. Group Borrowings and Debt Securities**

The Group has short term borrowings as at 31 March 2017 as follows:-

<i>In thousand of RM</i>	<b>As at 31 March</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
Unsecured - Banker Acceptance	8,604	-
- Bank Overdraft	-	-
	<b>8,604</b>	<b>-</b>

**23. Material Litigation**

On 19 December 2016, HSL has been served as a nominee defendant (as the fifth defendant) through its solicitor, Idris & Company Advocates, an Originating Summons from Yii Chee Ming.

The other parties in the Originating Summons are Dato Yu Chee Hoe (first defendant), Tony Yu Yuong Wee (second defendant), Lau Kiing Kang (third defendant) and Lau Kiing Yiing (fourth defendant) who are also the directors of HSL. The Originating Summons concerns the issues of disclosure to the relevant authorities by the first, second, third and fourth defendants pertaining to the acquisition and disposal of shares (by himself/their spouses or company connected to himself) in HSLE (the holding company of HSL). The Originating Summons also seeks for the removal of the first, second, third and fourth defendants as directors of the Company. There is no order against the Company.

On 16 January 2017, the Company has filed an application in the High Court of Kuching to strike out the said Originating Summons. On 20 April 2017, the High Court of Kuching had dismissed the striking out application of the above Originating Summons by the Defendants. The Board of Directors of the Company was dissatisfied with the whole of the decision given in the High Court in Sabah and Sarawak at Kuching on 20 April 2017 in dismissing the Defendants' application to strike out the Originating Summons dated 13 December 2016. On 2 May 2017, the Defendants had appealed to the Court of Appeal Malaysia against the whole of the said decision of the High Court made on 20 April 2017. Further, the High Court of Kuching had on 9 May 2017 directed the Defendants to file their affidavits before 19 May 2017 and the Plaintiff to file their affidavits before 29 May 2017. The High Court of Kuching further directed the parties to exchange submissions on 5 June 2017, replies on 12 June 2017 and the Court will deliver its ruling on 19 June 2017.

**24. Dividend**

The shareholders have approved the final single-tier exempt dividend of 1.4 sen per ordinary share for the financial year ended 31 December 2016 at the Annual General Meeting held on 25 May 2017. The entitlement date for the dividend shall be 9 June 2017 and the dividend shall be paid on 23 June 2017.




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**QUARTERLY REPORT – First Quarter Ended 31 March 2017**


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**25. Earnings per Share**

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		3 months ended 31 March	
	2017	2016	2017	2016
Net profit attributable to ordinary owners of the Company (RM'000)	11,271	16,255	11,271	16,255
Weighted average number of ordinary shares ('000)	549,517	549,517	549,517	549,517
Basic earnings per share (sen)	2.05	2.96	2.05	2.96

**26. Profit before tax**

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

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		3 months ended 31 March	
<i>In thousand of RM</i>	2017 RM,000	2016 RM,000	2017 RM,000	2016 RM,000
Interest income from bank balances	442	715	442	715
Interest income from other financial assets	328	427	328	427
Other income including investment income	27	75	27	75
Interest expense on bank balances	-	-	-	-
Interest expense on other financial liabilities	117	101	117	101
Depreciation and amortization	2,978	2,616	2,978	2,616
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of properties, plant and equipment	-	20	-	20
Gain/(loss) on disposal of investments	-	-	-	-
Impairment/(Reversal of impairment) of financial assets	(164)	47	(164)	47
Foreign exchange gain/(loss)	3	(5)	3	(5)
Gain/(loss) on derivatives	-	-	-	-
Exceptional item	-	-	-	-

**27. Derivative Financial Instruments**

There were no derivative financial instruments as at 31 March 2017.

**28. Gains/Losses arising from fair value changes of financial liabilities**

There were no gains or losses arising from fair value changes of the financial liabilities for the current quarter and financial period ended 31 March 2017.



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**QUARTERLY REPORT – First Quarter Ended 31 March 2017**

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**29. Disclosure of realised and unrealised profits**

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to the directive of Bursa Securities Malaysia Berhad, is as follows:

<i>In thousand of RM</i>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	647,068	608,325
- Unrealised	(15,208)	(14,765)
	631,860	593,560
Less : Consolidation adjustments	(318)	(267)
Total retained earnings as per consolidated financial statements	631,542	593,293

The determination of realised and unrealised profits or losses is based on the Guidance on 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 the Malaysian Institute of Accountants on 20 December 2010.

**30. Audit Report**

The auditors have expressed an unqualified opinion on the Group's and Company's statutory financial statements for the year ended 31 December 2016 in their report dated 31 March 2017.

**31. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2017.

Issue Date: 25 May 2017