



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 31 December 2017

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 31 December</i>		<i>Year ended 31 December</i>	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<i>In thousand of RM</i>				
Continuing operations				
Revenue	168,009	113,205	505,907	498,546
Cost of sales	(143,270)	(92,118)	(428,743)	(409,577)
Gross profit	24,739	21,087	77,164	88,969
Other income	94	12	431	307
Administrative expenses	(5,416)	(5,975)	(16,857)	(17,361)
Results from operating activities	19,417	15,124	60,738	71,915
Finance income	381	699	2,280	3,685
Finance expense	(102)	(138)	(389)	(426)
Net finance income	279	561	1,891	3,259
Profit before tax	19,696	15,685	62,629	75,174
Income tax expense	(5,003)	(3,920)	(16,015)	(18,716)
Profit for the quarter/year	14,693	11,765	46,614	56,458
Other comprehensive income, net of tax	-	-	-	-
Profit and total comprehensive income for the quarter/year	14,693	11,765	46,614	56,458
Profit and total comprehensive income attributable to:				
Owners of the Company	14,673	11,746	46,531	56,422
Non-controlling Interests	20	19	83	36
Profit and total comprehensive income for the quarter/year	14,693	11,765	46,614	56,458
Earnings per share from continuing operations				
Basic/Diluted earnings per ordinary share (sen)	2.67	2.14	8.47	10.27

The notes set out on pages 5 to 12 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



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

In thousand of RM

	31 December 2017 RM'000	31 December 2016 RM'000
ASSETS		
Property, plant and equipment	161,904	153,425
Investment properties	30,078	8,551
Land held for property development	171,262	162,977
Total non-current assets	363,244	324,953
Inventories	25,497	25,629
Property development costs	157,537	141,214
Trade and other receivables	337,759	284,690
Deposits and prepayments	14,692	3,240
Current tax refundable	3,932	4,696
Cash and bank balances	72,108	88,482
Total current assets	611,525	547,951
TOTAL ASSETS	974,769	872,904
EQUITY		
Share capital	118,700	116,535
Capital redemption reserves	-	2,165
Retained earnings	653,614	620,271
Treasury shares	(37,859)	(37,859)
Total equity attributable to owners of the Company	734,455	701,112
Non-controlling interests	3,119	3,036
TOTAL EQUITY	737,574	704,148
LIABILITIES		
Loans and borrowings	10,533	-
Deferred tax liabilities	14,461	14,342
Total non-current liabilities	24,994	14,342
Loans and borrowings	15,000	6,802
Trade and other payables	197,176	147,555
Current tax payable	25	57
Total current liabilities	212,201	154,414
TOTAL LIABILITIES	237,195	168,756
TOTAL EQUITY AND LIABILITIES	974,769	872,904
Net Assets Per Share Attributable to Ordinary Equity Owners (RM)	1.34	1.28

The notes set out on pages 5 to 12 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



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 31 December 2017

<i>In thousand of RM</i>	Year ended 31 December	
	2017 RM'000	2016 RM'000
Cash flows from operating activities		
Profit before taxation from continuing operations	62,629	75,174
<i>Adjustments for:-</i>		
Non-cash items	12,262	10,784
Non-operating items	(1,535)	(2,569)
Operating profit before changes in working capital	73,356	83,389
Change in inventories	131	(6,567)
Change in property development costs	(16,408)	(22,631)
Change in trade and other receivables, deposits and prepayments	(53,187)	6,674
Change in trade and other payables	38,888	4,925
Cash generated from operations	42,780	65,790
Overdraft interest paid	(7)	(5)
Interest received	1,417	2,522
Income taxes paid	(15,164)	(23,707)
Net cash generated from operating activities	29,026	44,600
Cash flows from investing activities		
Subscription of shares in a new subsidiary by non-controlling interest	-	3,000
Acquisition of property, plant & equipment	(31,236)	(37,449)
Acquisition of investment properties	(11,635)	-
Proceeds from disposal of property, plant & equipment	213	334
Land held for property development	(8,285)	(10,570)
(Placement)/Withdrawal of FDs with original maturities exceeding three months	(5,537)	(2,961)
Net cash used in investing activities	(56,480)	(47,646)
Cash flows from financing activities		
Dividends paid to owners of the Company	(13,188)	(13,188)
Proceeds from loans and borrowings	18,967	6,566
Net cash generated from/used in financing activities	5,779	(6,622)
Net decrease in cash and cash equivalents	(21,675)	(9,668)
Cash and cash equivalents at 1 January 2017 / 1 January 2016	84,938	94,606
Cash and cash equivalents at 31 December 2017 / 31 December 2016	63,263	84,938

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>	Year ended 31 December	
	2017 RM'000	2016 RM'000
Cash and bank balances	40,768	48,124
Deposits placed with licensed banks	31,339	40,358
Bank overdraft	-	(236)
Total	72,107	88,246
Fixed deposits with original maturities exceeding three months	(8,844)	(3,308)
	63,263	84,938

The notes set out on pages 5 to 12 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 – Fourth Quarter Ended 31 December 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2017

	----- Attributable to owners of the Company -----					NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	CAPITAL REDEMPTION RESERVES	TREASURY SHARES	RETAINED EARNINGS	TOTAL		
<i>In thousand of RM</i>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 December 2017							
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 year	-	-	-	46,531	46,531	83	46,614
Dividends to owners – 2016 Final	-	-	-	(7,693)	(7,693)	-	(7,693)
Dividends to owners – 2017 Interim	-	-	-	(5,495)	(5,495)	-	(5,495)
Transfer in accordance with Section 618(2) of the CA 2016*	2,165	(2,165)	-	-	-	-	-
Treasury shares, at cost	-	-	-	-	-	-	-
At 31 December 2017	118,700	-	(37,859)	653,614	734,455	3,119	737,574
Year ended 31 December 2016							
At 1 January 2016	116,535	2,165	(37,859)	577,037	657,878	-	657,878
Issuance of shares by a subsidiary to NCI	-	-	-	-	-	3,000	3,000
Profit and total comprehensive income for the year	-	-	-	56,422	56,422	36	56,458
Dividends to owners – 2015 Final	-	-	-	(7,693)	(7,693)	-	(7,693)
Dividends to owners – 2016 Interim	-	-	-	(5,495)	(5,495)	-	(5,495)
Treasury shares, at cost	-	-	-	-	-	-	-
At 31 December 2016	116,535	2,165	(37,859)	620,271	701,112	3,036	704,148

* 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 12 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



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

NOTES TO THE INTERIM FINANCIAL REPORT

For the quarter ended 31 December 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.

MFRS 15, Revenue from Contracts with Customers

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 press released by the International Accounting Standards Board (IASB) confirming a one-year deferral of IFRS 15 Revenue from Contracts with Customers.

Currently, the Group recognises revenue from contracts with customers based on the stage of completion method. The stage of completion is determined by reference to the proportion that contract costs incurred for contract works performed to-date bear to the estimated total contract costs. Upon adoption of MFRS 15, the Group will recognise the revenue from contracts with customers based on over-time recognition. The Group will apply MFRS 15 retrospectively.

The Group has assessed the estimated impact that the initial application on MFRS 15 will have on its consolidated financial statements for the year ended 31 December 2017 and the beginning of the earliest period presented 1 January 2017 and disclosed the estimated impact in the 31 December 2017 annual financial statements.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

Currently, the Group classifies and measures financial assets and liabilities based on amortised cost using the effective interest method. Upon adoption of MFRS 9, the classification and measurement of financial assets and liabilities remains similar to that under MFRS 139.

In respect of impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with an “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

The Group has assessed the estimated impact the initial application on MFRS 9 will have on its consolidated financial statements as at 1 January 2018. The estimated impact on initial application based on assessment undertaken to date is not expected to result in a material financial impact.



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

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 December 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.

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

	Construction	Property Development	Other non-Reportable segment	Inter-Segment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
For the year ended 31 December 2017					
<i>In thousand of RM</i>					
Segment profit					
<i>Revenue from external customers</i>	556,296	76,089	-	(126,478)	505,907
<i>Segment profit before tax, interest, depreciation and other material non-cash items</i>	47,578	25,912	(165)	22	73,347
Depreciation	(12,147)	(36)	(426)	-	(12,609)
Interest income from bank balances	1,334	19	79	-	1,432
Interest income from other financial assets	796	52	-	-	848
Interest expense on bank balances	-	(7)	-	-	(7)
Interest expense on other financial liabilities	(325)	(57)	-	-	(382)
Segment profit before tax	37,236	25,883	(512)	22	62,629
Income tax expense					(16,015)
Profit for the year					46,614
Segment assets	609,242	358,186	52,245	(44,904)	974,769
Segment liabilities	229,037	46,579	6,303	(44,724)	237,195



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

	Construction	Property Development	Other non-Reportable segment	Inter-Segment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
For the year ended 31 December 2016					
<i>In thousand of RM</i>					
Segment profit					
Revenue from external customers	435,479	63,067	-	-	498,546
Segment profit before tax, interest, depreciation and other material non-cash items	62,087	20,962	(40)	6	83,015
Depreciation	(10,652)	(25)	(423)	-	(11,100)
Interest income from bank balances	2,109	37	421	-	2,567
Interest income from other financial assets	1,113	5	-	-	1,118
Interest expense on bank balances	-	(5)	-	-	(5)
Interest expense on other financial liabilities	(369)	(52)	-	-	(421)
Segment profit before tax	54,288	20,922	(42)	6	75,174
Income tax expense					(18,716)
Profit for the year					56,458
Segment assets	518,658	317,872	47,108	(10,734)	872,904
Segment liabilities	143,631	35,024	637	(10,536)	168,756

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

8. Dividend Paid

The first interim single-tier tax exempt dividend of 1.0 sen per ordinary share totaling RM5,495,172 for the year ending 31 December 2017 was paid to shareholders on 10 October 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.

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 December 2017 till the date of this quarterly report.

12. Property, plant and equipment

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

<i>In thousand of RM</i>	___ year ended 31 December ___	
	2017 RM'000	2016 RM'000
Acquisitions of property, plant and equipment, at cost	42,871	37,448
Disposals of property, plant and equipment, at carrying amount	242	708



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

13. Commitment

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

<i>In thousand of RM</i>	As at 31 December	
	2017	2016
	RM'000	RM'000
Acquisition of property, plant and equipment		
Approved and contracted for	30,898	12,759
Approved but not contracted for	16,232	43,912
	<u>47,130</u>	<u>56,671</u>

14. Recurrent Related Party Transactions

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

<i>In thousand of RM</i>	year ended 31 December	
	2017	2016
	RM'000	RM'000
Aggregate gross value of significant recurrent related party transactions	<u>51,321</u>	<u>51,612</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 Yu Chee Hoe, Yii Chee Sing, Lau Kiing Kang, Lau Kiing Yiang 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>	year ended 31 December	
	2017	2016
	RM'000	RM'000
Directors' compensation	3,770	3,508
Other key management personnel compensation	<u>4,194</u>	<u>3,799</u>



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

For the quarter ended 31 December 2017

16. Review of Performance

The Group derives revenue from construction and property development activities.

The Group achieved revenue of RM505.91 million and net profit before tax of RM62.63 million for the year ended 31 December 2017 as compared to previous year's figures of RM498.55 million and RM75.17 million respectively.

Revenue for the quarter under review is RM168.01 million, an increase of 48% as compared to the preceding year corresponding quarter's figure of RM113.21 million. The construction segment contributed RM150.37 million (90%) whilst the property development segment registered a contribution of RM17.64 million (10%) to the Group's revenue during the quarter.

The net profit before tax of the Group for the current quarter is RM19.70 million, an increase of 26% as compared to RM15.68 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 December 2017, the revenue and net profit before tax are RM150.37 million and RM12.93 million compared to the previous year's corresponding quarter figures of RM98.67 million and RM11.74 million respectively. The revenue for the current quarter has improved by 52% as compared to the previous year's corresponding quarter while profit before tax has increased by 10%. This was mainly due to higher construction activities carried out during the quarter.

Property development segment: For the 3-month period ended 31 December 2017, the revenue and net profit before tax are RM17.64 million and RM6.77 million compared to the previous year's corresponding quarter figures of RM14.54 million and RM3.94 million respectively. The revenue for the current quarter has increased by 21% as compared to the previous year's corresponding quarter while profit before tax has increased by 72%. Higher revenue was recorded during the current quarter due to recognition of sales from new launches while profit margin has increased due to the products mix that gives a higher profit margin.

17. Variation of Results against Immediate Preceding Quarter

The net profit before tax of the Group for the current quarter is RM19.70 million compared to RM15.11 million for the immediate preceding quarter on the back of the Group's revenue of RM168.01 million and RM126.33 million respectively. Both the revenue and profit before tax have improved compared to the immediate preceding quarter.

18. Current Year Prospects

With a record order book of RM3 billion with some RM2.7 billion unbilled, the Group will be busy on work execution. There has been an increase in the construction activities which has translated into higher revenue for Fourth Quarter 2017. There have been some recoveries of margins and this uptick is expected to continue into 2018. In 2018, we will continue to bid for projects that are related to our core business in infrastructure works. This will be undertaken in line 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 2018 and beyond.

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.



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

20. Income Tax Expense

	Individual Quarter 3 months ended 31 December		Cumulative Quarter year ended 31 December	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
<i>In thousand of RM</i>				
Current Tax Expense - Malaysian				
Current quarter/year	4,775	3,669	15,809	18,361
Under provision in prior year	-	-	87	5
Deferred Tax Expense - Malaysian				
Current quarter/year	228	251	114	356
Under/(Over) provision in prior year	-	-	5	(6)
Income tax expense	5,003	3,920	16,015	18,716

Reconciliation of effective tax expense

Profit for the quarter/year	14,693	11,765	46,614	56,458
Total income tax expense	5,003	3,920	16,015	18,716
Profit before taxation	19,696	15,685	62,629	75,174
Income tax using Malaysian tax rates	4,764	3,765	15,063	18,041
Non-deductible expenses	239	155	860	676
Under/(Over) provision in prior year	-	-	92	(1)
Income tax expense	5,003	3,920	16,015	18,716

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 December 2017 as follows:-

	As at 31 December	
	2017 RM'000	2016 RM'000
<i>In thousand of RM</i>		
Current		
Unsecured - Banker Acceptance	-	6,566
- Bank Overdraft	-	236
- Revolving Credit	15,000	-
- Term Loan	10,533	-
	<u>25,533</u>	<u>6,802</u>

23. Material Litigation

There was no material litigation pending since 31 December 2017 till the date of this Quarterly Report.

24. Dividend

The directors have proposed a final single-tier tax exempt dividend of 1.4 sen per ordinary share for the financial year ended 31 December 2017 for the approval of the shareholders at the forthcoming Annual General Meeting. The entitlement and payment date shall be announced at a later date.



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

25. Earnings per Share

	Individual Quarter		Cumulative Quarter	
	3 months ended		year ended	
	31 December		31 December	
	2017	2016	2017	2016
Net profit attributable to ordinary owners of the Company (RM'000)	14,673	11,746	46,531	56,422
Weighted average number of ordinary shares ('000)	549,517	549,517	549,517	549,517
Basic earnings per share (sen)	2.67	2.14	8.47	10.27

26. Profit before tax

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

<i>In thousand of RM</i>	Individual Quarter		Cumulative Quarter	
	3 months ended		year ended	
	31 December		31 December	
	2017	2016	2017	2016
	RM,000	RM,000	RM,000	RM,000
Interest income from bank balances	269	527	1,432	2,567
Interest income from other financial assets	112	172	848	1,118
Other income including investment income	5	34	85	214
Interest expense on bank balances	-	4	7	5
Interest expense on other financial liabilities	102	134	382	421
Depreciation and amortization	3,405	2,969	12,609	11,100
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of properties, plant and equipment	44	(36)	98	1
Gain/(loss) on disposal of investments	-	-	-	-
Impairment/(Reversal of impairment) of financial assets	150	405	(57)	463
Foreign exchange gain/(loss)	39	3	118	(2)
Gain/(loss) on derivatives	-	-	-	-
Exceptional item	-	-	-	-

27. Derivative Financial Instruments

There were no derivative financial instruments as at 31 December 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 year ended 31 December 2017.



QUARTERLY REPORT – Fourth Quarter Ended 31 December 2017

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>	As at 31 December 2017	As at 31 December 2016
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	668,910	636,010
- Unrealised	(14,935)	(15,439)
	653,975	620,571
Less : Consolidation adjustments	(361)	(300)
Total retained earnings as per consolidated financial statements	653,614	620,271

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 27 February 2018.

Issue Date: 27 February 2018