



Condensed Consolidated Statement of Comprehensive Income  
For The Period Ended 31 March 2015

	Note	3 months Ended		9 months Ended	
		31.03.15 RM'000	31.03.14 RM'000	31.03.15 RM'000	31.03.14 RM'000
Revenue	8	315,301	437,945	1,045,708	1,240,025
Cost of Sales		(312,504)	(388,514)	(980,153)	(1,095,572)
<b>Gross Profit</b>		<b>2,797</b>	<b>49,431</b>	<b>65,555</b>	<b>144,453</b>
<b>Other Items of Income</b>					
Interest Income		286	420	1,294	1,211
Other Operating Income		(3,041)	702	9,984	5,306
<b>Other Items of Expenses</b>					
Selling Expenses		(10,477)	(14,867)	(35,226)	(40,509)
Administrative Expenses		(36,522)	(15,161)	(98,380)	(35,684)
Finance Costs		(10,126)	(8,122)	(24,916)	(20,904)
<b>(Loss)/Profit Before Tax</b>	8	<b>(57,083)</b>	<b>12,403</b>	<b>(81,689)</b>	<b>53,873</b>
Income Tax Expense	20	(717)	(3,325)	(8,200)	(8,182)
<b>(Loss)/Profit For The Period</b>		<b>(57,800)</b>	<b>9,078</b>	<b>(89,889)</b>	<b>45,691</b>
<b>Other Comprehensive Profit:</b>					
Exchange Differences on Translation of Foreign Operations		29,801	(4,062)	29,801	10,171
		29,801	(4,062)	29,801	10,171
<b>Total Comprehensive (Loss)/Profit For The Period</b>		<b>(27,999)</b>	<b>5,016</b>	<b>(60,088)</b>	<b>55,862</b>
<b>(Loss)/Profit For The Period Attributable To:</b>					
Owners of the Company		(57,306)	9,117	(89,350)	45,769
Non-controlling Interests		(494)	(39)	(539)	(78)
		<b>(57,800)</b>	<b>9,078</b>	<b>(89,889)</b>	<b>45,691</b>
<b>Total Comprehensive (Loss)/Profit Attributable To:</b>					
Owners of the Company		(27,505)	5,055	(59,549)	55,940
Non-controlling Interests		(494)	(39)	(539)	(78)
		<b>(27,999)</b>	<b>5,016</b>	<b>(60,088)</b>	<b>55,862</b>
<b>Earnings Per Share Attributable to Owners of The Company (Sen Per Share):</b>					
		<b>31.03.15</b>	<b>31.03.14</b>	<b>31.03.15</b>	<b>31.03.14</b>
Basic	28 (a)	(18.39)	2.93	(28.67)	14.68
Diluted	28 (b)	(18.39)	2.93	(28.67)	14.68

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position  
As At 31 March 2015

	Note	As at 31.03.15 RM'000	As at 30.06.14 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	9	1,174,864	1,158,366
Biological assets	9	735,960	726,951
Investment properties	9	26,907	27,046
Land use rights		17,983	15,800
Other receivables		8,097	8,179
		<u>1,963,811</u>	<u>1,936,342</u>
<b>Current Assets</b>			
Inventories		128,140	138,182
Derivative assets		31	3,479
Trade receivables		43,090	34,565
Other receivables		27,582	25,195
Tax recoverable		5,949	7,115
Short-term deposits with licensed banks	23	13,400	19,568
Cash and bank balances	23	94,076	75,258
		<u>312,268</u>	<u>303,362</u>
<b>TOTAL ASSETS</b>		<u><u>2,276,079</u></u>	<u><u>2,239,704</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		155,839	155,839
Share premium		53,727	53,727
Retained earnings	22	141,711	246,644
Other reserves		948,185	918,384
		<u>1,299,462</u>	<u>1,374,594</u>
<b>Non-controlling interests</b>		<u>(529)</u>	<u>10</u>
<b>Total Equity</b>		<u><u>1,298,933</u></u>	<u><u>1,374,604</u></u>
<b>Non-Current Liabilities</b>			
Borrowings	24	310,781	108,044
Deferred tax liabilities		162,403	163,653
		<u>473,184</u>	<u>271,697</u>
<b>Current Liabilities</b>			
Borrowings	24	398,590	465,881
Trade payables		55,408	95,600
Other payables		27,620	22,105
Derivative liabilities		22,344	9,817
		<u>503,962</u>	<u>593,403</u>
<b>Total Liabilities</b>		<u><u>977,146</u></u>	<u><u>865,100</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,276,079</u></u>	<u><u>2,239,704</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Changes in Equity  
For The Period Ended 31 March 2015

	Non-Distributable		Distributable		Attributable to Owners of the Company				Equity Attributable to Owners of the Company, Total	
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Other Reserves Total RM'000	Asset Revaluation Reserve RM'000	Fair Value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Non-controlling Interests RM'000	Equity Attributable to Owners of the Company, Total RM'000	Total Equity RM'000
<b>At 1 July 2013</b>	155,839	53,727	370,647	804,260	783,200	4,193	16,867	115	1,384,473	1,384,588
<b>Total comprehensive income</b>	-	-	45,769	10,171	-	-	10,171	(78)	55,940	55,862
<b>Transaction with owners</b>	-	-	(15,583)	-	-	-	-	-	(15,583)	(15,583)
Dividend paid on ordinary shares	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2014</b>	155,839	53,727	400,833	814,431	783,200	4,193	27,038	37	1,424,830	1,424,867
<b>At 1 July 2014</b>	155,839	53,727	246,644	918,384	895,169	4,193	19,022	10	1,374,594	1,374,604
<b>Total comprehensive income</b>	-	-	(89,350)	29,801	-	-	29,801	(539)	(59,549)	(60,088)
<b>Transaction with owners</b>	-	-	(15,583)	-	-	-	-	-	(15,583)	(15,583)
Dividend paid on ordinary shares	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2015</b>	155,839	53,727	141,711	948,185	895,169	4,193	48,823	(529)	1,299,462	1,298,933

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2014

and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statements of Cash Flows  
For the Period Ended 31 March 2015

	9 months Ended	
	31.03.15 RM'000	31.03.14 RM'000
<b>OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(81,689)	53,873
<b>Adjustments for:</b>		
Amortisation of Sukuk Ijarah	-	375
Amortisation of loan facility	4,827	-
Depreciation of property, plant and equipment	29,527	29,679
Gain on disposal of property, plant and equipment	(439)	(151)
Gain on disposal of investment property	(342)	-
Impairment of property, plant and equipment	16,743	-
Reversal of impairment allowance on trade receivables	(4,608)	-
Net fair value changes on derivative financial instruments	15,975	(567)
Unrealised foreign exchange loss	28,776	-
Interest expense	20,089	20,529
Interest income	(1,294)	(1,211)
<b>Operating cash flows before working capital changes</b>	<b>27,565</b>	<b>102,527</b>
<b>Changes in working capital:</b>		
Increase in inventories	(10,042)	(13,569)
Increase in receivables	(10,830)	(15,950)
Decrease in payables	(34,677)	(11,197)
<b>Total changes in working capital</b>	<b>(55,549)</b>	<b>(40,716)</b>
<b>Cash flows (used in)/from operations</b>	<b>(27,984)</b>	<b>61,811</b>
Income tax paid	(8,978)	(11,454)
Income tax refunded	6,888	4,384
Interest paid	(24,916)	(20,904)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(54,990)</b>	<b>33,837</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(9,243)	(10,338)
Plantation development expenditure	(9,009)	(6,356)
Additions on investment properties	(31)	(1,057)
Proceeds from disposal of property, plant and equipment	440	249
Proceeds from disposal of an investment property	450	-
Interest received	1,294	1,211
<b>Net cash flows used in investing activities</b>	<b>(16,099)</b>	<b>(16,291)</b>
<b>FINANCING ACTIVITIES</b>		
Drawdown of short term revolving credits	210,000	180,375
Repayment of short term revolving credits	(210,000)	(170,000)
Drawdown of term loans	259,754	1,948
Repayment of term loans	(43,719)	(30,441)
Drawdown of hire purchase financing	3	663
Repayment of hire purchase financing	(1,912)	(2,232)
Drawdown of bankers' acceptances and trust receipts	1,318,324	1,803,428
Repayment of bankers' acceptances and trust receipts	(1,397,004)	(1,806,934)
Dividend paid	(15,583)	(15,583)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>119,863</b>	<b>(38,776)</b>
<b>Net increase in cash and cash equivalents</b>	<b>48,774</b>	<b>(21,230)</b>
<b>Effect of exchange rate differences</b>	<b>(36,803)</b>	<b>741</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>90,531</b>	<b>93,326</b>
<b>Cash and cash equivalents at end of period (Note 23)</b>	<b>102,502</b>	<b>72,837</b>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

## 1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the revaluation of land and buildings included within property, plant and equipment, biological assets and investment properties.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2014.

## 2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2014, except for the adoption of the following new/amendments to FRSs:

On 1 July 2014, the Group adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 July 2014

### **Effective for financial periods beginning on or after 1 January 2014**

- Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
- Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

### **Effective for financial periods beginning on or after 1 July 2014**

- Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
- Annual Improvements to FRSs 2010-2012 Cycle
- Annual Improvements to FRSs 2011-2013 Cycle

The adoption of the above new/amended FRSs do not have any significant financial impacts on the results and the financial position of the Group for the current quarter, except as disclosed below:

Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from discounting hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novation.

As stated in our audited financial statements for the financial year ended 30 June 2014, the Group has yet to adopt the Malaysian Financial Reporting Standards (“MFRS”) framework, but has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 30 June 2018.

**3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the financial year ended 30 June 2014 was not qualified.

**4. 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 current quarter under review.

**5. Changes in Estimates**

There were no material changes in estimates that have had material effects in the current quarter results.

**6. Comments About Seasonal or Cyclical Factors**

The seasonal or cyclical factors affecting the results of the operations of the Group are general climatic conditions, age profile of oil palms, the cyclical nature of annual production and fluctuating commodity prices.

**7. Dividend Payable**

At the Nineteenth Annual General Meeting held on 31 December 2014, the shareholders approved a first and final single tier dividend of 5 sen per ordinary share of RM0.50 each, amounting to RM15,583,863.20 paid on 20 March 2015 in respect of the financial year ended 30 June 2014 (2013: 5 sen per ordinary share).

Notes to the Condensed Consolidated Interim Financial Statements – 31 March 2015

8. Segmental Information

Segmental information for the current financial period ended 31 March 2015 is as followed:

	<i>Oil palm plantations and palm products processing</i>		<i>Oleochemical Products</i>		<i>Others</i>		<i>Adjustments and eliminations</i>		<i>Per consolidated financial statements</i>	
	<i>31.03.15</i>	<i>31.03.14</i>	<i>31.03.15</i>	<i>31.03.14</i>	<i>31.03.15</i>	<i>31.03.14</i>	<i>31.03.15</i>	<i>31.03.14</i>	<i>31.03.15</i>	<i>31.03.14</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<b>3 Months Ended 31 March</b>										
<b>Revenue</b>										
External Sales	250,500	372,607	64,801	65,338	-	-	-	-	315,301	437,945
Inter-segment	-	-	-	-	195	1,233	(195)	(1,233)	-	-
<b>Total Revenue</b>	<b>250,500</b>	<b>372,607</b>	<b>64,801</b>	<b>65,338</b>	<b>195</b>	<b>1,233</b>	<b>(195)</b>	<b>(1,233)</b>	<b>315,301</b>	<b>437,945</b>
<b>Results</b>										
Interest income	201	388	85	32	-	-	-	-	286	420
Depreciation	8,028	8,405	1,889	1,772	292	241	-	-	10,209	10,418
Segment (loss)/profit	(37,382)	11,448	(2,288)	799	(17,413)**	156	-	-	(57,083)	12,403
** please refer Note 16(b)(iv) for details										
<b>9 Months Ended 31 March</b>										
<b>Revenue</b>										
External Sales	851,290	1,052,772	194,418	187,253	-	-	-	-	1,045,708	1,240,025
Inter-segment	-	-	-	-	2,326	3,834	(2,326)	(3,834)	-	-
<b>Total Revenue</b>	<b>851,290</b>	<b>1,052,772</b>	<b>194,418</b>	<b>187,253</b>	<b>2,326</b>	<b>3,834</b>	<b>(2,326)</b>	<b>(3,834)</b>	<b>1,045,708</b>	<b>1,240,025</b>
<b>Results</b>										
Interest income	1,063	1,116	231	95	-	-	-	-	1,294	1,211
Depreciation	23,115	23,248	5,243	5,115	1,169	1,316	-	-	29,527	29,679
Segment (loss)/profit	(56,511)	52,583	(5,737)	1,232	(19,441)**	58	-	-	(81,689)	53,873

**9. Carrying Amount of Revalued Assets**

The valuation of land and buildings included within property, plant and equipment, biological assets and investment properties have been brought forward without amendment from the financial statements for the financial year ended 30 June 2014.

**10. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 March 2015.

**11. Changes in Composition of the Group**

There were no changes in the composition of the Group during the current quarter.

**12. Capital Commitments**

There were no capital commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 March 2015.

**13. Changes in Contingent Liabilities and Contingent Assets**

**Unsecured**

The Company has provided corporate guarantees to secure banking facilities granted to its subsidiary companies. The amount utilised and outstanding as at 31 March 2015 amounted to approximately RM388 million.

**14. Subsequent Events**

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

**15. Performance Review**

***Oil palm plantations and palm products processing***

This major segment has contributed 79.40% of the Group's total revenue. For the current quarter under review, the segment recorded a revenue of RM250.50 million, which is RM122.10 million lower than the segmental revenue of RM372.60 million reported for Q3 FY2014. The decrease in revenue is particularly due to the decrease in sales volume and lower realised CPO average unit selling price in current quarter as compared to Q3 FYE 2014. The realised CPO average unit selling price in Q3 FYE 2015 is RM2,250 per MT whilst in Q3 FYE 2014 is RM2,524 per MT.



### *Oleochemicals*

Oleochemical division has accounted for 20.60% of the total Group's revenue for this quarter. The revenue has slight decreased by 0.82% or RM537,000 in value to RM64.80 million for this quarter. The revenue is consistent with the same corresponding quarter of preceding year.

### *Others*

Others segments' results are insignificant to the Group.

## 16. Comment on Material Change in Loss Before Tax

The Group reported a loss before taxation of RM57.08 million for Q3 FY2014 as compared to a profit of RM12.40 million for Q3 FY2015, which is a decrease of RM69.48 million in profit for Q3 FY2015. The loss for the current quarter was principally attributed by the following reasons:

- a) Higher palm products purchase price contracted which affected the profit margin and reduction in sales volume. Lower realised CPO average unit selling price in current quarter at RM2,250 per MT as compared to the same corresponding quarter of preceding year of RM2,524 per MT; and
- b)
  - i) Fair value loss in cross currency contracts of RM6.13 million (Q3 FY2014: Gain RM0.30 million);
  - ii) realised loss in foreign exchange of RM5.12 million, (Q3 FY2014: Gain RM1.48 million);
  - iii) unrealised loss in foreign exchange denominated borrowings of RM10.52 million arising from weaker Ringgit Malaysia against US Dollar for the current quarter (Q3 FY2014: Nil); and
  - iv) Impairment on one of the subsidiary company's plant and equipment of RM16.74 million (Q3 FY2014: Nil).

Excluding the foreign exchange loss, fair value loss in cross currency contracts and impairment on subsidiary's plant and equipment for the current quarter, the Group had an underlying loss before tax of RM18.57 million for Q3 FY2015, as compared to an underlying profit of RM12.40 million for Q3 FY2014.

## 17. Loss before tax

Loss before tax for the period is arrived at after crediting/(charging):

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>31.03.2015</i>	<i>31.03.2014</i>	<i>31.03.2015</i>	<i>31.03.2014</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Interest income	286	420	1,294	1,211
Interest expense	(10,126)	(8,122)	(24,916)	(20,904)
Gain on disposal of property, plant & equipment	305	80	439	151
Gain on disposal of investment property	342	-	342	-
Fair value gain/(loss) on derivative assets	(2,862)	308	1,365	567
Fair value loss on derivative liabilities	(6,129)	-	(15,335)	-
Depreciation on property, plant & equipment	(10,209)	(10,418)	(29,527)	(29,679)
Realised foreign exchange loss	(5,116)	(1,480)	(3,435)	(1,124)
Unrealised foreign exchange loss	(10,516)	-	(28,776)	-
Reversal of impairment allowance on other receivables	-	-	4,608	-
Property, plant & equipment written off	-	-	(76)	-
Impairment of property, plant & equipment	(16,743)	-	(16,743)	-

## 18. Commentary on Prospects

The recovery of the global economy remains slow and uneven, therefore the performance of the Group and the oil palm sector remain challenging.

The expected volatility of US Dollar against Ringgit Malaysia exchange rate will continue to impact the non-cash flow unrealised foreign exchange loss mostly on our medium to long term US Dollar denominated borrowings in our reported results. Nevertheless, the Board of Directors expects that the Group will perform satisfactorily with sustainable performance and remains steadfast to its commitment to consistently enhance shareholders' return.

The Board of Directors is cautiously optimistic that the prospects for the oil palm industry remains bright in light of other various bullish demand factors and pricing trend is expected to be bullish in the near terms. The group is also actively exploring expansion opportunities by increasing its planting acreage in Malaysia.

## 19. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

## 20. Income Tax Expense

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>31.03.2015</i>	<i>31.03.2014</i>	<i>31.03.2015</i>	<i>31.03.2014</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current income tax:				
- Malaysian income tax	(967)	(3,575)	(9,450)	(9,432)
Deferred tax	250	250	1,250	1,250
<b>Total income tax expense</b>	<b>(717)</b>	<b>(3,325)</b>	<b>(8,200)</b>	<b>(8,182)</b>

The effective tax rate for the current period was higher than the statutory income tax rate principally due to the current period's taxable profit for its plantations and palm product processing operations, certain expenses which are not deductible for tax purposes and losses incurred in foreign subsidiaries.

## 21. Corporate Proposals

There are no corporate proposals announced but not completed as at 25<sup>th</sup> May 2015.

## 22. Retained Earnings

The breakdown of retained profits of the Group as at 31 March 2015 is as follows:

	<i>As at 31.03.2015 RM'000</i>	<i>As at 30.6.2014 RM'000 (Audited)</i>
Total retained earnings of the Company and its subsidiaries:		
- Realised	463,554	550,663
- Unrealised	(94,578)	(95,828)
	<u>368,976</u>	<u>454,835</u>
Less: Consolidation adjustments	(227,265)	(208,191)
Total Group retained earnings as per consolidated accounts	<u><b>141,711</b></u>	<u><b>246,644</b></u>

## 23. Cash and cash equivalents

Cash and bank balances	94,076	75,258
Short-term deposits with licensed banks	13,400	19,568
	<u>107,476</u>	<u>94,826</u>
Less: Short-term deposits pledged with licensed banks for bank facilities	(4,974)	(4,295)
Cash and cash equivalents	<u><b>102,502</b></u>	<u><b>90,531</b></u>

## 24. Borrowings

The Group borrowings were as follows:

<b>Short term borrowings</b>		
- Secured	151,170	62,502
- Unsecured	247,420	403,379
	<u><b>398,590</b></u>	<u><b>465,881</b></u>
<b>Long term borrowings</b>		
- Secured	310,781	108,044
<b>Total borrowings</b>	<u><b>709,371</b></u>	<u><b>573,925</b></u>

Borrowings denominated in foreign currency:

	<b>USD '000</b>	<b>RMB '000</b>	<b>RM'000 equivalent</b>
United States Dollars	107,991	-	398,336
Renminbi	-	97,740	59,140
<b>Total</b>	<b>107,991</b>	<b>97,740</b>	<b>457,476</b>

## 25. Derivative Financial Instruments

As at 31 March 2015, the values and maturity analysis of the outstanding derivatives are as follows:

	<b>Contract/Notional Amount RM '000</b>	<b>Fair Value RM '000</b>
i) Forward Currency Contracts		
- Less than 1 year	10,473	31
ii) Cross Currency Swap Contracts		
- 1 year to 3 years	119,500	(22,344)

The forward currency contracts are entered into by the Group to manage some of the transactions exposures. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposures and fair value changes exposure.

The Group also uses cross currency swap contracts to manage the financial risk exposures related to borrowings.

With the adoption of FRS 139, derivative financial instruments are recognised at fair value on contract dates and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.

For the current quarter ended 31 March 2015, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year as well as the Group's risk management objectives, policies and processes.

## 26. Material Litigation

- (a) In response to a claim made by Palm Energy Sdn. Bhd. ("PESB"), a wholly owned subsidiary, for liquidated damages, loss of revenue and refurbishment costs. The Arbitrator has made the Final Award on 14 January 2014, whereby PESB was required to pay the sum of RM420,087 to the contractor's and costs of the Final Award. PESB has paid the sum of RM420,087 together with interest. PESB has decided to oppose the contractor's Bill of Costs, of RM670,233 and pending for taxation of this costs by the Registrar, High Court of Kuala Lumpur. Hearing date has not yet been set.

- (b) A Writ of Summons dated 27 June 2014 by Inno Integrasi Sdn. Bhd. (Plaintiff) was served on Kwantas Oil Sdn Bhd (KOSB), a wholly-owned subsidiary of the Company, whereby the plaintiff was claiming for loss of profit of approximately RM66.9 million for alleged breach/repudiation of agreements entered into by plaintiff with KOSB in relation to the supply of organic palm wastes together with land leased by KOSB to the plaintiff, and in return, plaintiff to process the organic palm wastes to become bio-organic fertilizer (BF) and re-sell to KOSB.

KOSB filed its Statement of Defence and Counterclaim on 5 August 2014. The plaintiff's application for summary judgement was filed to be heard on 13.08.2015.

The directors are of the opinion that the claim by the plaintiff will not succeed and accordingly no further provision for liability has been made in these financial statements.

## 27. Dividend

No interim dividend has been declared for the financial year ending 30 June 2015.

## 28. Earnings Per Share

### (a) Basic

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

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>31.03.2015</i>	<i>31.03.2014</i>	<i>31.03.2015</i>	<i>31.03.2014</i>
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(57,306)	9,117	(89,350)	45,769
Weighted average number of ordinary shares in issue ('000)	311,678	311,678	311,678	311,678
Basic earnings per share (sen)	(18.39)	2.93	(28.67)	14.68

**(b) Diluted**

For the purpose of calculating diluted earnings per share, the (loss)/profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares and shares options granted to employees.

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>31.03.2015</i>	<i>31.03.2014</i>	<i>31.03.2015</i>	<i>31.03.2014</i>
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(57,306)	9,117	(89,350)	45,769
Weighted average number of ordinary shares in issue ('000):	311,678	311,678	311,678	311,678
Effect of dilution: Share options	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	311,678	311,678	311,678	311,678
Diluted earnings per share (sen)	(18.39)	2.93	(28.67)	14.68

**29. Authorisation for Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27<sup>th</sup> May 2015.