

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/10/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/10/2016 RM'000	CURRENT YEAR TO-DATE 31/10/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/10/2016 RM'000
Revenue	289,419	248,100	805,527	636,602
Cost of sales	<u>(237,605)</u>	<u>(205,842)</u>	<u>(654,819)</u>	<u>(539,329)</u>
Gross profit	51,814	42,258	150,708	97,273
Other income	2,889	3,643	8,485	9,160
Operating expenses	(10,512)	(8,160)	(29,298)	(23,376)
Finance costs	<u>(328)</u>	<u>(409)</u>	<u>(1,086)</u>	<u>(1,083)</u>
Profit before tax	43,863	37,332	128,809	81,974
Tax	<u>(10,322)</u>	<u>(8,287)</u>	<u>(30,046)</u>	<u>(18,786)</u>
Profit for the period	<u>33,541</u>	<u>29,045</u>	<u>98,763</u>	<u>63,188</u>
Other comprehensive income:				
Cash flow hedge	(486)	-	(185)	-
Tax relating to other comprehensive income	117	-	45	-
Other comprehensive income for the period, net of tax	(369)	-	(140)	-
Total comprehensive income for the period	<u>33,172</u>	<u>29,045</u>	<u>98,623</u>	<u>63,188</u>
Profit for the period attributable to :				
Owners of the Company	27,915	25,107	79,764	54,559
Non-controlling interests	<u>5,626</u>	<u>3,938</u>	<u>18,999</u>	<u>8,629</u>
	<u>33,541</u>	<u>29,045</u>	<u>98,763</u>	<u>63,188</u>
Total comprehensive income for the period attributable to :				
Owners of the Company	27,546	25,107	79,624	54,559
Non-controlling interests	<u>5,626</u>	<u>3,938</u>	<u>18,999</u>	<u>8,629</u>
	<u>33,172</u>	<u>29,045</u>	<u>98,623</u>	<u>63,188</u>
Earnings per share (sen) :				
- Basic	8.97	8.07	25.63	17.53
- Diluted	N/A	N/A	N/A	N/A
Dividends per share (sen)	6.00	5.00	15.00	12.00

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2017)

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT CURRENT QUARTER ENDED 31/10/2017 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/01/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	387,427	389,461
Biological assets	79,355	81,357
Land use rights	2,023	2,108
Deferred tax assets	13,122	13,300
	481,927	486,226
Current assets		
Inventories	48,810	39,579
Receivables	46,214	28,555
Prepayments	5,732	6,186
Tax recoverable	2,722	2,708
Derivative financial asset	-	185
Cash and bank balances	325,329	285,521
	428,807	362,734
TOTAL ASSETS	910,734	848,960
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	311,804	311,804
Reserves	309,890	283,171
Treasury shares	(1,626)	(1,626)
	620,068	593,349
Non-controlling interests	86,646	80,097
Total equity	706,714	673,446
Non-current liabilities		
Interest bearing borrowings (secured)	11,525	17,555
Other payables	96	188
Deferred tax liabilities	55,060	52,822
	66,681	70,565
Current liabilities		
Payables and accruals	81,816	67,283
Interest bearing borrowings (secured)	16,282	17,560
Dividend payable	28,008	15,560
Tax payable	11,233	4,546
	137,339	104,949
Total liabilities	204,020	175,514
TOTAL EQUITY AND LIABILITIES	910,734	848,960
Net assets per share (RM)	1.99	1.91

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2017)

KIM LOONG RESOURCES BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Non-distributable			Distributable					
	Share capital	Share premium	Revaluation reserve	Hedging reserve	Retained profits	Treasury shares			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
9 months ended									
<u>31 October 2017</u>									
Balance as at 1 February 2017	311,804	6,626	38,337	140	238,068	(1,626)	593,349	80,097	673,446
Changes in equity for the period:									
Realisation of revaluation reserve to retained earnings	-	-	(624)	-	624	-	-	-	-
Profit or loss	-	-	-	-	79,764	-	79,764	18,999	98,763
Other comprehensive income	-	-	-	(140)	-	-	(140)	-	(140)
Total comprehensive income for the period	-	-	-	(140)	79,764	-	79,624	18,999	98,623
Dividends	-	-	-	-	(52,905)	-	(52,905)	(12,450)	(65,355)
Total for transactions with owners	-	-	-	-	(52,905)	-	(52,905)	(12,450)	(65,355)
Balance as at 31 October 2017	<u>311,804</u>	<u>6,626</u>	<u>37,713</u>	<u>-</u>	<u>265,551</u>	<u>(1,626)</u>	<u>620,068</u>	<u>86,646</u>	<u>706,714</u>

KIM LOONG RESOURCES BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Non-distributable			Distributable					
	Share capital	Share premium	Revaluation reserve	Hedging reserve	Retained profits	Treasury shares			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 months ended									
<u>31 October 2016</u>									
Balance as at 1 February 2016	311,804	6,626	39,170	-	223,921	(1,558)	579,963	74,250	654,213
Changes in equity for the period:									
Realisation of revaluation reserve to retained earnings	-	-	(625)	-	625	-	-	-	-
Profit or loss	-	-	-	-	54,559	-	54,559	8,629	63,188
Total comprehensive income for the period	-	-	-	-	54,559	-	54,559	8,629	63,188
Dividends	-	-	-	-	(40,458)	-	(40,458)	(5,070)	(45,528)
Buy-back of shares	-	-	-	-	-	(33)	(33)	-	(33)
Acquisition from non-controlling interests	-	-	-	-	(1,787)	-	(1,787)	1,787	-
Total for transactions with owners	-	-	-	-	(42,245)	(33)	(42,278)	(3,283)	(45,561)
Balance as at 31 October 2016	<u>311,804</u>	<u>6,626</u>	<u>38,545</u>	<u>-</u>	<u>236,860</u>	<u>(1,591)</u>	<u>592,244</u>	<u>79,596</u>	<u>671,840</u>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2017)

KIM LOONG RESOURCES BERHAD

(Company Number : 22703-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 31/10/2017 RM'000	9 months ended 31/10/2016 RM'000
Operating activities		
Cash receipts from customers	788,253	629,435
Rental received	102	131
Interest received	7,047	6,397
Cash paid to suppliers and employees	(654,388)	(511,704)
Cash generated from operations	141,014	124,259
Interest paid	(1,094)	(1,018)
Tax paid	(20,912)	(17,207)
Net cash from operating activities	119,008	106,034
Investing activities		
Proceeds from disposal of property, plant and equipment	232	413
Acquisition of biological assets and property, plant and equipment	(19,206)	(17,809)
Net proceeds from compulsory acquisition	-	1,512
Placements of deposits with other financial institutions	(794)	(30,000)
Interest paid	(12)	(424)
Net cash used in investing activities	(19,780)	(46,308)
Financing activities		
Repayments of bank borrowings	(8,030)	(5,360)
Dividend paid to shareholders of the Company	(40,456)	(18,673)
Dividend paid to NCI in subsidiary companies	(12,450)	(2,970)
Purchase of treasury shares	-	(33)
Net cash used in financing activities	(60,936)	(27,036)
Net increase in cash and cash equivalents	38,292	32,690
Cash and cash equivalents at beginning of period	237,901	213,641
Cash and cash equivalents at end of period (Note a)	276,193	246,331
Note a : Cash and cash equivalents at end of period		
Cash on hand and cash in bank	78,443	76,664
Deposits with licensed banks and other financial institutions	183,341	156,962
Deposits with other financial institutions	63,545	60,721
Cash and bank balances	325,329	294,347
Less: Bank overdrafts	(2,742)	(2,781)
Less: Deposits with other financial institutions	(46,394)	(45,235)
Cash and cash equivalents	276,193	246,331

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 January 2017)

KIM LOONG RESOURCES BERHAD

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EXPLANATORY NOTES

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2017.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 January 2017 except for the adoption of the amended FRSs and annual improvements which are relevant to the Group’s operations with effect from 1 February 2017 as set out below:

Amendments to FRS 107: Disclosure Initiative

Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to FRS 12: Disclosure of Interests in Other Entities

The Directors do not expect any material impact on the financial statements arising from adoption of the above standards.

The Group has not elected for early adoption of the following new and amended FRSs, annual improvements and IC Interpretation relevant to the current operations of the Group, which were issued but not yet effective for the financial year ending 31 January 2018:

	Effective for financial periods beginning on or after
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 9 Financial Instruments	1 January 2018
Annual Improvements to FRS Standards 2014-2016 Cycle	1 January 2018
Amendments to FRS 140: Transfers of Investment Property	1 January 2018
IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 10 and FRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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Malaysian Financial Reporting Standards (MFRS Framework)

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Company falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2019. In presenting its first MFRS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The Group and the Company are in the midst of assessing the impact of adopting the MFRS Framework.

On 30 November 2017, MASB gave notice of withdrawal of Financial Reporting Standards for application for financial statements with annual periods beginning on or after 1 January 2018. Consequentially, the Group and the Company will adopt MFRS for its financial statements for the financial year ending 31 January 2019.

A2. Seasonal or cyclical factors

Based on observation, the production of Fresh Fruit Bunches ("FFB") from our mature estates is normally low during the first quarter of each year and will rise in the second quarter, peak in the third quarter and then slowly decline in the fourth quarter. The production of FFB for the current quarter dropped marginally by 6% comparing to the preceding quarter which differed from the normal trend of higher production in the third quarter. The drop was mainly due to lower production recorded in the estates in Keningau region which has dropped by 19% or 7,300 MT after its strong recovery in the first quarter, but cushioned by better production of estates in other regions.

Nonetheless, FFB production in the current quarter was still 14% higher than the production recorded in the corresponding quarter last year.

The Group has about 80% of its productive area located in Sabah.

A3. Unusual items

There were no unusual items that have material effects on the assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

A4. Material changes in estimates

There were no changes in estimates that have had a material effect in the current quarter.

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A5. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the first three quarters ended 31 October 2017.

A6. Dividends paid

The gross dividends paid during the current financial year-to-date were as follows:

- (a) A special single tier dividend of 5 sen per ordinary share in respect of the financial year 2017 was paid on 15 February 2017; and
- (b) A final single tier dividend of 8 sen per ordinary share in respect of the financial year 2017 was paid on 29 August 2017.

A7. Segmental information

Major segments by activity:-

	Revenue		Results	
	9 months ended		9 months ended	
	31/10/2017	31/10/2016	31/10/2017	31/10/2016
	RM'000	RM'000	RM'000	RM'000
Plantation operations	142,822	100,569	83,935	42,343
Milling operations	783,465	619,794	39,750	34,789
	926,287	720,363	123,685	77,132
Add/(Less):				
Inter-segment adjustments and eliminations	(120,760)	(83,761)	576	677
	805,527	636,602	124,261	77,809
Less:				
Unallocated expenses			(1,535)	(1,398)
Finance income			7,169	6,646
Finance costs			(1,086)	(1,083)
Profit before tax			128,809	81,974
Tax expenses			(30,046)	(18,786)
Profit for the period			98,763	63,188

A8. Material subsequent events

As at 20 December 2017, there were no material subsequent events that have not been reflected in the financial statements for the current financial period except for the Judgement delivered by the Federal Court on 7 November 2017 in respect of the material litigation which is disclosed in Note B9.

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A9. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year-to-date, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A10. Contingent liabilities or Contingent assets

As at 20 December 2017, there were no material changes in contingent liabilities or contingent assets at Group level since the end of last annual reporting period at 31 January 2017. Save for disclosed in Note B9, there were no contingent liabilities or contingent assets, which upon becoming enforceable, may have material effect on the net assets, profits or financial position of our Group.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of the performance of the Company and its principal subsidiaries

The Group recorded a higher revenue and profit before tax (“PBT”) at RM805.53 million and RM128.81 million respectively for the cumulative three quarters ended 31 October 2017, as compared to RM636.60 million and RM81.97 million respectively for the corresponding period last year. Better financial performance was contributed by higher production and palm oil prices. Further information and statistics are tabulated below:

	Individual Period (3 rd quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/10/2017	31/10/2016		31/10/2017	31/10/2016	
(A) Financial Data:	RM'000	RM'000		RM'000	RM'000	
Revenue	289,419	248,100	17%	805,527	636,602	27%
Earnings before interest, tax, depreciation and amortisation (“EBITDA”)	51,968	45,387	14%	153,242	105,658	45%
Profit before interest and tax	44,191	37,741	17%	129,895	83,057	56%
Profit before tax	43,863	37,332	17%	128,809	81,974	57%
Profit after tax	33,541	29,045	15%	98,763	63,188	56%
Profit attributable to ordinary equity holders of the Company	27,915	25,107	11%	79,764	54,559	46%
(B) Statistics:						
Plantation						
FFB production (MT)	77,334	67,922	14%	248,084	187,599	32%
FFB yield per hectare (MT/Ha)	5.44	4.74	15%	17.41	13.16	32%
Average FFB selling price (RM/MT)	566	578	(2%)	577	536	8%
Palm Oil Milling						
CPO production (MT)	85,569	71,076	20%	233,416	185,914	26%
CPO sold (MT)	84,253	71,815	17%	231,779	198,163	17%
CPO oil extraction rate (%)	21.35	22.22	(4%)	21.31	21.69	(2%)
Average CPO price (RM/MT)	2,702	2,688	1%	2,787	2,560	9%

As at 31 October 2017, the Group’s total planted area is 14,941 hectares. The age profile of mature area can be analysed as follows:

- < 3 years (Immature) : 5%
- 3 – 6 years (Young mature) : 13%
- 7 – 15 year (Prime mature) : 28%
- 16 – 20 years (Old mature) : 48%
- > 20 years (Pre-replanting) : 6%

During the current year to-date, the Group has carried out replanting of about 130 hectares.

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Performance analysis by segments (before inter-segments adjustments and eliminations):

	Individual Period (3 rd quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Quarter	Changes (%)	Current Year To-date	Preceding Corresponding Period	Changes (%)
	31/10/2017	31/10/2016		31/10/2017	31/10/2016	
Revenue:	RM'000	RM'000		RM'000	RM'000	
Plantation	43,703	39,185	12%	142,822	100,569	42%
Milling	280,878	240,265	17%	783,465	619,794	26%
	324,581	279,450	16%	926,287	720,363	29%
Results:						
Plantation	23,634	17,479	35%	83,935	42,343	98%
Milling	19,752	18,520	7%	39,750	34,789	14%
	43,386	35,999	21%	123,685	77,132	60%

Plantation operations

The higher revenue and profit for the current quarter as compared to the corresponding period last year was mainly on the account of higher production despite a slight drop in the average selling price.

As for the year to-date, higher production as well as average selling price have contributed to higher revenue and profit as compared to the corresponding period last year.

The higher FFB production for the current quarter and the year to-date as compared to the corresponding periods last year was substantially contributed by the estates in Keningau region which had shown a significant increase over the production in last year. In last year, the low production was likely caused by the El Nino phenomenon.

The plantation operations did not face problem in selling its FFB production as most of the produce was supplied to mills within the Group.

Palm oil milling operations

The increase revenue from the milling operations for the current quarter and the year to-date as compared to the corresponding periods last year was mainly due to higher processing quantity. In terms of profit, the increase was mainly contributed by better processing margin achieved in the current quarter due to some easement on competition for crops from surrounding mills.

The market condition and demand for the Group's milling products has been good and steady for the current quarter and year-to-date.

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B2. Comparison of profit before tax for the quarter reported on with the immediate preceding quarter

The PBT for the current quarter was RM43.86 million which was slightly higher than RM42.97 million achieved in the preceding quarter ended 31 July 2017. Although the profit contribution from plantation has dropped by 9% from RM25.98 million to 23.63 million due to lower production, but the good performance from milling operations has generated additional RM6.11 million on the account of better processing margin and higher processing quantity. Further information and statistics are tabulated below:

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/10/2017	31/07/2017	
(A) Financial Data:			
	RM'000	RM'000	
Revenue	289,419	260,457	11%
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	51,968	51,130	2%
Profit before interest and tax	44,191	43,342	2%
Profit before tax	43,863	42,973	2%
Profit after tax	33,541	33,437	0%
Profit attributable to ordinary equity holders of the Company	27,915	27,538	1%
(B) Statistics:			
Plantation			
FFB production (MT)	77,334	82,494	(6%)
FFB yield per hectare (MT/Ha)	5.44	5.80	(6%)
Average FFB selling price (RM/MT)	566	554	2%
Palm Oil Milling			
CPO production (MT)	85,569	78,568	9%
CPO sold (MT)	84,253	78,382	7%
CPO oil extraction rate (%)	21.35	21.31	0.2%
Average CPO price (RM/MT)	2,702	2,706	(0%)

B3. Current financial year prospects

For the financial year ending 31 January 2018, we have seen an increase in FFB production from young mature areas and strong FFB yield recovery in Keningau region in where about 50% of the Group's planted mature area is located. Therefore, we expect the Group's FFB production to be potentially 30% higher comparing the quantity achieved in the financial year 2017.

For the milling operations, despite stiff competition from surrounding mills, the Group has processed up to 1,095,000 MT of FFB in the first nine months and we expect to achieve FFB intake of 1.4 million MT which is 20% higher than 1.15 million MT achieved in the financial year 2017.

After the recent drop in CPO price from RM2,800 per MT to current level of RM2,400 per MT, we expect the CPO price to remain stable in the remaining period of the financial year 2018.

The PBT of RM128.8 million achieved for the cumulative three quarters of the current financial year has surpassed the PBT of RM111.2 million recorded for the whole financial year 2017.

Based on the above, we foresee the Group to achieve higher than expected performance for the current financial year 2018.

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B4. Variance of actual profit from forecast profit and shortfall in profit guarantee

This is not applicable.

B5. Income tax

	Current Quarter Ended 31/10/2017 RM'000	Financial Year-to-date Ended 31/10/2017 RM'000
Malaysian Income Tax		
- Current year	8,883	27,921
- Overprovision in prior year	(336)	(336)
	8,547	27,585
Deferred tax		
- Current year	1,844	2,669
- Realisation of revaluation surplus on land	(69)	(208)
	1,775	2,461
	<u>10,322</u>	<u>30,046</u>

B6. Status of corporate proposals

There is no outstanding corporate proposal as at 20 December 2017.

B7. Group borrowings and debt securities

The total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31/10/2017 RM'000	As at 31/10/2016 RM'000
Short term borrowings:		
Overdrafts	2,742	2,781
Revolving credit	5,500	7,500
Term loans	8,040	8,040
	<u>16,282</u>	<u>18,321</u>
Long term borrowings:		
Term loans	<u>11,525</u>	<u>19,565</u>

(a) There were no unsecured interest bearing borrowing as at 31 October 2017.

(b) The movements in revolving credit and terms loans were due to repayments.

(c) Weighted average interest rate of borrowings as at 31 October 2017 was 5.11%. The proportion of debt that is based on fixed interest rate was 21% of total borrowings.

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B8. Breakdown of realised and unrealised profits or losses of the Group

The breakdown of the retained profits of the Group is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	At as 31/10/2017 RM'000	At as 31/01/2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	335,422	312,005
- Unrealised	(22,536)	(22,538)
	<u>312,886</u>	<u>289,467</u>
Less: Consolidation adjustments	(47,335)	(51,399)
Retained earnings as per consolidated accounts	<u>265,551</u>	<u>238,068</u>

B9. Material litigation

As at 20 December 2017, there were no material litigations against the Group.

Since the last reporting, there is update on the material litigation disclosed as follows:

Prior to the acquisition of the subsidiary company, Tetangga Akrab Pelita (Pantu) Sdn. Bhd. (currently known as Winsome Pelita (Pantu) Sdn. Bhd.) ("WPPSB"), announced by the Company on 1 December 2009, there were several legal claims made against that subsidiary company by natives for customary rights to land that subsidiary company has development rights over.

The Federal Court has on 14 January 2016 allowed the subsidiary company's Notice of Motion for Leave to Appeal to the Federal Court against the decision of the Court of Appeal. The Federal Court has heard the Appeal on 7 February 2017, 27 March 2017 and 28 August 2017.

The Federal Court has delivered Judgment on 7 November 2017. The Federal Court found that the Principal Deed and the Joint Venture Agreement between WPPSB and Lembaga Pembangunan dan Lindungan Tanah for the development of the Sungai Tenggang Development Area are valid. Accordingly, the Federal Court allowed WPPSB's Appeal and set aside the Judgments of the High Court and the Court of Appeal.

Consequentially, the Group will reverse the impairment of assets of RM2.9 million, which was recognized previously, in the fourth quarter.

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B10. Dividend

The Board is pleased to declare a Special single tier dividend of 6 sen per share in respect of the financial year ending 31 January 2018.

- (a) (i) amount per share: 6 sen single tier;
 - (ii) previous corresponding period: 5 sen single tier per share;
 - (iii) date of payment: 7 February 2018; and
 - (iv) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of the depositors as at 12 January 2018; and
- (b) total dividend for the current financial year: 15 sen single tier per share.

B11. Earnings per share

Basic earnings per share (“Basic EPS”)

The Basic EPS is calculated by dividing the profit attributable to the owners of the Company for the current quarter and the cumulative three quarters by the weighted average number of ordinary shares in issue during the current quarter and the cumulative three quarters respectively, excluding treasury shares held by the Company:

		Current Quarter Ended 31/10/2017	Financial Year-to-date Ended 31/10/2017
Net profit for the period	(RM'000)	<u>27,915</u>	<u>79,764</u>
Weighted average number of ordinary shares in issue	('000)	<u>311,202</u>	<u>311,202</u>
Basic EPS	(sen)	<u>8.97</u>	<u>25.63</u>

Diluted earnings per share (“Diluted EPS”)

Not applicable

B12. Audit qualification

The auditors' report of the preceding annual financial statements of the Group did not contain any qualification.

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B13. Profit before tax

Profit before tax is arrived at after charging/(crediting) the following items:

	Current Quarter Ended 31/10/2017 RM'000	Financial Year-to-date Ended 31/10/2017 RM'000
(a) Interest income	(2,344)	(7,169)
(b) Other income including investment income	(545)	(1,316)
(c) Interest expense	328	1,086
(d) Depreciation and amortization	7,777	23,347
(e) Provision for and write off of receivables	1	1
(f) Provision for and write off of inventories	-	1
(g) Gain or loss on disposal of quoted or unquoted investment or properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain or loss	-	-
(j) Gain or loss on derivatives	-	-
(k) Exceptional items	-	-

B14. Additional Information

(a) Receivables

Total receivables as at 31 October 2017 is RM46.2 million of which RM42.5 million is trade in nature with normal trade credit terms of less than 60 days.