

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
**(Incorporated in Malaysia)**

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

(The figures have not been audited)

		Individual Quarter		Change		Year-to-Date		Change	
		3 months ended 30.06.20 RM'000	30.06.19 RM'000	(Unfavourable)/ Favourable RM'000	%	12 months ended 30.06.20 RM'000	30.06.19 RM'000	(Unfavourable)/ Favourable RM'000	%
<b>Revenue</b>	4	5,914	4,519	1,395	31	14,086	12,241	1,845	15
Other income		1	4	(3)	-75	8	6	2	33
Changes in inventories		(119)	(247)	128	52	7	(7)	14	200
Staff costs		(557)	(388)	(169)	-44	(2,023)	(1,881)	(142)	-8
Depreciation		(549)	(337)	(212)	-63	(2,152)	(1,225)	(927)	-76
Subcontract labour costs, fertilizer and chemical costs		(3,257)	(1,575)	(1,682)	-107	(10,021)	(3,918)	(6,103)	-156
Foreign exchange gain/(loss)		1,320	(944)	2,264	240	(4,392)	106	(4,498)	-4243
Other expenses		(720)	(613)	(107)	-17	(3,292)	(3,304)	12	0
Fair value (loss)/gain on investment property		(4,426)	941	(5,367)	-570	(4,426)	941	(5,367)	-570
Fair value (loss)/gain on biological assets		(79)	31	(110)	-355	87	16	71	444
Fair value gain/(loss) on investments		4,863	(202)	5,065	2507	3,724	(709)	4,433	625
Finance lease expense		(37)	-	(37)	N.M.	(151)	-	(151)	N.M.
<b>Profit/(Loss) from operations</b>	4	2,354	1,189	1,165	98	(8,545)	2,266	(10,811)	477
Share of profit/(loss) of associates		5,764	518	5,246	1013	(1,756)	(5,005)	3,249	65
<b>Profit/(Loss) before tax</b>	20	8,118	1,707	6,411	376	(10,301)	(2,739)	(7,562)	-276
Income tax credit/(expense)	21	1,899	(3,864)	5,763	149	1,841	(3,923)	5,764	147
<b>Profit/(Loss) after tax</b>		10,017	(2,157)	12,174	564	(8,460)	(6,662)	(1,798)	-27
<b>Other Comprehensive Income/(Loss)</b>									
Investments:									
- Fair value gain/(loss)		12,768	8,800	3,968	45	(36,767)	(18,931)	(17,836)	-94
Foreign currency translation (loss)/gain		(1,524)	3,279	(4,803)	-146	9,254	6,508	2,746	42
Share of other comprehensive income of associates		3,471	-	3,471	N.M.	3,665	-	3,665	N.M.
<b>Other comprehensive income/(loss) for the period , net of tax</b>		14,715	12,079	2,636	219	(23,848)	(12,423)	(11,425)	-92
<b>Total comprehensive profit/(loss) for the period</b>		24,732	9,922	14,810	149	(32,308)	(19,085)	(13,223)	-69
<b>Profit/(Loss) per share attributable to equity holders</b>									
Basic (Sen)	26(a)	15.10	(3.25)			(12.75)	(10.04)		
Diluted (Sen)	26(b)	15.10	(3.25)			(12.75)	(10.04)		

\* N.M = Not Meaningful

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**

(Incorporated in Malaysia)

**Consolidated Statement of Financial Position  
As at 30 June 2020**

	(Unaudited)	(Audited)
	As at	As at
	<b>30.06.20</b>	<b>30.06.19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	107,668	106,121
Bearer plants	34,547	35,403
Right-of-use asset	3,066	-
Investment property	32,372	36,577
Investment in associates	81,744	79,095
Investments	193,573	210,820
	<u>452,970</u>	<u>468,016</u>
<b>Current assets</b>		
Inventories	25	18
Biological assets	221	134
Trade and other receivables	1,335	1,021
Prepayments	804	1,130
Tax recoverable	80	294
Cash and bank balances	124,085	141,176
	<u>126,550</u>	<u>143,773</u>
<b>TOTAL ASSETS</b>	<u>579,520</u>	<u>611,789</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	74,978	74,978
Reserves	489,241	522,876
	<u>564,219</u>	<u>597,854</u>
<b>Non-current liabilities</b>		
Other payables	510	460
Provision for retirement benefits	70	57
Deferred tax liability	8,747	10,667
Lease liabilities	2,839	-
	<u>12,166</u>	<u>11,184</u>
<b>Current liabilities</b>		
Trade and other payables	3,022	2,695
Tax payable	8	56
Lease liabilities	105	-
	<u>3,135</u>	<u>2,751</u>
<b>Total liabilities</b>	<u>15,301</u>	<u>13,935</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>579,520</u>	<u>611,789</u>

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
**(Incorporated in Malaysia)**

**Consolidated Statement of Cash Flows**  
**For the Financial Year Ended 30 June 2020**  
(The figures have not been audited)

	<b>12 months period</b>	
	<b>30.06.20</b>	<b>30.06.19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(10,301)	(2,739)
Adjustments for:		
Depreciation	2,152	1,225
Provision for retirement benefit	63	87
Unrealised foreign exchange loss/(gain)	4,388	(115)
Dividend income	(2,175)	(5,074)
Interest income	(1,785)	(1,829)
Fair value gain on biological assets	(87)	(16)
Fair value (gain)/loss on other investments	(3,724)	709
Finance lease interest	151	-
Fair value loss/(gain) on investment property	4,426	(941)
Share of results of associated company	1,756	5,005
Operating cash flows before working capital changes	<u>(5,136)</u>	<u>(3,688)</u>
Receivables	(468)	1,126
Prepayments	135	(1,131)
Inventories	(7)	7
Payables	328	(1)
Cash flows used in operations	<u>(5,148)</u>	<u>(3,687)</u>
Taxes paid	(192)	(245)
Retirement benefit paid	-	(8)
Taxes refunded	274	-
Net cash flows used in operating activities	<u>(5,066)</u>	<u>(3,940)</u>
<b>INVESTING ACTIVITIES</b>		
Uplift of/(placement in) fixed deposits	14,214	(1,905)
Dividends received	3,728	6,493
Proceed from sale of investment	-	611
Interest received	2,034	1,511
Purchase of property, plant and equipment	(1,860)	(2,135)
Purchase of investments	(14,360)	-
Addition to bearer plants	(818)	(5,471)
Repayment of lease liability	(250)	-
Cash flows generated from/(used in) investing activities	<u>2,688</u>	<u>(896)</u>
<b>FINANCING ACTIVITY</b>		
Dividends paid, representing net cash flow used in financing activity	<u>(1,327)</u>	<u>(3,980)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,705)</b>	<b>(8,816)</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>828</b>	<b>4,106</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>63,228</b>	<b>67,938</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 27)</b>	<b><u>60,351</u></b>	<b><u>63,228</u></b>

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**

(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	
	Share Capital RM'000	Share Premium RM'000	Capital Reserves RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>Balance at 1 July 2019</b>	74,978	-	101,191	141,713	44,930	235,042	597,854
Total comprehensive income/(loss) for the year	-	-	3,665	(36,767)	9,254	(8,460)	(32,308)
Cash dividend paid	-	-	-	-	-	(1,327)	(1,327)
<b>Balance at 30 June 2020</b>	<b>74,978</b>	<b>-</b>	<b>104,856</b>	<b>104,946</b>	<b>54,184</b>	<b>225,255</b>	<b>564,219</b>
<b>Balance at 1 July 2018</b>	66,333	8,645	101,191	153,734	38,422	267,636	635,961
Total comprehensive (loss)/income for the year	-	-	-	(18,931)	6,508	(6,662)	(19,085)
Transition to no-par value regime	8,645	(8,645)	-	-	-	-	-
Dividend in specie distributed	-	-	-	-	-	(15,042)	(15,042)
Transfer of fair value reserve of equity instrument designated at FVOCI	-	-	-	6,910	-	(6,910)	-
Cash dividend paid	-	-	-	-	-	(3,980)	(3,980)
<b>Balance at 30 June 2019</b>	<b>74,978</b>	<b>-</b>	<b>101,191</b>	<b>141,713</b>	<b>44,930</b>	<b>235,042</b>	<b>597,854</b>

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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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 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, except for 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**

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statement for the financial year ended 30 June 2019 except for the adoption of the amended FRSs and annual improvements which are relevant to the Group's operations with effect from 1 July 2019 as set out below:

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.

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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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

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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**Part A - Explanatory Notes Pursuant to MFRS 134**

**4. Segmental Information**

	<b>12 months ended</b>	
	<b>30.06.20</b>	<b>30.06.19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Plantation	7,909	4,670
Investment	664	6,903
Rental	5,513	668
Total	<u>14,086</u>	<u>12,241</u>
<b>Segment results</b>		
Plantation	(4,767)	(2,035)
Investment	5,397	8,816
Rental	(5,998)	110
	<u>(5,368)</u>	<u>6,891</u>
Unallocated corporate expenses	(3,177)	(4,625)
Loss from operations	<u>(8,545)</u>	<u>2,266</u>
<b>Segment assets</b>		
Plantation	163,607	165,352
Investment	415,913	446,437
Total assets	<u>579,520</u>	<u>611,789</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 in the current quarter and year-to-date 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 oil palms.

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**Part A - Explanatory Notes Pursuant to MFRS 134**

**8. Cash Dividends Paid**

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

	<b>Amount RM</b>	<b>Net dividend per share Sen</b>
First and final tax exempt (single-tier) dividend	<u>1,326,653</u>	<u>2.00</u>
	<u><u>1,326,653</u></u>	<u><u>2.00</u></u>

**9. Debt and Equity Securities**

There were no issuance, repurchase and repayment 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.



**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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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	
	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	-	31	-	125
Rental expense payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	15	-	50	-
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)	39	204	759	914
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)	52	51	249	295
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.

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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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.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30.06.20</b>				
Investment in financial instruments	125,035	34,258	-	159,293
Investment in precious metal - gold bullion	19,995	-	-	19,995
Investment property	-	-	32,372	32,372
Biological assets	-	-	221	221
	<u>145,030</u>	<u>34,258</u>	<u>32,593</u>	<u>211,881</u>
<b>30.06.19</b>				
Investment in financial instruments	166,010	29,423	-	195,433
Investment in precious metal - gold bullion	15,387	-	-	15,387
Investment property	-	-	36,577	36,577
Biological assets	-	-	134	134
	<u>181,397</u>	<u>29,423</u>	<u>36,711</u>	<u>247,531</u>

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

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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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 RM5.91 million and RM14.09 million for the current quarter and current financial year respectively were higher than the revenue reported for last year's corresponding quarter of RM4.52 million and last financial year of RM12.24 million. The increases in revenue for the current quarter and year were mainly due to increases in tonnage harvested and average price of fresh fruit bunches ("FFB") when compared to last year's corresponding quarter and a year ago.

For the current quarter, the Group reported an after-tax profit of RM10.02 million while last year's corresponding quarter was an after-tax loss of RM2.16 million. The positive variance of RM12.17 million was due to :-

- 1) Revenue achieved for the current quarter was higher than last year's corresponding quarter.
- 2) Foreign exchange gain of RM1.32 million was reported for the current quarter while last year's corresponding quarter was a loss of RM944,000.
- 3) The fair value of its investments through profit or loss was a gain of RM4.86 million for the current quarter while it was a loss of RM202,000 during last year's corresponding quarter.
- 4) Share of the financial results of associates was a profit of RM5.76 million for the current quarter which was significantly higher than last year's corresponding quarter's profit of RM518,000.

However, subcontract costs of RM3.26 million for the current quarter was higher than last year's corresponding quarter's RM1.58 million due to the increase used of fertilizers on newly matured plants.

The revaluation of the Group's investment property was a loss of RM4.43 million while last year's corresponding quarter's was a profit of RM941,000.

The Group ended the current financial year with an after-tax loss of RM8.46 million which was higher than last year's after-tax loss of RM6.66 million despite higher revenue recorded for the current financial year. This was attributed by the following :-

- 1) Subcontract costs for the current financial year was RM10.02 million which was significantly higher than last year's RM3.92 million. This was due to additional application of fertilizers on the newly matured plants.
- 2) Foreign exchange difference for the current financial year was a loss of RM4.39 million while last year was a gain of RM106,000.
- 3) The revaluation of the Group's investment property was a loss of RM4.43 million for the current financial year while it was a profit of RM941,000 a year ago.

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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)**

However, revenue achieved for the current financial year was higher than a year ago. In addition, the revaluation on its investments through profit or loss for the current financial year was a gain of RM3.72 million while last year's was a loss of RM709,000.

Share of the financial results of associates' for the current financial year was a loss of RM1.76 million. This was lower than the loss of RM5.01 million reported a year ago.

For the current quarter and financial year, the income tax credit was derived from the reversal of temporary difference of deferred tax RM1.9 million while last year's corresponding quarter's and financial year's was an additional deferred tax provision of RM3.92 million.

For the current quarter, the Group posted a total other comprehensive income of RM14.72 million which was higher than last year's corresponding quarter's income of RM12.08 million. This was mainly due to the fair value gain of RM12.77 million arising from the revaluation of the Group's investments at FVTOCI for the current quarter was higher than last year's corresponding quarter's gain of RM8.80 million. Share of other comprehensive income of associates for the current quarter was RM3.47 million while there was none for last year's corresponding quarter. However, foreign currency translation for the current quarter was a loss of RM1.52 million while last year's corresponding quarter was a gain of RM3.28 million.

For the current financial year, the Group posted a total other comprehensive loss of RM23.85 million which was higher than last year's loss of RM12.42 million. This was mainly due to the fair value loss of RM36.77 million arising from the revaluation on its investments at FVTOCI for the current financial year was higher than last financial year's loss of RM18.93 million. However, foreign currency translation for the current financial year was a gain of RM9.25 million and this was higher than last financial year's gain of RM6.51 million. Share of other comprehensive income of associates for the current financial year was RM3.67 million while there was none for last year.

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

	<b>Current Quarter 30.06.20 RM'000</b>	<b>Preceding Quarter 31.03.20 RM'000</b>	<b>Favourable/(Unfavourable)</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	5,914	2,544	3,370	132
Operating Profit	2,354	(11,872)	14,226	120
Share of Profit/(Loss) of associate	5,764	(9,429)	15,193	161
Profit/(Loss) before tax	8,118	(21,301)	29,419	138
Profit/(Loss) after tax	10,017	(21,320)	31,337	147
Profit/(Loss) attributable to the equity holders of the company	10,017	(21,320)	31,337	147

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)**  
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

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

For the quarter under review, the Group's revenue of RM5.91 million was higher than the immediate preceding quarter's of RM2.54 million. This was mainly contributed by the receipt of dividend income of RM2.74 million while there was none during the immediate preceding quarter. Crop sales of RM2.66 million for the current quarter was higher than immediate preceding quarter's of RM1.95 million on account of higher tonnage harvested and higher FFB prices.

The Group reported a pre-tax profit of RM8.12 million for the current quarter while the immediate preceding quarter reported a loss of RM21.30 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 RM1.32 million for the current quarter while it was a loss of RM6.27 million for the immediate preceding quarter.
- 3) The fair value on its investments through profit or loss for the current quarter was a gain of RM4.86 million while it was a loss of RM4.10 million for the immediate preceding quarter.
- 4) Share of associates' financial results was a profit of RM5.76 million for the current quarter while it was a loss of RM9.43 million for the immediate preceding quarter.

However, revaluation of its investment property for the current quarter was a loss of RM4.43 million while there was none during the immediate preceding quarter.

**18. Commentary on Prospects**

For the financial year ending 30 June 2021, the Group 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 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.

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**20. Profit/(Loss) before Tax**

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

	Individual Quarter		Year-To-Date	
	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000
Interest income	(347)	(480)	(1,785)	(1,829)
Other income including investment income	(2,906)	(3,059)	(4,392)	(5,742)
Depreciation	549	337	2,152	1,225
Fair value loss/(gain) on biological assets	79	(31)	(87)	(16)
Realised foreign exchange loss/(gain)	3	5	(4)	9
Unrealised foreign exchange (gain)/loss	(1,323)	939	(4,388)	(115)

**21. Income Tax Expense**

	Individual Quarter		Year-To-Date	
	3 months ended 30.06.20 RM'000	3 months ended 30.06.19 RM'000	12 months ended 30.06.20 RM'000	12 months ended 30.06.19 RM'000
Current tax:				
Malaysian income tax	-	(29)	-	-
Foreign income tax	21	22	79	87
Overprovision of Malaysian income tax in prior years	-	(88)	-	(123)
	<u>21</u>	<u>(95)</u>	<u>79</u>	<u>(36)</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,920)	3,959	(1,920)	3,959
	<u>(1,920)</u>	<u>3,959</u>	<u>(1,920)</u>	<u>3,959</u>
Total income tax (credit)/expense	<u>(1,899)</u>	<u>3,864</u>	<u>(1,841)</u>	<u>3,923</u>

For the current quarter, current financial year and last year's financial year, there were no Malaysian tax liability as the taxable income was offsetted by the current trading loss.

As for last year's corresponding quarter, the Malaysian income tax credit of RM29,000 was a reversal of income tax expenses provided up to the period ended 31 March 2019.

The foreign income taxes arose from the rental income generated from the Group's investment property in London.

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**21. Income Tax Expense (cont'd)**

During the current year, after taking into consideration of unabsorbed business losses and capital allowances carried forward from prior years, there was a reversal of temporary difference of deferred tax RM1.92 million while last year's an additional deferred tax provision of RM3.96 million was provided in respect of the capitalisation of the development expenditure from the leased land and revision of Real Property Gain Tax rate increased 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

**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.

**25. Dividend Payables**

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

**26. Earning/(Loss) Per Share**

**(a) Basic**

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

	<b>Individual Quarter</b>		<b>Year-To-Date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>30.06.20</b>	<b>30.06.19</b>	<b>30.06.20</b>	<b>30.06.19</b>
Profit/(Loss)/Profit attributable to ordinary equity holders (RM'000)	<u>10,017</u>	<u>(2,157)</u>	<u>(8,460)</u>	<u>(6,662)</u>
Weighted average number of ordinary shares in issue ('000)	<u>66,333</u>	<u>66,333</u>	<u>66,333</u>	<u>66,333</u>
Basic earning/(loss) per share (Sen)	<u>15.10</u>	<u>(3.25)</u>	<u>(12.75)</u>	<u>(10.04)</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 2020.

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**27. Cash and cash equivalents**

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

	<b>Year-To-Date</b>	
	<b>12 months period</b>	
	<b>30.06.20</b>	<b>30.06.19</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	124,085	141,176
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(63,734)	(77,948)
Cash and cash equivalents	<u>60,351</u>	<u>63,228</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.