# IJM PLANTATIONS BERHAD (133399-A)

**Part A1 : Quarterly Report**

| | |
|---|---|
| **Quarterly report for the financial period ended:** | **30/09/2018** |
| **Quarter:** | **2nd Qtr** |
| **Financial Year End:** | **31/03/2019** |
| **The figures:** | **Have not been Audited** |
| **Full Quarterly Report:** | **Refer attached** |

**Part A2 : Summary of Key Financial Information for the financial Period 30/09/2018**

| | | Individual Quarter | | Cumulative Period | |
|---|---|---|---|---|---|
| | | Current year quarter 30/09/2018 RM'000 | Preceding year quarter 30/09/2017 RM'000 (Restated) | Current period 30/09/2018 RM'000 | Preceding period 30/09/2017 RM'000 (Restated) |
| 1 | Revenue | 140,086 | 196,438 | 323,229 | 381,032 |
| 2 | (Loss)/profit before taxation | (31,749) | 13,258 | (58,018) | 29,546 |
| 3 | Net (loss)/profit for the period | (31,003) | 10,512 | (55,818) | 21,185 |
| 4 | (Loss)/profit attributable to owners of the Company | (28,295) | 7,441 | (47,872) | 18,888 |
| 5 | Basic (loss)/earnings per share (sen) | (3.21) | 0.85 | (5.44) | 2.14 |
| 6 | Proposed/Declared dividend per share (sen) | - | - | - | - |

| | | As at end of current quarter 30/09/2018 | As at preceding financial year end (Restated) |
|---|---|---|---|
| 7 | Net assets per share attributable to owners of the Company (RM) | 1.49 | 1.60 |

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER | | | CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER | | |
|---|---|---|---|---|---|---|
| | **2018 RM'000** (Unaudited) | **2017 RM'000** (Unaudited) (Restated) | change % +/- | **2018 RM'000** (Unaudited) | **2017 RM'000** (Unaudited) (Restated) | change % +/- |
| Revenue | 140,086 | 196,438 | -28.7 | 323,229 | 381,032 | -15.2 |
| Operating expenses | (148,461) | (169,330) | -12.3 | (320,994) | (333,321) | -3.7 |
| Net income and net (losses): | | | | | | |
| - Net other income | 5,665 | 386 | +1367.6 | 6,308 | 2,298 | +174.5 |
| - Net foreign exchange (losses)/gains | (11,831) | 636 | -1960.2 | (30,953) | (203) | +15147.8 |
| (Loss)/profit from operations | (14,541) | 28,130 | -151.7 | (22,410) | 49,806 | -145.0 |
| Finance costs: | | | | | | |
| - Interest expense | (6,383) | (5,756) | +10.9 | (13,027) | (11,144) | +16.9 |
| - Net foreign exchange losses on borrowings | (10,825) | (9,116) | +18.7 | (22,581) | (9,116) | +147.7 |
| Share of profits of joint venture | * | - | - | * | - | - |
| (Loss)/profit before taxation | (31,749) | 13,258 | -339.5 | (58,018) | 29,546 | -296.4 |
| Income tax | 746 | (2,746) | +127.2 | 2,200 | (8,361) | +126.3 |
| **Net (loss)/profit for the financial period** | (31,003) | 10,512 | -394.9 | (55,818) | 21,185 | -363.5 |
| **Other comprehensive loss** | | | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | | | |
| - Currency translation difference | (7,735) | (25,999) | -70.2 | (7,035) | (49,270) | -85.7 |
| **Total comprehensive loss for the financial period** | (38,738) | (15,487) | +150.1 | (62,853) | (28,085) | +123.8 |
| **Net (loss)/profit attributable to:** | | | | | | |
| - Owners of the Company | (28,295) | 7,441 | -480.3 | (47,872) | 18,888 | -353.5 |
| - Non-controlling interests | (2,708) | 3,071 | -188.2 | (7,946) | 2,297 | -445.9 |
| | (31,003) | 10,512 | -394.9 | (55,818) | 21,185 | -363.5 |
| **Total comprehensive (loss)/income attributable to:** | | | | | | |
| - Owners of the Company | (36,221) | (18,753) | +93.1 | (55,141) | (30,844) | +78.8 |
| - Non-controlling interests | (2,517) | 3,266 | -177.1 | (7,712) | 2,759 | -379.5 |
| | (38,738) | (15,487) | +150.1 | (62,853) | (28,085) | +123.8 |
| (Loss)/earnings per share attributable to owners of the Company (sen): | | | | | | |
| Basic (loss)/earnings per share: - [**Note B10**] | (3.21) sen | 0.85 sen | | (5.44) sen | 2.14 sen | |

* Below RM1.000/=

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30 September 2018 RM'000 | As at 31 March 2018 RM'000 (Restated) | As at 1 April 2017 RM'000 (Restated) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets**: | | | |
| Property, plant and equipment | 1,643,438 | 1,644,587 | 1,839,540 |
| Land use rights | 141,462 | 145,116 | 159,864 |
| Joint venture | 12,408 | - | - |
| Other receivables | 95,364 | 87,975 | 81,102 |
| Deferred tax assets | 16,721 | 11,608 | 23,156 |
| | 1,909,393 | 1,889,286 | 2,103,662 |
| **Current Assets:** | | | |
| Inventories | 99,415 | 114,718 | 99,288 |
| Trade and other receivables | 48,569 | 48,960 | 38,958 |
| Derivative financial instruments | 1,102 | 1,055 | 2,909 |
| Produce growing on bearer plants | 10,253 | 10,615 | 13,249 |
| Tax recoverable | 20,415 | 15,551 | 16,226 |
| Deposits, cash and bank balances | 132,428 | 217,010 | 393,640 |
| | 312,182 | 407,909 | 564,270 |
| **TOTAL ASSETS** | 2,221,575 | 2,297,195 | 2,667,932 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves attributable to owners of the Company** | | | |
| Share capital | 922,530 | 922,530 | 922,530 |
| Equity contribution reserve | 6,394 | 7,064 | 8,343 |
| Other reserves | (123,461) | (116,192) | 16,462 |
| Retained profits | 502,908 | 594,809 | 628,061 |
| | 1,308,371 | 1,408,211 | 1,575,396 |
| Non-controlling interests | (14,981) | (7,269) | (9,542) |
| **Total Equity** | 1,293,390 | 1,400,942 | 1,565,854 |
| **Non-Current Liabilities:** | | | |
| Retirement benefits | 18,508 | 17,143 | 6,847 |
| Borrowings | 384,522 | 460,567 | 724,196 |
| Deferred tax liabilities | 57,645 | 59,642 | 76,001 |
| | 460,675 | 537,352 | 807,044 |
| **Current Liabilities:** | | | |
| Trade and other payables | 87,755 | 86,386 | 94,739 |
| Current tax liabilities | 6 | 2 | 174 |
| Borrowings | 379,749 | 272,513 | 200,121 |
| | 467,510 | 358,901 | 295,034 |
| **Total Liabilities** | 928,185 | 896,253 | 1,102,078 |
| **TOTAL EQUITY AND LIABILITIES** | 2,221,575 | 2,297,195 | 2,667,932 |
| **Net Assets Per Share attributable to owners of the Company (RM)** | **1.49** | **1.60** | **1.79** |

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2018

| | Attributable to Equity Holders of the Company | | | | | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|
| | Share Capital | Equity Contribution Reserve | Other Reserves | Retained Profits | Total | | |
| **At 1 April 2018** | **RM'000** | **RM'000** | **RM'000** | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| - As previously stated under FRSs | 922,530 | 7,064 | (71,115) | 764,772 | 1,623,251 | (3,483) | 1,619,768 |
| - Effects of transition from FRSs to MFRSs | - | - | (45,077) | (169,963) | (215,040) | (3,786) | (218,826) |
| - As restated | 922,530 | 7,064 | (116,192) | 594,809 | 1,408,211 | (7,269) | 1,400,942 |
| Comprehensive loss:<br>-net loss for the period | - | - | - | (47,872) | (47,872) | (7,946) | (55,818) |
| Other Comprehensive (loss)/income:<br>-Currency translation differences arising from translation of net investments in subsidiaries | - | - | (7,269) | - | (7,269) | 234 | (7,035) |
| Total Comprehensive loss | - | - | (7,269) | (47,872) | (55,141) | (7,712) | (62,853) |
| Capital contribution by ultimate holding company, net of ESOS exercised by employees | - | (670) | - | - | (670) | - | (670) |
| Dividends - year ended 31 March 2018 | - | - | - | (44,029) | (44,029) | - | (44,029) |
| **At 30 September 2018 (Unaudited)** | 922,530 | 6,394 | (123,461) | 502,908 | 1,308,371 | (14,981) | 1,293,390 |

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017

| | Attributable to Equity Holders of the Company | | | | | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|
| | Share Capital | Equity Contribution Reserve | Other Reserves | Retained Profits | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **At 1 April 2017** | | | | | | | |
| - As previously stated under FRSs | 922,530 | 8,343 | 71,808 | 782,287 | 1,784,968 | (5,938) | 1,779,030 |
| - Effects of transition from FRSs to MFRSs | - | - | (55,346) | (154,226) | (209,572) | (3,604) | (213,176) |
| - As restated | 922,530 | 8,343 | 16,462 | 628,061 | 1,575,396 | (9,542) | 1,565,854 |
| Comprehensive income: -net profit for the period | - | - | - | 18,888 | 18,888 | 2,297 | 21,185 |
| Other Comprehensive (loss)/income: -Currency translation differences arising from translation of net investments in subsidiaries | - | - | (49,732) | - | (49,732) | 462 | (49,270) |
| Total Comprehensive (loss)/income | - | - | (49,732) | 18,888 | (30,844) | 2,759 | (28,085) |
| Capital contribution by ultimate holding company, net of ESOS exercised by employees | - | (2,582) | - | - | (2,582) | - | (2,582) |
| Dividend - year ended 31 March 2017 | - | - | - | (61,641) | (61,641) | - | (61,641) |
| **At 30 September 2017 (Unaudited)** | 922,530 | 5,761 | (33,270) | 585,308 | 1,480,329 | (6,783) | 1,473,546 |

# IJM PLANTATIONS BERHAD (133399-A)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 6 MONTHS ENDED 30 SEPTEMBER 2018 RM'000 | 6 MONTHS ENDED 30 SEPTEMBER 2017 RM'000 (Restated) |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Receipts from customers | 318,865 | 358,963 |
| Payments to contractors, suppliers and employees | (243,108) | (278,825) |
| Interest paid | (13,027) | (11,144) |
| Income tax paid | (9,857) | (16,802) |
| *Net cash flows generated from operating activities* | 52,873 | 52,192 |
| **INVESTING ACTIVITIES** | | |
| Additions to property, plant and equipment, and land use rights | (61,232) | (63,593) |
| Subscription of shares in joint venture | (12,408) | - |
| Interest received | 2,385 | 2,976 |
| *Net cash flows used in investing activities* | (71,255) | (60,617) |
| **FINANCING ACTIVITIES** | | |
| Repayment of borrowings | (183,140) | (31,091) |
| Drawdown of borrowing | 161,319 | - |
| Dividend paid | (44,029) | (61,641) |
| *Net cash flows used in financing activities* | (65,850) | (92,732) |
| **Net Change in Cash and Cash Equivalents** | (84,232) | (101,157) |
| **Foreign Exchange differences** | (353) | (13,944) |
| **Cash & Cash Equivalents at beginning of financial period** | 206,165 | 385,994 |
| **Cash & Cash Equivalents at end of financial period** | 121,580 | 270,893 |

**Notes:**

| Cash and cash equivalents represent the following: | AS AT 30 SEPTEMBER 2018 RM'000 | AS AT 30 SEPTEMBER 2017 RM'000 |
|---|---|---|
| Cash and bank balances | 68,922 | 48,697 |
| Deposits with licensed banks | 63,506 | 229,705 |
| | 132,428 | 278,402 |
| Less: Restricted deposits with licensed banks | (10,848) | (7,509) |
| | 121,580 | 270,893 |

# A NOTES TO THE QUARTERLY RESULTS

## A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("M*FRS") 134: Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements for the year ended 31 March 2018 which are available at http://www.ijm.com. For the periods up to and including the year ended 31 March 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). The accounting policies for the unaudited interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2018, except for the effects of the transition from FRSs to MFRSs and the adoption of new MFRSs, amendments to standards and IC Interpretations as disclosed in Note A2 below.

The unaudited interim financial report of the Group for the quarter ended 30 June 2018 is the first set of interim unaudited financial report prepared in accordance with the MFRS Framework, by adopting MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" for the financial year/period beginning 1 April 2018. Subject to certain transition elections and effects of adoption of the amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture", the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect.

## A2. Significant Accounting Policies

### (A) <u>Transition from FRSs to MFRS</u>

(i) MFRS 1 exemption options

As provided in MFRS 1, first time adopters of MFRS can elect optional exemptions from full retrospective application of MFRSs. The Group has elected the applicable exemptions as follows:

*(a) Exemption for business combinations*
The Group has elected to apply MFRS 3 "Business Combinations" prospectively from the date FRS 3 "Business Combinations" was adopted on 1 January 2011. Business combinations that occurred prior to that date have not been restated. In addition, the Group has also applied MFRS 10 "Consolidated Financial Statements" on the same date as FRS 3. This election does not have any impact to the financial results of the Group.

(b) *Property, plant and equipment – previous revaluation as deemed cost*
Under FRS, valuation adjustments on certain property, plant and equipment were incorporated into the financial statements. The Group has elected to use the previous revaluation as deemed cost under MFRSs. Accordingly, the carrying amounts of these property, plant and equipment as at 1 April 2017 have not been restated. The revaluation surplus net of deferred taxation as at 1 April 2017 was reclassified to retained earnings.

(c) *MFRS 15 "Revenue from Contracts with Customers"*
The Group has elected the exemption in MFRS 1 which allows the Group not to restate any contracts that are completed before 1 January 2017. This election does not have any impact to the financial results of the Group.

**A2. Significant Accounting Policies (continued)**

**(A) <u>Transition from FRSs to MFRS (continued)</u>**

(i) MFRS 1 exemption options (continued)

(d) *MFRS 9 "Financial Instruments"*
The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application. The Group continues to apply FRS 139 "Financial Instruments: Recognition and Measurement" and FRS 7 "Financial Instruments: Disclosures" for the comparative information. Any adjustments to align the carrying amounts of financial assets and financial liabilities under the previous FRS 139 with MFRS 9 are recognised in retained earnings and other reserves as at 1 April 2018. This election does not have any impact to the financial results of the Group.

*(e) Assets and liabilities of subsidiaries, joint ventures and associates*
The assets and liabilities of subsidiaries, joint ventures and associates which have adopted the MFRS Framework or International Financial Reporting Standards ("IFRS") earlier than the Group shall remain at the same carrying amounts as in the financial statements of these subsidiaries, joint ventures and associates, after adjusting for consolidation adjustments. This election does not have any impact to the financial results of the Group.

The optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRS statement of financial position as at 1 April 2017 and throughout all periods presented in the interim financial report.

(ii) Effect of Adoption of Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture" - Bearer Plants

Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture: Bearer Plants" introduce a new category of biological assets i.e. bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are accounted for under MFRS 116 as an item of property, plant and equipment. Agricultural produce growing on bearer plants are measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows.

Prior to the adoption of the MFRS 116 and MFRS 141, all new planting expenditure incurred from land clearing, planting, field upkeep and maintenance to the point of maturity was capitalised under plantation development expenditure and was not amortised. Replanting expenditure which represents cost incurred to replant old planted areas was charged to profit or loss as and when incurred. Agricultural produce which form part of the bearer plants were not recognised and identified separately.

With the adoption of the Amendments to MFRS 116 and MFRS 141, new planting expenditure and replanting expenditure are accounted for as property, plant and equipment in accordance with MFRS 116 and measured at cost less accumulated depreciation, whereas produce growing on bearer plants within the scope of MFRS 141 are measured at fair value less costs to sell.

## A2. Significant Accounting Policies (continued)

### (A) Transition from FRSs to MFRS (continued)

(ii) Effect of Adoption of Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture" - Bearer Plants (continued)

The adoption of the Amendments to MFRS 116 and MFRS 141 have resulted in additional depreciation on property, plant and equipment and replanting expenditure that were charged to profit or loss prior to the adoption of the Amendments to MFRS 116 and MFRS 141 being reversed and capitalised under property, plant and equipment. Changes in fair value less costs to sell of the produce growing on bearer plants are recognised in profit or loss.

The effects of the transition from FRSs to MFRSs are as follows:

*Condensed Statement of Comprehensive Income*

| | **Preceding period quarter 30/09/2017** | | |
|---|---|---|---|
| | As previously stated under FRSs RM'000 | Effects of transition from FRSs to MFRSs RM'000 | Restated under MFRSs RM'000 |
| Revenue | 196,438 | - | 196,438 |
| Operating expenses | (163,122) | (6,208) | (169,330) |
| Net (losses) and net income: | | | |
| - Net other (expenses)/income | (823) | 1,209 | 386 |
| - Net foreign exchange gains | 636 | - | 636 |
| Profit from operations | 33,129 | (4,999) | 28,130 |
| Finance costs: | | | |
| - Interest expense | (5,756) | - | (5,756) |
| - Net foreign exchange losses on borrowings | (9,116) | - | (9,116) |
| Profit before taxation | 18,257 | (4,999) | 13,258 |
| Income tax | (5,391) | 2,645 | (2,746) |
| Net profit for the financial period | 12,866 | (2,354) | 10,512 |
| | | | |
| Other comprehensive loss: | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| - Currency translation difference | (28,123) | 2,124 | (25,999) |
| Total comprehensive loss | (15,257) | (230) | (15,487) |
| | | | |
| Net profit attributable to: | | | |
| - Owners of the Company | 9,373 | (1,932) | 7,441 |
| - Non-controlling interest | 3,493 | (422) | 3,071 |
| | 12,866 | (2,354) | 10,512 |
| | | | |
| Total comprehensive (loss)/income attributable to: | | | |
| - Owners of the Company | (18,832) | 79 | (18,753) |
| - Non-controlling interest | 3,575 | (309) | 3,266 |
| | (15,257) | (230) | (15,487) |
| | | | |
| Basic earnings per share (sen): | | | |
| Basic | 1.06 | (0.21) | 0.85 |

## A2. Significant Accounting Policies (continued)

### (A) Transition from FRSs to MFRS (continued)

The effects of the transition from FRSs to MFRSs are as follows: (continued)

*Condensed Statement of Comprehensive Income*

| | Preceding period 30/09/2017 | | |
|---|---|---|---|
| | As previously stated under FRSs RM'000 | Effects of transition from FRSs to MFRSs RM'000 | Restated under MFRSs RM'000 |
| Revenue | 381,032 | - | 381,032 |
| Operating expenses | (320,027) | (13,294) | (333,321) |
| Net income and net (losses): | | | |
| - Net other income | 2,489 | (191) | 2,298 |
| - Net foreign exchange losses | (203) | - | (203) |
| Profit from operations | 63,291 | (13,485) | 49,806 |
| Finance costs: | | | |
| - Interest expense | (11,144) | - | (11,144) |
| - Net foreign exchange losses on borrowings | (9,116) | - | (9,116) |
| Profit before taxation | 43,031 | (13,485) | 29,546 |
| Income tax | (13,576) | 5,215 | (8,361) |
| Net profit for the financial period | 29,455 | (8,270) | 21,185 |
| | | | |
| Other comprehensive loss: | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| - Currency translation difference | (53,108) | 3,838 | (49,270) |
| Total comprehensive loss | (23,653) | (4,432) | (28,085) |
| | | | |
| Net profit/(loss) attributable to: | | | |
| - Owners of the Company | 26,271 | (7,383) | 18,888 |
| - Non-controlling interest | 3,184 | (887) | 2,297 |
| | 29,455 | (8,270) | 21,185 |
| | | | |
| Total comprehensive (loss)/income attributable to: | | | |
| - Owners of the Company | (27,087) | (3,757) | (30,844) |
| - Non-controlling interest | 3,434 | (675) | 2,759 |
| | (23,653) | (4,432) | (28,085) |
| | | | |
| Basic earnings per share (sen): | | | |
| Basic | 2.98 | (0.84) | 2.14 |

## A2. Significant Accounting Policies (continued)

### (A) Transition from FRSs to MFRS (continued)

The effects of the transition from FRSs to MFRSs are as follows: (continued)

*Condensed Consolidated Statement of financial position*

| | As at 31 March 2018 | | |
|---|---|---|---|
| | As previously stated under FRSs | Effects of transition from FRSs to MFRSs | Restated under MFRSs |
| | RM'000 | RM'000 | RM'000 |
| Non-current assets: | | | |
| Property, plant and equipment | 881,720 | 762,867 | 1,644,587 |
| Plantation expenditure | 1,107,848 | (1,107,848) | - |
| Deferred tax assets | 4,333 | 7,275 | 11,608 |
| Current asset: | | | |
| Produce growing on bearer plants | - | 10,615 | 10,615 |
| Equity: | | | |
| Other reserves | (71,115) | (45,077) | (116,192) |
| Retained profits | 764,772 | (169,963) | 594,809 |
| Non-controlling interests | (3,483) | (3,786) | (7,269) |
| Non-current liability: | | | |
| Deferred tax liabilities | 167,907 | (108,265) | 59,642 |
| Net Assets per shares (RM) | 1.84 | (0.24) | 1.60 |

| | As at 1 April 2017 | | |
|---|---|---|---|
| | As previously stated under FRSs | Effects of transition from FRSs to MFRSs | Restated under MFRSs |
| | RM'000 | RM'000 | RM'000 |
| Non-current assets: | | | |
| Property, plant and equipment | 973,322 | 866,218 | 1,839,540 |
| Plantation expenditure | 1,201,570 | (1,201,570) | - |
| Deferred tax assets | 10,204 | 12,952 | 23,156 |
| Current asset: | | | |
| Produce growing on bearer plants | - | 13,249 | 13,249 |
| Equity: | | | |
| Other reserves | 71,808 | (55,346) | 16,462 |
| Retained profits | 782,287 | (154,226) | 628,061 |
| Non-controlling interests | (5,938) | (3,604) | (9,542) |
| Non-current liability: | | | |
| Deferred tax liabilities | 171,976 | (95,975) | 76,001 |
| Net Assets per shares (RM) | 2.03 | (0.24) | 1.79 |

## A2. Significant Accounting Policies (continued)

### (A) Transition from FRSs to MFRS (continued)

The effects of the transition from FRSs to MFRSs are as follows: (continued)

*Condensed Consolidated Statements of Cash flows*

| | Period ended 30 September 2017 | | |
|---|---|---|---|
| | As previously stated under FRSs | Effects of transition from FRSs to MFRSs | Restated under MFRSs |
| | RM'000 | RM'000 | RM'000 |
| Cash flows from operating activities: | | | |
| Payments to contractors, suppliers and employees | (286,925) | 8,100 | (278,825) |
| Cash flows from investing activities: | | | |
| Additions to property, plant and equipment, land use rights and plantation expenditure | (55,493) | 55,493 | - |
| Additions to property, plant and equipment, and land use rights | - | (63,593) | (63,593) |

### (B) Adoption of new MFRSs, amendments to standards, IC interpretation

Following the adoption of the MFRS framework, the Group has adopted the following new accounting standards and amendments to standards which are applicable and effective for the financial year beginning on 1 April 2018:

- MFRS 9 "Financial Instruments"
- MFRS 15 "Revenue from Contracts with Customers"
- Amendments to MFRS 140 "Classification on Change in Use"
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"

The adoption of these new MFRSs, amendments to standards and IC Interpretation did not have any material impact on the interim financial report of the Group.

## A3. Audit Report

The audit report for the financial year ended 31 March 2018 was not subject to any modification or qualification.

## A4. Seasonality or Cyclicality of Operations

The Group's performance is affected by the oil palms cropping pattern that normally starts in a trough in the first half of a calendar year before rising to a peak in the second half.

## A5. Unusual Significant Items

Other than the net foreign exchange losses as shown in Note B11, there were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence during the financial period under review.

## A6. Material Changes in Estimates

There were no major changes in estimates that had a material effect in the current quarter and financial period.

## A7. Debt and Equity Securities

There were no cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and financial period.

## A8. Dividend Paid

Dividend paid during the financial period ended 30 September 2018 is as follows:

In respect of the financial year ended 31 March 2018 as reported in the directors' report of that year:

| | RM'000 |
|---|---|
| A single tier interim dividend of 5 sen per share paid on 18 July 2018. | 44,029 |

## A9. Segmental Information

The principal activities of the Group are the cultivation of oil palms and milling of fresh fruit bunches. The operations are geographically located in Malaysia and Indonesia.

| | INDIVIDUAL QUARTER | | | CUMULATIVE PERIOD | | |
|---|---|---|---|---|---|---|
| | 3 months ended 30/09/2018 | 3 months ended 30/09/2017 | change % +/- | 6 months ended 30/09/2018 | 6 months ended 30/09/2017 | change % +/- |
| | RM'000 | RM'000 (Restated) | | RM'000 | RM'000 (Restated) | |
| **Revenue and Timing of revenue recognition:** | | | | | | |
| -Malaysia – At a point in time | 69,248 | 103,874 | -33.3 | 169,842 | 205,629 | -17.4 |
| -Malaysia – Over time | - | - | - | - | - | - |
| *Total revenue from Malaysia* | 69,248 | 103,874 | -33.3 | 169,842 | 205,629 | -17.4 |

## A9. Segmental Information (continued)

| | INDIVIDUAL QUARTER | | | CUMULATIVE PERIOD | | |
|---|---|---|---|---|---|---|
| | 3 months ended 30/06/2018 | 3 months ended 30/06/2017 | change % +/- | 6 months ended 30/06/2018 | 6 months ended 30/06/2017 | change % +/- |
| | RM'000 | RM'000 (Restated) | | RM'000 | RM'000 (Restated) | |
| **Revenue and Timing of revenue recognition (cont'd):** | | | | | | |
| -Indonesia – At a point in time | 70,838 | 92,564 | -23.5 | 153,387 | 175,403 | -12.6 |
| -Indonesia – Over time | - | - | - | - | - | - |
| *Total revenue from Indonesia* | 70,838 | 92,564 | -23.5 | 153,387 | 175,403 | -12.6 |
| Total external revenue | 140,086 | 196,438 | -28.7 | 323,229 | 381,032 | -15.2 |
| **Earnings before interest, tax, depreciation and amortisation ("EBITDA"):** | | | | | | |
| -Malaysia | 10,192 | 26,285 | -61.2 | 26,400 | 55,358 | -52.3 |
| -Indonesia | 4,309 | 33,637 | -87.2 | 8,480 | 57,503 | -85.3 |
| | 14,501 | 59,922 | -75.8 | 34,880 | 112,861 | -69.1 |
| -Finance costs | (17,208) | (14,872) | | (35,608) | (20,260) | |
| -Depreciation and amortisation | (29,042) | (31,792) | | (57,290) | (63,055) | |
| -Share of profits of joint venture | * | - | | * | - | |
| (Loss)/profit before taxation | (31,749) | 13,258 | -339.5 | (58,018) | 29,546 | -296.4 |
| **(Loss)/profit before taxation:** | | | | | | |
| -Malaysia | (1,461) | 13,890 | -110.5 | 4,125 | 30,568 | -86.5 |
| -Indonesia | (30,288) | (632) | +4692.4 | (62,143) | (1,022) | +5980.5 |
| | (31,749) | 13,258 | -339.5 | (58,018) | 29,546 | -296.4 |

* Below RM1.000/=

| TOTAL ASSETS | As at 30 September 2018 | As at 31 March 2018 |
|---|---|---|
| | RM'000 | RM'000 (Restated) |
| Malaysian Operations | 680,693 | 791,972 |
| Indonesian Operations | 1,503,746 | 1,478,064 |
| Unallocated assets | 37,136 | 27,159 |
| | 2,221,575 | 2,297,195 |

## A10. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment for the current quarter and reporting period.

## A11. Significant Subsequent Events to the date of the Statement of Financial Position

There was no significant event subsequent to the date of the statement of financial position.

## A12. Changes in the Composition of the Group

On 26 March 2018, a subsidiary of the Group, PT Indonesia Plantation Synergy ("IPS") entered into a Shareholders Agreement with KL-Kepong Plantation Holdings Sdn. Bhd ("KLKP") and an individual shareholder to regulate the relationship and obligations of IPS, KLKP and the individual shareholder as the shareholders of PT Perindustrian Sawit Sinergi ("PT PSS").

On 15 May 2018, IPS fully subscribed for 44,000 shares of Rp.1,000,000 each comprising a 20% equity interest in PT PSS for a total cash consideration of Rp.44,000,000,000 (approximately RM12,408,000) resulting in PT PSS becoming a 20:80 jointly controlled entity of IPS and KLKP.

Except for the above, there were no other changes in the composition of the Group for the current quarter and financial period.

## A13. Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at 30 September 2018.

## A14. Capital Commitments

Capital commitments not provided for in the unaudited financial statements as at 30 September 2018 are as follows:

| | |
|---|---|
| Property, plant, equipment, land use rights and Plantation expenditure: | **RM'000** |
| - Approved and contracted for | 112,486 |
| - Approved but not contracted for | 80,395 |
| | 192,881 |

## A15. Fair Value of Financial Instruments

The following hierarchies were applied to determine the fair value of all the financial instruments carried at fair value:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 September 2018, the Group measured and recognised the derivative financial instruments for the crude palm oil pricing swap contracts at fair value. It was classified by the level of fair value measurement hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial Assets | RM'000 | RM'000 | RM'000 | RM'000 |
| Derivative financial instruments | - | 1,102 | - | 1,102 |

## B Bursa Securities Listing Requirements (Part A of Appendix 9B)

***Current quarter under review – Q2-FY2019***
***Corresponding quarter of the preceding year – Q2-FY2018***
***Immediate preceding quarter – Q1-FY2019***
***Current financial period – Period FY2019***
***Corresponding financial period – Period FY2018***

## B1. Review of Performance

The results of the Group are tabulated below:

| | Individual Quarter | | | Cumulative Period | | |
|---|---|---|---|---|---|---|
| | Current year quarter 30/09/2018 | Preceding year quarter 30/09/2017 | change % +/- | Current period 30/09/2018 | Preceding period 30/09/2017 | change % +/- |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| **Revenue:** | | | | | | |
| -Malaysia | 69,248 | 103,874 | -33.3 | 169,842 | 205,629 | -17.4 |
| -Indonesia | 70,838 | 92,564 | -23.5 | 153,387 | 175,403 | -12.6 |
| | 140,086 | 196,438 | -28.7 | 323,229 | 381,032 | -15.2 |
| **EBITDA:** | | | | | | |
| -Malaysia | 10,192 | 26,285 | -61.2 | 26,400 | 55,358 | -52.3 |
| -Indonesia | 4,309 | 33,637 | -87.2 | 8,480 | 57,503 | -85.3 |
| | 14,501 | 59,922 | -75.8 | 34,880 | 112,861 | -69.1 |
| **(Loss)/profit before taxation:** | | | | | | |
| -Malaysia | (1,461) | 13,890 | -110.5 | 4,125 | 30,568 | -86.5 |
| -Indonesia | (30,288) | (632) | +4692.4 | (62,143) | (1,022) | +5980.5 |
| | (31,749) | 13,258 | -339.5 | (58,018) | 29,546 | -296.4 |

***Individual Quarter -- Q2-FY2019 vs Q2-FY2018***

FFB production in the Malaysian operations continued to be affected by the change in cropping pattern experienced in the preceding year. Production in the Indonesian operations was however higher due to the larger area with mature palms. Group FFB production as such was marginally higher.

The Group recorded lower revenue in Q2-FY2019 as compared to Q2–FY2018 due to lower sales volume and commodity prices. In addition to the lower FFB production in the Malaysian operations, the lower sales were due to palm oil delivery constraints in the Indonesian operations owing to an adverse market supply and demand condition.

The Rupiah weakened further against the US Dollar during the quarter. As a result, the Group EBITDA was impacted by net unrealized foreign exchange losses on the US Dollar denominated borrowings which are reported as other operating expenses. The Group's net foreign exchange losses reported as other operating expenses and finance costs amounted to RM11.831 million (Q2-FY2018: RM0.636 million gain) and RM10.825 million (Q2-FY2018: RM9.116 million) respectively.

As a result of the lower revenue, higher foreign exchange losses and finance costs, the financial performance of the Group in the quarter was adversely impacted.

## B1. Review of Performance (continued)

***Individual Quarter -- Q2-FY2019 vs Q2-FY2018 (continued)***

The performance by geographical segments are summarised as follows:

(a) the Malaysian operations recorded lower revenue due to lower sales volumes and commodity prices. Compounded by the production cost pressure from the increase in young mature replanted areas, increased fuel prices and higher wages for harvesting tall palms, the financial performance for the quarter was significantly lower; and

(b) despite the higher FFB production in the Indonesian operations as palms mature, the shortfall in revenue arising from the lower commodity prices could not be contained due to palm oil delivery constraints as supply exceeds demand in Kalimantan. Coupled with the foreign exchange losses on its US Dollar denominated borrowings, and production cost pressures from the increase in young mature areas incurring full fixed plantation maintenance and overhead costs set against start-up crop yields, the EBITDA and profit before tax were adversely impacted.

***Cumulative Period -- Period FY 2019 vs Period FY 2018***

The period revenue of the Group was lower than that of the previous period due to the lower commodity prices. The Group FFB production was lower primarily due to the change in cropping pattern in the Malaysian operations. The significantly higher net unrealized foreign exchange losses on the US Dollar denominated borrowings in the Indonesian operations, compounded by the production cost pressure in the Malaysian operations and the young mature areas incurring full plantation maintenance and overheads against a startup yield in the Indonesian operations, resulted in a lower EBITDA and a loss before taxation.

The Group's net foreign exchange losses on the US Dollar denominated borrowings which are reported as other operating expenses and finance costs amounted to RM30.953 million (Period FY2018: RM0.203 million) and RM22.581 million (Period FY2018: RM9.116 million) respectively.

The performance by geographical segment is summarised as follows:

(a) Revenue for the Malaysian operations was lower mainly due to lower commodity prices. Compounded by the lower FFB production and the increased young mature replanting area in Malaysian operations incurring full plantation maintenance and overheads against a startup yield, a significantly lower EBITDA and profit before tax was reported; and

(b) Revenue for the Indonesian operations was lower mainly due to lower commodity prices. Despite the higher FFB production as a result of a larger area attaining maturity, a significantly lower EBITDA and a loss before taxation were recorded. The weaker financial performance was due to the weakening of the Rupiah against the US Dollar, resulting in significantly higher net foreign exchange losses on the US Dollar denominated borrowings and higher interest costs. Production cost pressures from the increased young mature areas incurring full plantation maintenance costs and overheads against a startup yield continued.

## B1. Review of Performance (continued)

The relevant details pertaining to the results above are as follows:

| | Individual Quarter | | | Cumulative Period | | |
|---|---|---|---|---|---|---|
| | Current year quarter 30/09/2018 | Preceding year quarter 30/09/2017 | var % +/- | Current period 30/09/2018 | Preceding period 30/09/2017 | var % +/- |
| **Malaysian Operations** | | | | | | |
| Own FFB production (mt) | 82,569 | 99,335 | -16.9 | 169,034 | 210,634 | -19.7 |
| Outside FFB crops (mt) | 39,286 | 52,182 | -24.7 | 72,805 | 97,534 | -25.4 |
| CPO production (mt) | 24,737 | 31,189 | -20.7 | 49,743 | 62,331 | -20.2 |
| PKO production (mt) | 2,399 | 2,941 | -18.4 | 4,650 | 6,103 | -23.8 |
| CPO sales (mt) | 26,097 | 31,910 | -18.2 | 63,293 | 63,464 | -0.3 |
| PKO sales (mt) | 2,312 | 3,585 | -35.5 | 4,590 | 6,397 | -28.2 |
| CPO price per mt (RM) | 2,228 | 2,683 | -17.0 | 2,326 | 2,718 | -14.4 |
| PKO price per mt (RM) | 3,513 | 4,656 | -24.5 | 3,526 | 4,543 | -22.4 |
| **Indonesian Operations** | | | | | | |
| Own FFB production (mt) | 145,684 | 125,290 | +16.3 | 280,272 | 255,535 | +9.7 |
| Outside FFB crops (mt) | 34,585 | 33,620 | +2.9 | 65,187 | 60,731 | +7.3 |
| CPO production (mt) | 26,851 | 23,961 | +12.1 | 52,253 | 48,736 | +7.2 |
| PKO production (mt) | 1,837 | 1,794 | +2.4 | 3,803 | 3,069 | +23.9 |
| Own FFB sales (mt) | 65,746 | 49,744 | +32.2 | 121,677 | 90,067 | +35.1 |
| CPO sales (mt) | 22,011 | 22,680 | -2.9 | 46,522 | 45,891 | +1.4 |
| PKO sales (mt) | 1,501 | 2,703 | -44.5 | 3,002 | 3,703 | -18.9 |
| FFB price per mt (RM) | 377 | 505 | -25.3 | 411 | 506 | -18.8 |
| CPO price per mt (RM) | 1,867 | 2,438 | -23.4 | 1,998 | 2,470 | -19.1 |
| PKO price per mt (RM) | 3,010 | 4,386 | -31.4 | 3,265 | 4,318 | -24.4 |

| **Closing Exchange Rates** | **As at 30/09/2018** | **As at 30/09/2017** |
|---|---|---|
| RM : Rupiah | 1 : 3,597 | 1 : 3,195 |
| US Dollar : RM | 1 : 4.145 | 1 : 4.277 |
| US Dollar : Rupiah | 1 : 14,929 | 1 : 13,492 |

Contribution to the Sabah state sales tax and statutory payment of cesses to the Malaysian Palm Oil Board ("MPOB") were as follows:

| | Individual Quarter | | | Cumulative Period | | |
|---|---|---|---|---|---|---|
| | Current year quarter 30/09/2018 | Preceding year quarter 30/09/2017 | var | Current period 30/09/2018 | Preceding period 30/09/2017 | var |
| | RM'000 | RM'000 | % +/- | RM'000 | RM'000 | % +/- |
| **Malaysian Operations** | | | | | | |
| Sabah sales tax | 4,262 | 6,379 | -33.2 | 10,821 | 12,724 | -15.0 |
| MPOB Cess: -Palm Oil Price Stabilisation Fund Order 2001 | 54 | 68 | -20.6 | 109 | 136 | -19.9 |
| MPOB Cess: -Research & Development, Licensing, Enforcement and Marketing Cess Order 2002 | 298 | 373 | -20.1 | 598 | 753 | -20.6 |
| **Total** | **4,614** | **6,820** | -32.3 | **11,528** | **13,613** | -15.3 |

## B2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter

The results of the Group are tabulated below:

| | Individual Quarter | | |
|---|---|---|---|
| | Current year quarter 30/09/2018 | Immediate preceding quarter 30/06/2018 | change % +/- |
| | RM'000 | RM'000 | |
| **Revenue:** | | | |
| - Malaysia | 69,248 | 100,594 | -31.2 |
| - Indonesia | 70,838 | 82,549 | -14.2 |
| | 140,086 | 183,143 | -23.5 |
| **EBITDA:** | | | |
| - Malaysia | 10,192 | 16,208 | -37.1 |
| - Indonesia | 4,309 | 4,171 | +3.3 |
| | 14,501 | 20,379 | -28.8 |
| **(Loss)/profit before taxation:** | | | |
| - Malaysia | (1,461) | 5,586 | -126.2 |
| - Indonesia | (30,288) | (31,855) | -4.9 |
| | (31,749) | (26,269) | +20.9 |

Revenue for the Q2-FY2019 was lower than Q1-FY2019 due to lower sales volumes and commodity prices. Notwithstanding the higher FFB production from the more mature palms in the Indonesian operations, the Group recorded a lower EBITDA and a higher loss before taxation for the quarter. This was primarily due to the lower revenue and lower stock movement, in addition to foreign exchange losses. The foreign exchange losses on the US Dollar denominated borrowings which are reported as other operating expenses and finance costs amounted to RM11.831 million (Q1-FY2019: RM19.122 million losses) and RM10.825 million (Q1-FY2019: RM11.756 million losses) respectively.

The performance by geographical segments are summarised as follows:

(a) The Malaysian operations recorded lower revenue mainly due to lower sales volumes and commodity prices. FFB production in the Malaysian operations was lower due to the adverse effect of the earlier prolonged dry weather. The lower EBITDA and loss before taxation were reported mainly as a result of the lower revenue; and

(b) The Indonesian operations recorded lower revenue mainly due to lower commodity prices. FFB production increased as more palms attained maturity. Despite the lower commodity prices, the lower net foreign exchange losses on the US Dollar denominated borrowings resulted in a marginal improvement to the EBITDA and profitability.

## B2. Material Changes in the Quarterly Results Compared to the Results of Immediate Preceding Quarter (continued)

The relevant details pertaining to the results above are as follows:

| | Individual Quarter | | |
|---|---|---|---|
| | Current year quarter 30/09/2018 | Immediate preceding quarter 30/06/2018 | var % +/- |
| **Malaysian Operations** | | | |
| Own FFB production (mt) | 82,569 | 86,465 | -4.5 |
| Outside FFB crops (mt) | 39,286 | 33,519 | +17.2 |
| CPO production (mt) | 24,737 | 25,006 | -1.1 |
| PKO production (mt) | 2,399 | 2,251 | +6.6 |
| CPO sales (mt) | 26,097 | 37,196 | -29.8 |
| PKO sales (mt) | 2,312 | 2,278 | +1.5 |
| CPO price per mt (RM) | 2,228 | 2,395 | -7.0 |
| PKO price per mt (RM) | 3,513 | 3,538 | -0.7 |
| **Indonesian Operations** | | | |
| Own FFB production (mt) | 145,684 | 134,588 | +8.2 |
| Outside FFB crops (mt) | 34,585 | 30,602 | +13.0 |
| CPO production (mt) | 26,851 | 25,402 | +5.7 |
| PKO production (mt) | 1,837 | 1,966 | -6.6 |
| Own FFB sales (mt) | 65,746 | 55,931 | +17.5 |
| CPO sales (mt) | 22,011 | 24,511 | -10.2 |
| PKO sales (mt) | 1,501 | 1,501 | - |
| FFB price per mt (RM) | 377 | 450 | -16.2 |
| CPO price per mt (RM) | 1,867 | 2,115 | -11.7 |
| PKO price per mt (RM) | 3,010 | 3,519 | -14.5 |
| **Closing Exchange Rates** | **As at 30/09/2018** | **As at 30/06/2018** | |
| RM : Rupiah | 1 : 3,597 | 1 : 3,559 | |
| US Dollar : RM | 1 : 4.145 | 1 : 4.043 | |
| US Dollar : Rupiah | 1 : 14,929 | 1 : 14,404 | |

## B3. Prospects for the Current Financial Year

Notwithstanding the anticipated recovery of crop production from the lag effects of the 2015/2016 prolonged dry weather and increased young mature areas, the Group continues to be affected by the start-up yields whilst incurring full plantation maintenance costs and overheads. The Group is also exposed to the volatility of the foreign exchange rates particularly that of the Rupiah against the US Dollar and higher borrowing costs.

As a result of the above factors and given the weakening in the commodity prices, the Group expects a challenging financial year.

## B4. Variance of Actual Profit from Forecast Profit

Not applicable.

## B5. Income Tax

The income tax expense of the group for the financial period under review is as follows:

| | INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER | | CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER | |
|---|---|---|---|---|
| | 2018 RM'000 | 2017 RM'000 (Restated) | 2018 RM'000 | 2017 RM'000 (Restated) |
| Current tax: | | | | |
| - Malaysian income tax | 1,315 | 5,395 | 4,997 | 10,573 |
| Deferred tax: | | | | |
| - Relating to reversal of temporary differences | (2,061) | (2,649) | (7,197) | (2,212) |
| | (746) | 2,746 | (2,200) | 8,361 |

The effective tax rate of the Group is impacted by the tax treatment of the foreign exchange movements and non-deductibility of certain expenses for tax purposes at the overseas subsidiaries.

## B6. Corporate Proposals

At the close of the quarter, there were no corporate proposals that were pending completion.

## B7. Group Borrowings

The particulars of the Group's borrowings denominated in US Dollars in Ringgit Malaysia equivalent are as follows:

| | As at 30 September 2018 |
|---|---|
| **Short term borrowings** | RM'000 |
| *Unsecured:* | |
| - Short term advance facility | 249,016 |
| *Secured:* | |
| - Term loan | 130,733 |
| | 379,749 |
| **Long term borrowings** | |
| *Secured:* | |
| - Term loan | 384,522 |
| **Total borrowings** | 764,271 |

The term loans are secured by way of corporate guarantees by the Company.

## B8. Changes in Material Litigation

There was no material litigation since 31 March 2018.

## B9. Dividend Payable

The Directors do not recommend any interim dividend for the current quarter and financial period.

## B10. (Loss)/earnings per Share

| | INDIVIDUAL QUARTER 3 MONTHS ENDED 30 JUNE | | CUMULATIVE PERIOD 6 MONTHS ENDED 30 JUNE | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| **Basic (loss)/earnings per share** | | (Restated) | | (Restated) |
| Net (loss)/profit for the period attributable to owners of the Company (RM'000) | (28,295) | 7,441 | (47,872) | 18,888 |
| Weighted average number of ordinary shares in issue ('000') | 880,580 | 880,580 | 880,580 | 880,580 |
| **Basic (loss)/earnings per share (sen)** | (3.21) | 0.85 | (5.44) | 2.14 |

## B11. Notes to the Condensed Statement of Comprehensive Income

| | INDIVIDUAL QUARTER 3 MONTHS ENDED 30 SEPTEMBER | | CUMULATIVE PERIOD 6 MONTHS ENDED 30 SEPTEMBER | |
|---|---|---|---|---|
| | 2018 | 2017 | 2018 | 2017 |
| | RM'000 | RM'000 (Restated) | RM'000 | RM'000 (Restated) |
| Interest income | 1,072 | 1,409 | 2,385 | 2,976 |
| Net (losses)/gains - net foreign exchange (losses)/gains from operations | (11,831) | 636 | (30,953) | (203) |
| Finance costs – net foreign exchange losses on borrowings | (10,825) | (9,116) | (22,581) | (9,116) |
| Other income | 1,139 | 1,129 | 2,323 | 2,177 |
| Fair value gains/(losses) on crude palm oil pricing swaps | 999 | (3,003) | 1,912 | (2,283) |
| Fair value gains/(losses) on produce growing on bearer plants | 2,461 | 1,209 | (306) | (191) |
| Finance costs - Interest expense | (6,383) | (5,756) | (13,027) | (11,144) |
| Depreciation and amortisation | (29,042) | (31,791) | (57,290) | (63,055) |

The above disclosure was prepared in accordance with paragraph 16 of Appendix 9B of the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to paragraph 16 of MMLR are not applicable to the Group.

## B12. Financial Instruments

The Group entered into Crude Palm Oil ("CPO") pricing swap contracts offered by certain reputable banks in Malaysia to mitigate the exposure to fluctuations in the price of CPO in accordance with the guidelines set by the Board of Directors.

As at the date of the statement of financial position, the outstanding notional volume and value of the CPO pricing swap contracts and their fair value are as follows:

| CPO pricing swap contracts | Notional volume outstanding as at the date of statement of financial position (Metric tonnes) | Notional value outstanding as at the date of statement of financial position (RM) | Fair value of derivative financial asset (RM) |
|---|---|---|---|
| - Less than 1 year | 3,750 | 9,420,000 | 1,102,000 |
| - 1 year to 3 years | - | - | - |
| - More than 3 years | - | - | - |

There are no other types of derivatives entered into subsequent to the end of previous financial year. There is no change in the financial risk management and related accounting policy on the CPO pricing swaps since the end of the previous financial year.

## B13. Fair Value changes of Financial Instruments

The Group recognised the fair value gains of approximately RM999,000 *(Q2-FY 2018: Losses of RM3,003,000*) and fair value gains of approximately RM1,912,000 *(Year to-date FY2018: Losses of RM2,283,000)* on the CPO pricing swap contracts during the current quarter and the financial period respectively.

The fair value change is due to the difference between fixed CPO prices as per the swap contracts and the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange for the specific contracted periods.

Fair value gain is recorded when the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange is lower than the contracted fixed CPO prices. Conversely, a fair value loss will be recorded when the average future CPO prices quoted on the Bursa Malaysia Derivative Exchange are higher than the contracted fixed CPO prices.