

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2017 RM'000	Preceding Year Corresponding Quarter 31.03.2016 RM'000	Current Year To-date 31.03.2017 RM'000	Preceding Year Corresponding Year To-date 31.03.2016 RM'000
Revenue	288,501	202,276	288,501	202,276
Cost of sales	<u>(196,816)</u>	<u>(127,764)</u>	<u>(196,816)</u>	<u>(127,764)</u>
Gross profit	91,685	74,512	91,685	74,512
Other operating income	7,888	3,217	7,888	3,217
Other operating expenses	<u>(51,191)</u>	<u>(48,805)</u>	<u>(51,191)</u>	<u>(48,805)</u>
Operating profit	48,382	28,924	48,382	28,924
Finance costs	(9,696)	(4,897)	(9,696)	(4,897)
Share of profit of an associate	1,794	437	1,794	437
Share of profit of jointly controlled entities	<u>588</u>	<u>768</u>	<u>588</u>	<u>768</u>
Core profit before taxation	41,068	25,232	41,068	25,232
(Loss)/ Gain on foreign exchange	7,847	39,155	7,847	39,155
Profit/ (Loss) before taxation	<u>48,915</u>	<u>64,387</u>	<u>48,915</u>	<u>64,387</u>
Taxation	<u>(10,051)</u>	<u>(7,272)</u>	<u>(10,051)</u>	<u>(7,272)</u>
Profit/ (Loss) for the period	<u>38,864</u>	<u>57,115</u>	<u>38,864</u>	<u>57,115</u>
Other Comprehensive Income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences	(7,824)	(92,448)	(7,824)	(92,448)
Other Comprehensive income for the period, net of tax	<u>(7,824)</u>	<u>(92,448)</u>	<u>(7,824)</u>	<u>(92,448)</u>
Total comprehensive income for the period	<u>31,040</u>	<u>(35,333)</u>	<u>31,040</u>	<u>(35,333)</u>
Profit attributable to :				
Owners of the parent	33,950	54,724	33,950	54,724
Non-controlling interests	<u>4,914</u>	<u>2,391</u>	<u>4,914</u>	<u>2,391</u>
	<u>38,864</u>	<u>57,115</u>	<u>38,864</u>	<u>57,115</u>
Total comprehensive income attributable to :				
Owners of the parent	24,116	(34,809)	24,116	(34,809)
Non-controlling interests	<u>6,924</u>	<u>(524)</u>	<u>6,924</u>	<u>(524)</u>
	<u>31,040</u>	<u>(35,333)</u>	<u>31,040</u>	<u>(35,333)</u>
Earnings per share attributable to equity holders of the Company				
Basic (sen)	2.52	4.07	2.52	4.07
Diluted (sen)	2.52	4.07	2.52	4.07

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016

TSH Resources Berhad (49548-D)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
As at 31 March 2017

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	819,380	824,724
Biological assets	1,654,453	1,625,886
Land use rights	198,529	201,562
Intangible assets	60,584	61,057
Investments in associates	82,643	80,849
Investments in jointly controlled entities	76,360	75,772
Deferred tax assets	17,907	18,543
Other receivables	75,811	71,023
Investments securities	5,064	5,064
	<u>2,990,731</u>	<u>2,964,480</u>
Current assets		
Inventories	228,575	237,589
Trade and other receivables	109,987	132,846
Other current assets	17,708	27,456
Tax recoverable	16,158	15,923
Investments securities	30	19
Derivative assets	4,979	836
Short term funds	36,649	144
Cash and bank balances	108,132	131,202
	<u>522,218</u>	<u>546,015</u>
TOTAL ASSETS	<u><u>3,512,949</u></u>	<u><u>3,510,495</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	687,081	672,706
Share premium	-	1,301
Treasury shares	(8)	(8)
Other reserves	240,640	263,548
Retained earnings	603,387	569,437
	<u>1,531,100</u>	<u>1,506,984</u>
Non-controlling interests	163,368	156,444
Total equity	<u><u>1,694,468</u></u>	<u><u>1,663,428</u></u>
Non-current liabilities		
Retirement benefits	14,507	14,582
Borrowings	858,769	866,784
Deferred tax liabilities	156,381	157,443
	<u>1,029,657</u>	<u>1,038,809</u>
Current liabilities		
Borrowings	655,446	663,425
Hire purchase payables	-	41
Trade and other payables	119,919	122,700
Derivative liabilities	452	10,243
Current tax payable	13,007	11,849
	<u>788,824</u>	<u>808,258</u>
Total liabilities	<u><u>1,818,481</u></u>	<u><u>1,847,067</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,512,949</u></u>	<u><u>3,510,495</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016

TSH Resources Berhad (49548-D)
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes In Equity
For The First Quarter Ended 31 March 2017**

	Attributable to owners of the parent						Distributable					
	Non-distributable			Share Of Associate Reserves			Foreign currency Translation Reserves		Retained Earnings		Equity attributable to owners of the parent Total	Non-controlling Interests
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Asset Revaluation Reserves RM'000	Capital Reserves RM'000	Share Of Associate Reserves RM'000	Foreign currency Translation Reserves RM'000	Retained Earnings RM'000	Equity attributable to owners of the parent Total RM'000	Non-controlling Interests RM'000	Equity Total RM'000	
At 1 January 2016	672,706	1,301	(6)	114,065	13,074	203	20,096	535,241	1,356,680	144,661	1,501,341	
Profit for the period	-	-	-	-	-	-	-	54,724	54,724	2,391	57,115	
Other comprehensive income												
Foreign currency translation	-	-	-	-	-	-	(89,534)	-	(89,534)	(2,915)	(92,449)	
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	(89,534)	-	(89,534)	(2,915)	(92,449)	
Total comprehensive income for the period	-	-	-	-	-	-	(89,534)	54,724	(34,810)	(524)	(35,334)	
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	(490)	(490)	
At 31 March 2016	<u>672,706</u>	<u>1,301</u>	<u>(6)</u>	<u>1,390</u>	<u>11,594</u>	<u>181</u>	<u>(69,438)</u>	<u>589,965</u>	<u>1,321,870</u>	<u>102,298</u>	<u>1,465,517</u>	
At 1 January 2017	672,706	1,301	(8)	111,753	13,074	231	138,490	569,437	1,506,984	156,444	1,663,428	
Profit for the period	-	-	-	-	-	-	-	33,950	33,950	4,914	38,864	
Other comprehensive income												
Foreign currency translation	-	-	-	-	-	-	(9,834)	-	(9,834)	2,010	(7,824)	
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	(9,834)	-	(9,834)	2,010	(7,824)	
Total comprehensive income for the period	-	-	-	-	-	-	(9,834)	33,950	24,116	6,924	31,040	
Transfer*	14,375	(1,301)	-	-	(13,074)	-	-	-	-	-	-	
At 31 March 2017	<u>687,081</u>	<u>0</u>	<u>(8)</u>	<u>111,753</u>	<u>(0)</u>	<u>231</u>	<u>128,656</u>	<u>603,387</u>	<u>1,531,100</u>	<u>163,368</u>	<u>1,694,468</u>	

* The amounts standing in credit of the share premium and capital redemption reserve have been re-classed into share capital as required by Section 618(2) of the Companies Act 2016 which came into effect on 31 January 2017.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016

Condensed Consolidated Statement of Cash Flows
For The First Quarter Ended 31 March 2017

	Individual Quarter	Preceding Year	Cumulative Quarter	Cumulative Quarter
	Current	Corresponding	Current	Current
	Year	Quarter	Year	Year
	Quarter	31.03.2016	To-date	To-date
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Operating Activities				
Profit/ (loss) before taxation	48,915	64,387	48,915	64,387
Adjustments for :-				
Depreciation and amortisation of property, plant and equipment	12,332	11,702	12,332	11,702
Property, plant and equipment written off	62	11	62	11
Amortisation of land use rights	1,739	1,584	1,739	1,584
Gain on fair value changes on quoted investment	(11)	(3)	(11)	(3)
Gain on disposal of property, plant and equipment	718	(16)	718	(16)
Impairment loss/ (Write back of impairment loss) on receivable	273	(107)	273	(107)
Amortisation of intangible assets	66	-	66	-
Net unrealised foreign exchange gain	(8,436)	(38,925)	(8,436)	(38,925)
Fair value Gain of the commodity future contract	(4,226)	(150)	(4,226)	(150)
Share of profit of jointly controlled entities	(588)	(768)	(588)	(768)
Share of profit of an associate	(1,794)	(437)	(1,794)	(437)
Interest expense	9,696	4,897	9,696	4,897
Interest income	(1,017)	(229)	(1,017)	(229)
Dividend income	(1)	-	(1)	-
Operating profit before working capital changes	<u>57,728</u>	<u>41,946</u>	<u>57,728</u>	<u>41,946</u>
Changes in working capital				
Inventories	119	13,043	119	13,043
Receivables	32,633	(14,659)	32,633	(14,659)
Payables	<u>(4,675)</u>	<u>(5,846)</u>	<u>(4,675)</u>	<u>(5,846)</u>
Cash generated from operations	85,805	34,484	85,805	34,484
Interest paid	(9,696)	(4,897)	(9,696)	(4,897)
Income tax paid	<u>(10,546)</u>	<u>(8,952)</u>	<u>(10,546)</u>	<u>(8,952)</u>
Net cash generated from/ (utilised in) operating activities	<u>65,563</u>	<u>20,635</u>	<u>65,563</u>	<u>20,635</u>
Cash Flows from Investing Activities				
Additional investment in associate company	-	(7,985)	-	(7,985)
(Placement)/ Withdrawal of deposits	(4,795)	203	(4,795)	203
Purchase of property, plant and equipment	(14,175)	(7,617)	(14,175)	(7,617)
Payment for oil palm planting expenditure	(26,422)	(27,120)	(26,422)	(27,120)
Payment of forest planting expenditure	(2,610)	(3,021)	(2,610)	(3,021)
Short-term investments	(36,505)	-	(36,505)	-
Proceeds from disposal of property, plant and equipment	1,300	210	1,300	210
Interest received	1,017	229	1,017	229
Net dividends received	1	-	1	-
Dividend received from jointly controlled entity	-	6,500	-	6,500
Net cash generated from/(used in) investing activities	<u>(82,189)</u>	<u>(38,601)</u>	<u>(82,189)</u>	<u>(38,601)</u>
Cash Flows from Financing Activities				
Net repayment of term loans/commercial papers/medium term notes	(37,237)	(27,600)	(37,237)	(27,600)
Net drawdown in other borrowings	22,788	48,576	22,788	48,576
Hire purchase payment	(41)	(367)	(41)	(367)
Dividends paid to non-controlling interests	<u>-</u>	<u>(490)</u>	<u>-</u>	<u>(490)</u>
Net cash generated from financing activities	<u>(14,490)</u>	<u>20,119</u>	<u>(14,490)</u>	<u>20,119</u>
Net (decrease)/ increase in cash and cash equivalents	(31,116)	2,153	(31,116)	2,153
Cash and cash equivalents at beginning of period	124,511	51,385	124,511	51,385
Effect of foreign exchange rate changes	402	(917)	402	(917)
Effect of foreign exchange rate changes on cash and cash equivalents	<u>1,413</u>	<u>(2,445)</u>	<u>1,413</u>	<u>(2,445)</u>
Cash and cash equivalents at end of period	<u>95,210</u>	<u>50,176</u>	<u>95,210</u>	<u>50,176</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016

**EXPLANATORY NOTES FOR CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH
2017**

PART 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 significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016 except for the following Amendments to FRSs and Annual improvement which take effect from 1 January 2017.

Description	Effective for annual periods beginning on or after
Amendments to FRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to FRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Annual Improvements to FRS Standards 2014 - 2016</i>	1 January 2017

The adoption of the above do not have any significant effects on the interim financial report upon their initial application.

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 venturer (herein called ‘Transitioning Entities’).

2. Changes in Accounting Policies (continued)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

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. 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 and the Company fall within the definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the year ending 31 December 2018. In presenting their first MFRS financial statements, the Group and the Company 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.

Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the quarter ended 31 March 2017 could be different if prepared under the MFRS Framework.

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. Comments on 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 below.

5. Unusual items

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 have had a material impact in the current quarter results.

7. Debt and equity securities

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

Treasury shares

The cumulative shares bought back are currently held as treasury shares. The number of treasury shares held as at 31 March 2017 is as follows:

	No. of shares	Amount (RM)
Balance as at 1 January 2017	4,000	8,607
Add : Purchase of treasury shares	-	-
Balance as at 31 March 2017	4,000	8,607

8. Dividends paid

There were no dividends paid during the quarter ended 31 March 2017.

9. Segmental information

i) Business segments

Cumulative Quarter ended 31 March 2017

	Palm Product RM'000	Others RM'000	Consolidated RM'000
SEGMENT REVENUE	252,496	36,005	288,501
SEGMENT RESULTS	50,465	4,113	54,578
Unallocated corporate expenses			(6,195)
Gains on foreign exchange			7,847
Finance costs			(9,697)
Share of profit of an associate			1,794
Share of profit of jointly controlled entities			588
Profit before taxation			48,915
Income taxes			(10,051)
Cumulative profit up to 31 March 2017			38,864
OTHER INFORMATION			
SEGMENTS ASSETS	2,540,232	682,254	3,222,486
Investment in jointly controlled entities			76,360
Investment in associate			82,643
Unallocated assets			131,460
Consolidated total assets			3,512,949
SEGMENT LIABILITIES	64,206	65,364	129,570
Borrowings			1,514,215
Deferred Tax liabilities			156,788
Unallocated liabilities			17,908
Consolidated total liabilities			1,818,481

ii) Geographical segments

	Total revenue from external customers RM'000	Segment Assets RM'000
Malaysia	180,004	1,521,688
Europe	-	5,043
United States of America	18,618	3,358
Indonesia	89,879	1,981,755
South West Pacific	-	-
Others	-	1,105
Total	288,501	3,512,949

10. Changes in composition of the Group

- a) PT Aramico Komoditi (“PTAK”), a 74.42% owned subsidiary of the Company has been placed under voluntary winding-up in accordance with the laws in Indonesia since 26 October 2011. The voluntary winding-up of PTAK is currently pending final completion.
- b) Afromal Cocoa Limited (“Afromal”), a dormant and wholly-owned subsidiary of CocoaHouse Sdn. Bhd., which in turn is a wholly-owned subsidiary of TSH has on 13 December 2013 commenced a voluntary winding-up in accordance with the laws of Accra, Ghana. The voluntary winding-up of Afromal is currently pending final completion.
- c) The following wholly-owned subsidiaries of the Company, have made applications to the Companies Commission of Malaysia (“CCM”) to strike-off their names from the Register of the CCM in previous year.
 - i. Ekowood Energy Sdn. Bhd.
 - ii. TSH BioDiesel Sdn. Bhd.
 - iii. Bisa Jaya Sdn. Bhd.

The striking-off of the above subsidiaries are pending the publication of the notice of striking off in the gazette.

Other than the above and those disclosed in Part A Note 15, there were no other changes in the composition of the Group.

11. Discontinued operation

There was no discontinued operation during the quarter ended 31 March 2017.

12. Commitments

- a) Capital commitments

The amount of commitments for capital expenditure as at 31 March 2017 is as follows:

	As at 31.03.2017	As at 31.12.2016
	RM'000	RM'000
Approved and contracted for	5,079	11,485
Approved but not contracted for	29,159	6,366
	<u>34,238</u>	<u>17,851</u>

12. Commitments and Contingencies (continued)

b) Operating lease commitments – as lessee

Future minimum rentals payable under non-cancellable operating lease at the reporting date as follows:

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Not later than 1 year	442	375
Later than 1 year and not later than 5 years	918	692
Later than 5 years	906	938
	<u>2,266</u>	<u>2,005</u>

c) Operating lease commitments – as lessor

Future minimum rentals receivable under non-cancellable operating lease at the reporting date as follows:

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Not later than 1 year	832	989
Later than 1 year and not later than 5 years	415	551
	<u>1,247</u>	<u>1,540</u>

13. Changes in contingent liabilities or contingent assets

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Guarantee given to PT. Bank CIMB Niaga, TBK, to secure loan for Pembangunan Kebun Kelapa Sawit Plasma under Plasma Scheme	61,184	62,062
	<u>61,184</u>	<u>62,062</u>

14. Material related party transactions

Significant transactions between the Group and its jointly controlled entities are as follows:

	3 months ended 31 March 2017 RM'000
Sales of crude palm oil	123,652
Sales of palm kernel	31,862

15. Subsequent events

- a) On 14 April 2017, 11,390,066 TSH Consideration Shares were issued and allotted to the Scheme Shareholders whose names appeared in the Record of Depositors of Ekowood as at 5.00 p.m. on 10 April 2017. Following the satisfaction of the Offer Price, the Privatisation is completed on 14 April 2017 and Ekowood is now a wholly-owned subsidiary of the Company.
- b) Eko Paper International Sdn Bhd (“EPISB”) a wholly owned subsidiary of the Company, had been struck off and deemed dissolved following the publication of the notice of striking off pursuant to Section 308(4) of the Companies Act, 1965 in the Gazette on 17 January 2017.

The notice of striking off pursuant to Section 308(4) of the Companies Act, 1965 issued by Companies Commission of Malaysia on 20 April 2017 was received by EPISB on 18 May 2017.

- c) BioWorld Enterprise Sdn Bhd (“BWESB”) a wholly owned subsidiary of the Company, had been struck off and deemed dissolved following the publication of the notice of striking off pursuant to Section 308(4) of the Companies Act, 1965 in the Gazette on 25 January 2017.

The notice of striking off pursuant to Section 308(4) of the Companies Act, 1965 issued by Companies Commission of Malaysia on 20 April 2017 was received by BWESB on 22 May 2017.

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Performance review

The Group reported revenue of RM288.5 million for the Qtr 1, 2017 compared to RM202.3 million for the preceding year corresponding period.

Core profit for the current quarter surged 63% to RM41.1 million against RM25.2 million for the preceding year corresponding quarter mainly due to higher average Crude Palm Oil (CPO) price and higher Fresh Fruit Brunch (FFB) production coupled with higher profit contributions from an associated company. However, due mainly to lower foreign exchange gain of RM 7.8 million compared to preceding year corresponding quarter of RM39.2 million, profit before taxation for the quarter decreased to RM 48.9 million against RM64.4 million for preceding quarter last year.

1.1 Palm Product

For Q1, 2017, this segment reported a higher operating profit of RM50.5 million (Q1 2016 - RM32.5 million) due to higher average CPO price of RM2,985 per MT compared to RM2,144 per MT in Q1, 2016. FFB production of 148,813 MT was also higher than FFB production of 135,899 MT in Q1, 2016 despite the lingering lagged effect of the 2016 El Nino.

1.2 Others

This segment reported slightly higher revenue of RM36.0 million compared to RM 33.9 million for the corresponding period in 2016 due to higher sale of cocoa product.

However, operating profit for Q1 of RM4.1 million was slightly lower than the RM4.5 of the corresponding quarter of preceding year mainly due to lower electricity and steam production as one of the the power plant was closed for maintenance for about a month.

2. Material changes in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter

For Q1, 2017, the Group registered revenue of RM 288.5 million compared with the immediate preceding quarter of RM 244.3 million due to higher average CPO price which contributed higher revenue to palm product segment. However, lower core profit before taxation of RM 41.1 million for this quarter against RM48.5 million for the preceding quarter was mainly attributed to lower profit contribution from jointly controlled entities and higher finance cost. However, profit before tax was higher due to exchange gain of RM 7.8 million.

3. Commentary on the prospects

The Group expects seasonal crop production in the forthcoming quarters to improve after recovering from the adverse effects of the El Nino. Production should also be leveraged by the better age profile as more oil palm trees reach optimum yield and with more planted areas are growing into maturity and harvesting stages.

3. Commentary on the prospects (Continued)

The Board is optimistic on the long term prospect of the palm oil industry due to the higher per capital income, many health qualities of palm oil and population growth, that will propel the increase in demand. Palm products segment which accounts for more than 85% of the revenue and profit for the Group will remain a significant contributor to Group profit. Management will continue its focus on the productivity and efficiency improvement to reduce unit cost of production in 2017.

4. Profit forecast or profit guarantee

The Group is not involved in any profit guarantee arrangement or providing any forecast profit.

5. Profits Before Tax

The following (gain)/loss have been included in arriving at profit before tax:

	Quarter 31.03.2017 <u>RM'000</u>	Year to date 31.03.2017 <u>RM'000</u>
Interest income	(1,017)	(1,017)
Interest expenses	9,696	9,696
Dividend income	(1)	(1)
Rental income	(216)	(216)
Depreciation and amortization	14,072	14,072
Fair value gain on derivatives		
- Forward currency contracts	(813)	(813)
- Commodity future contracts	(4,226)	(4,226)
Net foreign exchange (gain)/ loss		
- Realised	590	590
- Unrealised	(7,624)	(7,624)
Net impairment loss on trade and other receivable	273	273
Net loss on disposal of property, plant and equipment	718	718

6. Income Tax Expense

	Quarter 31.03.2017 <u>RM'000</u>	Year to date 31.03.2017 <u>RM'000</u>
Current tax:		
Malaysian income tax	4,128	4,128
Foreign tax	5,280	5,280
Deferred tax:		
Relating to origination and reversal of temporary differences	643	643
	<u>10,051</u>	<u>10,051</u>

The effective tax rate of the Group for the quarter is lower than the statutory rate mainly due to foreign exchange gain which is not taxable.

7. Corporate proposals

There was no corporate proposal announced at the date of this quarterly report.

8. Group Borrowings and Debt Securities

Comprised:

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Total Group borrowings		
- secured	541,890	569,552
- unsecured	972,325	960,657
Short term borrowings		
- secured	93,879	123,101
- unsecured	561,567	540,324
Long term borrowings		
- secured	448,011	446,451
- unsecured	410,758	420,333

All borrowings are denominated in Ringgit Malaysia, except for the following loans:

	Foreign currencies ('000)	RM Equivalent ('000)
EURO	19	89
USD	82,163	363,406
AUD	33	147
Total		<u>363,642</u>

9. Changes in material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings which might materially affect the Group for the current financial year.

10. Proposed Dividend

The Company did not declare any interim dividend for the current quarter ended 31 March, 2017.

11. Earnings per share

(a) Basic earnings per share

Basic earnings per share amounts is calculated by dividing profit for the period attributable to ordinary shareholders of TSH Resources Berhad by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	<u>Quarter ended</u> <u>31 March</u>		<u>YTD ended</u> <u>31 March</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net profit for the quarter (RM'000)	33,950	54,724	33,950	54,724
Weighted average number of ordinary shares in issue ('000)	1,345,408	1,345,409	1,345,408	1,345,409
Basic earnings per ordinary share (sen)	2.52	4.07	2.52	4.07

(b) Diluted earnings per share

This is not applicable to the Group

12. Supplementary information – breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company 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 Profit 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 31.03.2017 RM'000	As at end of Preceding Year 31.12.2016 RM'000
Total retained profits of TSHR and its Subsidiaries		
- Realised	672,013	729,268
- Unrealised	(128,210)	(218,857)
	543,803	510,411
Total share of retained profits from associated Company		
- Realised	26,439	24,071
- Unrealised	(7,596)	(6,934)
Total share of retained profits from jointly controlled entities		
- Realised	63,907	59,568
- Unrealised	(3,733)	(3,788)
Add: Consolidation adjustments	622,820 (19,433)	583,328 (13,891)
Total group retained profits as per consolidated accounts	603,387	569,437

13. 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 24 May 2017.