

**Condensed Consolidated Income Statement
For The Quarter Ended 31 March 2017**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2016 (Unaudited)	Current Year 3 months ended 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	29,461	24,928	29,461	24,928
Cost of sales	(13,638)	(18,666)	(13,638)	(18,666)
Gross profit	15,823	6,262	15,823	6,262
Other operating income	79	146	79	146
Selling Expenses	(2,526)	(1,658)	(2,526)	(1,658)
Other operating expenses	(831)	(620)	(831)	(620)
Operating profit	12,545	4,130	12,545	4,130
Finance costs	(630)	(1,176)	(630)	(1,176)
Interest income	53	6	53	6
Profit before tax	11,968	2,960	11,968	2,960
Income tax expense	(2,627)	(624)	(2,627)	(624)
Profit for the period attributable to equity holders of the company	9,341	2,336	9,341	2,336
Earnings per share attributable to equity holders of the Company:	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	1.95	0.57	1.95	0.57
Diluted	1.94	0.56	1.94	0.56

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

**Condensed Consolidated Statement of Comprehensive Income
For The Quarter Ended 31 March 2017**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2016 (Unaudited)	Current Year 3 months ended 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	9,341	2,336	9,341	2,336
Other comprehensive income	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the company	<u><u>9,341</u></u>	<u><u>2,336</u></u>	<u><u>9,341</u></u>	<u><u>2,336</u></u>

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

**Condensed Consolidated Statement of Financial Position
As at 31 March 2017**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Mar 2017	Preceding Financial Year Ended 31 Dec 2016
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	158,026	157,540
Biological asset	228,875	225,105
Other receivables	5,889	5,055
	<u>392,790</u>	<u>387,700</u>
Current Assets		
Inventories	7,907	7,720
Trade receivables	1,126	3,798
Other receivables	3,651	5,344
Tax recoverable	408	408
Fixed deposits with licensed bank	494	494
Cash and bank balances	17,750	13,787
	<u>31,336</u>	<u>31,551</u>
TOTAL ASSETS	<u><u>424,126</u></u>	<u><u>419,251</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	239,510	239,047
Share premium	165	-
Capital Reserves	882	1,034
Retained profits	86,062	76,721
Total equity	<u>326,619</u>	<u>316,802</u>

**Condensed Consolidated Statement of Financial Position
As at 31 March 2017 (Cont'd)**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Mar 2017	Preceding Financial Year Ended 31 Dec 2016
	<u>RM'000</u>	<u>RM'000</u>
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Deferred tax liabilities	34,576	31,955
Loans and borrowings	33,300	35,862
	<u>67,876</u>	<u>67,817</u>
Current liabilities		
Trade payables	3,151	6,032
Other payables	10,074	9,720
Loans and borrowings	16,406	17,975
Derivatives	-	905
	<u>29,631</u>	<u>34,632</u>
Total liabilities	<u>97,507</u>	<u>102,449</u>
TOTAL EQUITY AND LIABILITIES	<u>424,126</u>	<u>419,251</u>

The Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Changes in Equity
For the Financial Quarter ended 31 March 2017**

	Share capital	Share premium	Other reserve	Retained earnings	Total equity
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2017	239,047	-	1,034	76,721	316,802
Share options granted under ESOS					
- Recognised in income statement	-	-	4	-	4
- Included in investments in subsidiary	-	-	9	-	9
Exercise of employee share option	463	165	(165)	-	463
Total comprehensive income for the period	-	-	-	9,341	9,341
At 31 March 2017	<u>239,510</u>	<u>165</u>	<u>882</u>	<u>86,062</u>	<u>326,619</u>
At 1 January 2016	191,237	1,098	908	56,216	249,459
Issue of right shares	47,809	(1,098)	-	(10,376)	36,335
Right issue expenses	-	-	-	(151)	(151)
Share options granted under ESOS					
- Recognised in income statement	-	-	3	-	3
- Included in investments in subsidiary	-	-	14	-	14
Total comprehensive income for the period	-	-	-	2,336	2,336
At 31 March 2016	<u>236,046</u>	<u>-</u>	<u>925</u>	<u>48,025</u>	<u>287,996</u>

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

**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 31 March 2017**

	3 months ended 31 March 2017 (Unaudited) <u>RM'000</u>	3 months ended 31 March 2016 (Unaudited) <u>RM'000</u>
Operating activities		
Profit before tax	11,968	2,960
<u>Adjustment for :-</u>		
Depreciation of property, plant and equipment	1,957	2,065
Property, plant and equipment written off	27	-
Interest received	(53)	(6)
Interest expense	630	1,176
Share options granted under ESOS	4	3
Unrealised loss on short term investment	-	10
Gain on disposal of short term investment	-	(4)
Dividend income from short term investment	-	(47)
Reversal of unrealised loss on commodity future contract	(905)	-
Total adjustments	<u>1,660</u>	<u>3,197</u>
Operating cash flows before changes in working capital	13,628	6,157
<u>Changes in working capital:</u>		
(Increase)/decrease in inventories	(187)	47
Decrease/(increase) in receivables	3,531	(4,828)
Decrease in payables	(2,518)	(3,433)
Total changes in working capital	<u>826</u>	<u>(8,214)</u>
Cash generated from/(used in) operating activities	14,454	(2,057)
Interest received	53	6
Interest paid	(703)	(1,259)
Income tax paid	(6)	(234)
Net cash generated from/(used in) operating activities	<u>13,798</u>	<u>(3,544)</u>
Investing activities		
Placement of pledged fixed deposits	-	(2)
Purchase of property, plant and equipment	(2,621)	(2,229)
Plantation development expenditure	(3,546)	(2,259)
Purchase of short term investment	-	(19,000)
Disposal of short term investment	-	2,952
Dividend income from short term investment	-	47
Net cash used in investing activities	<u>(6,167)</u>	<u>(20,491)</u>

**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 31 March 2017 (Cont'd.)**

	3 months ended 31 March 2017 (Unaudited) <u>RM'000</u>	3 months ended 31 March 2016 (Unaudited) <u>RM'000</u>
Financing activities		
Right issue expenses	-	(151)
Net drawdown of invoice financing	-	466
Net repayment of term loans	(3,750)	(3,000)
Net repayment of revolving credit	-	(7,000)
Repayment of hire purchase liabilities	(381)	(358)
Proceeds from issuance of rights shares	-	36,335
Proceeds from exercise of employee share options	463	-
Net cash (used in)/generated from financing activities	<u>(3,668)</u>	<u>26,292</u>
Net increase in cash and cash equivalents	3,963	2,257
Cash and cash equivalents at beginning of year	13,787	1,297
Cash and cash equivalents at end of period	<u>17,750</u>	<u>3,554</u>

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

A. EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The condensed consolidated 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 (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statement for the financial year ended 31 December 2016.

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

2. CHANGES IN 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 financial statements for the year ended 31 December 2016, except for the adoption of the following new/revised FRSs and amendments to FRSs:

	Effective for annual periods beginning on or after
Amendments to FRS 107: Disclosures Initiatives	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax or Unrealised Losses	1 January 2017
Annual Improvements to FRS Standards 2014-2016 Cycle: Amendments to FRS 12: Disclosure of Interests in Other Entities	1 January 2017

The adoptions of the above revised FRSs did not have any significant financial impact to the Group.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the 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 venture (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework and continue to use the existing Financial Reporting Standards framework until the MFRS Framework is mandated by the MASB. According to an announcement made by the MASB on 28 October 2015, all Transitioning Entities shall adopt the MFRS framework and prepare their first MFRS financial statements for annual periods beginning on or after 1 January 2018.

The Group 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 December 2018. In presenting its first MFRS financial statements, the Group 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 earnings.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the financial performance and financial position as disclosed in these financial statements for the period ended 31 March 2017 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

Biological assets

All direct expenses incurred in land preparation, planting, estate administrative and maintenance of plantations up to maturity are capitalised as plantation development expenditure. Maintenance expenditure subsequent to maturity is charged to income statement as and when incurred. General charges are apportioned based on proportion of matured and immature areas.

Plantation development expenditure are not amortized and are measure at cost less accumulated impairment losses. Palm trees are considered mature upon reaching 36 months after planting.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

4. SEGMENTAL INFORMATION

No segment information has been prepared as the Group is primarily engaged in the cultivation of oil palm and manufacture and sale of crude palm oil and palm kernel.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2017.

6. CHANGES IN ESTIMATES

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

7. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not materially affected by any seasonal or cyclical factors.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

8. DIVIDENDS PAID

No dividends were paid out during the current quarter.

9. CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

There were no brought forward valuations of property, plant and equipment from the financial year ended 31 December 2016 and there were no valuations of property, plant and equipment carried out during the financial period ended 31 March 2017.

10. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale, and repayments of debt and equity securities during the financial period ended 31 March 2017.

11. CHANGES IN THE COMPOSITION OF THE GROUP

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

12. DISCONTINUED OPERATION

There were no discontinued operations for the Group during the current financial quarter.

13. CAPITAL COMMITMENTS

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2017 are as follows:

Capital expenditure:	2017
Property, plant and equipment:	<u>RM'000</u>
Approved and contracted for	6,341
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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and contingent liabilities at the end of this quarter and as at the date of this report.

15. MATERIAL LITIGATION

On 3 June 2014, Serijaya Industri Sdn. Bhd. (SJI), a wholly-owned subsidiary of the Company, issued a claim under arbitration proceedings against Asiatic Lumber Industries Sdn. Bhd. (ALISB) for losses approximating RM11,619,123 and continuing losses thereafter (totaling RM14,631,516 as of 2016) arising from a shortfall in guaranteed volume of log production under a Logging Sub-Contract agreement between SJI and ALISB.

Under the Logging Sub-Contract agreement, ALISB had undertaken to extract a minimum of 120,000 m³ of logs per annum. ALISB had failed to achieve the minimum of 120,000 m³ in 2011 to 2014 resulting in a shortfall. The amount of RM14,631,516 was computed on the loss of profits as a result of the production shortfall.

On 1 July 2014 (subsequently amended on 17 February 2015), ALISB issued a defense and counterclaim for alleged losses of RM47,638,833.

The Arbitrator has on 6 October 2016 awarded SJI the whole claim amounted to RM11,619,123.38 for shortfall from 2011 to 2013 with interest at 10% per annum.

ALISB has sought determination from the High Court on questions of law arising from the Arbitrator's Final Award and on 4 April 2017, the High Court has delivered the ruling in favour of SJI. On 10 April 2017, ALISB has filed a Notice of Appeal in the Court of Appeal. On 17 April 2017, The Deputy Registrar of High Court in Sabah and Sarawak has granted SJI to enforce the Final Award.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

16. MATERIAL RELATED PARTY TRANSACTIONS

Group	2017
	<u>RM'000</u>
Trade transactions	
Transaction with a related party:	
Rental paid to TSH Resources Bhd., a company in which a director of the Company has an interest.	27
Purchase of vehicle from TSH Resources Berhad	106
Sales of Crude Palm Oil to TSH-Wilmar Sdn. Bhd.	25,924
Sales of Palm Kernel to TSH-Wilmar Sdn. Bhd.	3,537
 Company	
Trade transaction	
Management fees charged to subsidiary	
- Serijaya Industri Sdn. Bhd.	90
- IPB Bio Energy Sdn Bhd	9
Transaction with related party	
- Rental paid to Yayasan Sabah	11

17. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**1. PERFORMANCE REVIEW**

The Group recorded a turnover of RM29.461 million for the current quarter ended 31 March 2017 representing an increase of 18% as compared to RM24.928 million for the preceding financial year corresponding quarter due to increase in CPO and PK sales volume by 22% and 25% respectively and higher CPO and PK prices by 36% and 75% respectively. There was no revenue from timber logging activity for current quarter as the logging contract expired on 4th June 2016 (1st quarter 2016: RM7.594 million).

Despite the absence of any contribution from logging operating (1st QTR 2016 – RM2.170 million), profit before tax for the current quarter was RM11.968 million, 304% above the preceding financial year corresponding quarter of RM2.960 million due to higher CPO and PK prices and higher CPO and PK sales volume arising from higher FFB production.

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

Profit before tax for the current quarter at RM11.968 million was marginally higher as compared to RM11.250 million achieved in the immediate preceding quarter. FFB processed for the current quarter was 34,375MT which was 22% lower than preceding quarter. Average price of CPO and PK at RM3,138 and RM3,179 respectively was 14% higher than preceding quarter.

3. COMMENTARY ON PROSPECT

FFB production for Q2 is expected to increase due to seasonal factor and as El Nino impact wears off. CPO price has corrected from the high RM3,200 per tonne reached during Q1 but has sustained at level above RM2,600 per mt. At this price level, the Board is confident of achieving reasonably good profit for Q2.

Nonetheless management will continue to focus on efficiency and productivity to reduce production cost.

4. PROFIT FORECAST OR PROFIT GUARANTEE

There were no profit forecasts or profit guarantees released to the public.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**
5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2016 (Unaudited)	Current Year 3 months ended 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
Malaysian income tax	6	-	6	-
Deferred tax	2,621	624	2,261	624
	<u>2,627</u>	<u>624</u>	<u>2,267</u>	<u>624</u>
(Over)/underprovided in prior years:				
Malaysian income tax	-	-	-	-
Deferred tax	-	-	-	-
Total	<u><u>2,627</u></u>	<u><u>624</u></u>	<u><u>2,267</u></u>	<u><u>624</u></u>

6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales/disposals of unquoted investments and properties during the current financial quarter and period ended 31 March 2017.

7. QUOTED SECURITIES

- a) There was no purchase and sale of quoted securities for the current financial quarter ended 31 March 2017.
- b) There was no investment in quoted shares as at 31 March 2017.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**
8. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the current financial quarter ended 31 March 2017.

9. UTILISATION OF PROCEEDS

No proceed were raised by the Company from any corporate exercise during the period.

10. LOANS AND BORROWINGS

	As at end of current quarter 31 Mar 2017 (Unaudited) RM'000	As at 31 Dec 2016 (Audited) RM'000
Short term borrowings		
Secured;		
- Term loans	15,000	16,500
- Hire purchase creditor	1,406	1,475
	<u>16,406</u>	<u>17,975</u>
Long term borrowings		
Secured		
- Term loans	31,750	34,000
- Hire purchase creditor	1,550	1,862
	<u>33,300</u>	<u>35,862</u>
Total borrowings		
Secured		
- Term loans	46,750	50,500
- Hire purchase creditor	2,956	3,337
	<u>49,706</u>	<u>53,837</u>

All borrowings are denominated in Ringgit Malaysia.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017

11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 March 2017.

12. PROPOSED DIVIDEND

The Board had proposed a First and Final Dividend of 2 sen per share which subject to shareholders' approval at the Annual General Meeting to be held on 23 May 2017 and will be paid on 16 June 2017.

13. EARNINGS PER SHARE

(a) Basic earning per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year:

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2016 (Unaudited)	Current Year 3 months ended 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2016 (Unaudited)
Profit attributable to ordinary equity holders of the parent	RM'000 9,341	RM'000 2,336	RM'000 9,341	RM'000 2,336
Weighted average number of ordinary shares in issue ('000)	478,365	412,946	478,365	412,946
Basic earnings per share	<u>Sen</u> 1.95	<u>Sen</u> 0.57	<u>Sen</u> 1.95	<u>Sen</u> 0.57

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**
13. EARNINGS PER SHARE (Cont'd)
(b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2016 (Unaudited)	Current Year 3 months ended 31 Mar 2017 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	9,341	2,336	9,341	2,336
Weighted average number of ordinary shares in issue ('000)	478,365	412,946	478,365	412,946
Effect of ESOS ('000)	2,442	1,275	2,442	1,275
Weighted average number of ordinary shares in issue ('000)	480,807	414,221	480,807	414,221
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Diluted earnings per share	1.94	0.56	1.94	0.56

The diluted earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

The share options was calculated based on the number of shares which would have been acquired at the market price (average annual share price of the company's share) based on the monetary value of the subscription rights attached to the outstanding share options. No adjustment is made to the net profit attributable to shareholders for the share options calculations.

14. 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 23 May 2017.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**
**C. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED
EARNINGS INTO REALISED AND UNREALISED.**

The breakdown of the retained earnings of the Group as at 31 March 2017 into realised and unrealised profits 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.

	As at end of current quarter 31 Mar 2017 (Unaudited) RM'000	As at end of preceding year 31 Dec 2016 (Audited) RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	123,878	111,916
- Unrealised	(34,576)	(31,955)
	<u>89,302</u>	<u>79,961</u>
Consolidation adjustments	(3,240)	(3,240)
Total Group retained earnings as per consolidated accounts	<u>86,062</u>	<u>76,721</u>