

## TH PLANTATIONS BERHAD

(Incorporated in Malaysia)

(Company No : 12696-M)

### QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

The Directors have pleasure in announcing the unaudited consolidated results for the third quarter ended 30 September 2017.

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|   | Note | UNAUDITED<br>THIRD QUARTER            |   | UNAUDITED<br>CUMULATIVE               |   |
|---|------|---------------------------------------|---|---------------------------------------|---|
|   |      | CURRENT<br>YEAR<br>30.09.17<br>RM'000 | PRECEDING<br>YEAR<br>30.09.16<br>RM'000 | CURRENT<br>YEAR<br>30.09.17<br>RM'000 | PRECEDING<br>YEAR<br>30.09.16<br>RM'000 |
| <b>Revenue</b>  | 24   | <b>189,536</b>                        | <b>170,308</b>                          | <b>511,014</b>                        | <b>392,232</b>                          |
| Cost of sales   |      | (116,984)                             | (104,906)                               | (324,926)                             | (273,977)                               |
| Depreciation and amortisation   |      | (29,549)                              | (26,674)                                | (73,854)                              | (67,527)                                |
| <b>Gross profit</b>   |      | <b>43,003</b>                         | <b>38,728</b>                           | <b>112,234</b>                        | <b>50,728</b>                           |
| Other income  | 6    | 2,034                                 | 2,697                                   | 17,339                                | 7,993                                   |
| Administrative expenses   |      | (4,791)                               | (4,396)                                 | (13,306)                              | (11,395)                                |
| Other expenses  | 7    | (3,089)                               | (6,163)                                 | (20,505)                              | (16,698)                                |
| Depreciation  |      | (303)                                 | (337)                                   | (811)                                 | (910)                                   |
| <b>Profit from operations</b>   |      | <b>36,854</b>                         | <b>30,529</b>                           | <b>94,951</b>                         | <b>29,718</b>                           |
| Finance costs   | 8    | (14,467)                              | (5,034)                                 | (42,213)                              | (13,842)                                |
| <b>Profit before tax</b>  | 24   | <b>22,387</b>                         | <b>25,495</b>                           | <b>52,738</b>                         | <b>15,876</b>                           |
| Tax expense   | 29   | (8,237)                               | (1,990)                                 | (14,008)                              | 8,035                                   |
| <b>Profit for the period</b>  | 24   | <b>14,150</b>                         | <b>23,505</b>                           | <b>38,730</b>                         | <b>23,911</b>                           |
| <b>Other comprehensive income, net of tax</b>   |      |                                       |   |                                       |   |
| <b>Item that are or may be reclassified subsequently to profit and loss, net of tax</b> |      |                                       |   |                                       |   |
| Foreign currency translation differences for foreign operations                         |      | 206                                   | (192)                                   | 347                                   | (138)                                   |
| <b>Other comprehensive income, net of tax</b>   |      | <b>206</b>                            | <b>(192)</b>                            | <b>347</b>                            | <b>(138)</b>                            |
| <b>Total comprehensive income for the period</b>  |      | <b>14,356</b>                         | <b>23,313</b>                           | <b>39,077</b>                         | <b>23,773</b>                           |
| <b>Profit attributable to:</b>  |      |                                       |   |                                       |   |
| Owners of the Company   |      | 11,454                                | 19,175                                  | 29,850                                | 19,608                                  |
| Non-Controlling Interests   |      | 2,696                                 | 4,330                                   | 8,880                                 | 4,303                                   |
| <b>Profit for the period</b>  |      | <b>14,150</b>                         | <b>23,505</b>                           | <b>38,730</b>                         | <b>23,911</b>                           |
| <b>Total comprehensive income attributable to:</b>                                      |      |                                       |   |                                       |   |
| Owners of the Company   |      | 11,646                                | 18,997                                  | 30,173                                | 19,480                                  |
| Non-Controlling Interests   |      | 2,710                                 | 4,316                                   | 8,904                                 | 4,293                                   |
| <b>Total comprehensive income, net of tax</b>   |      | <b>14,356</b>                         | <b>23,313</b>                           | <b>39,077</b>                         | <b>23,773</b>                           |
| <b>Earnings per share (sen) :</b>   |      |                                       |   |                                       |   |
| Basic earnings per share  | 38   | 1.30                                  | 2.17                                    | 3.38                                  | 2.22                                    |
| Diluted earnings per share  | 38   | 1.30                                  | 2.17                                    | 3.38                                  | 2.22                                    |

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 30.09.17<br>RM'000<br>(unaudited) | As at 31.12.16<br>RM'000<br>(audited) |
|---|--------|---|---------------------------------------|
| <b>Assets</b>   |        |   |                                       |
| Property, plant & equipment                                       | 34     | 2,685,671                               | 2,614,875                             |
| Plantation development expenditure                                | 12     | 256,350                                 | 326,445                               |
| Forestry  | 13     | 163,655                                 | 162,470                               |
| Intangible assets   | 14     | 73,265                                  | 73,265                                |
| Other investment  | 15     | 1,825                                   | 1,825                                 |
| Deferred tax assets   |        | 119,805                                 | 117,771                               |
| <b>Total non-current assets</b>                                   |        | <b>3,300,571</b>                        | <b>3,296,651</b>                      |
| Inventories   |        | 17,943                                  | 17,045                                |
| Current tax assets  |        | 8,379                                   | 5,366                                 |
| Other investment  | 15     | 12,841                                  | 3,520                                 |
| Trade and other receivables                                       |        | 99,164                                  | 118,475                               |
| Prepayments and other assets                                      |        | 4,695                                   | 4,289                                 |
| Cash and cash equivalents   | 16     | 95,794                                  | 163,771                               |
| <b>Total current assets</b>                                       |        | <b>238,816</b>                          | <b>312,466</b>                        |
| <b>Total assets</b>   |        | <b>3,539,387</b>                        | <b>3,609,117</b>                      |
| <b>Equity</b>   |        |   |                                       |
| Capital reserve   |        | 779,985                                 | 781,875                               |
| Retained earnings   |        | 611,305                                 | 634,486                               |
| <b>Total equity attributable to equity holders of the Company</b> |        | <b>1,391,290</b>                        | <b>1,416,361</b>                      |
| <b>Non-controlling interests</b>                                  |        | <b>360,038</b>                          | <b>351,134</b>                        |
| <b>Total equity</b>   |        | <b>1,751,328</b>                        | <b>1,767,495</b>                      |
| <b>Liabilities</b>  |        |   |                                       |
| Loans and borrowings  | 35 (a) | 1,206,089                               | 1,175,374                             |
| Deferred tax liabilities  |        | 325,622                                 | 331,787                               |
| Trade and other payables  |        | 13,651                                  | 13,656                                |
| <b>Total non-current liabilities</b>                              |        | <b>1,545,362</b>                        | <b>1,520,817</b>                      |
| <b>Current liabilities</b>  |        |   |                                       |
| Loans and borrowings  | 35 (b) | 61,004                                  | 113,151                               |
| Trade and other payables  |        | 177,620                                 | 205,446                               |
| Current tax liabilities   |        | 4,073                                   | 2,208                                 |
| <b>Total current liabilities</b>                                  |        | <b>242,697</b>                          | <b>320,805</b>                        |
| <b>Total liabilities</b>  |        | <b>1,788,059</b>                        | <b>1,841,622</b>                      |
| <b>Total equity and liabilities</b>                               |        | <b>3,539,387</b>                        | <b>3,609,117</b>                      |
| <b>Net tangible assets per share (RM)</b>                         |        | <b>1.49</b>                             | <b>1.52</b>                           |

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 THIRD QUARTER ENDED 30 SEPTEMBER 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    |
| <b>At 1 January 2016</b>  | 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                                 | -   | -             | -              | -                    | (128)            | (128)                 | -                 | (10)                      | (128)     | (138)     |
| Profit for the period   | -   | -             | -              | -                    | -                | -                     | 147,070           | 3,399                     | 147,070   | 150,469   |
| <b>Total comprehensive income for the period</b>                        | -   | -             | -              | -                    | (128)            | (128)                 | 147,070           | 3,389                     | 146,942   | 150,331   |
| Adjustment on fair value of ESOS  | -   | -             | -              | (15)                 | -                | (15)                  | -                 | -                         | (15)      | (15)      |
| Dividends to non-controlling interests                                  | -   | -             | -              | -                    | -                | -                     | -                 | (6,694)                   | -         | (6,694)   |
| <b>Total transactions with owners of the Group</b>                      | -   | -             | -              | (15)                 | -                | (15)                  | -                 | (6,694)                   | (15)      | (6,709)   |
| <b>At 31 December 2016</b>  | 441,925                                       | 420,827       | (82,557)       | 2,213                | (533)            | 781,875               | 634,486           | 351,134                   | 1,416,361 | 1,767,495 |
| <b>At 1 January 2017</b>  | 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         | -   | -             | -              | -                    | 323              | 323                   | -                 | 24                        | 323       | 347       |
| Other comprehensive income for the year                                 | -   | -             | -              | -                    | 323              | 323                   | -                 | 24                        | 323       | 347       |
| Profit for the period   | -   | -             | -              | -                    | -                | -                     | 29,850            | 8,880                     | 29,850    | 38,730    |
| <b>Total comprehensive income for the period</b>                        | -   | -             | -              | -                    | 323              | 323                   | 29,850            | 8,904                     | 30,173    | 39,077    |
| Adjustment on fair value of ESOS  | -   | -             | -              | (2,213)              | -                | (2,213)               | -                 | -                         | (2,213)   | (2,213)   |
| Dividends to owners of the Company                                      | -   | -             | -              | -                    | -                | -                     | (53,031)          | -                         | (53,031)  | (53,031)  |
| Dividends to non-controlling interests                                  | -   | -             | -              | -                    | -                | -                     | -                 | -                         | -         | -         |
| Disposal of subsidiary  | -   | -             | -              | -                    | -                | -                     | -                 | -                         | -         | -         |
| <b>Total transactions with owners of the Group</b>                      | -   | -             | -              | (2,213)              | -                | (2,213)               | (53,031)          | -                         | (55,244)  | (55,244)  |
| <b>Transition to no-par value regime on 31 January 2017<sup>1</sup></b> | 420,827                                       | (420,827)     | -              | -                    | -                | -                     | (53,031)          | -                         | (55,244)  | (55,244)  |
| <b>At 30 September 2017 (unaudited)</b>                                 | 862,752                                       | -             | (82,557)       | -                    | (210)            | 779,985               | 611,305           | 360,038                   | 1,391,290 | 1,751,328 |

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 THIRD QUARTER ENDED 30 SEPTEMBER 2017**

| Note   | FOR THE THIRD QUARTER<br>ENDED    |                                   |
|--|-----------------------------------|-----------------------------------|
|  | 30.09.17<br>RM'000<br>(unaudited) | 30.09.16<br>RM'000<br>(unaudited) |
| <b>Cash flows from operating activities</b>  |                                   |                                   |
| Profit before tax  | 52,738                            | 15,876                            |
| Adjustment for non-cash flow items   | 114,095                           | 91,554                            |
| Operating profit before changes in working capital                                     | 166,833                           | 107,430                           |
| Changes in working capital   |                                   |                                   |
| Net changes in working capital   | (16,123)                          | (36,623)                          |
| <b>Cash generated from operations</b>  | 150,710                           | 70,807                            |
| Finance cost   | (50,771)                          | (36,252)                          |
| Profit margin income from short term Islamic deposits<br>and inter-company receivables | 3,070                             | 1,943                             |
| Tax paid   | (19,073)                          | (19,704)                          |
| Tax refund   | 395                               | 1,779                             |
| <b>Net cash generated from operating activities</b>                                    | 84,331                            | 18,573                            |
| <b>Cash flows from investing activities</b>  |                                   |                                   |
| Acquisition of property, plant and equipment   | (25,105)                          | (24,411)                          |
| Decrease in deposits pledged   | -                                 | 34                                |
| Plantation development expenditure   | (44,896)                          | (66,260)                          |
| Forestry plantation  | (3,445)                           | (14,643)                          |
| Proceed from disposal of property, plant and equipment                                 | 4                                 | -                                 |
| Dividend received  | -                                 | 237                               |
| Increase in other investment   | (9,321)                           | (28,950)                          |
| <b>Net cash used in investing activities</b>   | (82,763)                          | (133,993)                         |
| <b>Cash flows from financing activities</b>  |                                   |                                   |
| Repayment of loans and borrowings  | (129,864)                         | (62,130)                          |
| Repayment of SUKUK   | (225,000)                         | (50,000)                          |
| Dividends paid to owners of the Company  | (59,506)                          | (7,334)                           |
| Proceeds from drawdown of loans and borrowings   | 240,808                           | 145,152                           |
| Proceeds from tradeline drawdown   | 104,017                           | 64,790                            |
| <b>Net cash (used in)/generated from financing activities</b>                          | (69,545)                          | 90,478                            |
| <b>Net decrease in cash and cash equivalents</b>                                       | (67,977)                          | (24,942)                          |
| <b>Cash and cash equivalents at beginning of the year</b>                              | 163,771                           | 75,556                            |
| <b>Cash and cash equivalents at end of the period</b>                                  | 95,794                            | 50,614                            |
| <b>Cash and cash equivalents comprise:</b>   |                                   |                                   |
| Deposits   | 16 75,000                         | 26,317                            |
| Cash and bank balances   | 16 20,794                         | 24,297                            |
|  | 95,794                            | 50,614                            |
| Less :   |                                   |                                   |
| Deposits pledged   | -                                 | -                                 |
|  | 95,794                            | 50,614                            |

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 was based on the valuation by independent valuer in December 2016 incorporating management best estimate for new planted area.

**(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.

**(ix) Valuation of land - PT Persada Kencana Prima ("PTPKP")**

Valuation of the land was based on Sales and Purchase Agreement dated 11 November 2011 until a final valuation is completed.

**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.

|   | CUMULATIVE                |                             |
|---|---------------------------|-----------------------------|
|   | Current<br>Year<br>RM'000 | Preceding<br>Year<br>RM'000 |
| Other income consist of the following:                              |                           |                             |
| a) Profit margin income from short term investments and receivables | 3,070                     | 1,943                       |
| b) Government grant   | 12,598                    | 2,308                       |
| c) Foreign exchange gain  | -                         | 1,814                       |
| c) Sundry income  | 1,671                     | 1,928                       |
| <b>Total</b>  | <u>17,339</u>             | <u>7,993</u>                |

**7 Other Expenses**

|   | CUMULATIVE                |                             |
|---|---------------------------|-----------------------------|
|   | Current<br>Year<br>RM'000 | Preceding<br>Year<br>RM'000 |
| Other expenses consist of the followings: |                           |                             |
| a) Change in fair value of forestry       | 7,899                     | 14,066                      |
| b) Foreign exchange loss                  | 5,852                     | -                           |
| c) Impairment of receivables              | 3,510                     | -                           |
| d) Sundry expenses                        | 3,244                     | 2,632                       |
| <b>Total</b>                              | <u>20,505</u>             | <u>16,698</u>               |

**8 Finance cost**

|              | CUMULATIVE                |                             |
|--------------|---------------------------|-----------------------------|
|              | Current<br>Year<br>RM'000 | Preceding<br>Year<br>RM'000 |
| Finance cost | <u>42,213</u>             | <u>13,842</u>               |

The increase in finance cost for the current year was due to lower capitalisation of finance cost as part of plantation development expenditure due to more area coming to maturity. This is in compliance with MFRS 123 *Borrowing Costs*.

**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**

During the period under review, The Group had:

- i) Drawdown of RM21.4 million of soft loan at an effective profit margin rate of 3.00%.
- ii) Drawdown of RM220 million of its Commodity Mudharabah Facility at an effective profit margin of 5.85%.
- iii) Redemption of RM225 million SUKUK at average effective profit margin of 6.60%.

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

**11 Dividends**

The Directors have proposed first interim dividend of 1.60 sen under the single tier system amounting to RM14.14 million.

**12 Plantation development expenditure**

|   | <b>As at<br/>30.09.2017<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>RM'000</b> |
|---|--|--|
| <b>At 1 January</b>                             | 326,445                                | 405,595                                |
| Additions during the year                       | 54,473                                 | 83,272                                 |
| Additions in nurseries                          | 3,709                                  | 5,401                                  |
| Effect of movement in exchange rate             | (5,257)                                | 5,239                                  |
| Less: Transfer to property, plant and equipment | (123,020)                              | (168,055)                              |
| Less: Write off                                 | -                                      | (1,625)                                |
| Less: Disposal of subsidiary                    | -                                      | (3,382)                                |
| <b>At 30 September/ December</b>                | <u>256,350</u>                         | <u>326,445</u>                         |

**13 Forestry**

|   | <b>As at<br/>30.09.2017<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>RM'000</b> |
|---|--|--|
| <b>At 1 January</b>                             | 162,470                                | 145,905                                |
| Additions during the year                       | 9,084                                  | 15,158                                 |
| Additions in nurseries                          | -                                      | 16,740                                 |
| Change in fair value recognised profit and loss | (7,899)                                | (15,333)                               |
| <b>At 30 September/ December</b>                | <u>163,655</u>                         | <u>162,470</u>                         |

**14 Intangible assets**

|             | <b>As at<br/>30.09.2017<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>RM'000</b> |
|-------------|--|--|
| <b>Cost</b> |  |  |
| Goodwill    | <u>73,265</u>                          | <u>73,265</u>                          |

**15 Other investments**

|  | <b>As at<br/>30.09.2017<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>RM'000</b> |
|--|--|--|
| <b>Non-current</b>   |  |  |
| Available-for-sale financial assets                                      | 1,920                                  | 1,920                                  |
| Less: Impairment loss  | (95)                                   | (95)                                   |
|  | <u>1,825</u>                           | <u>1,825</u>                           |
| <b>Current</b>   |  |  |
| Deposits placed with licensed banks (maturity period more than 3 months) | <u>12,841</u>                          | <u>3,520</u>                           |
| <b>At 30 September/December</b>  | <u>12,841</u>                          | <u>3,520</u>                           |

**16 Cash and cash equivalents**

|  | <b>As at<br/>30.09.2017<br/>RM'000</b> | <b>As at<br/>31.12.2016<br/>RM'000</b> |
|--|--|--|
| Deposits placed with licensed banks (maturity period less than 3 months) | 75,000                                 | 127,473                                |
| Cash and bank balances   | 20,794                                 | 36,298                                 |
|  | <u>95,794</u>                          | <u>163,771</u>                         |

17 Operating segments

(8)

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<br>Plantation<br>RM'000 | Forestry<br>RM'000 | Management<br>Services<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|--|----------------------------------|--------------------|----------------------------------|-----------------------|------------------------|
| <b>RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2017</b>        |                                  |                    |                                  |                       |                        |
| External operating revenue                                 | 189,311                          | -                  | 225                              | -                     | 189,536                |
| Inter-segment revenue                                      | 29,344                           | -                  | 6,725                            | (36,069)              | -                      |
| Total operating revenue                                    | 218,655                          | -                  | 6,950                            | (36,069)              | 189,536                |
| Other income   | 18,931                           | 604                | -                                | (17,501)              | 2,034                  |
|  | 237,586                          | 604                | 6,950                            | (53,570)              | 191,570                |
| Operating expenses   | (157,698)                        | -                  | (9,003)                          | 20,168                | (146,533)              |
| Segment results  | 79,888                           | 604                | (2,053)                          | (33,402)              | 45,037                 |
| Other expenses   | (14,585)                         | 3,250              | (3,108)                          | 6,260                 | (8,183)                |
| Finance costs  | (29,330)                         | (1,041)            | -                                | 15,904                | (14,467)               |
| <b>Profit before tax</b>                                   | <b>35,973</b>                    | <b>2,813</b>       | <b>(5,161)</b>                   | <b>(11,238)</b>       | <b>22,387</b>          |
| <b>RESULTS FOR 3 MONTHS ENDED 30 SEPTEMBER 2016</b>        |                                  |                    |                                  |                       |                        |
| External operating revenue                                 | 170,296                          | -                  | 12                               | -                     | 170,308                |
| Inter-segment revenue                                      | 25,573                           | -                  | 6,133                            | (31,706)              | -                      |
| Total operating revenue                                    | 195,869                          | -                  | 6,145                            | (31,706)              | 170,308                |
| Other income   | 22,612                           | 41                 | -                                | (19,956)              | 2,697                  |
|  | 218,481                          | 41                 | 6,145                            | (51,662)              | 173,005                |
| Operating expenses   | (140,265)                        | -                  | (6,602)                          | 15,287                | (131,580)              |
| Segment results  | 78,216                           | 41                 | (457)                            | (36,375)              | 41,425                 |
| Other expenses   | (9,181)                          | (5,769)            | (1,167)                          | 5,221                 | (10,896)               |
| Finance costs  | (23,547)                         | -                  | -                                | 18,513                | (5,034)                |
| <b>Profit before tax</b>                                   | <b>45,488</b>                    | <b>(5,728)</b>     | <b>(1,624)</b>                   | <b>(12,641)</b>       | <b>25,495</b>          |
| <b>RESULTS UP TO THIRD QUARTER ENDED 30 SEPTEMBER 2017</b> |                                  |                    |                                  |                       |                        |
| External operating revenue                                 | 510,274                          | -                  | 740                              | -                     | 511,014                |
| Inter-segment revenue                                      | 72,872                           | -                  | 18,502                           | (91,374)              | -                      |
| Total operating revenue                                    | 583,146                          | -                  | 19,242                           | (91,374)              | 511,014                |
| Other income   | 61,319                           | 12,599             | 9                                | (56,588)              | 17,339                 |
|  | 644,465                          | 12,599             | 19,251                           | (147,962)             | 528,353                |
| Operating expenses   | (423,216)                        | -                  | (26,457)                         | 50,893                | (398,780)              |
| Segment results  | 221,249                          | 12,599             | (7,206)                          | (97,069)              | 129,573                |
| Other expenses   | (35,008)                         | (8,346)            | (8,273)                          | 17,005                | (34,622)               |
| Finance costs  | (93,337)                         | (1,041)            | -                                | 52,165                | (42,213)               |
| <b>Profit before tax</b>                                   | <b>92,904</b>                    | <b>3,212</b>       | <b>(15,479)</b>                  | <b>(27,899)</b>       | <b>52,738</b>          |
| <b>RESULTS UP TO THIRD QUARTER ENDED 30 SEPTEMBER 2016</b> |                                  |                    |                                  |                       |                        |
| External operating revenue                                 | 392,194                          | -                  | 38                               | -                     | 392,232                |
| Inter-segment revenue                                      | 57,899                           | -                  | 15,225                           | (73,124)              | -                      |
| Total operating revenue                                    | 450,093                          | -                  | 15,263                           | (73,124)              | 392,232                |
| Other income   | 68,178                           | 2,378              | -                                | (62,563)              | 7,993                  |
|  | 518,271                          | 2,378              | 15,263                           | (135,687)             | 400,225                |
| Operating expenses   | (353,872)                        | -                  | (22,294)                         | 34,662                | (341,504)              |
| Segment results  | 164,399                          | 2,378              | (7,031)                          | (101,025)             | 58,721                 |
| Other expenses   | (24,430)                         | (14,487)           | (3,348)                          | 13,262                | (29,003)               |
| Finance costs  | (72,076)                         | -                  | -                                | 58,234                | (13,842)               |
| <b>Profit before tax</b>                                   | <b>67,893</b>                    | <b>(12,109)</b>    | <b>(10,379)</b>                  | <b>(29,529)</b>       | <b>15,876</b>          |
| <b>ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2017</b>      |                                  |                    |                                  |                       |                        |
|  | RM'000                           | RM'000             | RM'000                           | RM'000                | RM'000                 |
| Assets that belong to the Group                            | 5,446,856                        | 214,938            | 34,071                           | (2,156,478)           | 3,539,387              |
| <b>Total assets</b>  | <b>5,446,856</b>                 | <b>214,938</b>     | <b>34,071</b>                    | <b>(2,156,478)</b>    | <b>3,539,387</b>       |
| Liabilities that belong to the Group                       | 2,832,264                        | 166,424            | 68,153                           | (1,278,782)           | 1,788,059              |
| <b>Total liabilities</b>                                   | <b>2,832,264</b>                 | <b>166,424</b>     | <b>68,153</b>                    | <b>(1,278,782)</b>    | <b>1,788,059</b>       |
| <b>ASSETS AND LIABILITIES AS AT 31 DECEMBER 2016</b>       |                                  |                    |                                  |                       |                        |
|  | 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              |
| <b>Total assets</b>  | <b>5,589,928</b>                 | <b>200,801</b>     | <b>27,510</b>                    | <b>(2,209,122)</b>    | <b>3,609,117</b>       |
| Liabilities that belong to the Group                       | 2,970,406                        | 157,422            | 46,114                           | (1,332,320)           | 1,841,622              |
| <b>Total liabilities</b>                                   | <b>2,970,406</b>                 | <b>157,422</b>     | <b>46,114</b>                    | <b>(1,332,320)</b>    | <b>1,841,622</b>       |

**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 22 November 2017.

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

|                                 | <b>As at<br/>30.09.2017</b> |
|---------------------------------|-----------------------------|
|                                 | <b>RM'000</b>               |
| Approved and contracted for     | 6,925                       |
| Approved but not contracted for | 104,855                     |
|                                 | <u>111,780</u>              |

**23 Material Related Party Transactions**

**For the third  
quarter ended  
30.09.2017**

**Transactions with THP**

| <b>Transacting Parties</b> | <b>Relationship</b> | <b>Nature of transactions</b> | <b>RM'000</b> |
|----------------------------|---------------------|-------------------------------|---------------|
| Lembaga Tabung Haji        | Holding Corporation | Lease of land                 | <b>2,196</b>  |
| Lembaga Tabung Haji        | Holding Corporation | Rental of office              | <b>2,611</b>  |

**Transactions with THP Group**

|                                     |                 |                            |              |
|-------------------------------------|-----------------|----------------------------|--------------|
| Syarikat Takaful Malaysia           | Related Company | Insurance premium          | <b>3,581</b> |
| TH Travel Services Sdn Bhd          | Related Company | Purchase of flight tickets | <b>285</b>   |
| Deru Semangat Sdn Bhd               | Related Company | Management fees            | <b>174</b>   |
| TH Estates (Holdings) Sdn Bhd       | Related Company | Management fees            | <b>566</b>   |
| Sistem Komunikasi Gelombang Sdn Bhd | Related Company | Telecommunication services | <b>233</b>   |

Save for the above, there are no other material related party transactions.

## 24 Review Of Group's Financial Performance

### (i) Current quarter

|   | UNAUDITED<br>THIRD QUARTER |                    | Variance | Variance |
|---|----------------------------|--------------------|----------|----------|
|   | CURRENT<br>YEAR            | PRECEDING<br>YEAR  |          |          |
|   | 30.09.17<br>RM'000         | 30.09.16<br>RM'000 | RM'000   | %        |
| Revenue   | 189,536                    | 170,308            | 19,228   | 11.29%   |
| Operating profit  | 43,003                     | 38,728             | 4,275    | 11.04%   |
| Profit Before Interest and Tax ("PBIT")                 | 36,854                     | 30,529             | 6,325    | 20.72%   |
| Profit Before Tax ("PBT")                               | 22,387                     | 25,495             | (3,108)  | -12.19%  |
| Profit After Tax ("PAT")                                | 14,150                     | 23,505             | (9,355)  | -39.80%  |
| Profit attributable to owners of the Company ("PATAMI") | 11,454                     | 19,175             | (7,721)  | -40.27%  |

### (a) Revenue

For current quarter ended 30 September 2017 ("3Q17"), the Group's revenue stood at RM189.54 million (3Q16: RM170.31 million), 11% increase compared to same period last year. The increase is mainly attributed to higher production and sales volume as well as higher average realised prices of CPO.

#### Sales Volume

|                |                 |
|----------------|-----------------|
| Crude palm oil | (Metric tonnes) |
| Palm kernel    | (Metric tonnes) |
| FFB            | (Metric tonnes) |

| Third quarter |        | Variance |       |
|---------------|--------|----------|-------|
| 2017          | 2016   | MT       | %     |
| 55,492        | 51,283 | 4,209    | 8.21  |
| 12,703        | 11,090 | 1,613    | 14.54 |
| 37,348        | 34,771 | 2,577    | 7.41  |

#### Average realised prices

|                |            |
|----------------|------------|
| Crude palm oil | (RM/tonne) |
| Palm kernel    | (RM/tonne) |
| FFB            | (RM/tonne) |

| Third quarter |       | Variance |        |
|---------------|-------|----------|--------|
| 2017          | 2016  | RM/MT    | %      |
| 2,564         | 2,451 | 113      | 4.61   |
| 2,215         | 2,405 | (190)    | (7.90) |
| 506           | 516   | (10)     | (1.94) |

### (b) Operating profit

Operating profit for 3Q17 was higher by RM4.28 million or 11% mainly driven by higher revenue. However, cost of sales were also higher by RM14.95 million mainly due to:

- Higher estate production cost by RM7.01 million due to higher manuring cost.
- Higher amortisation cost by RM2.90 million due to increase in mature area by 1,300.67 hectares and higher amortisation rates, as per Group's amortisation table.

### (c) PBIT

PBIT for 3Q17 was higher by RM6.33 million or 21% compared to 3Q16 mainly attributed to higher operating profit by RM4.28 million.

### (d) PBT

For 3Q17, PBT was lower by RM3.11 million or 12% compared to 3Q16 due to higher finance cost by RM9.43 million. The increase in finance cost for the current quarter was due to lower capitalisation in plantation development expenditure as more areas came into maturity.

### (e) PAT

PAT for 3Q17 was lower by RM9.36 million compared to 3Q16 as the Group recognised higher effective tax rates in 3Q17.

### (f) PATAMI

For 3Q17, PATAMI was lower by RM7.72 million as compared to 3Q16 due to lower PAT by RM9.36 million as mentioned above.

**(ii) Cumulative quarter (9M17 vs 9M16)**

|                  | UNAUDITED CUMULATIVE |                | Variance | Variance |
|------------------|----------------------|----------------|----------|----------|
|                  | CURRENT YEAR         | PRECEDING YEAR |          |          |
|                  | 30.09.17             | 30.09.16       | RM'000   | %        |
|                  | RM'000               | RM'000         |          |          |
| Revenue          | 511,014              | 392,232        | 118,782  | 30.28%   |
| Operating profit | 112,234              | 50,728         | 61,506   | 121.25%  |
| PBIT             | 94,951               | 29,718         | 65,233   | 219.51%  |
| PBT              | 52,738               | 15,876         | 36,862   | 232.19%  |
| PAT              | 38,730               | 23,911         | 14,819   | 61.98%   |
| PATAMI           | 29,850               | 19,608         | 10,242   | 52.23%   |

**(a) Revenue**

Revenue for the nine months ended 30 September 2017 ("9M17") was RM511.01 million, an increase of 30% from RM392.23 million in the nine months ended 30 September 2016 ("9M16"). The increase is mainly attributed to higher volume and higher average realised prices of CPO, PK and FFB.

**Sales Volume**

|                |                 |
|----------------|-----------------|
| Crude palm oil | (Metric tonnes) |
| Palm kernel    | (Metric tonnes) |
| FFB            | (Metric tonnes) |

| Cumulative quarter |         | Variance |       |
|--------------------|---------|----------|-------|
| 2017               | 2016    | MT       | %     |
| 140,651            | 123,301 | 17,350   | 14.07 |
| 31,999             | 27,067  | 4,932    | 18.22 |
| 92,419             | 74,359  | 18,060   | 24.29 |

**Average realised prices**

|                |            |
|----------------|------------|
| Crude palm oil | (RM/tonne) |
| Palm kernel    | (RM/tonne) |
| FFB            | (RM/tonne) |

| Cumulative quarter |       | Variance |       |
|--------------------|-------|----------|-------|
| 2017               | 2016  | RM/MT    | %     |
| 2,723              | 2,391 | 332      | 13.89 |
| 2,412              | 2,212 | 200      | 9.04  |
| 542                | 501   | 41       | 8.18  |

**(b) Operating profit**

Operating profit for 9M17 was higher by RM61.51 million or 121% mainly driven by higher revenue. However, cost of sales were also higher by RM57.28 million due to:

- Higher FFB purchases by RM36.77 million due to higher volume and price of FFB purchases.
- Higher amortisation cost by RM6.74 million due to increase in mature area by 1,300.67 hectares and higher amortisation rates, as per Group's amortisation table.

**(c) PBIT**

PBIT for 9M17 was higher by RM65.23 million mainly attributed to significantly higher operating profit (higher by RM61.51 million) and higher other income arising from government grant (deferred income) recognised during the year amounting to RM12.60 million.

**(d) PBT**

The Group recorded PBT of RM52.74 million for 9M17 as compared to RM15.88 million in 9M16, mainly attributed to significantly higher PBIT by RM65.23 million. However, the higher PBIT was offset by higher finance cost by RM28.37 million. The increase in finance cost for the current year was due to lower capitalisation in plantation development expenditure as more areas came into maturity.

**(e) PAT**

PAT for 9M17 was higher by RM14.82 million compared to 9M16 due to higher PBT.

**(f) PATAMI**

PATAMI for 9M17 was higher by RM10.24 million as compared to 9M16 due to higher PAT by RM14.82 million.

25 **Material Changes In The Quarterly Results Compared To The Preceding Quarter**

|                  | 2017      | 2017      | Variance |        |
|------------------|-----------|-----------|----------|--------|
|                  | Quarter 3 | Quarter 2 | RM'000   | %      |
|                  | RM'000    | RM'000    |          |        |
| Revenue          | 189,536   | 155,425   | 34,111   | 21.95  |
| Operating profit | 43,003    | 29,815    | 13,188   | 44.23  |
| PBIT             | 36,854    | 24,072    | 12,782   | 53.10  |
| PBT              | 22,387    | 10,042    | 12,345   | 122.93 |
| PAT              | 14,150    | 9,331     | 4,819    | 51.65  |
| PATAMI           | 11,454    | 7,196     | 4,258    | 59.17  |

|                     |                 | 2017      | 2017      | Variance |       |
|---------------------|-----------------|-----------|-----------|----------|-------|
|                     |                 | Quarter 3 | Quarter 2 | MT       | %     |
|                     |                 |           |           |          |       |
| <b>Sales Volume</b> |                 |           |           |          |       |
| Crude palm oil      | (Metric tonnes) | 55,492    | 43,653    | 11,839   | 27.12 |
| Palm kernel         | (Metric tonnes) | 12,703    | 9,997     | 2,706    | 27.07 |
| FFB                 | (Metric tonnes) | 37,348    | 34,616    | 2,732    | 7.89  |

|                                |            | 2017      | 2017      | Variance |        |
|--------------------------------|------------|-----------|-----------|----------|--------|
|                                |            | Quarter 3 | Quarter 2 | RM/MT    | %      |
|                                |            |           |           |          |        |
| <b>Average realised prices</b> |            |           |           |          |        |
| Crude palm oil                 | (RM/tonne) | 2,564     | 2,664     | (100)    | (3.75) |
| Palm kernel                    | (RM/tonne) | 2,215     | 1,987     | 228      | 11.47  |
| FFB                            | (RM/tonne) | 506       | 548       | (42)     | (7.66) |

**(a) Revenue**

Revenue for 3Q17 was higher by 22% mainly attributed to higher sales volume of CPO, PK and FFB as well as higher average realised price for PK.

**(b) Operating profit**

Operating profit was higher by RM13.19 million mainly due to higher revenue by RM34.11 million. However, it was partly offset by higher cost of sales by RM20.92 million.

**(c) PBIT**

PBIT for 3Q17 was higher by RM12.78 million or 53% as compared to preceding quarter due to higher operating profit by RM13.19 million.

**(d) PBT**

PBT was higher by RM12.35 million or 123% compared to preceding quarter was due to higher PBIT by RM12.78 million.

**(e) PAT**

PAT for 3Q17 was higher by RM4.82 million compared to 2Q17 due to higher PBT by RM12.35 million.

**(f) PATAMI**

PATAMI for 3Q17 was higher by RM4.26 million as compared to preceding quarter due to higher PAT by RM4.82 million.

**26 Review of operating segments****Oil Palm Plantation****(i)Current quarter**

The Oil Palm Plantation segment recorded a PBT of RM35.97 million in 3Q17 , a decrease of 21% compared to RM45.49 million in 3Q16 as a result of higher other expenses and finance cost by RM5.4 million and RM5.78 million respectively.

**(ii)Cumulative quarter**

For 9M17, PBT for the oil palm plantation segment was RM92.90 million, an increase of 37% compared to RM67.89 million in 9M16 mainly attributed to significantly higher gross profit margin.

**Forestry****(i)Current quarter**

The forestry segment recorded a PBT of RM2.81 million in 3Q17, an increase of 149% compared to a loss of RM5.73 million in 3Q16 as a result of lower fair value of forestry recognised amounting to RM9.02 million.

**(ii)Cumulative quarter**

For 9M17, PBT for forestry plantation was RM3.21 million, an increase of 127% compared to a loss of RM12.11 million in 9M16 mainly attributed to higher deferred income on government grant recognised amounting to RM12.60 million.

**Management services****(i)Current quarter**

Management services recorded a loss before tax of RM5.16 million in 3Q17 which is higher by RM3.54 million compared to 3Q16.

**(ii)Cumulative quarter**

For 9M17, management services recorded a loss before tax of RM15.48 million, an increase of 49% compared to a loss of RM10.38 million in 9M16 mainly attributed to an increase in other expenses by 147% in 9M17.

**27 Current Year Prospects**

The Group remains optimistic to perform satisfactorily in FY 2017, supported by higher production of FFB, CPO and stable commodity prices.

**28 Variance Of Actual Profit From Forecast Profit**

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

**29 Taxation**

|          | Third Quarter          |                          | Cumulative Quarter     |                          |
|----------|------------------------|--------------------------|------------------------|--------------------------|
|          | Current Year<br>RM'000 | Preceding Year<br>RM'000 | Current Year<br>RM'000 | Preceding Year<br>RM'000 |
| Current  | 10,270                 | 7,131                    | 22,209                 | 10,233                   |
| Deferred | (2,033)                | (5,141)                  | (8,201)                | (18,268)                 |
|          | <u>8,237</u>           | <u>1,990</u>             | <u>14,008</u>          | <u>(8,035)</u>           |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the quarter.

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

**30 Realised and Unrealised Profits**

|   | As at<br>30.09.2017<br>RM'000 | As at<br>31.12.2016<br>RM'000 |
|---|-------------------------------|-------------------------------|
| Realised  | 832,932                       | 733,533                       |
| Unrealised  | 84,443                        | 169,050                       |
|   | <u>917,375</u>                | <u>902,583</u>                |
| Less: Consolidation adjustments   | (306,070)                     | (268,097)                     |
| <b>Total Group retained earnings as per consolidated interim financial statements</b> | <u><b>611,305</b></u>         | <u><b>634,486</b></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.

**31 Unquoted Investments And/Or Properties**

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

**32 Quoted Investments**

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

**33 Status Of Corporate Proposals**

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

**34 Property, Plant and Equipment ("PPE")**

For the year 2017, an additional 1,300.67 hectares of oil palm estates have reached maturity and reclassified as PPE.

**35 Group Borrowings**

As at 30 September 2017, total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

|   | As at<br>30.09.2017<br>RM'000 | As at<br>31.12.2016<br>RM'000 |
|---|-------------------------------|-------------------------------|
| <b>Loans and borrowings</b>               |                               |                               |
| <b>(a) Non current</b>                    |                               |                               |
| Secured:                                  |                               |                               |
| Flexi Term Financing-i                    | 18,215                        | 30,715                        |
| Commodity Mudharabah Term Financing-i     | 262,616                       | 73,693                        |
| Unsecured:                                |                               |                               |
| SUKUK Murabahah Medium Term Notes         | 895,000                       | 1,050,000                     |
| Term loan - Forest Plantation Development | 30,258                        | 20,966                        |
| <b>Total Non current</b>                  | <b>1,206,089</b>              | <b>1,175,374</b>              |
| <b>(b) Current</b>                        |                               |                               |
| Secured:                                  |                               |                               |
| Flexi Term Financing-i                    | 16,000                        | 13,000                        |
| Ijarah Term Financing-i Facility          | 7,680                         | 7,680                         |
| Commodity Mudharabah Term Financing-i     | 27,000                        | 4,800                         |
| Unsecured:                                |                               |                               |
| SUKUK Murabahah Medium Term Notes         | -                             | 70,000                        |
| Islamic Trade Financing-i                 | 10,324                        | 17,671                        |
| <b>Total current</b>                      | <b>61,004</b>                 | <b>113,151</b>                |
| <b>Grand total</b>                        | <b>1,267,093</b>              | <b>1,288,525</b>              |

**(c) Maturity analysis**

| Tenure       | Year of maturity | Profit margin % | SUKUK RM'000   | Other Financial Instruments RM'000 | TOTAL RM'000     |
|--------------|------------------|-----------------|----------------|------------------------------------|------------------|
| Below 1 year | 2017             | 4.67-6.5        | -              | 30,504                             | 30,504           |
| 1-2 years    | 2018             | 4.55-6.60       | -              | 41,000                             | 41,000           |
| 2-3 years    | 2019             | 5.35-5.44       | -              | 40,715                             | 40,715           |
| 3-4 years    | 2020             | 5.44            | 40,000         | 29,500                             | 69,500           |
| 4-5 years    | 2021             | 5.56            | 75,000         | 30,000                             | 105,000          |
| 5-6 years    | 2022             | 5.56            | 100,000        | 30,000                             | 130,000          |
| 6-7 years    | 2023             | 5.8             | 105,000        | 33,000                             | 138,000          |
| 7-8 years    | 2024             | 5.93            | 110,000        | 37,000                             | 147,000          |
| 8-9 years    | 2025             | 5.93-6.16       | 120,000        | 39,500                             | 159,500          |
| 9-10 years   | 2026             | 6.14-6.21       | 145,000        | 30,616                             | 175,616          |
| 10-11 years  | 2027             | 6.65            | 200,000        | -                                  | 200,000          |
| 11-12 years  | 2028             | -               | -              | -                                  | -                |
| 12-13 years  | 2029             | 3*              | -              | 30,258                             | 30,258           |
|              |                  |                 | <b>895,000</b> | <b>372,093</b>                     | <b>1,267,093</b> |

\* Soft loan granted by Forest Plantation Development

**36 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.

**37 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]**

On 13 October 2017, the Federal Court in Kuching had held in favour of TH Plantations Berhad's subsidiaries i.e. TH PELITA Gedong Sdn Bhd and TH PELITA Sadong Sdn Bhd in deciding that the two companies' legal rights to Lot 2 Block 6 Melikin Land District, Lot 166 Block 5 Melikin Land District and Lot 7 Block 3 Melikin Land District, remained intact and were not affected by the Plaintiffs'/Respondents' claims of Native Customary Rights over portions of the said land.

**38 Earnings Per Share**

|             |  | UNAUDITED<br>THIRD QUARTER |                   | UNAUDITED<br>CUMULATIVE |                   |                |
|-------------|--|----------------------------|-------------------|-------------------------|-------------------|----------------|
|             |  | Current<br>Year            | Preceding<br>Year | Current<br>Year         | Preceding<br>Year |                |
| <b>(i)</b>  | <b><i>Basic earnings per share</i></b>                       |                            |                   |                         |                   |                |
|             | Profit attributable to shareholders                          | RM'000                     | <u>11,454</u>     | <u>19,175</u>           | <u>29,850</u>     | <u>19,608</u>  |
|             | Weighted average number of ordinary shares in issue          | '000                       | <u>883,851</u>    | <u>883,851</u>          | <u>883,851</u>    | <u>883,851</u> |
|             | Basic earnings per share                                     | sen                        | <u>1.30</u>       | <u>2.17</u>             | <u>3.38</u>       | <u>2.22</u>    |
| <b>(ii)</b> | <b><i>Diluted earnings per share</i></b>                     |                            |                   |                         |                   |                |
|             | Profit attributable to shareholders                          | RM'000                     | <u>11,454</u>     | <u>19,175</u>           | <u>29,850</u>     | <u>19,608</u>  |
|             | Weighted average number of ordinary shares in issue          | '000                       | <u>883,851</u>    | <u>883,851</u>          | <u>883,851</u>    | <u>883,851</u> |
|             | Effect of dilution (ESOS outstanding)                        | '000                       | <u>-</u>          | <u>-</u>                | <u>-</u>          | <u>-</u>       |
|             | Adjusted weighted average number of ordinary shares in issue | '000                       | <u>883,851</u>    | <u>883,851</u>          | <u>883,851</u>    | <u>883,851</u> |
|             | Diluted earnings per share                                   | sen                        | <u>1.30</u>       | <u>2.17</u>             | <u>3.38</u>       | <u>2.22</u>    |

**39 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 22 November 2017.

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

**Kuala Lumpur**  
**22 November 2017**