

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Consolidated Statement Of Comprehensive Income
For the Financial Year Ended 30 June 2019
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Change (Unfavourable)/ Favourable		Year-to-Date 12 months ended		Change (Unfavourable)/ Favourable	
		30.06.19 RM'000	30.06.18 RM'000	RM'000	%	30.06.19 RM'000	30.06.18 RM'000	RM'000	%
			Restated*				Restated*		
Revenue	4	10,614	12,293	(1,679)	-14	22,613	28,992	(6,379)	-22
Other income		4	131	(127)	-97	6	155	(149)	-96
Changes in inventories		(249)	(40)	(209)	-523	(8)	(20)	12	60
Staff costs		(657)	(1,149)	492	43	(3,448)	(3,256)	(192)	-6
Depreciation		(434)	(250)	(184)	-74	(1,608)	(854)	(754)	-88
Subcontract labour costs, fertilizer and chemical costs		(1,945)	(1,119)	(826)	-74	(5,782)	(4,754)	(1,028)	-22
Foreign exchange (loss)/gain		(844)	(4,564)	3,720	82	552	108	444	411
Other expenses		(1,532)	(1,476)	(56)	-4	(7,511)	(6,288)	(1,223)	-19
Fair value gain/(loss) on biological assets		10	(82)	92	112	(54)	(29)	(25)	-86
Fair value gain/(loss) on investment properties		941	(212)	1,153	544	941	(212)	1,153	544
Fair value gain/(loss) on investments		45	(2,674)	2,719	102	(761)	3,432	(4,193)	-122
Profit from operations	4	5,953	858	5,095	594	4,940	17,274	(12,334)	-71
Share of profit/(loss) of associates		612	(8,496)	9,108	107	(6,126)	(1,469)	(4,657)	-317
Profit/(Loss) before tax	20	6,565	(7,638)	14,203	186	(1,186)	15,805	(16,991)	-108
Income tax expense	21	(13,391)	(361)	(13,030)	-3609	(13,532)	(971)	(12,561)	-1294
(Loss)/Profit after tax		(6,826)	(7,999)	1,173	15	(14,718)	14,834	(29,552)	-199
Other comprehensive income/(loss)									
Investments:									
- Fair value (loss)/gain		(3,660)	(7,993)	4,333	54	(42,216)	46,400	(88,616)	-191
Foreign currency translation		9,625	24,314	(14,689)	-60	18,022	(30,341)	48,363	159
Others		-	-	-	-	-	(163)	163	100
Other comprehensive gain/(loss) for the year, net of tax		5,965	16,321	(10,356)	-63	(24,194)	15,896	(40,090)	-252
Total comprehensive (loss)/income for the year		(861)	8,322	(9,183)	-110	(38,912)	30,730	(69,642)	-227
(Loss)/Profit attributable to:									
Owners of the parent		(4,163)	(5,060)	897	18	(12,303)	7,587	(19,890)	-262
Non-controlling interest		(2,663)	(2,939)	276	9	(2,415)	7,247	(9,662)	-133
		(6,826)	(7,999)	1,173	15	(14,718)	14,834	(29,552)	-199
Total comprehensive (loss)/income attributable to:									
Owners of the parent		(1,023)	11,550	(12,573)	-109	(22,549)	12,016	(34,565)	-288
Non-controlling interest		162	(3,228)	3,390	105	(16,363)	18,714	(35,077)	-187
		(861)	8,322	(9,183)	-110	(38,912)	30,730	(69,642)	-227
(Loss)/Earnings per share attributable to owners of the parent:									
Basic (Sen)	26(a)	(6.59)	(8.01)			(19.48)	12.01		
Diluted (Sen)	26(b)	(6.59)	(8.01)			(19.48)	12.01		

* Prior year figures were restated upon adoption of MFRS.

The consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)

(Incorporated in Malaysia)

Consolidated Statement of Financial Position**As at 30 June 2019**

	(Unaudited) As at 30.6.2019 RM'000	Restated* As at 30.6.2018 RM'000	Restated* As at 01.7.2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	302,836	300,899	300,025
Bearer plants	39,010	34,282	28,213
Investment properties	66,429	65,010	68,594
Investment in associates	96,500	102,915	105,606
Investments	453,411	488,206	452,955
Deferred tax asset	298	298	260
	<u>958,484</u>	<u>991,610</u>	<u>955,653</u>
Current assets			
Inventories	19	27	47
Biological assets	230	285	314
Trade and other receivables	1,926	2,009	1,375
Prepayments	835	706	663
Tax recoverable	657	130	652
Cash and bank balances	267,951	265,423	270,455
	<u>271,618</u>	<u>268,580</u>	<u>273,506</u>
TOTAL ASSETS	<u>1,230,102</u>	<u>1,260,190</u>	<u>1,229,159</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital	68,388	63,172	63,172
Reserves	608,078	621,804	610,372
	<u>676,466</u>	<u>684,976</u>	<u>673,544</u>
Non-controlling interests	516,447	551,442	533,856
Total equity	<u>1,192,913</u>	<u>1,236,418</u>	<u>1,207,400</u>
Non-current liabilities			
Deferred tax liabilities	31,312	17,877	17,619
Other payables	725	611	523
Provision for retirement benefits	61	55	51
	<u>32,098</u>	<u>18,543</u>	<u>18,193</u>
Current liabilities			
Trade and other payables	4,874	5,007	3,391
Tax payable	217	222	175
	<u>5,091</u>	<u>5,229</u>	<u>3,566</u>
Total liabilities	<u>37,189</u>	<u>23,772</u>	<u>21,759</u>
TOTAL EQUITY AND LIABILITIES	<u>1,230,102</u>	<u>1,260,190</u>	<u>1,229,159</u>

* Prior year figures were restated upon adoption of MFRS.

The consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)

(Incorporated in Malaysia)

Consolidated Statement of Changes in Equity
For the Financial Year Ended 30 June 2019

(The figures have not been audited)

	← Non distributable →							← Distributable →					
	Equity, Total RM'000	Equity Attributable to Owners of the Parent, Total RM'000	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Equity Interest in the Company held by subsidiaries RM'000	Cultivation and Replacement Reserves RM'000	Property and Investment Reserve RM'000	General Reserve RM'000	Retained Earnings RM'000	Non- Controlling Interests RM'000
Opening balance at 1 July 2018 (as previously stated)	1,231,013	687,540	63,172	5,216	215,917	168,770	61,414	(25,813)	4,862	5,662	17,412	170,928	543,473
Prior year adjustments	5,405	(2,564)	-	-	(126)	(3,401)	1,935	-	-	-	-	(972)	7,969
Opening balance at 1 July 2018 (as restated)	1,236,418	684,976	63,172	5,216	215,791	165,369	63,349	(25,813)	4,862	5,662	17,412	169,956	551,442
Total comprehensive (loss)/income for the year	(38,912)	(22,549)	-	-	-	(18,597)	8,351	-	-	-	-	(12,303)	(16,363)
Transition to no-par regime (Note a)	-	-	5,216	(5,216)	-	-	-	-	-	-	-	-	-
Dividend in-specie distributed	626	14,623	-	-	-	-	-	25,813	-	-	-	(11,190)	(13,997)
Cash dividend paid	(5,219)	(584)	-	-	-	-	-	-	-	-	-	(584)	(4,635)
As at 30 June 2019	1,192,913	676,466	68,388	-	215,791	146,772	71,700	-	4,862	5,662	17,412	145,879	516,447
Opening balance at 1 July 2017 (as previously stated)	1,201,665	676,004	63,172	5,216	216,947	147,753	75,600	(25,649)	4,862	5,662	17,412	165,029	525,661
Prior year adjustments	5,735	(2,460)	-	-	(1,156)	(1,236)	2,008	-	-	-	-	(2,076)	8,195
Opening balance at 1 July 2017 (as restated)	1,207,400	673,544	63,172	5,216	215,791	146,517	77,608	(25,649)	4,862	5,662	17,412	162,953	533,856
Total comprehensive income/(loss) for the year (as previously stated)	31,173	12,120	-	-	(1,030)	21,017	(14,186)	(164)	-	-	-	6,483	19,053
Prior year adjustments	(443)	(104)	-	-	1,030	(2,165)	(73)	-	-	-	-	1,104	(339)
Total comprehensive income/(loss) for the year (as restated)	30,730	12,016	-	-	-	18,852	(14,259)	(164)	-	-	-	7,587	18,714
Dividend paid	(1,712)	(584)	-	-	-	-	-	-	-	-	-	(584)	(1,128)
As at 30 June 2018 (as restated)	1,236,418	684,976	63,172	5,216	215,791	165,369	63,349	(25,813)	4,862	5,662	17,412	169,956	551,442

Note a

The Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. The Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM5,216,000 for purposes as set out in Section 618(3). On 31 January 2019, the amounts standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

*The opening balances were restated upon adoption of MFRS.

The consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Consolidated Statement of Cash Flows
For the Financial Year Ended 30 June 2019

(The figures have not been audited)

	12 months ended	
	30.06.19	30.06.18
	RM'000	RM'000
		Restated*
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,186)	15,805
Adjustments for:		
Depreciation	1,608	854
Plant and equipment written off	2	103
Provision for retirement benefit	14	10
Dividend income	(9,475)	(11,054)
Interest income	(3,037)	(2,240)
Share of loss of associates	6,126	1,469
Fair value (gain)/loss on investment properties	(941)	212
Fair value loss on biological assets	54	29
Fair value loss/(gain) on fair value through profit or loss investments	761	(3,432)
Unrealised foreign exchange gain	(568)	(116)
Operating cash flows before working capital changes	(6,642)	1,640
Receivables	349	(93)
Prepayments	(128)	(48)
Inventories	8	20
Payables	(50)	1,750
Cash flows (used in)/from operations	(6,463)	3,269
Retirement benefit paid	(8)	(5)
Taxes refunded	36	587
Taxes paid	(681)	(757)
Net cash flows (used in)/from operating activities	(7,116)	3,094
INVESTING ACTIVITIES		
Dividends received	12,108	12,308
Interest received	2,785	1,697
Withdrawal from/(Addition to) fixed deposits	12,870	(131,881)
Purchase of property, plant and equipment	(2,397)	(1,488)
Addition to bearer plants	(5,876)	(6,412)
Cash flows from/(used in) investing activities	19,490	(125,776)
FINANCING ACTIVITIES		
Dividends paid to owners of the company	(584)	(584)
Dividends paid to non-controlling interest	(4,635)	(1,128)
Proceeds from distribution of dividend in-specie	626	-
Net cash used in financing activities	(4,593)	(1,712)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,781	(124,394)
EFFECTS OF EXCHANGE RATE CHANGES	7,617	(12,519)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	120,526	257,439
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		
(Note 27)	135,924	120,526

* Prior year figures were restated upon adoption of MFRS.

The consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements of the Group for the financial year ended 30 June 2019 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), including MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards, MFRS 141: Agriculture, MFRS 15: Revenue from Contracts with Customers and MFRS 9: Financial Instruments.

The interim financial statements have been prepared on a historical cost basis, except for freehold land included within property, plant and equipment, investment properties, investment in precious metals, investments and biological assets that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. Significant accounting policies

Changes in accounting policies

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these financial statements have been restated to give effect to these changes and the financial impact on transition from Financial Reporting Standards in Malaysia to MFRS are disclosed as follows:-

i) Bearer plants

Prior to the adoption of MFRS 141 Agriculture, new planting expenditure incurred were capitalized and were not depreciated while replanting expenditure were recognised in profit or loss in the year the expenditures are incurred. Under MFRS 116, new planting expenditure and replanting expenditures are capitalized as bearer plants. On maturity, these expenditures are amortised over the useful life of the bearer plants.

ii) Biological assets

Prior to the adoption of MFRS 141 Agriculture, agricultural produce growing on the bearer plants ("biological assets") were not recognised. With the adoption of the MFRS 141, biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes in fair value less costs to sell of the biological assets are recognised in profit or loss.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to MFRS 134

2. Significant accounting policies (cont'd)

Changes in accounting policies (cont'd)

iii) Financial instruments

Under MFRS 139, the Group's equity and debt instruments were classified as AFS financial assets. With the adoption of MFRS 9, investments debt instruments are measured at FVTPL and investment in equity instruments which are classified as FVOCI are not subject to an impairment assessment. The fair value changes for investments in debt instruments are transferred out from other comprehensive income or fair value reserve to profit or loss or retained earnings. The impairment losses made earlier on the equity instruments are transferred out from profit or loss or retained earnings to other comprehensive income or fair value reserve.

Condensed Consolidated Statement of Financial Position

	Previously Stated RM'000	Increase/ (Decrease) RM'000	Restated RM'000
As at 1 July 2017			
Bearer plants	20,899	7,314	28,213
Biological assets	-	314	314
Deferred tax liabilities	15,725	1,894	17,619
Reserves	612,832	(2,460)	610,372
Non-controlling interests	525,661	8,195	533,856
As at 30 June 2018			
Bearer plants	26,986	7,296	34,282
Biological assets	-	285	285
Deferred tax liabilities	15,701	2,176	17,877
Reserves	624,368	(2,564)	621,804
Non-controlling interests	543,473	7,969	551,442

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

2. Significant accounting policies (cont'd)

Changes in accounting policies (cont'd)

Condensed Consolidated Statement of Comprehensive Income

	Previously Stated RM'000	(Decrease)/ Increase RM'000	Restated RM'000
For 3 months ended 30 June 2018			
Depreciation	(164)	(86)	(250)
Subcontract labour costs, fertilizer and chemical costs	(1,203)	84	(1,119)
Fair value loss on biological assets	-	(82)	(82)
Fair value loss on investments	-	(2,674)	(2,674)
Impairment loss on available-for-sale investments	(526)	526	-
Share of loss of associates	(2,614)	(5,882)	(8,496)
Profit/(Loss) before tax	476	(8,114)	(7,638)
Income tax expense	(79)	(282)	(361)
Profit/(Loss) after tax	397	(8,396)	(7,999)
Other comprehensive gain	8,291	8,030	16,321

	Previously Stated RM'000	(Decrease)/ Increase RM'000	Restated RM'000
For 12 months ended 30 June 2018			
Revenue	29,105	(113)	28,992
Depreciation	(511)	(343)	(854)
Subcontract labour costs, fertilizer and chemical costs	(5,078)	324	(4,754)
Fair value gain on biological assets	-	(29)	(29)
Fair value gain on investment	-	3,432	3,432
Impairment loss on available-for-sale investments	(526)	526	-
Share of profit of associates	959	(2,428)	(1,469)
Profit before tax	14,436	1,369	15,805
Income tax expense	(689)	(282)	(971)
Profit after tax	13,747	1,087	14,834
Other comprehensive income	17,426	(1,530)	15,896

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to MFRS 134

2. Significant accounting policies (cont'd)

Standards and interpretations issued but not yet effective

Amendments to MFRS 3: Definition of Business

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

MFRS 16 Leases

MFRS 17 Insurance Contracts

Amendments to MFRS 101 and MFRS 128: Definition of Material

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

IC 23 Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015–2017 Cycle: Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2018 was not qualified.

4. Segmental Information

	12 months ended	
	30.06.19	30.06.18
	RM'000	RM'000
		(Restated)
Segment Revenue		
Plantation	7,150	14,065
Investment	15,463	14,927
	<u>22,613</u>	<u>28,992</u>
Segment results		
Plantation	(1,270)	7,245
Investment	15,642	17,600
	<u>14,372</u>	<u>24,845</u>
Unallocated corporate expenses	(9,432)	(7,571)
Profit from operations	<u>4,940</u>	<u>17,274</u>
Segment assets		
Plantation	376,405	379,398
Investment	852,734	880,433
	<u>1,229,139</u>	<u>1,259,831</u>
Unallocated corporate asset	963	359
Total assets	<u>1,230,102</u>	<u>1,260,190</u>

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to MFRS 134

5. Unusual Items due to their Nature, Size or Incidence

During the financial year ended 30 June 2019, the Group reported the following unusual items:-

- 1) Prior year figures were restated due to adoption of MFRS.
- 2) The subsidiary of the Company, Sungei Bagan Rubber Company (Malaya) Berhad distributed dividend in-specie of up to 3,838,090 ordinary shares of Kluang Rubber Company (Malaya) Berhad ("**Kluang Rubber**") to its shareholders. The other subsidiary of the Company, Kuchai Development Berhad distributed dividend in-specie of up to 1,976,957 ordinary shares of Kluang Rubber to its shareholders. As a result of the dividend in-specie by its subsidiaries, the Company received and distributed dividend in-specie of up to 2,070,649 Kluang Rubber shares to its shareholders.

Other than the above, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 2019.

6. Changes in Estimates

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

7. Comments about Seasonal or Cyclical Factors

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling price of crude palm oil. The production of fresh fruit bunches is influenced by weather conditions, production cycle and age of palms.

8. Cash Dividend Paid

In respect of the financial year ended 30 June 2018, as reported in the directors' report of that year, the following cash dividend was paid during the financial year ended 30 June 2019:

	Amount	Net dividend
	RM	per share
		Sen
First and final tax exempt (single-tier) dividend	<u>631,720</u>	<u>1.00</u>

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to MFRS 134

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities for the financial year ended 30 June 2019.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year ended 30 June 2019.

11. Capital Commitments

There are no commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 30 June 2019.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2019.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to MFRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
Rental income from Ice Cold Beer Pte. Ltd., a company in which a director, Lee Chung-Shih Justin has an interest (recurrent)	237	231	943	947
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	48	53	214	298
Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	483	68	2,134	1,771
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	58	144	588	414
Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih Justin, has an interest and Balaraman A/L Annamaly is a common director (recurrent)	62	62	250	250

14. Subsequent Events

There were no material events subsequent to the end of the current quarter.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to MFRS 134

15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all assets and liabilities carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.06.19				
Investments in financial instruments	388,374	41,595	-	429,969
Investment in precious metal	23,442	-	-	23,442
Freehold land	-	-	297,961	297,961
Investment properties	-	-	66,429	66,429
Biological assets	-	-	230	230
	<u>411,816</u>	<u>41,595</u>	<u>364,620</u>	<u>818,031</u>
30.06.18				
Investments in financial instruments	426,593	41,311	-	467,904
Investment in precious metal	20,302	-	-	20,302
Freehold land	-	-	297,930	297,930
Investment properties	-	-	65,010	65,010
Biological assets	-	-	285	285
	<u>446,895</u>	<u>41,311</u>	<u>363,225</u>	<u>851,431</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial year and the comparative year. There was no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

16. Performance Review

The Group recorded revenue of RM10.61 million for the current quarter. This was lower than last year's corresponding quarter of RM12.29 million despite higher rental and interest income. The decrease in revenue were mainly due to lower dividend income and lower crop sales on account of the decrease in fresh fruit bunch ("FFB") prices.

For the current quarter, the Group reported an after-tax loss of RM6.83 million which was lower than last year corresponding's quarter's after-tax loss of RM8.00 million. This was mainly due to:-

- 1) The foreign exchange loss of RM844,000 for the current quarter was lower than last year's corresponding quarter's loss of RM4.56 million
- 2) Revaluation of its investment properties for the current quarter was a gain of RM941,000 while it was a loss of RM212,000 for last year's corresponding quarter.
- 3) Fair value gain on its investments of RM45,000 was reported for the current quarter while it was a loss of RM2.67 million a year ago.
- 4) Share of the financial results of the associates for the current quarter was a profit of RM612,000 while it was a loss of RM8.50 million a year ago.

However, the income tax expense of RM13.39 million was significantly higher than last year's corresponding quarter's RM361,000 mainly due to the increase in Real Property Gain Tax rate in Malaysia from 5% to 10%.

The Group's revenue achieved for the current financial year was RM22.61 million which was lower than last year's RM28.99 million despite higher interest income. The decline in current financial's revenue was mainly due to lower dividend and lower crop sales on account of the decrease in tonnage harvested and falls in the FFB prices.

The Group ended the current financial year with an after-tax loss of RM14.72 million which was a negative turnaround from last year's profit of RM14.83 million. This was attributed by the following:-

- 1) Revenue achieved for the current financial year was lower than a year ago.
- 2) Depreciation of RM1.61 million was significantly higher than last year's RM854,000, mainly due to the amortisation of RM760,000 in respect of the Bearer Plants from the Kuala Pergau plantation which began in the month of February 2019.
- 3) The valuation on its investments was a fair value loss of RM761,000 for the current financial year as compared to the fair value gain of RM3.43 million reported a year ago.

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16. Performance Review (cont'd)

- 4) Share of associates' financial loss of RM6.13 million for the current financial year ended 30 June 2019 was significantly higher than the loss of RM1.47 million reported a year ago.
- 5) Income tax expense of RM13.53 million for the current financial year was higher than last financial year's RM971,000 mainly due to the increase in Real Property Gain Tax rate in Malaysia from 5% to 10%.

**17. Comment on Material Change in Profit Before Taxation for the Current Quarter as
Compared with the Immediate Preceding Quarter**

	Current Quarter 30.06.19 RM'000	Preceding Quarter 31.03.19 RM'000	Change (Unfavourable)/Favourable	
			RM'000	%
Revenue	10,614	3,339	7,275	218
Operating profit/(loss)	5,953	(2,109)	8,062	382
Share of profit of associates	612	5,071	(4,459)	-88
Profit before tax	6,565	2,962	3,603	122
(Loss)/Profit after tax	(6,826)	2,945	(9,771)	-332
(Loss)/Profit attributable to:				
Owners of the parent	(4,163)	1,437	(5,600)	-390
Non-controlling interest	(2,663)	1,508	(4,171)	-277
	<u>(6,826)</u>	<u>2,945</u>		

For the quarter under review, the Group's revenue of RM10.61 million was higher than the immediate preceding quarter's RM3.34 million. This was mainly contributed by higher dividend income of RM7.58 million while there was none during the immediate preceding quarter. However, crop sales of RM1.80 million for the current quarter was lower than immediate preceding quarter's RM2.16 million on the account of lower tonnage harvested and lower FFB prices.

The Group reported a pre-tax profit of RM6.57 million which was higher than the immediate preceding quarter's RM2.96 million. This was mainly due to:-

- 1) Revenue achieved for the current quarter was higher than the immediate preceding quarter.
- 2) Revaluation of its investment properties for the current quarter was a gain of RM941,000 while it was none during the immediate preceding quarter.

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**17. Comment on Material Change in Profit Before Taxation for the Current Quarter as
Compared with the Immediate Preceding Quarter (Cont'd)**

- 3) The valuation on its investments was a fair value gain of RM45,000 for the current quarter while it was a fair value loss of RM806,000 in the immediate preceding quarter.

However, share of associates' profit of RM612,000 for the current quarter was significantly lower than the immediate preceding quarter's RM5.07 million.

18. Commentary on Prospects

For the financial year ending 30 June 2020, the Company expects FFB production to be higher than the financial year ended 30 June 2019.

If the FFB price environment maintains at the current range, the Group expects performance from the plantation segment for financial year ending 30 June 2020 to be challenging.

The Group's results are also dependent on dividend income receivable from its investments, market valuation of its publicly listed investments and the effect of currency fluctuations.

The results of the associated companies may be affected by the market valuations of its investments and currency fluctuations.

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit/(Loss) before tax

Profit/(Loss) for the year is arrived after (crediting)/charging:

	Individual Quarter		Year-To-Date	
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Interest income	(826)	(580)	(3,037)	(2,240)
Other income including investment income	(9,331)	(131)	(12,432)	(12,955)
Fair value loss/(gain) on investment	(45)	2,674	761	(3,432)
Fair value loss/(gain) on biological asset	(10)	82	54	29
Depreciation	434	250	1,608	854
Foreign exchange loss/(gain)	844	4,564	(552)	(108)

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21. Income Tax Expense

	Individual Quarter 3 months ended		Year-To-Date 12 months ended	
	30.06.19 RM'000	30.06.18 RM'000	30.06.19 RM'000	30.06.18 RM'000
Current tax:				
Malaysian income tax	(26)	108	9	582
Foreign tax	70	16	234	160
	<u>44</u>	<u>124</u>	<u>243</u>	<u>742</u>
Over provision of income tax in prior years prior years				
Malaysian income tax	-	(1)	(7)	(9)
Foreign tax	(88)	18	(139)	18
	<u>(88)</u>	<u>17</u>	<u>(146)</u>	<u>9</u>
Deferred tax:				
Relating to origination and reversal	13,435	220	13,435	220
	<u>13,435</u>	<u>220</u>	<u>13,435</u>	<u>220</u>
Total income tax expense	<u>13,391</u>	<u>361</u>	<u>13,532</u>	<u>971</u>

The income tax expenses for the current year and last year's corresponding quarter were higher due to the non-deductible expenses and disallowed losses even though the Group in a loss position.

As for the current quarter and last financial year, the effective tax rates were lower as certain income were not subject to income tax.

During the current year, additional deferred tax of RM13.44 was provided in respect of the capitalisation of the bearer plant and the increase in Real Property Gain tax rate from 5% to 10%.

22. Corporate Proposals

There was no corporate proposal announced by the Company as at the date of the issue of this quarterly report.

23. Borrowings

There were no borrowings and debt securities as at 30 June 2019.

24. Changes in Material Litigation

There was no pending material litigation as at the date of the issue of this quarterly report.

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25. Dividend Payable

The directors do not recommend any dividend for the current quarter under review.

26. (Loss)/ Earnings Per Share

(a) Basic

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.19	30.06.18	30.06.19	30.06.18
		(Restated)		(Restated)
(Loss)/Earnings attributable to owners of the parent (RM'000)	<u>(4,163)</u>	<u>(5,060)</u>	<u>(12,303)</u>	<u>7,587</u>
Weighted average number of ordinary shares in issue ('000)	<u>63,172</u>	<u>63,172</u>	<u>63,172</u>	<u>63,172</u>
Basic (loss)/earnings per share (Sen)	<u>(6.59)</u>	<u>(8.01)</u>	<u>(19.48)</u>	<u>12.01</u>

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there are no dilutive potential ordinary shares outstanding as at 30 June 2019.

27. Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	30.06.19	30.06.18
	RM'000	RM'000
Cash and bank balances	267,951	265,423
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(132,027)	(144,897)
Cash and cash equivalents	<u>135,924</u>	<u>120,526</u>

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 August 2019.