

S P SETIA BERHAD
Company No: 19698 - X
(Incorporated in Malaysia)

Interim Financial Report
31 March 2016

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S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016
(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	As At	As At
	31/03/2016	31/12/2015
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	245,954	260,051
Investment Properties	783,256	726,378
Land Held for Property Development	5,582,790	5,304,330
Intangible Asset	8,088	7,215
Investments in Jointly Controlled Entities	1,160,023	1,086,835
Investments in an Associated Company	110,842	120,217
Deferred Tax Assets	135,280	126,529
	<u>8,026,233</u>	<u>7,631,555</u>
Current Assets		
Property Development Costs	2,144,774	2,111,798
Gross Amount Due from Customers	17,630	14,189
Inventories	831,674	878,926
Trade and Other Receivables	1,314,815	1,450,540
Amounts Owing by Jointly Controlled Entities	525,836	510,293
Amount Owing by an Associated Company	45	107
Current Tax Assets	80,334	73,203
Short-Term Deposits	1,916,672	2,019,912
Cash and Bank Balances	1,437,942	1,732,218
	<u>8,269,722</u>	<u>8,791,186</u>
TOTAL ASSETS	<u>16,295,955</u>	<u>16,422,741</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	1,971,289	1,971,266
Reserves		
Share Premium	2,496,767	2,496,683
Share Based Payment Reserve	72,613	63,037
Exchange Translation Reserve	155,367	341,343
Retained Earnings	2,645,706	2,522,315
Equity Attributable to Owners of the Company	<u>7,341,742</u>	<u>7,394,644</u>
Perpetual Bond	619,796	610,787
Non-controlling Interests	<u>393,424</u>	<u>387,008</u>
Total Equity	<u>8,354,962</u>	<u>8,392,439</u>
Non-Current Liabilities		
Long Term Borrowings	3,789,487	3,414,000
Redeemable Cumulative Preference Shares	54,087	53,770
Deferred Tax Liabilities	47,891	40,476
	<u>3,891,465</u>	<u>3,508,246</u>
Current Liabilities		
Gross Amount Due to Customers	304	125
Trade and Other Payables	1,871,780	2,133,995
Provision for Affordable Housing	458,540	458,540
Short Term Borrowings	1,513,032	1,718,511
Bank Overdrafts	72,125	64,387
Current Tax Liabilities	133,747	146,498
	<u>4,049,528</u>	<u>4,522,056</u>
Total Liabilities	<u>7,940,993</u>	<u>8,030,302</u>
TOTAL EQUITY AND LIABILITIES	<u>16,295,955</u>	<u>16,422,741</u>
Net Assets Per Share Attributable to Owners of the Company	<u>2.79</u>	<u>2.81</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the 14 months period ended 31 December 2015 and the accompanying explanatory notes in this report.)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016
(The figures have not been audited)

	CURRENT & CUMULATIVE QUARTER *
	3 MONTHS ENDED 31/03/2016 RM'000
Revenue	908,461
Cost of sales	(646,889)
Gross profit	261,572
Other income	68,760
Selling and marketing expenses	(31,475)
Administrative and general expenses	(59,360)
Share of results of jointly controlled entities	(17,176)
Share of results of an associated company	(884)
Finance costs	(27,136)
Profit before tax	194,301
Tax expense	(54,932)
Profit for the period	139,369
Other comprehensive income, net of tax:	
Item that may be reclassified to profit or loss in subsequent periods:	
- Exchange differences on translation of foreign operations	(186,529)
Total comprehensive loss for the period	(47,160)
Profit attributable to:	
Holders of Perpetual Bond	9,009
Non-controlling interests	6,969
	15,978
Owners of the Company	123,391
	139,369
Total comprehensive income/(loss) attributable to:	
Holders of Perpetual Bond	9,009
Non-controlling interests	6,416
	15,425
Owners of the Company	(62,585)
	(47,160)
Earnings per share attributable to equity holders of the Company	
- Basic earnings per share (sen)	4.69
- Diluted earnings per share (sen)	4.66

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the 14 months period ended 31 December 2015 and the accompanying explanatory notes in this report.)

** In 2015, the Company changed its financial year end from 31 October to 31 December and made up its financial statements for the 14 months period ended 31 December 2015.*

Consequently, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods, and the 2015 quarterly results do not form a proper basis for comparison with the 2016 quarterly results. The 2015 quarterly results have therefore not been included in this report as comparative figures.

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016
(The figures have not been audited)

	Attributable to owners of the Company								Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Share Based Payment Reserve RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Perpetual Bond RM'000	Non-controlling interests RM'000	
3 months ended 31 March 2016									
Balance at 01.01.2016	1,971,266	2,496,683	63,037	341,343	2,522,315	7,394,644	610,787	387,008	8,392,439
Total other comprehensive income for the period represented by exchange differences on translation of foreign operations	-	-	-	(185,976)	-	(185,976)	-	(553)	(186,529)
Profit for the period	-	-	-	-	123,391	123,391	-	6,969	130,360
Distribution for the period	-	-	-	-	-	-	9,009	-	9,009
Transactions with owners:									
Issuance of ordinary shares									
- Exercise of Employee Share Option Scheme ("ESOS")	23	84	(16)	-	-	91	-	-	91
Share-based payment under Employees' Long Term Incentive Plan ("LTIP")	-	-	9,592	-	-	9,592	-	-	9,592
Balance at 31.03.2016	1,971,289	2,496,767	72,613	155,367	2,645,706	7,341,742	619,796	393,424	8,354,962

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the 14 months period ended 31 December 2015 and the accompanying explanatory notes in this report.)

Note:

In 2015, the Company changed its financial year end from 31 October to 31 December and made up its financial statements for the 14 months period ended 31 December 2015.

Consequently, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods, and the 2015 quarterly results do not form a proper basis for comparison with the 2016 quarterly results. The 2015 quarterly results have therefore not been included in this report as comparative figure.

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016
(The figures have not been audited)

	CURRENT & CUMULATIVE QUARTER *
	3 MONTHS ENDED 31/03/2016 RM'000
Operating Activities	
Profit before tax	194,301
Adjustments for:-	
Non-cash items	8,103
Non-operating items	(8,395)
Operating profit before changes in working capital	194,009
Changes in property development costs	(81,042)
Changes in accrued billings/progress billings	(59,929)
Changes in gross amount due from/to customers	(3,262)
Changes in inventories	47,252
Changes in receivables	111,474
Changes in payables	(170,464)
Cash generated from operations	38,038
Interest received	15,103
Interest paid	(62,157)
Rental received	324
Tax paid	(73,041)
Net cash used in operating activities	(81,733)
Investing Activities	
Additions to land held for future development	(217,739)
Purchase of property, plant and equipment	(6,965)
Additions to investment properties	(54,418)
Proceeds from disposal of property, plant and equipment	478
Acquisition of additional shares in an existing jointly controlled entity	(217,298)
Capital contribution to a jointly controlled entity	(112)
Advances to jointly controlled entities	(3,810)
Repayment from an associated company	62
Other investments	6,494
Net cash used in investing activities	(493,308)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016
(The figures have not been audited)

	CURRENT & CUMULATIVE QUARTER *
	3 MONTHS ENDED 31/03/2016 RM'000
Financing Activities	
Proceeds from issuance of ordinary shares pursuant to the exercise of ESOS	91
Repayment to a non-controlling shareholder of a subsidiary company	(25,725)
Drawdown of bank borrowings	642,536
Repayment of bank borrowings	(434,305)
Interest paid	(207)
Net cash generated from financing activities	182,390
Net changes in cash and cash equivalents	(392,651)
Effect of exchange rate changes	(26,027)
Cash and cash equivalents at beginning of the period	3,659,414
Cash and cash equivalents at end of the period	3,240,736
 Cash and cash equivalents comprise the following:	
Short-Term Deposits	1,916,672
Cash and bank balances	1,437,942
Bank overdrafts	(72,125)
	3,282,489
Less: Sinking Fund, Debt Service Reserve and Escrow and Revenue Accounts	(41,753)
	3,240,736

(The Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the audited financial statements for the 14 months period ended 31 December 2015 and the accompanying explanatory notes in this report.)

* In 2015, the Company changed its financial year end from 31 October to 31 December and made up its financial statements for the 14 months period ended 31 December 2015.

Consequently, the 2015 quarterly financial reporting periods do not correspond with the 2016 quarterly financial reporting periods, and the 2015 quarterly results do not form a proper basis for comparison with the 2016 quarterly results. The 2015 quarterly results have therefore not been included in this report as comparative figures.

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The interim financial report has been prepared in accordance with Financial Reporting Standard 134, Interim Financial Reporting 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 of the Group for the 14 months financial period ended 31 December 2015.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the 14 months financial period ended 31 December 2015 except for the adoption of the following Amendments to FRSs:-

Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 5, FRS 7, FRS 119 and FRS 134	Annual Improvements to FRSs 2012-2014 Cycle
Amendment to FRS 101	Disclosure Initiative

The following is the new FRS which is effective but is not applicable to the Group:-

FRS 14	Regulatory Deferral Accounts
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The adoption of the above Amendments to FRSs does not have any material impact on the financial statements of the Group.

2. Seasonal or cyclical factors

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items for the financial period ended 31 March 2016.

4. Material changes in estimates

There were no material changes in estimates for the financial period ended 31 March 2016.

5. Debts and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period-to-date except for the issuance of 30,000 new ordinary shares of RM0.75 each pursuant to the exercise of Employees' Share Options Scheme ("ESOS") at RM3.02 per share.

6. Dividends paid

There were no payment of dividend during the current financial quarter and period-to-date ended 31 March 2016.

7. Segmental Reporting

The segmental analysis for the financial period ended 31 March 2016 is as follows:-

	Property Development	Construction	Other Operations	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
External sales	812,317	52,773	43,371	-	908,461
Inter-segment sales	64,011	40,858	3,783	(108,652)	-
Total revenue	<u>876,328</u>	<u>93,631</u>	<u>47,154</u>	<u>(108,652)</u>	<u>908,461</u>
Gross profit	248,339	3,313	9,920	-	261,572
Other income	36,138	1,640	30,982	-	68,760
Operating expenses	(84,279)	(2,573)	(3,983)	-	(90,835)
Share of results of jointly controlled entities	(17,475)	-	299	-	(17,176)
Share of results of an associated company	(884)	-	-	-	(884)
Finance costs	(20,666)	-	(6,470)	-	(27,136)
Profit before tax	<u>161,173</u>	<u>2,380</u>	<u>30,748</u>	<u>-</u>	<u>194,301</u>
Tax expense					<u>(54,932)</u>
Profit for the period					<u><u>139,369</u></u>

8. Material Events subsequent to the End of Financial Period

There were no material transactions or events subsequent to the current quarter ended 31 March 2016 till 5 May 2016 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date.

10. Contingent Liabilities

There were no contingent liabilities in respect of the Group since the last financial period.

11. Capital Commitments

	As at 31 Mar 2016 RM'000
Contractual commitments for construction of investment properties	440,649
Contractual commitments for acquisition of property, plant and equipment	53,787
Contractual commitments in relation to Development Agreement	<u>40,000</u>

12. Significant Related Party Transactions

	1 Jan 2016 to 31 Mar 2016 RM'000
<i>Transactions with jointly controlled entities:-</i>	
(i) Project management and administrative fee received and receivable	1,851
(ii) Project management and administrative fee paid and payable	60
(iii) Rental received and receivable	181
(iv) Event service fee charged	43
(v) Construction services rendered	7,926
(vi) Staff secondment	85
(vii) Interest received and receivable	3,309

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Group Performance

Revenue and profit before tax (“PBT”) of the respective operating business segments for the current quarter are analysed as follows:-

Property Development

The Group achieved revenue of RM908.5 million and PBT of RM194.3 million in the current quarter.

Ongoing projects which contributed to the revenue and profit achieved include *Setia Alam* and *Setia Eco Park* in Shah Alam, *Setia EcoHill* in Semenyih, *Setia Eco Glades* in Cyberjaya, *Setia Sky Residences* at Jalan Tun Razak, *KL Eco City* at Jalan Bangsar, *Aeropod* in Kota Kinabalu, *Bukit Indah*, *Setia Indah*, *Setia Tropika*, *Setia Eco Cascadia*, *Setia Business Park II*, *Setia Eco Gardens* and *Setia Sky 88* in Johor Bahru, *Setia Pearl Island*, *Setia Vista*, *Setia Pinnacle* and *Setia V Residences* in Penang and *Eco Sanctuary* in Singapore.

Construction

Revenue for the current quarter is mainly derived from the construction of the following:

- Subterranean Penang International Convention & Exhibition Centre (“SPICE”) at Penang;
- Kompleks Institut Penyelidikan Kesihatan Bersepadu (“1NIH Complex”) at Setia Alam; and
- Commuter station at KL Eco City.

The construction profit for the above projects is not significant to the Group as they are carried out as part of a land and development right exchange arrangement. The Group derives commercial benefits substantially from the development of the land and development right so acquired.

Other Operations

Revenue and profit from Other Operations mainly contributed by wood-based manufacturing, trading activities, and the operation of retail mall and Setia City Convention Centre. PBT achieved in current quarter was mainly contributed by unrealised foreign exchange gain.

2. Material changes in the Quarterly Results compared to the results of the Preceding Two Months Period

The Group’s current quarter PBT is RM194.3 million, which is RM109 million lower than the preceding two months period ended 31 December 2015. Higher PBT in preceding two months period was mainly due to completion and handovers of various projects during the end of the year, as well as change in accounting policy which recognises revenue at the point of receipt of Certificate of Completion and Compliance (“CCC”) rather than at a later stage when the defect liability period expires.

3. Prospects for the Current Financial Year

For the first quarter of FY2016, the Group secured a sales of RM306 million. The sales secured are largely from Central region of RM175 million, Southern region of RM75 million, Northern region of RM12 million, Eastern region of RM3 million and International region of RM41 million. The sales achieved is typically consistent with the shorter month of February and also during the Chinese New Year period. In line with the soft market, the Group has only launched *Edulis*, the 3 storey terrace house and *Retusa*, the 3 storey linked semi-D in *Setia Alam* with a GDV of RM128 million under the 10:90 scheme. The launches achieved an encouraging take up rate of 86%, indicating that the underlying demand is still strong. Moving forward, the Group has identified approximately 13 phases with GDV of RM3.0 billion to be rolled out under the 10:90 scheme as part of the sales initiative for FY2016. For the four months period ended April 2016, the Group achieved a sales of RM696 million, indicating a rise in sales momentum in the second quarter onwards.

The upcoming major launches are:

- *Setia Eco Templer* at Selayang with GDV of RM269 million;
- *Setia EcoHill 2* at Semenyih with GDV of RM512 million;
- *Carnegie* at Melbourne, Australia with GDV of AUD31 million;
- *KL Eco City* at Bangsar with GDV of RM444 million;
- *Setia Sky Ville* at Penang with GDV of RM477 million;
- *Setia Sky Seputeh* (Tower A) at Taman Seputeh with GDV of RM406 million;
- *Setia Trio* at Klang with GDV of RM351 million; and
- *Setia Business Park II* at Johor with GDV of RM127 million.

In April 2016, the Group has successfully acquired two parcels of land in Melbourne, Australia. The first parcel of land is located in Prahran, a suburban area 4.5km southeast of Melbourne's central business district ("CBD"). The land in Prahran comes with planning approval and this will allow quick turnaround of the project with an estimated GDV of AUD38 million. The second parcel of land is located at Exhibition Street, strategically located at the upper east end of Melbourne's CBD with an estimated GDV of AUD640 million. The land on Exhibition Street is one of the largest development site to be sold over a decade in the east end CBD area. This will reinforce the *Setia* brand as well as the Group's presence as a prominent property developer in Australia. In addition to these recent purchases, the Group is also on the lookout for more good strategic land to invest in.

The Group's prospects going forward remained positive with total unbilled sales amount of RM8.6 billion as of 31 March 2016. Recognising it is a challenging environment, the Group remains resilient with its diversified range of new launches, ranging from affordable to up market and landed to apartments worth RM4.7 billion in strategic locations to be launched in second quarter onwards to meet the sales target of RM4.0 billion in the current financial year.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Income Tax

Income Tax comprises:-

	3 months ended 31 Mar 2016 RM'000
- current taxation	56,912
- in respect of prior year	-
- deferred taxation	(1,980)
- in respect of prior year	-
	<u>54,932</u>

The Group's effective tax rate for the current quarter is slightly higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

6. Status of Corporate Proposals

The following are the status of corporate proposals that have been announced by the Company which had been completed since the preceding two months period report and those which are not completed as at 5 May 2016, the latest practicable date which shall not be earlier than 7 days from the date of this announcement:-

- (i) On 26 October 2009, a subsidiary of S P Setia Berhad, Setia Lai Thieu Limited ("Setia LT"), had entered into an In-Principle Agreement with Investment and Industrial Development Corporation (Becamex IDC Corp) ("Becamex") for the assignment of the implementation and development of an independent mixed-use real estate project on a piece of land measuring approximately 108,400 square metres or 26.79 acres located in Lai Thieu Town, Thuan An District, Binh Duong Province, Vietnam ("Land") from Becamex to a company to be established by Setia LT in Vietnam for a total consideration of USD16,260,000.

As announced on 11 March 2010, the People's Committee of Binh Duong Province has on 10 March 2010 issued the Investment Certificate for the establishment of Setia Lai Thieu One Member Company Limited ("NewCo") to undertake the development of EcoXuan Lai Thieu on the Land for a term of 50 years from the date of issuance of the Investment Certificate.

On approval of the masterplan in the scale of 1/500 for EcoXuan Lai Thieu, the area of the Land was increased from 108,400 square metres to 109,685 square metres (27.10 acres) and by the increase in land area, the total consideration payable to Becamex was adjusted to USD16,452,750 based on the rate of USD150 per square metre.

The outstanding balance of USD98,202 will be settled upon the issuance of the land use right certificate in the name of Setia LT; and

6. Status of Corporate Proposals (continued)

- (ii) On 6 February 2013, Setia Eco Templer Sdn Bhd (“SET” or “Developer”), a wholly owned subsidiary of S P Setia Berhad has entered into an agreement (“Development Agreement”) with Cash Band (M) Berhad (“CBB” or “Landowner”), for the proposed development of a mixed residential and commercial project on various parcels of leasehold land measuring approximately 194.65 acres in the District of Gombak.

The Development Agreement is pending the fulfillment of the conditions precedent therein within a period of twelve (12) months from the date of the Development Agreement, with an automatic extension of a period of twelve (12) months thereafter and/or such other extended period to be mutually agreed in writing by the parties for the fulfillment of the conditions precedent.

As announced previously on 2 February 2015, 3 April 2015 and 5 June 2015, SET and CBB had vide a series of extension letters mutually agreed to further extend the time for the fulfilment of the conditions precedents to 5 December 2015.

Further to the announcement on 4 December 2015, SET and CBB had vide a letter dated 4 December 2015, mutually agreed to declare the Development Agreement unconditional on 4 December 2015. SET and CBB have further agreed to finalise and execute a supplemental agreement to vary the Agreement (“Supplemental Agreement”) within a period of twenty one (21) business days commencing from 6 December 2015.

Subsequent thereto and on 8 January 2016 and 15 February 2016 respectively, SET and CBB had vide extension letters mutually agreed to extend the time for finalisation and execution of the Supplemental Agreement to 30 April 2016. The Supplemental Agreement was executed on 4 March 2016.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 March 2016 were as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Bank Overdrafts	14,077	58,048	72,125
Short Term Bank Borrowings	1,073,032	440,000	1,513,032
Long Term Bank Borrowings	2,963,424	826,063	3,789,487
Redeemable Cumulative Preference Shares	-	54,087	54,087
	<u>4,050,533</u>	<u>1,378,198</u>	<u>5,428,731</u>

Currency exposure profile of borrowings is as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Ringgit Malaysia	3,476,812	1,378,198	4,855,010
Singapore Dollar	189,551	-	189,551
Australian Dollar	138,315	-	138,315
Great British Pound	228,864	-	228,864
United States Dollar	15,398	-	15,398
Vietnamese Dong	1,593	-	1,593
	<u>4,050,533</u>	<u>1,378,198</u>	<u>5,428,731</u>

8. Material Litigation

The Group was not engaged in any material litigation as at 5 May 2016, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report.

9. Dividends Declared

No interim dividend has been recommended in respect of the financial period ended 31 March 2016.

10. Earnings Per Share Attributable To Owners of The Company

The basic earnings per share has been calculated by dividing the Group's profit for the period attributable to owners of the Company by the weighted average number of shares in issue. The weighted average number of shares in issue is calculated as follows:-

	3 months ended 31 Mar 2016 '000
Profit for the period attributable to owners of the Company (RM)	<u>123,391</u>
Number of ordinary shares at beginning of the period	2,628,356
Effect of shares issued pursuant to:	
- Exercise of ESOS	<u>23</u>
Weighted average number of ordinary shares	<u>2,628,379</u>
Basic Earnings Per Share (sen)	<u>4.69</u>

The diluted earnings per share has been calculated by dividing the Group's profit for the period attributable to owners of the Company by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the LTIP granted, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	3 months ended 31 Mar 2016 '000
Profit for the period attributable to owners of the Company (RM)	<u>123,391</u>
Weighted average number of ordinary shares as per basic Earnings Per Share	2,628,379
Effect of potential exercise of LTIP	<u>20,256</u>
Weighted average number of ordinary shares	<u>2,648,635</u>
Diluted Earnings Per Share (sen)	<u>4.66</u>

11. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:-

	31 Mar 2016	31 Dec 2015
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	3,193,025	3,059,525
- Unrealised	98,168	72,656
	<u>3,291,193</u>	<u>3,132,181</u>
Total share of (accumulated losses)/retained profits from jointly controlled entities:		
- Realised	(261,662)	(245,888)
- Unrealised	4,132	2,503
	<u>(257,530)</u>	<u>(243,385)</u>
Total share of retained profits from associated companies:		
- Realised	2,738	3,620
- Unrealised	-	2
	<u>2,738</u>	<u>3,622</u>
Less: Consolidation adjustments	<u>(390,695)</u>	<u>(370,103)</u>
Total Group retained profits as per consolidated accounts	<u><u>2,645,706</u></u>	<u><u>2,522,315</u></u>

The determination of realised and unrealised profits is based on the Guidance of 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*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

12. Notes to the Statement of Comprehensive Income

Notes to the Statement of Comprehensive Income comprises:-

	3 months ended
	31 Mar 2016
	RM'000
Interest income	31,133
Other income including investment income	12,471
Interest expense	(27,136)
Depreciation and amortisation	(4,890)
Provision for and write off of receivables	N/A
Provision for and write off of inventories	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A
Impairment of assets	N/A
Net foreign exchange gain	25,156
Gain or loss on derivatives	N/A
Exceptional items	N/A

13. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the 14 months period ended 31 December 2015 was unqualified.