

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

Consolidated Statement Of Comprehensive Income
For the Financial Year Ended 30 June 2020

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Change (Unfavourable)/ Favourable		Year-to-Date 12 months ended		Change (Unfavourable)/ Favourable	
		30.06.20 RM'000	30.06.19 RM'000	RM'000	%	30.06.20 RM'000	30.06.19 RM'000	RM'000	%
Revenue	4	12,092	10,614	1,478	14	25,911	22,613	3,298	15
Other income		1	4	(3)	0	8	6	2	33
Changes in inventories		(148)	(249)	101	41	10	(8)	18	225
Staff costs		(880)	(657)	(223)	-34	(3,539)	(3,448)	(91)	-3
Depreciation		(709)	(434)	(275)	-63	(2,603)	(1,608)	(995)	-62
Subcontract labour costs, fertilizer and chemical costs		(4,180)	(1,945)	(2,235)	-115	(11,700)	(5,782)	(5,918)	-102
Foreign exchange gain/(loss)		1,958	(844)	2,802	332	(5,183)	552	(5,735)	-1039
Other expenses		(1,161)	(1,532)	371	24	(7,318)	(7,511)	193	3
Finance lease expense		(37)	-	(37)	-100	(151)	-	(151)	-100
Fair value (loss)/gain on biological assets		(79)	10	(89)	-890	130	(54)	184	341
Fair value (loss)/gain on investment properties		(5,433)	941	(6,374)	-677	(5,433)	941	(6,374)	-677
Fair value gain/(loss) on investments		7,111	45	7,066	15702	5,733	(761)	6,494	853
Profit/(Loss) from operations	4	8,535	5,953	2,582	43	(4,135)	4,940	(9,075)	-184
Share of profit/(loss) of associates		7,083	612	6,471	1057	(2,185)	(6,126)	3,941	64
Profit/(Loss) before tax	20	15,618	6,565	9,053	138	(6,320)	(1,186)	(5,134)	-433
Income tax credit/(expense)	21	2,065	(13,391)	15,456	115	1,968	(13,532)	15,500	115
Profit/(Loss) after tax		17,683	(6,826)	24,509	359	(4,352)	(14,718)	10,366	70
Other comprehensive income/(loss)									
Investments:									
- Fair value gain/(loss)		26,915	(3,660)	30,575	835	(86,951)	(42,216)	(44,735)	-106
Share of other comprehensive income of associates		3,471	-	3,471	-	3,665	-	3,665	100
Foreign currency translation		3,284	9,625	(6,341)	-66	12,578	18,022	(5,444)	-30
Other comprehensive profit/(loss) for the year, net of tax		33,670	5,965	27,705	464	(70,708)	(24,194)	(46,514)	-192
Total comprehensive profit/(loss) for the year		51,353	(861)	52,214	6064	(75,060)	(38,912)	(36,148)	-93
Profit/(Loss) attributable to:									
Owners of the parent		9,817	(4,163)	13,980	336	(2,168)	(12,303)	10,135	82
Non-controlling interest		7,866	(2,663)	10,529	395	(2,184)	(2,415)	231	10
		17,683	(6,826)	24,509	359	(4,352)	(14,718)	10,366	70
Total comprehensive income/(loss) attributable to:									
Owners of the parent		24,292	(1,023)	25,315	2475	(33,055)	(22,549)	(10,506)	-47
Non-controlling interest		27,061	162	26,899	16604	(42,005)	(16,363)	(25,642)	-157
		51,353	(861)	52,214	6064	(75,060)	(38,912)	(36,148)	-93
Earnings/(Loss) per share attributable to owners of the parent:									
Basic (Sen)	26(a)	15.59	(6.59)			(3.44)	(19.48)		
Diluted (Sen)	26(b)	15.59	(6.59)			(3.44)	(19.48)		

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 2020**

	(Unaudited) As at 30.06.2020 RM'000	(Audited) As at 30.6.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	304,412	302,836
Bearer plants	38,531	39,010
Right-of-use asset	3,066	-
Investment properties	61,299	66,429
Investment in associates	98,969	96,500
Investments	411,505	453,411
	<u>917,782</u>	<u>958,186</u>
Current assets		
Inventories	29	19
Biological assets	361	230
Trade and other receivables	2,603	1,926
Prepayments	514	835
Tax recoverable	626	657
Cash and bank balances	228,063	267,951
	<u>232,196</u>	<u>271,618</u>
TOTAL ASSETS	<u>1,149,978</u>	<u>1,229,804</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	68,388	68,388
Reserves	571,233	608,078
Treasury shares	(701)	-
	<u>638,920</u>	<u>676,466</u>
Non-controlling interests	473,056	516,447
Total equity	<u>1,111,976</u>	<u>1,192,913</u>
Non-current liabilities		
Deferred tax liabilities	28,824	31,014
Other payables	798	725
Provision for retirement benefits	86	61
Lease rent liabilities	2,839	-
	<u>32,547</u>	<u>31,800</u>
Current liabilities		
Trade and other payables	5,161	4,874
Tax payable	189	217
Lease rent liabilities	105	-
	<u>5,455</u>	<u>5,091</u>
Total liabilities	<u>38,002</u>	<u>36,891</u>
TOTAL EQUITY AND LIABILITIES	<u>1,149,978</u>	<u>1,229,804</u>

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 2020
(The figures have not been audited)

	← Non distributable →						→ Distributable				
	Equity Attributable to Owners of 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	Treasury Shares RM'000	Retained Earnings RM'000	Non- Controlling Interests RM'000
Balance at 1 July 2019	1,192,913	676,466	68,388	-	198,114	146,772	61,606	-	-	201,586	516,447
Total comprehensive (loss)/income for the year	(75,060)	(33,055)	-	-	1,591	(39,080)	6,602	-	-	(2,168)	(42,005)
Buy-back of shares	(701)	(701)	-	-	-	-	-	-	(701)	-	-
Dividend	(5,176)	(3,790)	-	-	-	-	-	-	-	(3,790)	(1,386)
Balance at 30 June 2020	1,111,976	638,920	68,388	-	199,705	107,692	68,208	-	(701)	195,628	473,056
Balance at 1 July 2018	1,236,418	684,976	63,172	5,216	198,114	165,368	53,256	(25,813)	-	225,663	551,442
Total comprehensive (loss)/income for the year	(38,912)	(22,549)	-	-	-	(18,596)	8,350	-	-	(12,303)	(16,363)
Transition to no-par regime (Note a)	-	-	5,216	(5,216)	-	-	-	-	-	-	-
Dividend in-specie distributed	625	10,381	-	-	-	-	-	18,300	-	(7,919)	(9,756)
Transfer of reserve upon distribution of dividend in-specie	-	4,241	-	-	-	-	-	7,513	-	(3,272)	(4,241)
Cash dividend paid	(5,218)	(583)	-	-	-	-	-	-	-	(583)	(4,635)
Balance at 30 June 2019	1,192,913	676,466	68,388	-	198,114	146,772	61,606	-	-	201,586	516,447

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 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 2020
(The figures have not been audited)

	12 months ended	
	30.06.20	30.06.19
	RM'000	RM'000
OPERATING ACTIVITIES		
Loss before taxation	(6,320)	(1,186)
Adjustments for:		
Depreciation	2,603	1,608
Plant and equipment written off	-	2
Provision for retirement benefit	24	14
Dividend income	(9,251)	(9,475)
Interest income	(3,406)	(3,037)
Finance lease interest	151	-
Share of loss of associates	2,185	6,126
Fair value loss/(gain) on investment properties	5,433	(941)
Fair value (gain)/loss on biological assets	(130)	54
Fair value (gain)/loss on other investments	(5,733)	761
Unrealised foreign exchange loss/(gain)	5,183	(568)
	<hr/>	<hr/>
Operating cash flows before working capital changes	(9,261)	(6,642)
Receivables	(668)	349
Prepayments	133	(128)
Inventories	(10)	8
Payables	358	(50)
	<hr/>	<hr/>
Cash flows used in operations	(9,448)	(6,463)
Retirement benefit paid	-	(8)
Taxes refunded	295	36
Taxes paid	(519)	(681)
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Net cash flows used in operating activities	(9,672)	(7,116)
INVESTING ACTIVITIES		
Dividends received	11,166	12,108
Interest received	3,609	2,785
Uplift of fixed deposits	13,512	12,870
Purchase of investments	(36,665)	-
Purchase of property, plant and equipment	(2,161)	(2,397)
Repayment of lease liability	(250)	-
Addition to bearer plants	(1,376)	(5,876)
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Cash flows (used in)/generated from investing activities	(12,165)	19,490
FINANCING ACTIVITIES		
Dividends paid to owners of the company	(3,790)	(584)
Dividends paid to non-controlling interest	(1,386)	(4,635)
Buy-back of shares	(701)	-
Proceeds from distribution of dividend in-specie	-	626
	<hr/>	<hr/>
Net cash used in financing activities	(5,877)	(4,593)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(27,714)	7,781
EFFECTS OF EXCHANGE RATE CHANGES	1,338	7,617
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	135,924	120,526
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CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 27)	109,548	135,924
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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)
(Incorporated in Malaysia)

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 2020 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), including MFRS 16: Leases.

The interim financial statements have been prepared on a historical cost basis, investment properties, certain 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

During the financial year, the Group has considered the new accounting policies in the preparation of the financial statements, as follows:

Amendments to MFRS 9: Prepayment Features with Negative Compensation

MFRS 16: Leases

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

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

IC Interpretation 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

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption except for the following:

MFRS 16: Leases

MFRS 16 has replaced MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single, on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

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)

The Group adopted the MFRS 16 using the modified retrospective method of adoption, under which the cumulative effect of initial recognition is recognised in retained earnings. The Group measured its right-of-use assets equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application (i.e. 1 July 2019). The Group does not restate the comparative information, which continues to be reported under MFRS 117.

The effect of adoption of MFRS 16 to the Group as at 1 July 2019 is as follows:

Consolidated Statement of Financial Position	Increase/ (decrease) RM'000
Assets	
Right-of-use asset	<u>3,230</u>
Liabilities	
Lease liabilities	<u>3,230</u>

Significant accounting policies

The standard requires the Group to recognise a right-of-use asset and a lease liability on the lease commencement date.

The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. In addition, the carrying amount of lease liability is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2019 was not qualified.

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

Part A - Explanatory Notes Pursuant to MFRS 134

4. Segmental Information

	12 months ended	
	30.06.20	30.06.19
	RM'000	RM'000
Segment Revenue		
Plantation	11,719	7,150
Investment	14,192	15,463
	<u>25,911</u>	<u>22,613</u>
Segment results		
Plantation	(3,683)	(1,270)
Investment	6,055	15,642
	<u>2,372</u>	<u>14,372</u>
Unallocated corporate expenses	(6,507)	(9,432)
Loss from operations	<u>(4,135)</u>	<u>4,940</u>
Segment assets		
Plantation	373,045	376,405
Investment	776,287	852,734
	<u>1,149,332</u>	<u>1,229,139</u>
Unallocated corporate asset	646	665
Total assets	<u>1,149,978</u>	<u>1,229,804</u>

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 2020.

6. Changes in Estimates

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

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

Part A - Explanatory Notes Pursuant to MFRS 134

8. Cash Dividend Paid

In respect of the financial year ended 30 June 2019, as reported in the directors' report of that year, the following cash dividend was paid during the financial year ended 30 June 2020:

	Amount	Net dividend
	RM	per share
		Sen
First and final tax exempt (single-tier) dividend	631,720	1.00
Special tax exempt single-tier dividend	3,158,599	5.00
	<u>3,790,319</u>	<u>6.00</u>

9. Debt and Equity Securities

Purchase of shares Pursuant to Section 127 of the Companies Act 2016

During the twelve months ended 30 June 2020, the Company acquired 208,200 of its own ordinary shares from the open market for a cash consideration of RM701,000. The share buy-back was made pursuant to the approval obtained from the Company's shareholders at the Company's Annual General Meeting held on 28 November 2019. The repurchased shares are held as treasury shares in accordance with the requirement of Section 127 (4) of the Companies Act 2016.

Other than the above, there were no issuance, repurchase of debts and equity securities for the financial year ended 30 June 2020.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year ended 30 June 2020.

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 2020.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2020.

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

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	
	30.06.20	30.06.19	30.06.20	30.06.19
	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)	160	237	870	943
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	-	214
Rental expense payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin has an interest (recurrent)	45	-	150	-
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)	98	483	1,771	2,134
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)	97	58	454	588
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)
(Incorporated in Malaysia)

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
30.06.20				
Investments in financial instruments	295,757	48,813	-	344,570
Investment in precious metal	30,465	-	-	30,465
Investment properties	-	-	61,299	61,299
Biological assets	-	-	361	361
	<u>326,222</u>	<u>48,813</u>	<u>61,660</u>	<u>436,695</u>
30.06.19				
Investments in financial instruments	388,374	41,595	-	429,969
Investment in precious metal	23,442	-	-	23,442
Investment properties	-	-	66,429	66,429
Biological assets	-	-	230	230
	<u>411,816</u>	<u>41,595</u>	<u>66,659</u>	<u>520,070</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's revenue of RM12.09 million and RM25.91 million for the current quarter and financial year respectively were higher than last year's corresponding quarter of RM10.61 million and last year's RM22.61 million. The increases in revenue were mainly due to higher interest income and higher crop sales on account of increase in average price of fresh fruit bunches ("FFB") and higher tonnage harvested. Interest income from the investment in bonds was RM239,000 and RM678,000 for the current quarter and financial year respectively while there was none a year ago.

For the current quarter, the Group recorded an after-tax profit of RM17.68 million while it was a loss of RM6.83 million for the corresponding quarter of last year. This was mainly due to:-

- 1) The foreign exchange difference for the current quarter was a gain of RM1.96 million while it was a loss of RM844,000 a year ago.
- 2) Fair value gain on the Group's investment of RM7.11 million for the current quarter was higher than last year's corresponding quarter's RM45,000.
- 3) Share of profit of the associates of RM7.08 million for the current quarter was significantly higher than last year's corresponding quarter's profit of RM612,000.
- 4) Income tax credit of RM2.07 million was recorded during the current quarter, mainly due to a reversal of temporary difference of deferred tax RM2.19 million. Meanwhile, income tax expense of RM13.39 million was recorded during the last year's corresponding quarter, mainly due to an additional deferred tax provision of RM13.44 million in respect of the capitalisation of the bearer plant and the increase in Real Property Gain tax rate from 5% to 10%.

However, subcontract costs of RM4.18 million was higher than last year corresponding's quarter costs of RM1.95 million due to increase used of fertilizers on newly matured plants. In addition, the revaluation of its investment properties was a fair value loss of RM5.43 million for the current quarter as compared to the fair value gain of RM941,000 reported for last year's corresponding quarter.

The Group ended the current financial year with after-tax loss of RM4.35 million which was lower than last year's after-tax loss of RM14.72 million. This was mainly due to:-

- 1) Revenue achieved for the current financial year was higher than a year ago.
- 2) Revaluation on its fair value through profit or loss investments for the current financial year was a gain of RM5.73 million while it was a loss of RM761,000 a year ago.
- 3) Share of loss of associates of RM2.19 million for the current financial year was lower than last year's loss of RM6.13 million.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

16. Performance Review (Cont'd)

- 4) Income tax credit of RM1.97 million was recorded during the current financial year, mainly due to a reversal of temporary difference of deferred tax RM2.19 million. Meanwhile, income tax expense of RM13.53 million was recorded during the last financial year, mainly due to an additional deferred tax provision of RM13.44 million in respect of the capitalisation of the bearer plant and the increase in Real Property Gain tax rate from 5% to 10%.

However, subcontract costs of RM11.70 million was higher than last year's costs of RM5.78 million due to increase used of fertilizers on newly matured plants. Foreign exchange difference for the current financial year was a loss of RM5.18 million while it was a gain of RM552,000 a year ago. In addition, the revaluation of its investment properties was a fair value loss of RM5.43 million while it was a fair value gain of RM941,000 reported for last financial year.

The Group's total other comprehensive profit for the current quarter was RM33.67 million which was higher than last year's corresponding quarter's profit of RM5.97 million. This was mainly due to revaluation of its investment at FVTOCI for the current quarter was a gain of RM26.92 million while it was a loss of RM3.66 million reported during last year's corresponding quarter.

The Group's share of other comprehensive income of associates for the current quarter was RM3.47 million while there was none during the quarter of a year ago.

However, the foreign currency gain of RM3.28 million for the current quarter was lower than the gain of RM9.63 million reported during last year's corresponding quarter.

The Group ended the current financial year with a total other comprehensive loss of RM70.71 million which was higher than last year's loss of RM24.19 million. This was mainly due to the revaluation of its investments at FVTOCI, resulting in a fair value loss of RM86.95 million which was significantly higher than last year's loss of RM42.22 million due to the adverse market conditions. The foreign currency gain of RM12.58 million was lower than the gain of RM18.02 million reported a year ago.

However, the Group's share of other comprehensive income of associates for the current financial year was RM3.67 million while there was none a year ago.

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

	Current Quarter 30.06.20 RM'000	Preceding Quarter 31.03.20 RM'000	Change (Unfavourable)/Favourable	
			RM'000	%
Revenue	12,092	4,268	7,824	183
Operating profit/(loss)	8,535	(14,957)	23,492	157
Share of profit/(loss) of associates	7,083	(11,623)	18,706	161
Profit/(Loss) before tax	15,618	(26,580)	42,198	159
Profit/(Loss) after tax	17,683	(26,592)	44,275	166
Profit/(Loss) attributable to:				
Owners of the parent	9,817	(14,445)	24,262	168
Non-controlling interest	7,866	(12,147)	20,013	165
	<u>17,683</u>	<u>(26,592)</u>		

For the quarter under review, the Group's revenue of RM12.09 million was higher than the immediate preceding quarter's RM4.27 million. This was mainly contributed by higher dividend income of RM7.38 million while there was none during the immediate preceding quarter. Crop sales of RM3.69 million for the current quarter was higher than immediate preceding quarter's RM3.04 million on account of higher tonnage harvested.

The Group posted a pre-tax profit of RM15.62 million for the current quarter while the immediate preceding quarter reported a loss of RM26.58 million. This was mainly due to:-

- 1) Revenue achieved for the current quarter was higher than the immediate preceding quarter.
- 2) The foreign exchange difference was a gain of RM1.96 million for the current quarter while it was a loss of RM7.72 million for the immediate preceding quarter.
- 3) Revaluation on its fair value through profit or loss investments for the current quarter was a profit of RM7.11 million while it was a loss of RM5.49 million reported for the immediate preceding quarter.
- 4) Share of the associates' financial results was a profit of RM7.08 million for the current quarter while it was a loss of RM11.62 million during the immediate preceding quarter.

However, revaluation of its investment properties for the current quarter was a loss of RM5.43 million while there was none during the immediate preceding quarter.

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18. Commentary on Prospects

For the financial year ending 30 June 2021, the Company expects FFB production to be higher than the financial year ended 30 June 2020.

Although the Group expects FFB production for the financial year ending 30 June 2021 to be higher than the financial year ended 30 June 2020, FFB prices and global demand remain challenging.

Plantation operations may also be impacted by adverse weather conditions, supply of labour and pest attacks.

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	
	30.06.20	30.06.19	30.06.20	30.06.19
	RM'000	RM'000	RM'000	RM'000
Interest income	(699)	(826)	(3,406)	(3,037)
Other income including investment income	(7,709)	(9,331)	(10,794)	(12,432)
Fair value (gain)/loss on investment	(7,111)	(45)	(5,733)	761
Fair value loss/(gain) on biological asset	79	(10)	(130)	54
Depreciation	709	434	2,603	1,608
Foreign exchange (gain)/loss	(1,958)	844	5,183	(552)

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21. Income Tax Expense/(Credit)

	Individual Quarter 3 months ended		Year-To-Date 12 months ended	
	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000
Current tax:				
Malaysian income tax	3	(26)	6	9
Foreign tax	122	70	264	234
	<u>125</u>	<u>44</u>	<u>270</u>	<u>243</u>
Over provision of income tax in prior years prior years				
Malaysian income tax	-	-	-	(7)
Foreign tax	-	(88)	(48)	(139)
	<u>-</u>	<u>(88)</u>	<u>(48)</u>	<u>(146)</u>
Deferred tax:				
Relating to origination and reversal	(2,190)	13,435	(2,190)	13,435
	<u>(2,190)</u>	<u>13,435</u>	<u>(2,190)</u>	<u>13,435</u>
Total income tax (credit)/expense	<u>(2,065)</u>	<u>13,391</u>	<u>(1,968)</u>	<u>13,532</u>

The effective tax rates for the current quarter and last year's corresponding quarter were lower than the statutory tax rate applicable in Malaysia as certain income were not subject to income tax. As for the current financial year and last year financial year, the tax rates were higher due to the non-deductible expenses even though the Group was in a loss position.

During the current financial year, there was a reversal of temporary difference of deferred tax RM2.19 million while last year's was an additional deferred tax provision of RM13.44 million 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.

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 2020.

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. Earnings/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) 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	
	30.06.20	30.06.19	30.06.20	30.06.19
Profit/(Loss) attributable to owners of the parent (RM'000)	<u>9,817</u>	<u>(4,163)</u>	<u>(2,168)</u>	<u>(12,303)</u>
Weighted average number of ordinary shares in issue ('000)	<u>62,980</u>	<u>63,172</u>	<u>63,103</u>	<u>63,172</u>
Basic earnings/(loss) per share (Sen)	<u>15.59</u>	<u>(6.59)</u>	<u>(3.44)</u>	<u>(19.48)</u>

(b) Diluted

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there are no dilutive potential ordinary shares outstanding as at 30 June 2020.

27. Cash and cash equivalents

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

	30.06.20	30.06.19
	RM'000	RM'000
Cash and bank balances	228,063	267,951
Less: Short-term deposits with a licensed bank with maturities more than 90 days	<u>(118,515)</u>	<u>(132,027)</u>
Cash and cash equivalents	<u>109,548</u>	<u>135,924</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 27 August 2020.