

**Condensed Consolidated Statement of Comprehensive Income
For The Quarter and Year-To-Date Ended 30 September 2017**

	Quarter Ended		Year-To-Date Ended	
	30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Revenue	256,821	213,259	803,553	628,005
Cost of sales	<u>(152,397)</u>	<u>(137,505)</u>	<u>(514,991)</u>	<u>(409,021)</u>
Gross profit	104,424	75,754	288,562	218,984
Other operating income	2,531	3,770	13,284	11,034
Other operating expenses	<u>(49,882)</u>	<u>(49,067)</u>	<u>(150,026)</u>	<u>(144,915)</u>
Operating profit	57,073	30,457	151,820	85,103
Finance costs	(10,518)	(7,361)	(29,054)	(18,066)
Share of profit of an associate	2,662	3,021	6,517	5,283
Share of profit of jointly controlled entities	<u>2,428</u>	<u>4,166</u>	<u>1,685</u>	<u>9,328</u>
Core profit before taxation	51,645	30,283	130,968	81,648
Gain/ (Loss) on foreign exchange	1,108	(7,857)	12,219	21,886
Profit before taxation	<u>52,753</u>	<u>22,426</u>	<u>143,187</u>	<u>103,534</u>
Taxation	<u>(13,763)</u>	<u>(8,529)</u>	<u>(33,959)</u>	<u>(17,151)</u>
Profit for the period	<u>38,990</u>	<u>13,897</u>	<u>109,228</u>	<u>86,383</u>
Other Comprehensive (Loss)/ Income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences	(50,399)	61,682	(110,206)	25,288
Other Comprehensive (loss)/ income for the period, net of tax	<u>(50,399)</u>	<u>61,682</u>	<u>(110,206)</u>	<u>25,288</u>
Total comprehensive (loss)/ income for the period	<u>(11,409)</u>	<u>75,579</u>	<u>(978)</u>	<u>111,671</u>
Profit attributable to :				
Owners of the parent	30,693	11,087	92,341	79,648
Non-controlling interests	<u>8,297</u>	<u>2,810</u>	<u>16,887</u>	<u>6,735</u>
	<u>38,990</u>	<u>13,897</u>	<u>109,228</u>	<u>86,383</u>
Total comprehensive (loss)/ income attributable to :				
Owners of the parent	(17,423)	70,585	(15,383)	103,718
Non-controlling interests	<u>6,014</u>	<u>4,994</u>	<u>14,405</u>	<u>7,953</u>
	<u>(11,409)</u>	<u>75,579</u>	<u>(978)</u>	<u>111,671</u>
Earnings per share attributable to equity holders of the Company				
Basic (sen)	2.23	0.82	6.80	5.92
Diluted (sen)	2.23	0.82	6.80	5.92

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 30 September 2017

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	790,416	824,724
Biological assets	1,647,965	1,625,886
Land use rights	195,424	201,562
Intangible assets	58,922	61,057
Investments in associates	85,265	80,849
Investments in jointly controlled entities	67,456	75,772
Deferred tax assets	18,422	18,543
Other receivables	60,144	71,023
Investments securities	5,064	5,064
	<u>2,929,078</u>	<u>2,964,480</u>
Current assets		
Inventories	214,457	237,589
Trade and other receivables	114,614	132,846
Other current assets	9,960	27,456
Tax recoverable	5,029	15,923
Investments securities	29	19
Derivative assets	15	836
Short term funds	-	144
Cash and bank balances	136,562	131,202
	<u>480,666</u>	<u>546,015</u>
TOTAL ASSETS	<u><u>3,409,744</u></u>	<u><u>3,510,495</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	740,513	672,706
Share premium	-	1,301
Treasury shares	(8)	(8)
Other reserves	152,379	263,548
Retained earnings	644,264	569,437
	<u>1,537,148</u>	<u>1,506,984</u>
Non-controlling interests	136,806	156,444
Total equity	<u>1,673,954</u>	<u>1,663,428</u>
Non-current liabilities		
Retirement benefits	14,274	14,582
Borrowings	759,368	866,784
Deferred tax liabilities	155,175	157,443
	<u>928,817</u>	<u>1,038,809</u>
Current liabilities		
Borrowings	682,815	663,425
Hire purchase payables	-	41
Trade and other payables	112,763	122,700
Derivative liabilities	1,215	10,243
Current tax payable	10,180	11,849
	<u>806,973</u>	<u>808,258</u>
Total liabilities	<u>1,735,790</u>	<u>1,847,067</u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,409,744</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 Year-To-Date Ended 30 September 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	Equity Total
	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 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	-	-	-	-	-	-	-	92,341	92,341	16,887	109,228
Other comprehensive income											
Foreign currency translation	-	-	-	-	-	-	(107,724)	-	(107,724)	(2,482)	(110,206)
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	(107,724)	-	(107,724)	(2,482)	(110,206)
Total comprehensive income for the period	-	-	-	-	-	-	(107,724)	92,341	(15,383)	14,405	(978)
Issue of ordinary shares for privatisation undertaken	63,119	-	-	-	-	-	-	9,622	72,741	(31,491)	41,250
Utilization of share premium for issuing expenses	(58)	-	-	-	-	-	-	-	(58)	58	-
Transition to non par value regime	4,746	(1,301)	-	-	(3,445)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(27,136)	(27,136)	-	(27,136)
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	(2,610)	(2,610)
At 30 September 2017	<u>740,513</u>	<u>-</u>	<u>(8)</u>	<u>111,753</u>	<u>9,629</u>	<u>231</u>	<u>30,766</u>	<u>644,264</u>	<u>1,537,148</u>	<u>136,806</u>	<u>1,673,954</u>
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	-	-	-	-	-	-	-	79,648	79,648	6,735	86,383
Other comprehensive income											
Foreign currency translation	-	-	-	-	-	-	24,070	-	24,070	1,218	25,288
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	24,070	-	24,070	1,218	25,288
Total comprehensive income for the period	-	-	-	-	-	-	24,070	79,648	103,718	7,953	111,671
Purchase of treasury shares	-	-	-	-	-	-	-	-	(2)	-	(2)
Dividends paid	-	-	-	-	-	-	-	(26,908)	(26,908)	-	(26,908)
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	-	(1,470)	(1,470)
At 30 September 2016	<u>672,706</u>	<u>1,301</u>	<u>(6)</u>	<u>114,065</u>	<u>13,074</u>	<u>203</u>	<u>44,166</u>	<u>587,981</u>	<u>1,433,488</u>	<u>151,145</u>	<u>1,584,632</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 ("CA 2016") which came into effect on 31 January 2017. Notwithstanding this, the Group may within 24 months upon commencement of the CA 2016 exercise its rights to use the credit amount from share premium account for the purposes set out in Section 618 (3) of the CA 2016.

The Condensed Consolidated Statement of Changes in Equity 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 Cash Flows
For The Year-To-Date Ended 30 September 2017**

	Year-To-Date Ended	
	30.09.2017 RM'000	30.09.2016 RM'000
Cash Flows from Operating Activities		
Profit before taxation	143,187	103,534
Adjustments for :-		
Depreciation and amortisation of property, plant and equipment	37,348	35,580
Property, plant and equipment written off	1,008	29
Amortisation of land use rights	4,985	4,929
Inventories written (back)/ down	(211)	865
(Gain)/ Loss on fair value changes on quoted investment	(10)	6
Net Loss/ (Gain) on disposal of property, plant and equipment	135	(287)
Impairment loss on receivable	404	2,513
Amortisation of biological assets	198	-
Net unrealised foreign exchange gain	(12,312)	(21,491)
Fair value (Gain)/ Loss of the commodity future contract	(6,762)	660
Share of profit of jointly controlled entities	(1,685)	(9,328)
Share of profit of an associate	(6,517)	(5,283)
Interest expense	29,054	18,066
Interest income	(3,916)	(4,511)
Dividend income	(169)	(480)
Operating profit before working capital changes	184,737	124,802
Changes in working capital		
Inventories	22,757	(7,690)
Receivables	46,242	(10,559)
Payables	(13,069)	2,197
Cash generated from operations	240,667	108,750
Interest paid	(29,054)	(18,065)
Income tax paid	(24,191)	(20,772)
Net cash generated from operating activities	187,422	69,913
Cash Flows from Investing Activities		
Additional investment in associate company	-	(7,985)
Redemption/ (purchase) of short-term investments	144	131
Withdrawal of deposits	13	1,427
Purchase of property, plant and equipment	(37,999)	(23,542)
Payment for oil palm planting expenditure	(85,930)	(84,661)
Payment of forest planting expenditure	(8,539)	(8,696)
Proceeds from disposal of property, plant and equipment	2,754	718
Interest received	3,916	4,511
Dividends received	169	480
Dividends received from an associate & jointly controlled entity	12,101	6,500
Net cash used in investing activities	(113,371)	(111,117)
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares	41,250	-
Purchase of treasury shares	-	(2)
Net (repayment)/ drawdown of term loans/commercial papers/medium term notes	(174,489)	219,361
Net drawdown/ (repayment) in other borrowings	98,134	(128,699)
Hire purchase payment	(40)	(542)
Dividends paid to non-controlling interests	(2,610)	(1,470)
Dividends paid	(27,136)	(26,908)
Net cash (used in)/ generated from financing activities	(64,891)	61,740
Net increase in cash and cash equivalents	9,160	20,536
Cash and cash equivalents at beginning of period	124,511	51,385
Effect of foreign exchange rate changes	(4,679)	4,712
Effect of foreign exchange rate changes on cash and cash equivalents	1,276	(753)
Cash and cash equivalents at end of period	130,268	75,880

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 30 SEPTEMBER 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 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 are significant for an 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 took 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>Disclosure of Interests in Other Entities (Annual Improvements to FRS Standards 2014 – 2016 Cycle)</i>	1 January 2017

The adoption of the above does 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 30 September 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 unmodified.

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 current quarter and year-to-date ended 30 September 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 other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and year-to-date ended 30 September 2017 except for the following:

- (a) On 14 April 2017, the Company issued 11,390,066 new ordinary shares at an issue price of RM1.92 per new ordinary share as consideration for the acquisition and transfer of Ekowood shares to TSH under the privatisation of Ekowood International Berhad.
- (b) On 21 July 2017, the Company issued 25,000,000 new ordinary shares at an issue price of RM1.65 per new ordinary share under the share placement.

8. Dividends paid

There were no dividends paid during the quarter ended 30 September 2017.

9. Segmental information

i) Business segments

Year-To-Date ended 30 September 2017

	Palm Product RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
External Revenue	710,886	92,667	-	803,553
Inter-Segment	19,057	-	(19,057)	-
TOTAL REVENUE	729,943	92,667	(19,057)	803,553
SEGMENT RESULTS	156,372	11,525		167,897
Unallocated corporate expenses				(16,077)
Gain on foreign exchange				12,219
Finance costs				(29,054)
Share of profit of an associate				6,517
Share of profit of jointly controlled entities				1,685
Profit before taxation				143,187
Income taxes				(33,959)
Cumulative profit up to 30 September 2017				109,228
OTHER INFORMATION				
SEGMENTS ASSETS	2,474,957	680,334		3,155,291
Investment in jointly controlled entities				67,456
Investment in associate				85,265
Unallocated assets				101,732
Consolidated total assets				3,409,744
SEGMENT LIABILITIES	56,004	71,546		127,550
Borrowings				1,442,183
Deferred tax liabilities				155,175
Unallocated liabilities				10,882
Consolidated total liabilities				1,735,790

9. Segmental information (continued)

ii) Geographical segments

	Total revenue from external customers RM'000	Segment Assets RM'000
Malaysia	450,148	1,476,351
Europe	6,238	5,292
United States of America	39,566	3,184
Indonesia	294,334	1,923,812
Others	13,267	1,105
Total	803,553	3,409,744

10. Changes in composition of the Group

- a) The following wholly-owned subsidiaries of the Company, have 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 and Section 551(3) of the Companies Act 2016.
- i. Eko Paper International Sdn. Bhd.
 - ii. Bioworld Enterprise Sdn. Bhd.
 - iii. Ekowood Energy Sdn. Bhd.
 - iv. TSH BioDiesel Sdn. Bhd.

- b) On 14 April 2017, following the satisfaction of the Offer Price, the Privatisation of Ekowood was completed and it is now a wholly-owned subsidiary of the Company.
- c) On 1 August 2017, the Company incorporated a new wholly-owned subsidiary in Singapore under the name of TSH Agri Pte. Ltd., with an initial paid-up capital of SGD100.00.

Other than the above and those disclosed in Part A Note 15, there were no other changes in the composition of the Group during the current quarter and year-to-date ended 30 September 2017.

11. Discontinued operation

There was no discontinued operation during the quarter ended 30 September 2017.

12. Commitments

- a) Capital commitments

The amount of commitments for capital expenditure as at 30 September 2017 is as follows:

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
Approved and contracted for	5,254	11,485
Approved but not contracted for	11,984	6,366
	<u>17,238</u>	<u>17,851</u>

12. Commitments (continued)

b) Operating lease commitments – as lessee

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

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
Not later than 1 year	427	375
Later than 1 year and not later than 5 years	928	692
Later than 5 years	<u>847</u>	<u>938</u>
	<u><u>2,202</u></u>	<u><u>2,005</u></u>

c) Operating lease commitments – as lessor

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

	As at 30.09.2017 RM'000	As at 31.12.2016 RM'000
Not later than 1 year	624	989
Later than 1 year and not later than 5 years	<u>344</u>	<u>551</u>
	<u><u>968</u></u>	<u><u>1,540</u></u>

13. Changes in contingent liabilities or contingent assets

	As at 30.09.2017 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	<u>56,402</u>	<u>62,062</u>

14. Material related party transactions

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

	Year-To-Date ended 30 September 2017 RM'000
Sales of crude palm oil	326,525
Sales of palm kernel	71,920

15. Subsequent events

- a) Bisa Jaya Sdn Bhd (“BJSB”) 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 20 March 2017.

The notice of striking off pursuant to Section 308(4) of the Companies Act, 1965 issued by Companies Commission of Malaysia on 5 October 2017 was received by BJSB on 20 October 2017.

Other than the above, there was no material subsequent event to the end of this reporting.

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

1. Performance review

The Group's revenues for the quarter ended 30 September 2017 ("Q3 2017") and the nine months ended 30 September 2017 ("9M 2017") were RM256.8 million and RM803.6 million respectively, compared to RM213.3 million and RM628.0 million for the corresponding periods prior year. The increase was mainly attributable to the higher average Crude Palm Oil ("CPO") price and increase in Fresh Fruit Bunch ("FFB") production.

In line with the increase in revenue, core profits for the Q3 2017 and 9M 2017 also increased by 70.3% and 60.5% to RM51.6 million and RM131.0 million, respectively from RM30.3 million and 81.6 million registered in the corresponding periods prior year.

Further, with the net foreign exchange gains achieved, profit before taxation for Q3 2017 and 9M 2017 increased to RM52.8 million and RM143.2 million from RM22.4 million and RM103.5 million registered in the corresponding periods prior year.

1.1 Palm Product

This segment reported higher revenues of RM229.0 million and RM710.9 million for the Q3 2017 and 9M 2017 respectively, compared to RM190.6 million and RM542.9 million for the corresponding periods prior year. Operating profits for Q3 2017 and 9M 2017 of RM59.6 million and RM156.4 million respectively were also higher compared to RM32.3 million and RM94.5 million for the corresponding periods prior year mainly due to higher average CPO price and higher FFB production.

Average CPO prices for the Q3 2017 and 9M 2017 were RM2,576 per MT and RM2,727 per MT respectively, compared to RM2,453 per MT and RM2,356 per MT for the corresponding periods prior year. As for FFB production the Group achieved 212,342 MT and 537,246 MT in the Q3 2017 and 9M 2017 respectively, representing increases of 40.3% and 33.2% compared to 151,297 MT and 403,447 MT achieved in the corresponding periods prior year.

1.2 Others

This segment reported higher revenue of RM27.8 million and RM92.7 million for Q3 2017 and 9M 2017 respectively, compared to RM22.7 million and RM85.1 million for the corresponding periods prior year mainly due to higher wood product revenue.

Operating profits for Q3 2017 and 9M 2017 of RM3.5 million and RM11.5 million respectively, were lower compared to RM5.2 million and RM12.9 million in the corresponding periods prior year mainly due to lower electricity and steam sales by the bio-integration division.

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

The Group registered slightly lower revenue of RM256.8 million in the current quarter compared with RM258.2 million in the immediate preceding quarter mainly due to lower FFB supplies from smallholders resulting in lower CPO production. However, core operating profit for the current quarter increased by 34.7% to RM51.6 million against RM 38.3 million for the preceding quarter. The increase in core operating profit was mainly due to the increase in FFB production from 176,090 MT in the preceding quarter to 212,342 MT in the current quarter. Higher core profit further resulted in a higher profit before tax of RM52.8 million compared to RM41.5 million in the preceding quarter.

3. Commentary on the prospects

The Group expects palm oil yield for the year to remain favourable vis a vis prior year. Production should also remain favourable due to better age profile as more oil palm trees reach optimum yield and with more planted areas coming into maturity and harvesting stage. In view of the foregoing, the performance of the Group is forecasted to remain positive for the year 2017.

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, which will drive greater demand. Palm products segment which accounts for more than 85% of the revenue and profit for the Group will remain a significant contributor to the Group profit. Management will continue its focus on the productivity and efficiency improvement to reduce unit cost of production.

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 Ended 30.09.2017 <u>RM'000</u>	Year-To- Date Ended 30.09.2017 <u>RM'000</u>
Interest income	(2,038)	(3,916)
Interest expense	10,518	29,054
Dividend income	(109)	(169)
Rental income	(175)	(599)
Depreciation and amortization	14,289	42,531
Fair value loss/(Gain) on derivatives		
- Forward currency contracts	122	(843)
- Commodity future contracts	(361)	(6,762)
Net foreign exchange loss/ (Gain)		
- Realised	586	93
- Unrealised	(1,816)	(11,469)
Net impairment loss on trade and other receivables	69	404
Net loss on disposal of property, plant and equipment	77	135
Write-off/ (Write back) of impairment on inventories	6	(211)

6. Income Tax Expense

	Quarter Ended 30.09.2017 <u>RM'000</u>	Year-To- Date Ended 30.09.2017 <u>RM'000</u>
Current tax:		
Malaysian income tax	3,597	12,038
Foreign tax	10,641	19,668
Under provision in prior year		
Malaysian income tax	2,183	2,313
Foreign tax	325	1,700
Deferred tax:		
Relating to origination and reversal of temporary differences	(3,264)	(1,733)
Over provision in prior year	281	(27)
	<u>13,763</u>	<u>33,959</u>

Excluding the results of the associate and jointly controlled entities, the effective tax rate of the Group is higher than the statutory rate mainly due to under provision in respect of prior year tax income.

7. Corporate proposals

- a) There was no corporate proposal announced and not completed at the date of this quarterly report.
- b) Utilisation of Proceeds

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
1) Working Capital	41,250	19,178	12 months
2) Expenses relating to placement	50	50	1 month

8. Group Borrowings and Debt Securities

Comprised:

	As at 30.09.2017					
	Short term		Long term		Total	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured	46,027	10,000	97,483	55,361	143,510	65,361
Unsecured	180,489	446,299	-	606,524	180,489	1,052,823
Total	226,516	456,299	97,483	661,885	323,999	1,118,184

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.

11. Proposed Dividend

The Company did not declare any interim dividend for the current quarter ended 30 September, 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.

	Quarter Ended		Year-To-Date Ended	
	<u>30.09.2017</u>	<u>30.09.2016</u>	<u>30.09.2017</u>	<u>30.09.2016</u>
Net profit for the quarter (RM'000)	30,693	11,087	92,341	79,648
Weighted average number of ordinary shares in issue ('000)	1,375,277	1,345,409	1,358,561	1,345,409
Basic earnings per ordinary share (sen)	2.23	0.82	6.80	5.92

(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 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 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 30.09.2017 RM'000	As at end of Preceding Year 31.12.2016 RM'000
Total retained profits of TSHR and its Subsidiaries		
- Realised	727,689	729,268
- Unrealised	(218,246)	(218,857)
	509,443	510,411
Total share of retained profits from associated Company		
- Realised	28,309	24,071
- Unrealised	(8,952)	(6,934)
Total share of retained profits from jointly controlled entities		
- Realised	50,900	59,568
- Unrealised	(3,943)	(3,788)
	575,757	583,328
Add: Consolidation adjustments	68,507	(13,891)
Total group retained profits as per consolidated accounts	644,264	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 22 November 2017.