

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

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Sep 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2016 (Unaudited)	Current Year 9 months ended 30 Sep 2017 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	32,618	41,327	92,673	101,248
Cost of sales	(13,112)	(18,712)	(41,424)	(57,521)
Gross profit	19,506	22,615	51,249	43,727
Other operating income	469	118	653	468
Selling Expenses	(2,949)	(3,166)	(8,151)	(7,345)
Other operating expenses	(1,037)	(851)	(2,773)	(2,701)
Operating profit	15,989	18,716	40,978	34,149
Finance costs	(576)	(898)	(1,818)	(3,169)
Interest income	33	24	179	37
Profit before tax	15,446	17,842	39,339	31,017
Income tax expense	(3,472)	(4,051)	(8,798)	(6,932)
Profit for the period attributable to equity holders of the company	11,974	13,791	30,541	24,085
Earnings per share attributable to equity holders of the Company:	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	2.50	2.88	6.36	5.28
Diluted	2.49	2.88	6.35	5.26

The condensed consolidated incomestatement 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 September 2017**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Sep 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2016 (Unaudited)	Current Year 9 months ended 30 Sep 2017 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	11,974	13,791	30,541	24,085
Other comprehensive income	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the company	<u>11,974</u>	<u>13,791</u>	<u>30,541</u>	<u>24,085</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 September 2017**

	(Unaudited)	(Audited)
	End of Current Quarter 30 Sep 2017	Preceding Financial Year Ended 31 Dec 2016
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	161,988	157,540
Biological asset	234,564	225,105
Other receivables	5,367	5,055
	<u>401,919</u>	<u>387,700</u>
Current Assets		
Inventories	14,600	7,720
Trade receivables	1,870	3,798
Other receivables	774	5,344
Tax recoverable	414	408
Fixed deposits with licensed bank	508	494
Cash and bank balances	8,607	13,787
	<u>26,773</u>	<u>31,551</u>
TOTAL ASSETS	<u><u>428,692</u></u>	<u><u>419,251</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	239,676	239,047
Capital Reserves	907	1,034
Retained profits	88,108	76,721
Total equity	<u>328,691</u>	<u>316,802</u>

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

	(Unaudited)	(Audited)
	End of Current Quarter 30 Sep 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	40,745	31,955
Loans and borrowings	24,439	35,862
	<u>65,184</u>	<u>67,817</u>
Current liabilities		
Trade payables	1,913	6,032
Other payables	16,649	9,720
Loans and borrowings	16,255	17,975
Derivatives	-	905
	<u>34,817</u>	<u>34,632</u>
Total liabilities	<u>100,001</u>	<u>102,449</u>
TOTAL EQUITY AND LIABILITIES	<u><u>428,692</u></u>	<u><u>419,251</u></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 September 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	-	-	13	-	13
- Included in investments in subsidiary	-	-	25	-	25
Exercise of employee share option	464	165	(165)	-	464
Transfer pursuant to Companies Act 2016	165	(165)	-	-	-
Total comprehensive income for the period	-	-	-	30,541	30,541
Dividends on ordinary shares	-	-	-	(19,154)	(19,154)
At 30 September 2017	<u>239,676</u>	<u>-</u>	<u>907</u>	<u>88,108</u>	<u>328,691</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	-	-	9	-	9
- Included in investments in subsidiary	-	-	40	-	40
Total comprehensive income for the period	-	-	-	24,085	24,085
At 30 September 2016	<u>239,046</u>	<u>-</u>	<u>957</u>	<u>69,468</u>	<u>309,471</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 September 2017**

	9 months ended 30 Sep 2017 (Unaudited) <u>RM'000</u>	9 months ended 30 Sep 2016 (Unaudited) <u>RM'000</u>
Operating activities		
Profit before tax	39,339	31,017
<u>Adjustment for :-</u>		
Depreciation of property, plant and equipment	6,066	6,170
Property, plant and equipment written off	30	-
Interest received	(179)	(24)
Interest expense	1,818	2,932
Share options granted under ESOS	13	9
Gain on disposal of equipment	(6)	(4)
Gain on disposal of short term investment	-	-
Dividend income from short term investment	-	(65)
Reversal of unrealized loss on commodity future contract	(905)	-
Total adjustments	6,837	9,018
Operating cash flows before changes in working capital	46,176	40,035
<u>Changes in working capital:</u>		
Increase in inventories	(6,880)	(1,410)
Decrease/(increase) in receivables	6,186	(4,490)
Decrease in payables	(6,742)	(12,053)
Total changes in working capital	(7,436)	(17,953)
Cash generated from operating activities	38,740	22,082
Interest received	179	24
Interest paid	(2,003)	(3,170)
Income tax paid	(14)	(313)
Net cash generated from operating activities	36,902	18,623
Investing activities		
Placement of pledged fixed deposits	(14)	(2)
Purchase of property, plant and equipment	(10,950)	(6,302)
Proceeds from disposal of property, plant and equipment	6	-
Plantation development expenditure	(8,868)	(6,519)
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	(19,826)	(12,754)

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

	9 months ended 30 Sep 2017 (Unaudited) <u>RM'000</u>	9 months ended 30 Sep 2016 (Unaudited) <u>RM'000</u>
Financing activities		
Right issue expenses	-	(457)
Net repayment of invoice financing	-	(3,644)
Net repayment of term loans	(12,000)	(9,750)
Net repayment of revolving credit	-	(19,000)
Repayment of hire purchase liabilities	(1,143)	(1,118)
Proceeds from issuance of rights shares	-	36,335
Proceeds from exercise of employee share options	464	-
Dividend paid	(9,577)	-
Net cash (used in)/generated from financing activities	<u>(22,256)</u>	<u>2,366</u>
Net (decrease)/increase in cash and cash equivalents	(5,180)	8,235
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>8,607</u></u>	<u><u>9,532</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 For 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**

8. DIVIDENDS PAID

The amount of dividend paid during the nine months ended 30 September 2017:

In respect of financial year ended 31 December 2016:

	2017
	<u>RM'000</u>
A first and final single tier dividend of 2.0 sen per ordinary share paid on 16 June 2017	9,577
	9,577

No interim dividend has been paid during the current quarter ended 30 September 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 September 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 September 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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

13. CAPITAL COMMITMENTS

The amount of capital commitments not provided for in the interim financial statements as at 30 September 2017 are as follows:

	2017
	<u>RM'000</u>
Capital expenditure:	
Property, plant and equipment:	
Approved and contracted for	4,348
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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 granted SJI to enforce the Final Award and an official Liquidator was appointed.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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.	82
Purchase of vehicle from TSH Resources Berhad	106
Sales of Crude Palm Oil to TSH-Wilmar Sdn. Bhd.	80,979
Sales of Palm Kernel to TSH-Wilmar Sdn. Bhd.	10,773
Sales of Oil Palm Fresh Fruit Bunches to TSH Plantation Management Sdn Bhd	977
 Company	
Trade transaction	
Management fees charged to subsidiary	
- Serijaya Industri Sdn. Bhd.	270
- IPB Bio Energy Sdn Bhd	27
 Transaction with related party	
- Rental paid to Yayasan Sabah	32

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 BURSAMALAYSIA SECURITIES BERHAD

1. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER			CUMMULATIVE YEAR TO DATE		
	Current Year Quarter 30 Sep 2017	Preceding Year Quarter 30 Sep 2016	Variance	Current Year 9 months ended 30 Sep 2017	Preceding Year Period 30 Sep 2016	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
FINANCIAL INFORMATION:						
Revenue	32,618	41,327	(21%)	92,673	101,248	(8%)
Operating Profit	15,989	18,716	(15%)	40,978	34,149	20%
Profit Before Tax	15,446	17,842	(13%)	39,339	31,017	27%
Profit After Tax	11,974	13,791	(13%)	30,541	24,085	27%
Profit Attributable to Equity of the Company	11,974	13,791	(13%)	30,541	24,085	27%
OPERATION STATISTICS:						
Logging Contract:						
Logs Extracted (M3)	-	34,161	(100%)	-	131,721	(100%)
Palm Products:						
FFB Production (MT)	56,080	48,545	16%	136,601	115,183	19%
CPO Production (MT)	12,700	12,058	5%	31,178	28,439	10%
PK Production (MT)	1,929	1,775	9%	4,601	3,963	16%
CPO Sold (MT)	10,774	11,982	(10%)	28,815	28,400	1%
PK Sold (MT)	1,841	1,883	(2%)	4,465	3,976	12%
CPO Oil Extraction Rate (%)	22.65	24.84	(9%)	23.19	24.80	(6%)
Average CPO Price Per MT (RM)	2,640	2,592	2%	2,810	2,512	12%
Average PK Price Per MT (RM)	2,269	2,660	(15%)	2,413	2,370	2%

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

1. PERFORMANCE REVIEW(Cont'd)

The Group recorded a turnover of RM32.618 million for the current quarter ended 30 September 2017 representing a decrease of 21% as compared to RM41.327 million for the preceding financial year corresponding quarter. FFB production was 16% higher compared to Q3 2016. However CPO sale volume was lower due to higher CPO closing stock at 30 September 2017 as delivery was affected by inclement weather condition which also adversely affected oil extraction rate. There was no revenue from timber logging activity for current quarter as the logging contract had expired on 4th June 2016 (Q3 2016: RM5.261 million).

Weather conditions during the current quarter was exceptionally wet. This has deterred palm products delivery resulting in high CPO and PK closing stock. The poor weather conditions also resulted in lower OER. These factors adversely affected profitability for the current quarter. Furthermore, there was no contribution from logging operation for the current quarter (Q3 2016: RM1.444 million). As a result of the above, profit before tax for the current quarter was RM15.446 million, 13% below the preceding financial year corresponding quarter.

For the current year-to-date, the Group recorded a turnover of RM92.673 million, which is lower compared to last year corresponding period. Palm product revenue at RM92.673 million was 14% 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. (YTD 2016: RM20.285 million).

Profit before tax for year-to-date was RM39.339 million, an increase of 27% 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 arising from higher FFB production. YTD contribution from palm products segment was 35% higher compared to preceding corresponding period. All the profit was generated from palm products segment as there was no contribution from log extraction operation (YTD 2016: RM5.794 million).

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		
	Current Year Quarter 30 Sep 2017	Immediate Preceding Quarter 30 June 2017	Variance
	RM'000	RM'000	%
FINANCIAL INFORMATION:			
Revenue	32,618	30,594	7%
Operating Profit	15,989	12,392	29%
Profit Before Tax	15,446	11,873	30%
Profit After Tax	11,974	9,174	31%
Profit Attributable to Equity of the Company	11,974	9,174	31%
OPERATION STATISTICS:			
FFB Production (MT)	56,080	46,146	22%
CPO Production (MT)	12,700	10,249	24%
PK Production (MT)	1,929	1,487	30%
CPO Sold (MT)	10,774	9,781	10%
PK Sold (MT)	1,841	1,512	22%
CPO Oil Extraction Rate (%)	22.65	23.30	(3%)
Average CPO Price Per MT (RM)	2,640	2,721	(3%)
Average PK Price Per MT (RM)	2,269	2,023	12%

Profit before tax for the current quarter at RM15.446 million was 30% higher compared to RM11.873 million achieved in the immediate preceding quarter. The increase was mainly due to higher FFB production and higher CPO and PK sales volume. FFB production for the current quarter was 56,080 MT, 22% higher than preceding quarter. Sales volume of CPO and PK increases by 10% and 22% respectively. The lower percentage point increase in respect of CPO sale volume was due to higher stock as at 30 September 2017. Average selling price of CPO dropped to RM2,640 compared to immediate preceding quarter of RM2,721 per MT and PK average price increase to RM2,269 per MT from RM2,023 per MT.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

3. COMMENTARY ON PROSPECT

FFB production for Q4 2017 is expected lower than Q3 as post 2016 El Nino recovery is not as strong as experienced in previous El Nino occurrences. Given the current level of CPO and PK prices, 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 Sep 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2016 (Unaudited)	Current Year 9 months ended 30 Sep 2017 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
Malaysian income tax	-	-	-	-
Deferred tax	3,464	4,079	8,790	6,960
	<u>3,464</u>	<u>4,079</u>	<u>8,790</u>	<u>6,960</u>
(Over)/underprovided in prior years:				
Malaysian income tax	8	(28)	8	(28)
Deferred tax	-	-	-	-
Total	<u><u>3,472</u></u>	<u><u>4,051</u></u>	<u><u>8,798</u></u>	<u><u>6,932</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 30 September 2017.

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

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

8. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the current financial quarter ended 30 September 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 Sep 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	1,255	1,475
	16,255	17,975
Long term borrowings		
Secured		
- Term loans	23,500	34,000
- Hire purchase creditor	939	1,862
	24,439	35,862
Total borrowings		
Secured		
- Term loans	38,500	50,500
- Hire purchase creditor	2,194	3,337
	40,694	53,837

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

10. LOANS AND BORROWINGS(Cont'd)

The weighted average effective interest rate of borrowings as at 30 September 2017 was 5.31%.

Loans and borrowings of the Group are secured by the following:

- (a) Corporate guarantee given by the Company.
- (b) Assignment of rights, title and interest including but not limited to the right to occupy and develop a parcel of land.
- (c) All monies debenture and power of attorney over all of the existing and future assets of a subsidiary.
- (d) Pledge of deposits with licensed bank.

All borrowings are denominated in Ringgit Malaysia.

11. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

12. PROPOSED DIVIDEND

A first interim single-tier dividend of 2.0 sen in respect of financial year ending 31 December 2017 amounting to RM9,577,159 was declared on 22 August 2017 and paid on 26 October 2017.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 Sep 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2016 (Unaudited)	Current Year 9 months ended 30 Sep 2017 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	11,974	13,791	30,541	24,085
Weighted average number of ordinary shares in issue ('000)	478,858	478,093	479,880	456,457
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic earnings per share	2.50	2.88	6.36	5.28

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

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 30 Sep 2017 (Unaudited)	Preceding Year Corresponding Quarter 30 Sep 2016 (Unaudited)	Current Year 9 months ended 30 Sep 2017 (Unaudited)	Preceding Year Corresponding Period 30 Sep 2016 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	11,974	13,791	30,541	24,085
Weighted average number of ordinary shares in issue ('000)	478,858	478,093	479,880	456,457
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	481,207	457,732
	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Diluted earnings per share	2.49	2.88	6.35	5.26

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 21 November 2017.

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

The breakdown of the retained earnings of the Group as at 30 September 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 Sep 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	132,093	111,916
- Unrealised	(40,745)	(31,955)
	91,348	79,961
Consolidation adjustments	(3,240)	(3,240)
Total Group retained earnings as per consolidated accounts	88,108	76,721