

TH PLANTATIONS BERHAD

(Incorporated in Malaysia)

(Company No : 12696-M)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

The Directors have pleasure in announcing the unaudited consolidated results for the first quarter ended 31 March 2014.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		UNAUDITED FIRST QUARTER	
		CURRENT YEAR 31.03.14 RM'000	PRECEDING YEAR 31.03.13 RM'000
	Note		
Revenue	19 (a)	124,246	89,453
Cost of sales		(81,866)	(57,247)
Depreciation and amortisation		(20,025)	(17,197)
Gross profit		22,355	15,009
Other income		881	792
Administrative expenses		(3,776)	(4,577)
Other expenses		(630)	(1,248)
Depreciation		(231)	(297)
Zakat expense		(189)	-
Profit from operations		18,410	9,679
Finance costs		(6,535)	(4,630)
Profit before tax	19 (b)	11,875	5,049
Tax expense	23	(3,572)	1,200
Profit after tax /Total comprehensive income for the year		8,303	6,249
Attributable to:			
Owners of the Company		5,615	3,209
Non-Controlling Interests		2,688	3,040
Profit/ Total comprehensive income for the year		8,303	6,249
Earnings per share (sen) :			
Basic earnings per share	32	0.64	0.44
Diluted earnings per share	32	0.62	0.43

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.14 RM'000 (unaudited)	As at 31.12.13 RM'000 (audited)
Assets			
Property, plant & equipment	28	2,249,601	1,961,740
Plantation development expenditure		586,405	831,655
Intangible assets	10	73,450	73,265
Other investment		599	599
Total non-current assets		2,910,055	2,867,259
Inventories		30,459	39,238
Current tax assets		9,161	9,499
Trade and other receivables		49,461	77,335
Prepayments and other assets		3,550	3,451
Cash and cash equivalents		120,923	145,235
		213,554	274,758
Assets classified as held for sale	11	34,952	35,281
Total current assets		248,506	310,039
Total assets		3,158,561	3,177,298
Equity			
Capital reserve		781,174	778,081
Retained earnings		416,789	411,174
Total equity attributable to equity holders of the Company		1,197,963	1,189,255
Non-controlling interests		400,350	396,726
Total equity		1,598,313	1,585,981
Liabilities			
Deferred tax liabilities		300,786	300,017
Loans and borrowings	29	997,619	997,513
Trade and other payables		12,025	11,885
Total non-current liabilities		1,310,430	1,309,415
Current liabilities			
Trade and other payables		231,679	264,963
Loan and borrowings	29	10,000	10,000
Current tax liabilities		5,074	3,716
		246,753	278,679
Liabilities classified as held for sale	11	3,065	3,223
Total current liabilities		249,818	281,902
Total liabilities		1,560,248	1,591,317
Total equity and liabilities		3,158,561	3,177,298
Net tangible assets per share (RM)		1.36	1.35

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2014

	←----- Attributable to equity holders of the Company -----→								
	←----- Non-distributable -----→					Distributable			
	Share capital	Share premium	Other reserves	Share Option reserve	Total Capital reserve	Retained earnings	Sub-total	Non-controlling Interests	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2013	364,178	484,206	(82,557)	4,317	770,144	348,942	1,119,086	393,899	1,512,985
Profit/ Total comprehensive income for the year	-	-	-	-	-	63,107	63,107	13,394	76,501
Adjustment on fair value of ESOS after bonus issue	-	-	-	(492)	(492)	-	(492)	-	(492)
Issuance of ordinary shares pursuant to ESOS	2,990	6,441	-	(1,002)	8,429	-	8,429	-	8,429
Issuance of ordinary shares-Bonus issue	73,088	(73,088)	-	-	-	-	-	-	-
Dividends to shareholders of the Company	-	-	-	-	-	(7,303)	(7,303)	-	(7,303)
Investment from non-controlling interests	-	-	-	-	-	-	-	1,241	1,241
Dividends to non-controlling interests	-	-	-	-	-	6,428	6,428	(11,808)	(5,380)
At 31 December 2013 (audited)	440,256	417,559	(82,557)	2,823	778,081	411,174	1,189,255	396,726	1,585,981
At 1 January 2014	440,256	417,559	(82,557)	2,823	778,081	411,174	1,189,255	396,726	1,585,981
Total comprehensive income for the quarter	-	-	-	-	-	5,615	5,615	2,688	8,303
Investment from non-controlling interests	-	-	-	-	-	-	-	936	936
Issuance of ordinary shares pursuant to ESOS	1,199	2,237	-	(343)	3,093	-	3,093	-	3,093
At 31 March 2014 (unaudited)	441,455	419,796	(82,557)	2,480	781,174	416,789	1,197,963	400,350	1,598,313

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER 31 MARCH 2014**

	Note	FOR THE FIRST QUARTER ENDED	
		31.03.14 RM'000 (unaudited)	31.03.13 RM'000 (unaudited)
Cash flows from operating activities			
Profit before tax		11,875	5,049
Adjustment for non-cash flow items		26,513	17,903
Operating profit before changes in working capital		<u>38,388</u>	<u>22,952</u>
Changes in working capital			
Net changes in working capital		5,582	(82,416)
Cash generated from/ (used in) operations		<u>43,970</u>	<u>(59,464)</u>
Borrowing cost paid		(14,025)	(3,426)
Profit margin income from short term Islamic deposits and inter-company receivables		148	298
Tax paid		(7,122)	(6,354)
Tax refund		3,693	1,242
Net cash generated from/(used in) operating activities		<u>26,664</u>	<u>(67,704)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(6,569)	(41,247)
Acquisition of subsidiaries, net cash acquired (Note 15)		(12,622)	(266,019)
Increase in deposits pledged		1,083	1,403
Plantation development expenditure		(34,954)	(30,468)
Net cash used in investing activities		<u>(53,062)</u>	<u>(336,331)</u>
Cash flows from financing activities			
Dividends paid to shareholders of the Company		(1)	(25,966)
Proceeds from issuance of SUKUK Murabahah		-	370,000
Proceeds from loan drawdown		106	18,163
Proceeds from issuance of new shares		3,093	470
Net cash generated from financing activities		<u>3,198</u>	<u>362,667</u>
Net decrease in cash and cash equivalents		<u>(23,200)</u>	<u>(41,368)</u>
Cash and cash equivalents at beginning of the year		<u>141,308</u>	<u>123,764</u>
Cash and cash equivalents at end of the first quarter		<u>118,108</u>	<u>82,396</u>
Cash and cash equivalents comprise:			
Deposits with licensed banks		96,928	61,778
Cash and bank balances		23,995	20,668
		<u>120,923</u>	<u>82,446</u>
Assets classified as held for sale	11	44	-
		<u>120,967</u>	<u>82,446</u>
Less :			
Deposits pledged		(2,859)	(50)
		<u>118,108</u>	<u>82,396</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

NOTES PART A: EXPLANATORY NOTES PURSUANT TO FRS 134**1 Basis Of Preparation**

The interim financial statements have been prepared under the historical cost convention.

The 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. They do not include all of the information required for full annual financial statements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

2 Significant 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 annual financial statements as at and for the year ended 31 December 2013.

3 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, certain judgements made by management in applying the Group's accounting policies and the key sources of estimation, were the same as those applied to the financial statements as at and for the year ended 31 December 2013.

4 Auditors' Report on Preceding Annual Financial Statements

The auditors have expressed an unqualified opinion on the Group's statutory consolidated financial statements for the year ended 31 December 2013 in their report dated 25 February 2014.

5 Seasonal Or Cyclical Factors

The Group's plantation operations are affected by seasonal crop production and weather conditions.

6 Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity and net income.

7 Changes In Estimated Amounts Reported In Prior Period Which Have Effect On The Current Period

There were no estimated amounts reported in prior period.

8 Changes In Debt And Equity Securities

The company issued 2,396,700 new ordinary shares of RM0.50 each being shares exercised by eligible employees pursuant to THP Employee Share Option Scheme ("ESOS") as follows:

Exercise price per share (RM)	1.52	1.74	2.09
Exercise price per share after adjustment of bonus issue (RM)	1.27	1.45	1.74
No. of shares issued ('000)	2,135	256	6

Apart from the above, there were no other issuances, cancellations, repurchases, resale of debt and equity securities in the period.

9 Dividends

There were no dividends paid during the first quarter ended 31 March 2014

10 Intangible assets

	Note	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
Cost			
Balance at the beginning of year		73,416	14,006
Acquisition through business combinations (see note 15)		185	59,410
		<u>73,601</u>	<u>73,416</u>
Transfer to assets held for sale	11	(151)	(151)
Balance at the end of year		<u>73,450</u>	<u>73,265</u>
Carrying amounts			
Balance at the beginning of year		<u>73,416</u>	<u>14,006</u>
Balance at the end of year		<u>73,450</u>	<u>73,265</u>

The recoverable amount of the cash-generating unit was based on value in use.

Value in use of the company was determined by discounting the future cash flows expected to be generated from the continuing use of the units. Value in use as at 31 March 2014 was based on the following key assumptions:

- o Cash flows were projected based on past experiences, actual operating results and the 30 year business plan. Management believes that this 30-year forecast period was justified due to the long-term nature of the oil palm plantation.
- o A pre-tax discount rate of 10% was applied in determining the recoverable amount of the units. The discount rate was estimated based on an industry average weighted cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the oil palm plantation industry and are based on both external sources and internal historical data.

11 Assets/ liabilities held for sale

Investment in subsidiary, TH Bakti Sdn. Bhd. is presented as an asset held for sale following the approval of Board of Directors to sell the whole investment in TH Bakti Sdn. Bhd. on 30 May 2013. Efforts to sell the company has commenced, and a sale is expected by June 2014. Asset classified as held for sale is as below:

Assets classified as held for sale	Note	RM'000
Property, plant & equipment	a	34,548
Intangible asset		151
Inventories		33
Trade and other receivables		172
Deposit and prepayment		4
Cash and cash equivalents		44
		<u>34,952</u>
Liabilities classified as held for sale		
Deferred tax liabilities		2,846
Payables and accruals		218
Current tax liabilities		1
		<u>3,065</u>

Note a

Property, plant and equipment held for sale comprise the following:

	RM'000
Cost	36,194
Accumulated depreciation	(1,646)
	<u>34,548</u>

12 Operating segments

The Group has two reportable segments, which are the Group's strategic business units. For each of the strategic business units, the Chief Executive Officer reviews internal management reports on quarterly basis.

	Plantation RM'000	Management Services RM'000	Elimination RM'000	Consolidated RM'000
RESULTS FOR 3 MONTHS ENDED 31 MARCH 2014				
External operating revenue	123,528	718	-	124,246
Inter-segment revenue	19,415	4,956	(24,371)	-
Total operating revenue	142,943	5,674	(24,371)	124,246
Other income	23,997	-	(23,116)	881
	166,940	5,674	(47,487)	125,127
Operating expenses	(106,719)	(6,641)	11,469	(101,891)
Segment results	60,221	(967)	(36,018)	23,236
Other expenses	(7,271)	(1,260)	3,705	(4,826)
Finance costs	(22,135)	-	15,600	(6,535)
Profit before tax	30,815	(2,227)	(16,713)	11,875
RESULTS FOR 3 MONTHS ENDED 31 MARCH 2013				
External operating revenue	88,366	3,710	(2,623)	89,453
Inter-segment revenue	12,863	4,338	(17,201)	-
Total operating revenue	101,229	8,048	(19,824)	89,453
Other income	17,929	1	(17,138)	792
	119,158	8,049	(36,962)	90,245
Operating expenses	(81,269)	(5,349)	12,174	(74,444)
Segment results	37,889	2,700	(24,788)	15,801
Other expenses	(12,372)	(1,396)	7,646	(6,122)
Finance costs	(12,371)	-	7,741	(4,630)
Profit before tax	13,146	1,304	(9,401)	5,049
ASSETS AND LIABILITIES AS AT 31 MARCH 2014				
Assets that belong to the Group	4,624,616	14,476	(1,480,531)	3,158,561
Total assets	4,624,616	14,476	(1,480,531)	3,158,561
Liabilities that belong to the Group	2,295,216	10,183	(745,151)	1,560,248
Total liabilities	2,295,216	10,183	(745,151)	1,560,248
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2013				
Assets that belong to the Group	4,598,422	16,187	(1,437,311)	3,177,298
Total assets	4,598,422	16,187	(1,437,311)	3,177,298
Liabilities that belong to the Group	2,291,786	9,535	(710,004)	1,591,317
Total liabilities	2,291,786	9,535	(710,004)	1,591,317

13 Valuation Of Property, Plant And Equipment

There was no valuation of the property, plant and equipment in the current quarter under review except as disclosed in the Note 15.

14 Material Event Subsequent To The Balance Sheet Date

There were no material events which occurred subsequent to the balance sheet date until the date of announcement.

15 Changes In The Composition Of The Group

- (a) On 10 January 2014 the Company completed its acquisition of 93% equity interest in PT Persada Kencana Prima ("PKP") for an indicative cash consideration of RM12,624,515. PKP is principally involved in oil palm cultivations.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	As at 10.1.2014 RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	21,240
Trade and other receivables	218
Cash and bank balances	3
Trade and other payables	(3,020)
Deferred tax liability	(5,065)
Total identifiable net assets	<u>13,376</u>

	As at 10.1.2014 RM'000
Net cash arising from acquisition of subsidiary	
Final adjusted purchase consideration settled in cash and cash equivalents	12,625
Cash and bank balances acquired	(3)
Net cash outflow	<u>12,622</u>

	As at 10.1.2014 RM'000
Intangible assets	
Intangible assets was recognised as a result of the acquisition as follows:	
Total consideration transferred	12,625
Non-controlling interests, based on their proportionate interest in the recognised amounts	936
Fair value of identifiable net assets	(13,376)
Intangible assets	<u>* 185</u>

Acquisition related costs

The Group incurred acquisition related costs of RM169,148 relating to legal fees and due diligence costs. The legal fees and due diligence costs have been included in other expenses in the statement of comprehensive income.

16 Contingent Liabilities

The Directors are of the opinion that the Group has no contingent liabilities which may have a material impact on the financial position and business of the Group as at 21 May 2014.

17 Capital And Other Commitments Outstanding Not Provided For In The Interim Financial Report

	As at 31.03.2014 RM'000
Approved and contracted for	16,065
Approved but not contracted for	367,095
	<u>383,160</u>

For the first
quarter ended
31.03.2014

Transactions with THP

Transacting Parties	Relationship	Nature of transactions	RM'000
Lembaga Tabung Haji	Holding Corporation	Lease of land	665
Lembaga Tabung Haji	Holding Corporation	Rental of office	483

Transactions with THP Agro Management Sdn Bhd (wholly owned subsidiary of THP)

Transacting Parties	Relationship	Nature of transactions	RM'000
PT. TH Indo Plantations	Related Company	Provision of management services	718

Transactions with THP Group

CCM Fertilizers Sdn Bhd	Related Company	Purchase of fertilisers	5,655
Syarikat Takaful Malaysia	Related Company	Insurance premium	835
TH Travel Services Sdn Bhd	Related Company	Purchase of flight tickets	128

NOTES PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

19 Review Of Performance

(a) Revenue

For the first quarter ended 31 March 2014, the Group recorded a 39% increase in its revenue compared to the corresponding period last year. The Group's revenue stood at RM124.25 million (1Q13: RM89.45 million), driven mainly by higher production and sales of CPO and PK as well as higher average commodity prices realised.

		First quarter		Variance	%
		2014	2013		
Sales Volume					
Crude palm oil	<i>(Metric tonnes)</i>	39,096	32,940	6,156	18.69
Palm kernel	<i>(Metric tonnes)</i>	9,115	8,229	886	10.77
FFB*	<i>(Metric tonnes)</i>	16,754	27,577	(10,823)	(39.25)

		First quarter		Variance	%
		2014	2013		
Average realised prices					
Crude palm oil	<i>(RM/tonne)</i>	2,507	2,035	472	23.20
Palm kernel	<i>(RM/tonne)</i>	1,918	1,115	803	72.02
FFB	<i>(RM/tonne)</i>	626	346	280	80.87

Note:

* The decrease in sales volume of FFB for the first quarter ended 31 March 2014 compared to its corresponding period last year is mainly attributed to the commissioning of the Raja Udang Palm Oil Mill in July 2013 leading to an increase in total FFB processed by own mills.

(b) Profit before tax

Profit before tax for the first quarter ended 31 March 2014 stood at RM11.88 million which is 135% higher than the corresponding quarter last year. The increase was mainly attributed to the higher sales volume of CPO and PK as well as higher commodity prices realised.

20 Material Changes In The Quarterly Results Compared To The Preceding Quarter

The comparison of the Group revenue and profit before taxation for the current and preceding quarter is as follows:

		2014	2013	Variance	%
		Quarter1	Quarter4		
Sales Volume					
Crude palm oil	<i>(Metric tonnes)</i>	39,096	53,097	(14,001)	(26.37)
Palm kernel	<i>(Metric tonnes)</i>	9,115	13,271	(4,156)	(31.32)
FFB	<i>(Metric tonnes)</i>	16,754	12,776	3,978	31.13

		2014	2013	Variance	%
		Quarter1	Quarter4		
Average realised prices					
Crude palm oil	<i>(RM/tonne)</i>	2,507	2,323	184	7.92
Palm kernel	<i>(RM/tonne)</i>	1,918	1,524	394	25.83
FFB	<i>(RM/tonne)</i>	626	409	217	53.09

		2014	2013	Variance	%
		Quarter1	Quarter4		
		RM'000	RM'000	RM'000	%
Revenue		124,246	154,548	(30,302)	(19.61)
Profit before tax		11,875	30,801	(18,926)	(61.45)

Compared to the preceding quarter, revenue for the first quarter ended 31 March 2014 was lower by 19.61%. This is mainly attributed to the seasonality of FFB production, leading to lower CPO and PK production compared to the preceding quarter. Although the Group recorded higher realised average commodity prices compared to the preceding quarter, profit before tax was lower due to the lower production and sales volume and consequently lower revenue.

21 Current Year Prospects**(a) Commentary on Prospects**

Notwithstanding the volatility of commodity prices, the Group is cautiously optimistic in being able to meet its projected targets for the year.

(b) Projection of Targets Previously Announced

On 22 April 2014, the Group announced its target was to achieve 6.0% return on equity ("ROE"), 22.40 mt/ha FFB yield per matured hectare and to distribute approximately 50% of Group's annual net profit after tax as dividend.

As at 31 March 2014, the Group had achieved 1.88% annualised ROE and the distribution of annual net profit after tax will be done after finalisation of audited financial statements for financial year 2014.

However, the Group will endeavour to achieve its full year targeted yield per hectare despite the cyclical nature of plantations industry and unforeseen circumstances surrounding the remaining period of the year.

22 Variance Of Actual Profit From Forecast Profit

The Group did not issue any profit forecast for the current quarter.

23 Taxation

	First Quarter	
	Current Year RM'000	Preceding Year RM'000
Current	7,892	4,737
Deferred	(4,320)	(5,937)
	<u>3,572</u>	<u>(1,200)</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the quarter.

The effective tax rate of the Group for the quarter under review is higher than its statutory rate as a result of lower deferred tax recognised.

24 Realised and Unrealised Profits

	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
	Realised	607,701
Unrealised	(126)	7,957
	<u>607,575</u>	<u>588,409</u>
Less: Consolidation adjustments	(190,786)	(177,235)
Total Group retained earnings as per consolidated interim financial statements	<u>416,789</u>	<u>411,174</u>

The unrealised portion of retained earnings comprise mainly of deferred tax expense.

The determination of realised and unrealised profits is based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

25 Unquoted Investments And/Or Properties

There were no purchases or disposals of unquoted investments for the current quarter under review other than as disclosed in Note 15.

26 Quoted Investments

There were no purchases of quoted investments for the current quarter under review.

27 Status Of Corporate Proposals

There are no other corporate proposals announced for the current quarter under review.

28 Property, Plant and Equipment ("PPE")

As at 31 March 2014, 7,484 hectares of oil palm have reached maturity and reclassified as PPE.

29 Group Borrowings

As at 31 March 2014, the total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
Loans and borrowings		
Non current		
Secured:		
Flexi Term Financing-i	55,908	55,789
Ijarah Term Financing-i Facility	31,711	31,724
Unsecured:		
Murabahah Medium Term Notes ("MMTNs")	200,000	200,000
SUKUK Murabahah Medium Term Notes	710,000	710,000
	<u>997,619</u>	<u>997,513</u>
Current		
Secured:		
Ijarah Term Financing-i Facility	10,000	10,000
Tawarruq Flexi Term Financing-i	-	-
	<u>1,007,619</u>	<u>1,007,513</u>

Maturity analysis

Tenure	Year of maturity	Profit margin %	Amount Non Current RM'000
1-2 years	2015	4.85-6.41	28,700
2-3 years	2016	4.85-6.41	101,000
3-4 years	2017	4.85-6.41	90,711
4-5 years	2018	4.85-6.10	67,000
5-6 years	2019	4.85-5.39	80,208
6-7 years	2020	5.51	75,000
7-8 years	2021	5.62	75,000
8-9 years	2022	5.75	75,000
9-10 years	2023	5.88	75,000
10-11 years	2024	5.88-6.11	90,000
11-12 years	2025	5.98	20,000
12-13 years	2026	6.09	30,000
13-14 years	2027	6.6	200,000
			<u>1,007,619</u>

30 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

31 Material Litigation**(a) The Kuching High Court Suit No. 22-249-98-III(I) (The Court of Appeal Civil Appeal No. Q-01-136-03/2012 and Civil Appeal No. Q-01-137-03/2012)****The Kuching High Court Civil Suit No. 22-43-2002-I (The Court of Appeal Civil Appeal No. Q-01-166-2011, Civil Appeal No. Q-01-164-2011 and Civil Appeal No. Q-02-756-2011)**

On 23 October 2013, TH PELITA Sadong Sdn Bhd and TH PELITA Gedong Sdn Bhd had filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal. To date, the court has yet to fix the date for hearing of the said application.

(b) The Kuching High Court Suit No. 22-134/6-2012

On 27 March 2014, the Court of Appeal had allowed TH PELITA Sadong Sdn Bhd's and TH PELITA Gedong Sdn Bhd's appeal and the case is now reverted to the High Court for trial. On 31 March 2014, the High Court had fixed the date of trial to be from 1 December 2014 – 5 December 2014.

(c) High Court at Kuantan, Civil Suit No.:22NCVC-64-11/2013**Abdul Aziz Bin Embong And Abdul Aziz Bin Arshad vs Lembaga Tabung Haji and TH Plantations Berhad**

On 10 March 2014, an Application to Strike-Out the Plaintiff's Statement of Claim ('Striking-Out Application') filed by the Defendants was heard by the court. Upon hearing counsels for both parties, the Court had fixed 7 April 2014 for the Decision of the Striking-Out Application.

On 7 April 2014, the High Court had allowed the Defendants' Striking-Out Application with no-order as to costs. On 7 May 2014, the Defendants' solicitors were served with a Notice of Appeal to the Court of Appeal dated 5 May 2014 ('Notice of Appeal'). By way of the Notice of Appeal, the Plaintiffs intend to appeal against the Kuantan High Court's Order dated 7 April 2014, which allowed the Defendants' Striking-Out Application.

32 Earnings Per Share

		UNAUDITED First Quarter	
		Current Year	Preceding Year
(i)	<i>Basic earnings per share</i>		
	Profit attributable to shareholders	RM'000	
		5,615	3,209
	Weighted average number of ordinary shares in issue	'000	
		882,910	728,626
	Basic earnings per share	sen	
		0.64	0.44
(ii)	<i>Diluted earnings per share</i>		
	Profit attributable to shareholders	RM'000	
		5,615	3,209
	Weighted average number of ordinary shares in issue	'000	
		882,910	728,626
	Effect of dilution (ESOS outstanding)	'000	
		29,430	14,351
	Adjusted weighted average number of ordinary shares in issue	'000	
		912,340	742,977
	Diluted earnings per share	sen	
		0.62	0.43

33 Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 21 May 2014.

**By Order of the Board
Aliatun binti Mahmud
LS0008841
Secretary**

**Kuala Lumpur
21 May 2014**