

TH PLANTATIONS BERHAD

(Incorporated in Malaysia)

(Company No : 12696-M)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

The Directors have pleasure in announcing the unaudited consolidated results for the first quarter ended 31 March 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	UNAUDITED FIRST QUARTER	
		CURRENT YEAR 31.03.17 RM'000	PRECEDING YEAR 31.03.16 RM'000
Revenue	24 (a)	166,053	89,518
Cost of sales		(107,525)	(72,197)
Depreciation and amortisation		(19,112)	(17,935)
Gross profit/ (loss)		39,416	(614)
Other income	6	7,930	1,071
Administrative expenses		(4,030)	(3,680)
Other expenses	7	(9,060)	(8,331)
Depreciation		(231)	(268)
Profit/ (loss) from operations		34,025	(11,822)
Finance costs	8	(13,716)	(3,846)
Profit/ (Loss) before tax	24 (b)	20,309	(15,668)
Tax expense	28	(5,060)	6,220
Profit/ (Loss) for the period		15,249	(9,448)
Other comprehensive income, net of tax			
Item that are or may be reclassified subsequently to profit and loss, net of tax			
Foreign currency translation differences for foreign operations		13	330
Other comprehensive income, net of tax		13	330
Total comprehensive income/ (expense) for the period		15,262	(9,118)
Profit/ (Loss) attributable to:			
Owners of the Company		11,200	(7,148)
Non-Controlling Interests		4,049	(2,300)
Profit/ (Loss) for the period		15,249	(9,448)
Total comprehensive income/ (expense) attributable to:			
Owners of the Company		11,212	(6,841)
Non-Controlling Interests		4,050	(2,277)
Total comprehensive income/ (expense), net of tax		15,262	(9,118)
Earnings per share (sen) :			
Basic earnings per share	37	1.27	(0.81)
Diluted earnings per share	37	1.27	(0.81)

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

	Note	As at 31.03.17 RM'000 (unaudited)	As at 31.12.16 RM'000 (audited)
Assets			
Property, plant & equipment	33	2,713,932	2,614,875
Plantation development expenditure	12	229,367	326,445
Forestry	13	160,428	162,470
Intangible assets	14	73,265	73,265
Other investment	15	1,825	1,825
Deferred tax assets		119,269	117,771
Total non-current assets		3,298,086	3,296,651
Inventories		20,087	17,045
Current tax assets		6,575	5,366
Other investment	15	16,167	3,520
Trade and other receivables		84,102	118,475
Prepayments and other assets		4,401	4,289
Cash and cash equivalents	16	174,631	163,771
Total current assets		305,963	312,466
Total assets		3,604,049	3,609,117
Equity			
Capital reserve		781,877	781,875
Retained earnings		645,686	634,486
Total equity attributable to equity holders of the Company		1,427,563	1,416,361
Non-controlling interests		355,184	351,134
Total equity		1,782,747	1,767,495
Liabilities			
Loans and borrowings	34 (a)	1,163,276	1,175,374
Deferred tax liabilities		330,463	331,787
Trade and other payables		13,285	13,656
Total non-current liabilities		1,507,024	1,520,817
Current liabilities			
Loan and borrowings	34 (b)	128,214	113,151
Trade and other payables		182,597	205,446
Current tax liabilities		3,467	2,208
Total current liabilities		314,278	320,805
Total liabilities		1,821,302	1,841,622
Total equity and liabilities		3,604,049	3,609,117
Net tangible assets per share (RM)		1.53	1.52

The Condensed 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 FIRST QUARTER ENDED 31 MARCH 2017

	Attributable to equity holders of the Company									
	Non-distributable					Distributable				
	Share capital	Share premium	Other reserves	Share Option reserve	Exchange reserve	Total capital reserve	Retained earnings	Non-controlling Interests	Total	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2016	441,925	420,827	(82,557)	2,228	(405)	782,018	487,416	354,439	1,269,434	1,623,873
Foreign currency translation differences for foreign operations	-	-	-	-	(128)	(128)	-	(10)	(128)	(138)
Other comprehensive income for the year Profit for the period	-	-	-	-	(128)	(128)	-	(10)	(128)	(138)
Total comprehensive income for the period	-	-	-	(15)	(128)	(128)	147,070	3,389	(15)	(15)
Adjustment on fair value of ESOS Dividends to non-controlling interests	-	-	-	(15)	-	(15)	-	(6,694)	-	(6,694)
Total transactions with owners of the Group	-	-	(82,557)	2,213	(533)	781,875	634,486	351,134	1,416,361	(6,709)
At 31 December 2016	441,925	420,827	(82,557)	2,213	(533)	781,875	634,486	351,134	1,416,361	1,767,495
At 1 January 2017	441,925	420,827	(82,557)	2,213	(533)	781,875	634,486	351,134	1,416,361	1,767,495
Foreign currency translation differences for foreign operations	-	-	-	-	12	12	-	1	12	13
Other comprehensive income for the year Profit for the period	-	-	-	-	12	12	-	1	12	13
Total comprehensive income for the period	-	-	-	-	12	12	11,200	4,049	11,200	15,249
Adjustment on fair value of ESOS	-	-	-	(10)	-	(10)	-	-	(10)	(10)
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Group	-	-	-	(10)	-	(10)	-	-	(10)	(10)
Transition to no-par value regime on 31 January 2017¹	420,827	(420,827)	-	-	-	-	-	-	-	-
At 31 March 2017 (unaudited)	862,752	-	(82,557)	2,203	(521)	781,877	645,686	355,184	1,427,563	1,782,747

1. The New Companies Act 2016 ('Act'), which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the outstanding credit amount in the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM420,827,000 for purposes as set out in Section 618 (3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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 FIRST QUARTER ENDED 31 MARCH 2017**

	Note	FOR THE FIRST QUARTER ENDED	
		31.03.17 RM'000 (unaudited)	31.03.16 RM'000 (unaudited)
Cash flows from operating activities			
Profit/ (Loss) before tax		20,309	(15,668)
Adjustment for non-cash flow items		32,042	29,216
Operating profit before changes in working capital		<u>52,351</u>	<u>13,548</u>
Changes in working capital			
Net changes in working capital		3,215	(14,265)
Cash generated from/(used in) operations		<u>55,566</u>	<u>(717)</u>
Finance cost		(15,061)	(13,832)
Profit margin income from short term Islamic deposits and inter-company receivables		1,452	307
Tax paid		(5,831)	(5,333)
Tax refund		182	241
Net cash generated from/ (used in) operating activities		<u>36,308</u>	<u>(19,334)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(5,954)	(3,799)
Decrease in deposits pledged		-	34
Plantation development expenditure		(12,459)	(17,781)
Forestry plantation		(1,804)	(2,114)
Dividend received		-	237
Increase in other investment		(12,647)	(283)
Net cash used in investing activities		<u>(32,864)</u>	<u>(23,706)</u>
Cash flows from financing activities			
Repayment of loans and borrowings		(41,352)	(13,372)
Dividends paid to owners of the Company		(1,675)	(81)
Proceeds from drawdown of loans and borrowings		10,728	140,000
Proceeds from tradeline drawdown		39,715	11,924
Net cash generated from financing activities		<u>7,416</u>	<u>138,471</u>
Net increase in cash and cash equivalents		<u>10,860</u>	<u>95,431</u>
Cash and cash equivalents at beginning of the year		<u>163,771</u>	<u>75,556</u>
Cash and cash equivalents at end of the period		<u>174,631</u>	<u>170,987</u>
Cash and cash equivalents comprise:			
Deposits	16	158,256	74,619
Cash and bank balances	16	16,375	96,368
		<u>174,631</u>	<u>170,987</u>
Less :			
Deposits pledged		-	-
		<u>174,631</u>	<u>170,987</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.

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

The interim financial statements have been prepared under the historical cost basis unless otherwise stated.

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 2016. 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 2016.

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 2016 unless otherwise stated.

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 2016.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed below :

(i) Depreciation of estate

The rate used to depreciate the estate is based on the general rule of the normal palm oil trees production trend.

(ii) Recoverable amount of plantation development expenditure ("PDE")

Management reviews its PDE for objective evidence of impairment at least quarterly. Significant delay in maturity is considered as an indication of impairment. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the performance of the PDE, or whether there have been significant changes with adverse effect in the market environment in which the PDE operates in.

(iii) Intangible assets-goodwill

Measurement of recoverable amounts of cash generating units is derived based on value in use of the cash generating unit.

(iv) Deferred income

Determination of the fair value of the loan were determined using the Group financing rate of 7.85% and the difference between the fair value and nominal value is treated as government grant.

(v) Forestry

The fair value of the assets is determined using valuation prepared by an independent valuer as at 31 December 2016. The Directors of the Group are of the opinion that there is no material changes in the fair value of forestry during the current quarter.

(vi) Contingencies

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

(vii) Deferred tax

Estimating the deferred tax assets to be recognised requires a process that involves determining appropriate tax provisions, forecasting future years' taxable income and assessing our ability to utilise tax benefits through future earnings.

(viii) Inventories

Determination of the allocation cost of CPO and PK is based on the extraction rate of CPO and PK respectively.

(x) Valuation of land

Management estimates the fair value of land based on provisional Hak Guna Usaha ("HGU"). HGU is subject to changes by the Government of Indonesia.

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 2016 in their report dated 28 March 2017.

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 except as disclosed.

	Note	First Quarter	
		Current Year RM'000	Preceding Year RM'000
Other income consist of the following:			
a) Profit margin income from short term investments and receivables		1,452	306
b) Government grant		6,180	-
c) Other income		298	765
Total		<u>7,930</u>	<u>1,071</u>

7 Other Expenses

	Note	First Quarter	
		Current Year RM'000	Preceding Year RM'000
Other expenses consist of the followings:			
a) Change in fair value of forestry		5,660	4,938
b) Foreign exchange loss		919	2,767
c) Other expenses		2,481	626
Total		<u>9,060</u>	<u>8,331</u>

8 Finance cost

	Note	First Quarter	
		Current Year RM'000	Preceding Year RM'000
Finance cost		<u>13,716</u>	<u>3,846</u>

The increase in finance cost for the current quarter was due to lower capitalisation in plantation development expenditure due to more area coming to maturity.

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

There were no changes in estimated amounts reported in prior period.

10 Changes In Debt And Equity Securities

The Group has drawdown RM10.7 million of soft loan at effective profit margin rates of 3.00%

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

11 Dividends

There were no dividends declared nor paid during the first quarter ended 31 March 2017.

12 Plantation development expenditure

Note	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
At 1 January	326,445	405,595
Additions during the year	15,501	83,272
Additions in nurseries	1,097	5,401
Effect of movement in exchange rate	(489)	5,239
<i>Less:</i> Transfer to property, plant and equipment	(113,187)	(168,055)
<i>Less:</i> Write off	-	(1,625)
<i>Less:</i> Disposal of subsidiary	-	(3,382)
At 31 March/ December	<u>229,367</u>	<u>326,445</u>

13 Forestry

Note	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
At 1 January	162,470	145,905
Additions during the year	3,618	15,158
Additions in nurseries	-	16,740
Change in fair value recognised profit and loss	(5,660)	(15,333)
At 31 March/ December	<u>160,428</u>	<u>162,470</u>

14 Intangible assets

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Cost		
Goodwill	<u>73,265</u>	<u>73,265</u>

15 Other investments

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Non-current		
Available-for-sale financial assets	1,920	1,920
<i>Less:</i> Impairment loss	(95)	(95)
	<u>1,825</u>	<u>1,825</u>
Current		
Deposits placed with licensed banks (maturity period more than 3 months)	<u>16,167</u>	<u>3,520</u>
At 31 March/December	<u>16,167</u>	<u>3,520</u>

16 Cash and cash equivalents

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Deposits placed with licensed banks (maturity period less than 3 months)	158,256	127,473
Cash and bank balances	<u>16,375</u>	<u>36,298</u>
	<u>174,631</u>	<u>163,771</u>

17 Operating segments

The Group has three 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.

	Oil Palm Plantation RM'000	Forestry RM'000	Management Services RM'000	Elimination RM'000	Consolidated RM'000
RESULTS FOR 3 MONTHS ENDED 31 MARCH 2017					
External operating revenue	165,834	-	219	-	166,053
Inter-segment revenue	23,039	-	6,205	(29,244)	-
Total operating revenue	188,873	-	6,424	(29,244)	166,053
Other income	20,970	6,180	-	(19,220)	7,930
	209,843	6,180	6,424	(48,464)	173,983
Operating expenses	(134,165)	-	(10,660)	18,188	(126,637)
Segment results	75,678	6,180	(4,236)	(30,276)	47,346
Other expenses	(10,497)	(5,943)	(2,340)	5,459	(13,321)
Finance costs	(31,703)	-	-	17,987	(13,716)
Profit before tax	33,478	237	(6,576)	(6,830)	20,309
RESULTS FOR 3 MONTHS ENDED 31 MARCH 2016					
External operating revenue	89,505	-	13	-	89,518
Inter-segment revenue	11,401	-	3,645	(15,046)	-
Total operating revenue	100,906	-	3,658	(15,046)	89,518
Other income	22,502	-	-	(21,431)	1,071
	123,408	-	3,658	(36,477)	90,589
Operating expenses	(88,572)	-	(7,942)	6,382	(90,132)
Segment results	34,836	-	(4,284)	(30,095)	457
Other expenses	(9,150)	(5,487)	(1,045)	3,403	(12,279)
Finance costs	(23,820)	-	-	19,974	(3,846)
Profit before tax	1,866	(5,487)	(5,329)	(6,718)	(15,668)
ASSETS AND LIABILITIES AS AT 31 MARCH 2017					
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets that belong to the Group	5,617,751	200,866	29,692	(2,244,260)	3,604,049
Total assets	5,617,751	200,866	29,692	(2,244,260)	3,604,049
Liabilities that belong to the Group	2,993,431	155,892	54,871	(1,382,892)	1,821,302
Total liabilities	2,993,431	155,892	54,871	(1,382,892)	1,821,302
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2016					
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets that belong to the Group	5,589,928	200,801	27,510	(2,209,122)	3,609,117
Total assets	5,589,928	200,801	27,510	(2,209,122)	3,609,117
Liabilities that belong to the Group	2,970,406	157,422	46,114	(1,332,320)	1,841,622
Total liabilities	2,970,406	157,422	46,114	(1,332,320)	1,841,622

18 Valuation Of Property, Plant And Equipment

There was no valuation of the property, plant and equipment during the current quarter under review.

19 Material Event Subsequent To The Balance Sheet Date

There is no material event which occurred subsequent to the balance sheet date of this announcement.

20 Changes In The Composition Of The Group

There is no change in the composition of the Group for the current quarter under review.

21 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 24 May 2017.

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

	As at 31.03.2017
	RM'000
Approved and contracted for	7,746
Approved but not contracted for	158,247
	<u>165,993</u>

23 Material Related Party Transactions

**For the first
quarter ended
31.03.2017**

Transactions with THP

Transacting Parties	Relationship	Nature of transactions	RM'000
Lembaga Tabung Haji	Holding Corporation	Lease of land	732
Lembaga Tabung Haji	Holding Corporation	Rental of office	483

Transactions with THP Group

Syarikat Takaful Malaysia	Related Company	Insurance premium	569
TH Travel Services Sdn Bhd	Related Company	Purchase of flight tickets	116
Deru Semangat Sdn Bhd	Related Company	Management fees	51
TH Estates Holding Sdn Bhd	Related Company	Management fees	168
Sistem Komunikasi Gelombang Sdn Bhd	Related Company	Telecommunication services	69

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

24 Review Of Performance

(a) Revenue

For the first quarter ended 31 March 2017, the Group's revenue stood at RM166.05 million (1Q16: RM89.52 million), an 86% increase compared to the corresponding period last year. This increase is mainly attributed to higher volume as well as higher average realised prices of CPO, PK and FFB.

		First quarter			
		2017	2016	Variance	%
Sales Volume					
Crude palm oil	(Metric tonnes)	41,505	29,698	11,807	39.76
Palm kernel	(Metric tonnes)	9,298	6,805	2,493	36.63
FFB	(Metric tonnes)	20,455	21,372	(917)	(4.29)

		First quarter			
		2017	2016	Variance	%
Average realised prices					
Crude palm oil	(RM/tonne)	2,997	2,235	762	34.09
Palm kernel	(RM/tonne)	3,139	1,888	1,251	66.26
FFB	(RM/tonne)	600	470	130	27.66

(b) Profit before tax

The Group recorded Profit Before Tax of RM20.31 million for the the first quarter ended 2017 as compared to a loss of RM15.67 million in the corresponding period last year, mainly attributed to significantly higher gross profit and higher other income arising from deferred income on government grant recognised during the quarter amounting to RM6.1 million.

25 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:

		2017		2016			
		Quarter 1	Quarter 4	Quarter 1	Quarter 4	Variance	%
Sales Volume							
Crude palm oil	(Metric tonnes)	41,505	50,362	41,505	50,362	(8,857)	(17.59)
Palm kernel	(Metric tonnes)	9,298	10,765	9,298	10,765	(1,467)	(13.63)
FFB	(Metric tonnes)	20,455	2,764	20,455	2,764	17,691	640.05

		2017		2016			
		Quarter 1	Quarter 4	Quarter 1	Quarter 4	Variance	%
Average realised prices							
Crude palm oil	(RM/tonne)	2,997	2,637	2,997	2,637	360	13.65
Palm kernel	(RM/tonne)	3,139	2,750	3,139	2,750	389	14.15
FFB	(RM/tonne)	600	609	600	609	(9)	(1.48)

		2017		2016			
		Quarter 1	Quarter 4	Quarter 1	Quarter 4	Variance	%
Revenue		166,053	170,078	166,053	170,078	(4,025)	(2.37)
Profit before tax		20,309	111,420	20,309	111,420	(91,111)	(81.77)

Despite higher average realised prices, revenue for the first quarter ended 31 March 2017 was lower by 2%, mainly attributed to the lower sales volume of CPO and PK. Meanwhile, the sales volume of FFB for the current quarter has increased by 640% due to annual inspection and maintenance carried out at the palm oil mill of THP Saribas Sdn Bhd in Sarawak. As a result, that mill's operations were temporarily shut down and FFB received at that mill were sold to outside mill. Profit before tax was lower by 82% compared to preceding quarter as the profit before tax for the preceding quarter was boosted by other income of RM115.92 million from the disposal of THP Gemas.

26 Current Year Prospects

With improved weather conditions, the Group expects continued recovery in production to drive the Group's revenue growth. However, with higher inventory levels in the market, commodity prices are expected to weaken particularly in the second half of the year. Nevertheless, the market expects prices to be supported by higher demand for palm oil products. Notwithstanding the volatility of commodity prices, the Group expects to perform satisfactorily in FY2017.

27 Variance Of Actual Profit From Forecast Profit

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

28 Taxation

	First Quarter	
	Current Year RM'000	Preceding Year RM'000
Current	7,883	1,226
Deferred	(2,823)	(7,446)
	5,060	(6,220)

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 lower than its statutory rate as a result of higher deferred tax recognised.

29 Realised and Unrealised Profits

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Realised	856,761	733,533
Unrealised	70,638	169,050
	927,399	902,583
Less: Consolidation adjustments	(281,713)	(268,097)
Total Group retained earnings as per consolidated interim financial statements	645,686	634,486

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.

30 Unquoted Investments And/Or Properties

There were no purchases or disposals of unquoted investments for the current quarter under review.

31 Quoted Investments

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

32 Status Of Corporate Proposals

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

33 Property, Plant and Equipment ("PPE")

As at 31 March 2017, 1,300.67 hectares of oil palm estates have reached maturity and reclassified as PPE.

34 Group Borrowings

As at 31 March 2017, total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.03.2017 RM'000	As at 31.12.2016 RM'000
Loans and borrowings		
(a) Non current		
Secured:		
Flexi Term Financing-i	27,215	30,715
Commodity Mudharabah Term Financing-i	60,533	73,693
Unsecured:		
SUKUK Murabahah Medium Term Notes	1,050,000	1,050,000
Term loan - Forest Plantation Development	25,528	20,966
Total Non current	1,163,276	1,175,374
(b) Current		
Secured:		
Flexi Term Financing-i	14,000	13,000
Ijarah Term Financing-i Facility	7,680	7,680
Commodity Mudharabah Term Financing-i	18,000	4,800
Unsecured:		
SUKUK Murabahah Medium Term Notes	70,000	70,000
Islamic Trade Financing-i	18,534	17,671
Total current	128,214	113,151
Grand total	1,291,490	1,288,525

(c) *Maturity analysis*

Tenure	Year of maturity	Profit margin %	Amount RM'000
Below 1 year	2017	4.67-6.5	124,714
1-2 years	2018	4.55-6.60	91,000
2-3 years	2019	5.35-5.44	110,715
3-4 years	2020	5.44	84,533
4-5 years	2021	5.56	75,000
5-6 years	2022	5.56	100,000
6-7 years	2023	5.8	105,000
7-8 years	2024	5.93	110,000
8-9 years	2025	5.93-6.16	120,000
9-10 years	2026	6.14-6.21	145,000
10-11 years	2027	6.65	200,000
11-12 years	2028	-	-
12-13 years	2029	3*	25,528
			1,291,490

* Soft loan granted by Forest Plantation Development

35 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.

36 Material Litigation**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) Federal Court Civil Appeal No. 01-[f]-26- 12/2014 [Q]**

The appeal before the Federal Court in Kuching was held on 7 February 2017. In the said appeal, the solicitors of all parties involved had made their respective submissions. The Federal Court had adjourned the case for a ruling to a date to be fixed in due course.

As at todate, the Federal Court has not fixed the date for the ruling of the case.

Upon advice from legal counsel, the Board of TH PELITA Gedong Sdn Bhd is of the opinion that the Company has passed the threshold of a probable prospect of winning.

37 Earnings Per Share

		UNAUDITED FIRST QUARTER	
		Current Year	Preceding Year
(i)	<i>Basic earnings per share</i>		
	Profit attributable to shareholders	RM'000	<u>11,200</u> <u>(7,148)</u>
	Weighted average number of ordinary shares in issue	'000	<u>883,851</u> <u>883,851</u>
	Basic earnings per share	sen	<u>1.27</u> <u>(0.81)</u>
(ii)	<i>Diluted earnings per share</i>		
	Profit attributable to shareholders	RM'000	<u>11,200</u> <u>(7,148)</u>
	Weighted average number of ordinary shares in issue	'000	<u>883,851</u> <u>883,851</u>
	Effect of dilution (ESOS outstanding)	'000	<u>-</u> <u>-</u>
	Adjusted weighted average number of ordinary shares in issue	'000	<u>883,851</u> <u>883,851</u>
	Diluted earnings per share	sen	<u>1.27</u> <u>(0.81)</u>

38 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 24 May 2017.

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

**Kuala Lumpur
24 May 2017**