

**Condensed Consolidated Income Statement
For The Quarter Ended 30 June 2017**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Jun 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 Jun 2016 (Unaudited)	Current Year 6 months ended 30 Jun 2017 (Unaudited)	Preceding Year Corresponding Period 30 Jun 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	30,594	34,994	60,055	59,921
Cost of sales	(14,673)	(20,145)	(28,312)	(38,809)
Gross profit	15,921	14,849	31,743	21,112
Other operating income	33	128	42	350
Selling Expenses	(2,676)	(2,521)	(5,202)	(4,179)
Other operating expenses	(886)	(1,155)	(1,735)	(1,850)
Operating profit	12,392	11,301	24,848	15,433
Finance costs	(612)	(1,096)	(1,242)	(2,271)
Interest income	93	7	146	13
Profit before tax	11,873	10,212	23,752	13,175
Income tax expense	(2,699)	(2,257)	(5,326)	(2,881)
Profit for the period attributable to equity holders of the company	9,174	7,955	18,426	10,294
Earnings per share attributable to equity holders of the Company:	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	1.92	1.66	3.85	2.31
Diluted	1.91	1.66	3.84	2.30

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 30 June 2017**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Jun 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 Jun 2016 (Unaudited)	Current Year 6 months ended 30 Jun 2017 (Unaudited)	Preceding Year Corresponding Period 30 Jun 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	9,174	7,955	18,426	10,294
Other comprehensive income	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the company	<u>9,174</u>	<u>7,955</u>	<u>18,426</u>	<u>10,294</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 30 June 2017**

	(Unaudited)	(Audited)
	End of Current Quarter 30 Jun 2017	Preceding Financial Year Ended 31 Dec 2016
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	160,720	157,540
Biological asset	232,046	225,105
Other receivables	4,943	5,055
	<u>397,709</u>	<u>387,700</u>
Current Assets		
Inventories	8,989	7,720
Trade receivables	1,399	3,798
Other receivables	2,001	5,344
Tax recoverable	418	408
Fixed deposits with licensed bank	508	494
Cash and bank balances	11,951	13,787
	<u>25,266</u>	<u>31,551</u>
TOTAL ASSETS	<u><u>422,975</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	895	1,034
Retained profits	85,570	76,721
Total equity	<u>326,140</u>	<u>316,802</u>

**Condensed Consolidated Statement of Financial Position
As at 30 June 2017 (Cont'd)**

	(Unaudited)	(Audited)
	End of Current Quarter 30 Jun 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	37,281	31,955
Loans and borrowings	29,245	35,862
	<u>66,526</u>	<u>67,817</u>
Current liabilities		
Trade payables	2,607	6,032
Other payables	11,371	9,720
Loans and borrowings	16,331	17,975
Derivatives	-	905
	<u>30,309</u>	<u>34,632</u>
Total liabilities	<u>96,835</u>	<u>102,449</u>
TOTAL EQUITY AND LIABILITIES	<u>422,975</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 30 June 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	-	-	9	-	9
- Included in investments in subsidiary	-	-	17	-	17
Exercise of employee share option	463	165	(165)	-	463
Total comprehensive income for the period	-	-	-	18,426	18,426
Dividends on ordinary shares	-	-	-	(9,577)	(9,577)
At 30 June 2017	<u>239,510</u>	<u>165</u>	<u>895</u>	<u>85,570</u>	<u>326,140</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	-	-	-	(457)	(457)
Share options granted under ESOS					
- Recognised in income statement	-	-	6	-	6
- Included in investments in subsidiary	-	-	27	-	27
Total comprehensive income for the period	-	-	-	10,294	10,294
At 30 June 2016	<u>236,046</u>	<u>-</u>	<u>941</u>	<u>55,677</u>	<u>295,664</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 30 June 2017**

	6 months ended 30 June 2017 (Unaudited) <u>RM'000</u>	6 months ended 30 June 2016 (Unaudited) <u>RM'000</u>
Operating activities		
Profit before tax	23,752	13,175
<u>Adjustment for :-</u>		
Depreciation of property, plant and equipment	3,973	4,123
Property, plant and equipment written off	27	-
Interest received	(146)	(13)
Interest expense	1,242	2,271
Share options granted under ESOS	9	6
Gain on disposal of equipment	(6)	-
Gain on disposal of short term investment	-	(4)
Dividend income from short term investment	-	(65)
Reversal of unrealised loss on commodity future contract	(905)	-
Total adjustments	<u>4,194</u>	<u>6,318</u>
Operating cash flows before changes in working capital	27,946	19,493
<u>Changes in working capital:</u>		
Increase in inventories	(1,269)	(1,123)
Decrease/(increase) in receivables	5,854	(5,878)
Decrease in payables	(1,757)	(9,090)
Total changes in working capital	<u>2,828</u>	<u>(16,091)</u>
Cash generated from operating activities	30,774	3,402
Interest received	146	13
Interest paid	(1,389)	(2,433)
Income tax paid	(10)	(301)
Net cash generated from operating activities	<u>29,521</u>	<u>681</u>
Investing activities		
Placement of pledged fixed deposits	(14)	(2)
Purchase of property, plant and equipment	(7,489)	(4,537)
Proceeds from disposal of property, plant and equipment	6	-
Plantation development expenditure	(6,485)	(4,529)
Purchase of short term investment	-	(19,000)
Disposal of short term investment	-	19,004
Dividend income from short term investment	-	65
Net cash used in investing activities	<u>(13,982)</u>	<u>(8,999)</u>

**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 30 June 2017 (Cont'd.)**

	6 months ended 30 June 2017 (Unaudited) <u>RM'000</u>	6 months ended 30 June 2016 (Unaudited) <u>RM'000</u>
Financing activities		
Right issue expenses	-	(457)
Net repayment of invoice financing	-	(1,648)
Net repayment of term loans	(7,500)	(6,000)
Net repayment of revolving credit	-	(16,000)
Repayment of hire purchase liabilities	(761)	(738)
Proceeds from issuance of rights shares	-	36,335
Proceeds from exercise of employee share options	463	-
Dividend paid	(9,577)	-
Net cash (used in)/generated from financing activities	<u>(17,375)</u>	<u>11,492</u>
Net increase in cash and cash equivalents	(1,836)	3,174
Cash and cash equivalents at beginning of year	<u>13,787</u>	<u>1,297</u>
Cash and cash equivalents at end of period	<u><u>11,951</u></u>	<u><u>4,471</u></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 SECOND QUARTER ENDED 30 JUNE 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 ror 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 SECOND QUARTER ENDED 30 JUNE 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 30 June 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 SECOND QUARTER ENDED 30 JUNE 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 30 June 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 effects of seasonal or cyclical fluctuations, if any, are explained under Paragraphs 1 and 2 of Part B i.e. Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Securities.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

8. DIVIDENDS PAID

A first and final single tier dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2016, amounting to RM9,577,159 was paid on 16 June 2017.

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 30 June 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 30 June 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 30 June 2017 are as follows:

Capital expenditure:	2017
Property, plant and equipment:	<u>RM'000</u>
Approved and contracted for	<u>5,472</u>

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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.	54
Purchase of vehicle from TSH Resources Berhad	106
Sales of Crude Palm Oil to TSH-Wilmar Sdn. Bhd.	52,536
Sales of Palm Kernel to TSH-Wilmar Sdn. Bhd.	6,597
Sales of Oil Palm Fresh Fruit Bunches to TSH Plantation Mngement Sdn Bhd	977
 Company	
Trade transaction	
Management fees charged to subsidiary	
- Serijaya Industri Sdn. Bhd.	180
- IPB Bio Energy Sdn Bhd	18
Transaction with related party	
- Rental paid to Yayasan Sabah	21

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 RM30.594 million for the current quarter ended 30 June 2017 representing a decrease of 13% as compared to RM34.994 million for the preceding financial year corresponding quarter. Palm products segment reported higher revenue due to increase in average selling price of CPO and higher CPO and PK sales volume arising from 15% higher FFB production. There was no revenue from timber logging activity for current quarter as the logging contract expired on 4th June 2016 (2nd quarter 2016: RM7.430 million).

Despite the absence of any contribution from logging operating (Q2 RM2.180 million), profit before tax for the current quarter was RM11.873 million, 16% above the preceding financial year corresponding quarter due to higher average selling price of CPO and higher CPO and PK sales volume.

For the current year-to-date, the Group recorded a turnover of RM60.055 million, which is in line with last year corresponding period. Palm product sales at RM60.055 million was 34% higher than preceding year corresponding period due to higher CPO and PK average selling prices and higher CPO and PK sales volume arising from higher FFB production. There is no contribution from logging operation for the current year to-date.

Profit before tax for year-to-date was RM23.752 million, which is an increase of 80.3% as compared to last year corresponding period mainly due to higher average selling price of CPO and PK and higher CPO and PK sales volume. All the profit was generated from palm products segment as there was no contribution from log extraction operation (YTD 2016: RM4.350 million)

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

Profit before tax for the current quarter at RM11.873 million was similar to RM11.968 million achieved in the immediate preceding quarter. FFB production for the current quarter was 46,146MT, 34% higher than preceding quarter. Sales volume of CPO and PK increases by 18% and 36% respectively. The lower percentage point increase in respect of CPO sale volume was due to higher stock as at 30 June 2017. However, average selling price of CPO and PK dropped to RM2,721 and RM2,023 per MT respectively. (1st quarter 2017: CPO- RM3,138 per MT and PK – RM3,179 per MT)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

3. COMMENTARY ON PROSPECT

FFB production for the second half of the year is expected to increase due to seasonal factor and post-El Nino recovery compared to first half 2017. Given the current level of CPO and PK prices which stood at RM2,600 per MT and RM2,200 per MT, the Board is confident of achieving reasonably good profit in the coming months.

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.

5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Jun 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 Jun 2016 (Unaudited)	Current Year 6 months ended 30 Jun 2017 (Unaudited)	Preceding Year Corresponding Period 30 Jun 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
Malaysian income tax	(6)	-	-	-
Deferred tax	2,705	2,257	5,326	2,881
	2,699	2,257	5,326	2,881
(Over)/underprovided in prior years:				
Malaysian income tax	-	-	-	-
Deferred tax	-	-	-	-
Total	2,699	2,257	5,326	2,881

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 30 June 2017.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**
7. QUOTED SECURITIES

- (a) There was no purchase and sale of quoted securities for the current financial quarter ended 30 June 2017.
- (b) There was no investment in quoted shares as at 30 June 2017.

8. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the current financial quarter ended 30 June 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 30 Jun 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	1,331	1,475
	<u>16,331</u>	<u>17,975</u>
Long term borrowings		
Secured		
- Term loans	28,000	34,000
- Hire purchase creditor	1,245	1,862
	<u>29,245</u>	<u>35,862</u>
Total borrowings		
Secured		
- Term loans	43,000	50,500
- Hire purchase creditor	2,576	3,337
	<u>45,576</u>	<u>53,837</u>

All borrowings are denominated in Ringgit Malaysia.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**
11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 June 2017.

12. PROPOSED DIVIDEND

The Company did not declare any interim dividend for the current quarter ended 30 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 30 June 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 June 2016 (Unaudited)	Current Year 6 months ended 30 June 2017 (Unaudited)	Preceding Year Corresponding Period 30 June 2016 (Unaudited)
Profit attributable to ordinary equity holders of the parent	RM'000 <u>9,174</u>	RM'000 <u>7,955</u>	RM'000 <u>18,426</u>	RM'000 <u>10,294</u>
Weighted average number of ordinary shares in issue ('000)	<u>478,858</u>	<u>478,093</u>	<u>479,127</u>	<u>445,520</u>
Basic earnings per share	<u>Sen</u> <u>1.92</u>	<u>Sen</u> <u>1.66</u>	<u>Sen</u> <u>3.85</u>	<u>Sen</u> <u>2.31</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**
13. EARNINGS PER SHARE (Cont'd)
(b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 June 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 June 2016 (Unaudited)	Current Year 6 months ended 30 June 2017 (Unaudited)	Preceding Year Corresponding Period 30 June 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	9,174	7,955	18,426	10,294
Weighted average number of ordinary shares in issue ('000)	478,858	478,093	479,127	445,520
Effect of ESOS ('000)	1,327	1,275	1,327	1,275
Weighted average number of ordinary shares in issue ('000)	480,185	479,368	480,454	446,795
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Diluted earnings per share	1.91	1.66	3.84	2.30

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 22 August 2017.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**
**C. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED
EARNINGS INTO REALISED AND UNREALISED.**

The breakdown of the retained earnings of the Group as at 30 June 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 30 Jun 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	126,091	111,916
- Unrealised	(37,281)	(31,955)
	<u>88,810</u>	<u>79,961</u>
Consolidation adjustments	(3,240)	(3,240)
Total Group retained earnings as per consolidated accounts	<u>85,570</u>	<u>76,721</u>