

**Condensed Consolidated Statement of Comprehensive Income
For The Year Ended 30 June 2019**
(The figures have not been audited)

	Note	← Current Quarter →		← Cumulative Quarter →		
		← 3 months Ended →		← 12 months Ended →		
		30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2018 RM'000
			(Restated under MFRS)		(Restated under MFRS)	(Previously reported under FRS)
Revenue	8	203,026	129,050	773,665	771,272	771,272
Cost of sales		(224,696)	(150,910)	(752,337)	(666,161)	(638,961)
Gross (loss)/profit		(21,670)	(21,860)	21,328	105,111	132,311
Other items of income						
Interest income		3	287	789	1,276	1,276
Other operating income		55	8,571	7,366	34,599	34,599
Other items of expenses						
Selling expenses		(6,533)	(5,937)	(24,682)	(41,403)	(41,403)
Administrative expenses		9,180	(13,088)	(45,043)	(104,045)	(104,045)
Other operating expenses		(31,667)	(49,893)	(31,667)	(49,893)	(39,604)
Finance costs		(5,780)	(7,152)	(24,753)	(24,536)	(24,536)
Loss before tax from continuing operations	17	(56,412)	(89,072)	(96,662)	(78,891)	(41,402)
Income tax expense	20	389	(12,384)	(2,986)	(20,634)	(20,634)
Loss from continuing operations, net of tax		(56,023)	(101,456)	(99,648)	(99,525)	(62,036)
Discontinued operations						
Profit from discontinued operations, net of tax	22	306	8	-	6,119	6,119
Loss for the financial period/year		(55,717)	(101,448)	(99,648)	(93,406)	(55,917)
Other comprehensive income/(loss)						
Item that to be reclassified in subsequent period to profit or loss:						
Foreign currency translation		14,880	2,370	10,071	(6,601)	(6,601)
Net surplus/(deficit) on revaluation of leasehold land, buildings and biological assets		24,336	14,016	24,336	14,016	(15,976)
		39,216	16,386	34,407	7,415	(22,577)
Total comprehensive loss for the period/year		(16,501)	(85,062)	(65,241)	(85,991)	(78,494)
Loss for the period/year attributable to:						
Owners of the Company		(49,842)	(97,871)	(92,458)	(89,030)	(52,009)
Non-controlling interests		(5,875)	(3,577)	(7,190)	(4,376)	(3,908)
		(55,717)	(101,448)	(99,648)	(93,406)	(55,917)
Total comprehensive loss attributable to:						
Owners of the Company		(10,626)	(81,485)	(58,051)	(81,615)	(74,586)
Non-controlling interests		(5,875)	(3,577)	(7,190)	(4,376)	(3,908)
		(16,501)	(85,062)	(65,241)	(85,991)	(78,494)
Loss per share attributable to owners of the Company (sen):						
Basic	28 (a)	(15.99)	(31.40)	(29.66)	(28.56)	(16.69)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position
As At 30 June 2019

(The figures have not been audited)

	Note	As at 30.06.2019 RM'000	As at 30.06.2018 RM'000 (Restated under MFRS)	As at 01.07.2017 RM'000 (Restated under MFRS)
ASSETS				
Non-Current Assets				
Property, plant and equipment	9	1,601,691	1,596,100	1,664,983
Investment properties	9	47,330	45,700	45,700
Land use rights		11,407	11,876	9,192
Other receivables		-	-	9,600
		<u>1,660,428</u>	<u>1,653,676</u>	<u>1,729,475</u>
Current Assets				
Inventories		110,696	112,583	107,762
Biological assets		4,803	6,399	8,327
Trade receivables		27,809	13,203	41,210
Other receivables		13,032	11,077	23,844
Tax recoverable		3,234	130	599
GST input tax receivable		3,301	5,044	4,983
Derivative assets	25	-	1,636	-
Short-term deposits with licensed banks	23	18,100	4,500	20,588
Cash and bank balances	23	21,627	20,671	51,355
		<u>202,602</u>	<u>175,243</u>	<u>258,668</u>
Assets of disposal group classified as held for sale	22	-	44,938	194,837
TOTAL ASSETS		<u>1,863,030</u>	<u>1,873,857</u>	<u>2,182,980</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital		209,566	209,566	209,566
Other reserves		639,899	592,961	564,945
Retained earnings		285,598	378,056	396,930
Equity of disposal group classified as held for sale	22	-	12,531	103,288
		<u>1,135,063</u>	<u>1,193,114</u>	<u>1,274,729</u>
Non-controlling interests		<u>(16,657)</u>	<u>(9,467)</u>	<u>(5,091)</u>
Total equity		<u>1,118,406</u>	<u>1,183,647</u>	<u>1,269,638</u>
Non-Current Liabilities				
Loans and borrowings	24	23,183	26,853	156,590
Deferred tax liabilities		234,868	228,715	221,016
		<u>258,051</u>	<u>255,568</u>	<u>377,606</u>
Current Liabilities				
Loans and borrowings	24	431,857	363,280	411,196
Trade payables		29,228	49,678	76,913
Other payables		25,001	19,448	30,800
Derivative liabilities	25	487	-	14,208
		<u>486,573</u>	<u>432,406</u>	<u>533,117</u>
Liabilities of disposal group classified as held for sale	22	-	2,236	2,619
Total liabilities		<u>744,624</u>	<u>690,210</u>	<u>913,342</u>
TOTAL EQUITY AND LIABILITIES		<u>1,863,030</u>	<u>1,873,857</u>	<u>2,182,980</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Statement of Changes in Equity
For The Year Ended 30 June 2019**

(The figures have not been audited)

	← Attributable to owners of the Company →									
	Non-distributable	Distributable	← Non-distributable →				Equity of disposal group classified as held for sale RM'000	Equity attributable to owners of the Company, Total RM'000	Non-controlling Interests RM'000	Total equity RM'000
	Share capital 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				
At 1 July 2017 as previously stated	209,566	181,419	769,142	741,688	4,193	23,261	103,288	1,263,415	(4,676)	1,258,739
Effect on adoption of MFRS	-	215,511	(204,197)	(180,936)	-	(23,261)	-	11,314	(415)	10,899
As restated	209,566	396,930	564,945	560,752	4,193	-	103,288	1,274,729	(5,091)	1,269,638
Loss net of tax	-	(89,030)	-	-	-	-	-	(89,030)	(4,376)	(93,406)
Other comprehensive loss/(income)										
Foreign currency translation	-	-	(5,732)	-	-	(5,732)	(869)	(6,601)	-	(6,601)
Revaluation of leasehold land, buildings and biological assets	-	-	17,165	17,165	-	-	(3,149)	14,016	-	14,016
Realisation of revaluation reserve	-	70,156	-	-	-	-	(70,156)	-	-	-
Transfer from equity of disposal group classified as held for sale	-	-	16,583	16,583	-	-	(16,583)	-	-	-
	-	70,156	28,016	33,748	-	(5,732)	(90,757)	7,415	-	7,415
Total comprehensive (loss)/income	-	(18,874)	28,016	33,748	-	(5,732)	(90,757)	(81,615)	(4,376)	(85,991)
At 30 June 2018	209,566	378,056	592,961	594,500	4,193	(5,732)	12,531	1,193,114	(9,467)	1,183,647
At 1 July 2018	209,566	378,056	592,961	594,500	4,193	(5,732)	12,531	1,193,114	(9,467)	1,183,647
Loss net of tax	-	(92,458)	-	-	-	-	-	(92,458)	(7,190)	(99,648)
Other comprehensive income/(loss)										
Foreign currency translation	-	-	10,071	-	-	10,071	-	10,071	-	10,071
Revaluation of leasehold land, buildings and biological assets	-	-	24,336	24,336	-	-	-	24,336	-	24,336
Transfer from equity of disposal group classified as held for sale	-	-	12,531	12,531	-	-	(12,531)	-	-	-
	-	-	46,938	36,867	-	10,071	(12,531)	34,407	-	34,407
Total comprehensive (loss)/income	-	(92,458)	46,938	36,867	-	10,071	(12,531)	(58,051)	(7,190)	(65,241)
At 30 June 2019	209,566	285,598	639,899	631,367	4,193	4,339	-	1,135,063	(16,657)	1,118,406

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statements of Cash Flows
For The Year Ended 30 June 2019

(The figures have not been audited)

	12 months Ended	
	30.06.2019 RM'000	30.06.2018 RM'000 (Restated under MFRS)
OPERATING ACTIVITIES		
(Loss)/Profit before tax from:		
- continuing operations	(96,662)	(78,891)
- discontinued operations	-	5,941
	(96,662)	(72,950)
Adjustments for:		
Amortisation of land use rights	317	327
Allowance on receivables	1,407	8,443
Impairment loss on property, plant and equipment	27,948	50,004
Depreciation and amortisation of property, plant and equipment	64,818	64,872
Fair value loss/(gain) on derivative financial instruments	2,123	(15,845)
Fair value loss on biological assets	1,596	1,928
Fair value gain on investment properties	(1,630)	-
Reversal of allowance for impairment on receivables	-	(2)
Property, plant and equipment written off	1,363	130
Loss on disposal of assets held for sale	-	22,176
Gain on disposal of property, plant and equipment	(242)	(160)
Unrealised gain on foreign exchange	(77)	10,518
Interest expense	24,753	24,536
Interest income	(789)	(1,276)
Total adjustments	121,587	165,651
Operating cash flows before working capital changes	24,925	92,701
Changes in working capital:		
Change in inventories	2,485	(4,821)
Change in receivables	(14,036)	41,870
Change in payables	(14,920)	(38,587)
Total changes in working capital	(26,471)	(1,538)
Cash flows (used in)/from operations	(1,546)	91,163
Interest paid	(24,753)	(24,536)
Income tax paid	(11,675)	(19,225)
Income tax refunded	3,168	223
Net cash flows (used in)/from operating activities	(34,806)	47,625
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15,490)	(10,464)
Proceeds from disposal of property, plant and equipment	337	96,634
Interest received	789	1,276
Net cash flows (used in)/from investing activities	(14,364)	87,446
FINANCING ACTIVITIES		
Drawdown of revolving credits	2,788,000	2,119,000
Repayment of revolving credits	(2,763,000)	(2,054,000)
Drawdown of term loans	11,596	38,370
Repayment of term loans	(19,225)	(206,706)
Repayment of hire purchase financing	(672)	(314)
Drawdown of bankers' acceptances and trust receipts	623,416	591,093
Repayment of bankers' acceptances and trust receipts	(575,300)	(654,012)
Net cash flows from/(used in) financing activities	64,815	(166,569)
Net change in cash and cash equivalents	15,645	(31,498)
Effect of exchange rate differences	(1,089)	(15,274)
Cash and cash equivalents at beginning of the year	25,171	71,943
Cash and cash equivalents at end of period (Note 23)	39,727	25,171

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of Preparation

The condensed consolidated 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 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 of the Group for the financial year ended 30 June 2018. 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 2018.

For the periods up to and including the financial year ended 30 June 2018, the Group had prepared its financial statements in accordance with Financial Reporting Standards (“FRS”). The accounting policies adopted for the condensed consolidated interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 30 June 2018. The Group’s significant accounting policies, the adoption of Malaysian Financial Reporting Standards (“MFRS”) and the effect of transition from FRSs to MFRSs are disclosed in Note 2 below.

2. Significant Accounting Policies

The Group falls under the scope definition of Transitioning Entities. Hence, the condensed consolidated interim financial statements of the Group for the financial period ended 30 September 2018 are the first set of financial statements prepared in accordance to the MFRS Framework. The date of transition to the MFRS Framework was on 1 July 2017.

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. Consequently, comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from FRS in Malaysia to MFRS as disclosed as follows:

a) Bearer plants

Prior to the adoption of the Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants*, all the new planting expenditure incurred from land clearing to the point of harvesting was capitalised under plantation development expenditure and was not amortised. Replanting expenditure, which represents cost incurred in replanting old planted areas, was charged to profit or loss.

With the adoption of the Amendments to MFRS 116 and MFRS 141, new planting expenditure and replanting expenditure are accounted for as property, plant and equipment in accordance with MFRS 116 and measured at cost less accumulated depreciation, whereas biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. Bearer plants have an average life cycle of twenty-five (25) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over its remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

2. Significant Accounting Policies (Continued)

a) Bearer plants (continued)

The adoption of the Amendments to MFRS 116 and MFRS 141 will result in additional depreciation on property, plant and equipment and replanting expenditure that were charged to profit or loss prior to the adoption of the Amendments to MFRS 116 and MFRS 141 will be reversed and capitalised under property, plant and equipment.

b) Biological assets

Prior to the adoption of the Amendments to MFRS 116 *Property Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants*, the agricultural produce growing on bearer plants, which formed part of the bearer plants were not separately recognised. The produce growing on bearer plants of the Group comprises of fresh fruit bunches prior to harvest. With the adoption of the Amendments to MFRS 116 and MFRS 141, the agricultural produce prior to harvest within the scope of MFRS 141 are recognised as biological assets and measured at fair value less costs to sell, with fair value changes recognised in profit or loss.

During the fourth quarter 2019, the estimated value of unripe FFB on bearer plants has been revised to 21 days calculated from the end of oil deposition in mesocarp estimated at between week 20 to week 24 with a mean of week 21 up to maturity at week 24 where previously, the estimated value of unripe FFB on bearer plants was calculated from the commencement of oil deposition in the mesocarp which is at week 15 after pollination and continues until fruit maturity. The management has considered that the net cash flow to be generated from FFB prior to more than 21 days to harvest to be negligible. Therefore, quantity of unripe FFB on bearer plants of up to 21 days prior to harvest was used for valuation purposes as it is believed to be more reflective.

c) Business combination

MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* provides the option to apply MFRS 3 *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. The application provides relief from full retrospective application of MFRS 3, which would require restatement of all business combinations prior to the date of transition. The Group has elected to apply MFRS 3 prospectively from the date of transition. Business combinations of the Group that occurred prior to the date of transition were not restated and these were maintained in accordance with FRS 3 *Business Combinations*. The election does not have any significant impact to the Group.

d) Cumulative translation differences

As part of its transition to MFRS, the Group has elected to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* [para D13], the optional exemption whereby the cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to MFRS. The entire balance of the exchange translation reserve for the Group at the date of transition has been transferred to retained profits, as to give the exchange translation differences as fresh start measurement of zero.

2. Significant Accounting Policies (Continued)

e) Financial instruments: Expected credit losses

MFRS 9 *Financial Instruments* replaces MFRS 139 *Financial Instruments: Recognition and Measurement*. MFRS 9 introduces a forward looking expected credit loss model that replaces the incurred loss impairment model used in MFRS 139. The new impairment model will apply to financial assets measured at amortised cost or fair value through other comprehensive income, except for investments in equity instruments and to contract assets. The expected credit loss model eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group has elected to use the Simplified Approach to calculate the ECL for third party trade receivables. The initial application of the new ECL model does not have any significant impact on the financial statements of the Group, as the Group does not foresee any credit risks arising from the Group's current customer profile.

e) Revenue recognition

With the adoption of MFRS 15 *Revenue from Contracts with Customers*, revenue is recognised by reference to each distinct performance obligation in the contracts with customer. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The adoption of the MFRSs does not have significant impact to the Group.

The impact of the changes in accounting policy on the condensed consolidated statement of financial position as a result of the transition to the MFRS Framework are as follows:

Condensed Consolidated Statement of Financial Position

	As at 30.06.2018			As at 01.07.2017		
	Previously reported under FRSs RM'000	Effect on adoption of MFRSs RM'000	Restated under MFRSs RM'000	Previously reported under FRSs RM'000	Effect on adoption of MFRSs RM'000	Restated under MFRSs RM'000
<u>Non-current assets</u>						
Property, plant and equipment	1,228,941	367,159	1,596,100	1,247,364	417,619	1,664,983
Biological assets	367,157	(367,157)	-	413,912	(413,912)	-
<u>Current assets</u>						
Biological assets	-	6,399	6,399	-	8,327	8,327
<u>Equity</u>						
Other reserves	767,166	(174,205)	592,961	769,142	(204,197)	564,945
Retained profits	199,566	178,490	378,056	181,419	215,511	396,930
Non-controlling Interests	(8,584)	(883)	(9,467)	(4,676)	(415)	(5,091)
<u>Non-current liabilities</u>						
Deferred tax liabilities	225,716	2,999	228,715	219,881	1,135	221,016

2. Significant Accounting Policies (Continued)

The impact of the changes in accounting policy on the condensed consolidated statement of comprehensive income as a result of the transition to the MFRS Framework are as follows:

Condensed Consolidated Statement of Comprehensive Income

	<i>12 months ended 30.06.2018</i>		
	<i>Preceding corresponding quarter</i>		
	<i>Previously reported under FRSs</i>	<i>Effect on adoption of MFRSs</i>	<i>Restated under MFRSs</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Cost of sales	(638,961)	(27,200)	(666,161)
Other operating expenses	(39,604)	(10,289)	(49,893)
Loss before tax from continuing operations	(41,402)	(37,489)	(78,891)
Income tax expense	(20,634)	-	(20,634)
Loss from continuing operations, net of tax	(62,036)	(37,489)	(99,525)
Profit from discontinued operations, net of tax	6,119	-	6,119
Loss for the financial year	(55,917)	(37,489)	(93,406)
Net loss attributable to:			
Equity holders of the Company	(52,009)	(37,021)	(89,030)
Non-controlling interests	(3,908)	(468)	(4,376)
	(55,917)	(37,489)	(93,406)
Total comprehensive loss attributable to:			
Equity holders of the Company	(74,586)	(7,029)	(81,615)
Non-controlling interests	(3,908)	(468)	(4,376)
	(78,494)	(7,497)	(85,991)

In Q4 FY2019, certain comparative figures from the consolidated Statement of Financial Position has been revised in accordance to MFRS framework.

As at the date of authorisation of these interim financial statements, the following MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

<i>Descriptions</i>	<i>Effective for annual periods beginning on or after</i>
MFRS 16 Leases	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015-2017 cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015-2017 cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015-2017 cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015-2017 cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

3. Auditors' Report on Preceding Annual Financial Statements

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

4. Unusual Items

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

No dividend was paid/payable during the current quarter under review.

Notes to the Condensed Consolidated Interim Financial Statements – 30 June 2019
(The figures have not been audited)

8. Segmental Information

	<i>Oil palm plantations and palm products</i>		<i>Oleochemical products</i>		<i>Other operating segments</i>		<i>Per consolidated financial statements</i>	
	<i>30.06.19</i>	<i>30.06.18</i>	<i>30.06.19</i>	<i>30.06.18</i>	<i>30.06.19</i>	<i>30.06.18</i>	<i>30.06.19</i>	<i>30.06.18</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>(Restated under MFRS)</i>		<i>(Restated under MFRS)</i>		<i>(Restated under MFRS)</i>		<i>(Restated under MFRS)</i>
3 months ended 30 June (Individual Period)								
Revenue								
External sales:								
- continuing operations	143,787	105,776	59,239	23,274	-	-	203,026	129,050
- discontinued operations (Note 22)	(7)	(1,667)	-	-	-	-	(7)	(1,667)
Total Revenue	143,780	104,109	59,239	23,274	-	-	203,019	127,383
Results								
Interest income	(2)	291	5	(4)	-	-	3	287
Depreciation & amortisation	(24,323)	(23,919)	(1,974)	(2,001)	(211)	(211)	(26,508)	(26,131)
Segment (loss)/profit:								
- continuing operations	(52,489)	(62,675)	(3,616)	(26,172)	(307)	(225)	(56,412)	(89,072)
- discontinued operations (Note 22)	306	(170)	-	-	-	-	306	(170)
Total segment loss	(52,183)	(62,845)	(3,616)	(26,172)	(307)	(225)	(56,106)	(89,242)
Reconciliation								
Segment loss	(52,183)	(62,845)	(3,616)	(26,172)	(307)	(225)	(56,106)	(89,242)
<u>Add/(Less): Non-cash and provisional items</u>								
Fair value loss/(gain) on derivatives	721	(559)	-	-	-	-	721	(559)
Fair value loss on biological assets	(5,815)	(4,368)	-	-	-	-	(5,815)	(4,368)
Fair value gain on investment properties	(1,630)	-	-	-	-	-	(1,630)	-
Unrealised foreign exchange loss	74	12,985	-	-	-	-	74	12,985
Depreciation and amortisation expenses	24,323	23,919	1,974	2,001	211	211	26,508	26,131
(Gain)/Loss on disposal of property, plant and equipment	(13)	3,928	-	-	-	-	(13)	3,928
Property, plant and equipment written off	20	82	1,060	-	-	-	1,080	82
Impairment loss on property, plant and equipment	27,948	33,114	-	16,890	-	-	27,948	50,004
Reversal of impairment allowance on receivables	-	(2)	-	-	-	-	-	(2)
Allowance on receivables	-	8,443	-	-	-	-	-	8,443
Total	45,628	77,542	3,034	18,891	211	211	48,873	96,644
Segment (loss)/profit excluding non-cash and provisional items	(6,555)	14,697	(582)	(7,281)	(96)	(14)	(7,233)	7,402

Notes to the Condensed Consolidated Interim Financial Statements – 30 June 2019
(The figures have not been audited)

8. Segmental Information (Continued)

	<i>Oil palm plantations and palm products</i>		<i>Oleochemical products</i>		<i>Other operating segments</i>		<i>Per consolidated financial statements</i>	
	<i>30.06.19</i>	<i>30.06.18</i>	<i>30.06.19</i>	<i>30.06.18</i>	<i>30.06.19</i>	<i>30.06.18</i>	<i>30.06.19</i>	<i>30.06.18</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>(Restated under MFRS)</i>		<i>(Restated under MFRS)</i>		<i>(Restated under MFRS)</i>		<i>(Restated under MFRS)</i>
12 months ended 30 June (Cumulative Period)								
Revenue								
External sales:								
- continuing operations	596,619	710,016	180,046	61,256	-	-	773,665	771,272
- discontinued operations (Note 22)	-	9,008	-	-	-	-	-	9,008
Total Revenue	593,619	719,024	180,046	61,256	-	-	773,665	780,280
Results								
Interest income	763	1,260	25	16	-	-	789	1,276
Depreciation & amortisation	(56,444)	(56,220)	(7,845)	(8,133)	(846)	(846)	(65,135)	(65,199)
Segment (loss)/profit:								
- continuing operations	(71,023)	(33,708)	(24,689)	(44,326)	(950)	(857)	(96,662)	(78,891)
- discontinued operations (Note 22)	-	5,941	-	-	-	-	-	5,941
Total segment loss	(71,023)	(27,767)	(24,689)	(44,326)	(950)	(857)	(96,662)	(72,950)
Reconciliation								
Segment loss	(71,023)	(27,767)	(24,689)	(44,326)	(950)	(857)	(96,662)	(72,950)
<u>Add/(Less): Non-cash and provisional items</u>								
Fair value loss/(gain) on derivatives	2,123	(15,845)	-	-	-	-	2,123	(15,845)
Fair value loss on biological assets	1,596	1,928	-	-	-	-	1,596	1,928
Fair value gain on investment properties	(1,630)	-	-	-	-	-	(1,630)	-
Unrealised foreign exchange (gain)/loss	(77)	10,518	-	-	-	-	(77)	10,518
Depreciation and amortisation expenses	56,444	56,220	7,845	8,133	846	846	65,135	65,199
(Gain)/Loss on disposal of property, plant and equipment	(242)	22,016	-	-	-	-	(242)	22,016
Property, plant and equipment written off	303	130	1,060	-	-	-	1,363	130
Impairment loss on property, plant and equipment	27,948	33,114	-	16,890	-	-	27,948	50,004
Reversal of impairment allowance on receivables	-	(2)	-	-	-	-	-	(2)
Allowance on receivables	16	8,443	1,391	-	-	-	1,407	8,443
Total	86,481	116,522	10,296	25,023	846	846	97,623	142,391
Segment profit/(loss) excluding non-cash and provisional items								
	15,458	88,755	(14,393)	(19,303)	(104)	(11)	961	69,441

9. Carrying Amount of Revalued Assets

During the current financial year, the Group has performed its latest revaluation on its property, plant and equipment, biological assets, investments properties and land use rights to conform to the Group's policy. Any revaluation surplus has been credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase shall be recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained profits.

10. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 30 June 2019.

11. Changes in Composition of the Group

On 10 May 2019, the Company has acquired the entire equity interest of SG\$100 in Kwantas International Singapore Pte. Ltd. (herein referred to as "KIS"). KIS is currently a dormant company acquired to facilitate the Company's business operation and was incorporated on 17 January 2019 in Singapore as an exempt private company limited by shares. Subsequent to the acquisition of the above equity interest, KIS had become a wholly owned subsidiary of the Company.

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

12. Capital Commitments

The amount of capital commitments for the plantation development activities not provided for in the financial statements as at 30 June 2019 is as follows:

	<i>RM'000</i>
Approved and contracted for	<u>1,847</u>

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 30 June 2019 amounted to approximately RM343 million.

14. Subsequent Events

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

15. Detailed Analysis of the Performance of All Operating Segments of the Group

Oil palm plantations and palm products

Oil palm plantations and palm products segment represents the core business of the Group. This major segment has contributed 77% of the Group's total revenue in the current quarter. Revenue reported from this segment decreased by 17% to RM594 million in the current quarter (Q4 FY2018: RM719 million), mainly due to the following factors:

- a) FFB production has decreased by 13% to 288,671MT (Q4 FY2018: 333,333MT). FFB yield per mature hectare of the Group has dropped to 17.7MT/YPMH as compared to 21.2MT/YPMH in preceding year. The decrease in FFB production and FFB yield per mature hectare were mainly due to certain oil palm plantation of the Group was replanted due to over-aged palms. The drop in FFB average unit selling price to RM348 per MT (Q4 FY2018: RM497 per MT) due to bearish palm oil market had severely resulted in the decrease in segmental revenue for the current quarter.
- b) During the quarter, 73% of the segmental revenue (Q4 FY2018: 62%) were generated from CPO sales. The realised average unit CPO selling price had dropped significantly to RM1,979 per MT during the quarter (Q4 FY2018: RM2,638 per MT), despite CPO traded in the current quarter has increased significantly by 30% or 50,000MT as compared to preceding corresponding quarter. The significant drop in average unit selling price were mainly attributed by market factors including bearish market sentiment, coupled with higher than expected CPO production output and higher palm oil inventory level in the market.
- c) During the quarter, 13% of the segmental revenue (Q4 FY2018: 16%) were generated from CPKO sales. The realised average CPKO selling price had decreased significantly to RM2,955 per MT during the current quarter (Q4 FY2018: RM4,795 per MT), despite CPKO traded in the current quarter has increased by 2,500MT as compared to preceding corresponding quarter. The significant drop in average unit selling price were mainly due to bearish palm oil market, which had severely affected the overall palm product prices.
- d) Palm products traded in the current quarter stood at 8,000MT (Q4 FY2018: 30,000MT). Despite the palm products traded with external customers had dropped from 30,000 to 8,000 in the current quarter, there is an increased demand for downstream palm products in China market. In the current quarter, the average unit selling price of the palm products had dropped to RM2,054 per MT (Q4 FY2018: RM2,943 per MT), mainly due to the overall bearish market factors and intense competition from other vegetable oils.

During the quarter, despite the overall decrease in selling and distribution expenses, administrative expenses and finance costs as compared to preceding corresponding quarter, the segment had incurred loss before taxation of RM71 million (Q4 FY2018: RM28 million) mainly due to the following:

15. Detailed Analysis of the Performance of All Operating Segments of the Group (continued)

Oil palm plantations and palm products (continued)

- a) the decrease in gross margin from 11% in the preceding quarter to 3% in the current quarter due to weakened palm product prices that had severely affected the net profit margin of the segment;
- b) fair value loss on biological assets of RM1.6 million and additional depreciation on bearer plants of RM30.9 million were recognised as a result of the adoption of MFRS 141 and MFRS 116;
- c) fair value loss on derivative instruments of RM2.1 million (Q4 FY2018: fair value gain of RM15.8 million) were recognised during the quarter;
- d) impairment loss on property, plant and equipment of RM27.9 million (Q4 FY2018: RM50 million) was incurred due to deficit in revaluation of bearer plants of certain oil palm plantations;

However, after excluding the non-cash and provisional items, this major segment has contributed an underlying profit of RM15.4 million to the Group in the current quarter (Q4 FY2018: RM88 million) as shown in Note 8.

Oleochemical products

Oleochemical products segment accounted for 23% of the total Group's revenue in the current quarter. Revenue reported from this segment increased by 294% to RM180 million in the current quarter (Q4 FY2018: RM61 million), mainly due to increased production and trading of Oleochemical products. Hence, the volume traded for Oleochemical products had improved to 66,000MT (Q4 FY2018: 31k MT) in the current quarter whilst the average selling price of the Oleochemical products had also improved to RM2,178 per MT in the current quarter (Q4 FY2018: RM1,981 per MT). The Oleochemical segment has entered into forward sales commitment where higher production and trading volume is expected in the upcoming quarters.

In the current quarter, Oleochemical products segment incurred a loss before taxation of RM24.7 million and its results have improved as compared to preceding corresponding quarter (Q4 FY2018: segment loss of RM44.3 million). The underlying loss from business operations excluding non-cash items (i.e. depreciation expenses, amortisation expenses and impairment provisions) in the current quarter was RM14.4 million, as compared to preceding corresponding quarter loss of RM19.3 million, as shown in Note 8.

The main factors attributed to the current quarter losses were the drop in trading margin, one-off recommencement costs incurred and underutilisation of production plant capacity during special occasions, such as China public holidays and festive seasons. The drop in trading margin in the segment was mainly due to the weak Oleochemical products commodity pricing as a result of overall bearish sentiment in the global palm oil market.

Other operating segments

The results from other operating segments are insignificant to the Group.

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

	<i>Current Quarter</i> <i>3 months ended</i> <i>30.06.2019</i> <i>RM'000</i>	<i>Immediate</i> <i>Preceding Quarter</i> <i>3 months ended</i> <i>31.03.2019</i> <i>RM'000</i>	<i>Changes</i> <i>(Amount)</i> <i>RM'000</i>	<i>Changes</i> <i>(%)</i>
Revenue from continuing operations	203,026	214,067	(11,041)	-5%
Revenue from discontinued operations	(7)	4	(11)	-275%
(Loss)/Profit before interest and tax	(50,326)	2,130	(52,456)	-2463%
Loss before tax	(56,106)	(3,848)	(52,258)	-1358%
Loss after tax	(55,717)	(6,223)	(49,494)	-795%

The Group reported a loss before tax of RM56 million in the current quarter (Q3 FY2019: Loss before tax of RM3.8 million), which was mainly attributed by the following factors:

- a) The combined volume traded in the current quarter was 103,414 MT, slightly lower than the volume traded in the immediate preceding quarter (Q3 FY2019: 121,742 MT), despite there are slight improvements over the average unit palm product prices in current quarter at RM1,963 per MT (Q3 FY2019: RM1,758 per MT);
- b) The Group recognised impairment loss on property, plant and equipment of RM27.9 million from the deficit in revaluation of bearer plants of certain oil palm plantations, realised foreign exchange losses of RM3.7 million, and had written off property, plant and equipment of RM1.1 million in the current quarter;
- c) The Group recognised depreciation and amortisation expenses of RM26.5 million (Q3 FY2019: RM12.9 million) and fair value gain on biological assets of RM5.8 million (Q3 FY2019: RM2.6 million), of which RM18 million was additional depreciation recognised on bearer plants and the inclusion of fair value movement on biological assets as a result of the adoption of MFRSs.

17. Loss Before Tax

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

	<i>Individual Period</i>		<i>Cumulative Period</i>	
	<i>3 months ended</i>		<i>12 months ended</i>	
	<i>30.06.2019</i>	<i>30.06.2018</i>	<i>30.06.2019</i>	<i>30.06.2018</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
		<i>(Restated under MFRS)</i>		<i>(Restated under MFRS)</i>
Allowance on receivables	-	(8,443)	(1,407)	(8,443)
Amortisation of land use rights	(317)	(327)	(317)	(327)
Depreciation and amortisation of property, plant and equipment	(26,191)	(25,804)	(64,818)	(64,872)
Fair value (loss)/gain on derivative financial instruments	(721)	559	(2,123)	15,845
Fair value loss on biological assets	(5,815)	(4,368)	(1,596)	(1,928)
Fair value gain on investment properties	1,630	-	1,630	-
Gain on disposal of property, plant and equipment	13	160	242	160
Loss on disposal of assets held for sale	-	(4,088)	-	(22,176)
Interest income	3	287	789	1,276
Interest expense	(5,780)	(7,152)	(24,753)	(24,536)
Impairment loss on property, plant and equipment	(27,948)	(50,004)	(27,948)	(50,004)
Property, plant and equipment written off	(1,080)	(82)	(1,363)	(130)
Reversal of allowance for impairment on receivables	-	2	-	2
Realised foreign exchange (loss)/gain	(3,745)	11,994	(883)	8,780
Unrealised foreign exchange (loss)/gain	(74)	(12,985)	77	(10,518)

18. Commentary on Prospects

Oil palm plantation and palm products trading segment remains as a significant contributor to the overall profitability of the Group. With the palm prices expected to recover in the second half of year 2019, coupled with stronger palm oil consumption and demand, it is expected that the segment will contribute positive margins to the Group from trading and export activities. Furthermore, the segment's profitability is currently managed by the Group through robust cost controls and cost management strategies as well as taking measures to improve its productivity.

Oleochemical products segment remains challenging due to the fluctuations in the USD/RMB currency. However, as palm prices are expected to recover, coupled with strong demand for these products in the local market, Oleochemical segment is expected to contribute positive trading margins to the Group. Moreover, the Group has taken measures to enhance and improve the Oleochemical plant in order to achieve production and costs efficiency, and strive to be more competitive in terms of pricing and quality of Oleochemical products.

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>Individual Period</i>		<i>Cumulative Period</i>	
	<i>3 months ended</i>		<i>12 months ended</i>	
	<i>30.06.2019</i>	<i>30.06.2018</i>	<i>30.06.2019</i>	<i>30.06.2018</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current income tax:				
- Malaysian income tax	(1,528)	(10,221)	(5,403)	(19,471)
Deferred tax	1,917	(2,163)	2,417	(1,163)
Total income tax expense	389	(12,384)	(2,986)	(20,634)

The effective tax rate for the current quarter was higher than the statutory income tax rate of 24% (Q4 FY2018: 24%) principally due to non-deductible expenses, which include fair value loss on biological assets and unrealised foreign exchange differences, as well as business profits generated from certain subsidiaries (i.e. oil palm plantation and palm products segment).

21. Corporate Proposals

There are no other corporate proposals announced but not completed as at 29 August 2019.

22. Disposal Group Classified As Held For Sale and Discontinued Operations

Part of the non-current assets and operating segment of the Group were classified as disposal group held for sale and the results from this operating segment were classified under discontinued operations in the preceding financial year. However, as at 30 June 2019, these assets were no longer qualified to be classified as disposal group held for sale and have subsequently been reclassified to the Group's respective class of assets, liabilities and equity, and the results from this operating segment have subsequently been reclassified to the Group's continuing operations. There were no mutual agreement reached by the parties on the terms of the sale and purchase of the assets of the disposal group during the financial year.

The major classes of assets and liabilities classified as held for sale in the preceding financial year are as follows:

	<i>As at</i>	<i>As at</i>
	<i>30.06.2019</i>	<i>30.06.2018</i>
	<i>RM'000</i>	<i>RM'000</i>
		<i>(Restated under MFRS)</i>
Assets of the disposal group:		
Property, plant and equipment**	-	44,340
Receivables	-	-
Inventories	-	598
Assets of the disposal group classified as held for sale	-	44,938

22. Disposal Group Classified As Held For Sale and Discontinued Operations (continued)

	<i>As at</i> 30.06.2019 <i>RM'000</i>	<i>As at</i> 30.06.2018 <i>RM'000</i> <i>(Restated</i> <i>under MFRS)</i>
<u>Liabilities of the disposal group:</u>		
Payables	-	23
Deferred tax liabilities	-	2,213
Liabilities of disposal group classified as held for sale	-	2,236
Net assets of disposal group classified as held for sale	-	42,702
<u>Equity and reserves of the disposal group:</u>		
Revaluation reserves	-	12,531
Amounts recognised directly in equity of disposal group classified as held for sale	-	12,531

** The property, plant and equipment was carried at fair value less costs to sell.

The results attributable to the discontinued operation are shown as follows:

	<i>Individual Period</i> <i>3 months ended</i>		<i>Cumulative Period</i> <i>12 months ended</i>	
	<i>30.06.2019</i> <i>RM'000</i>	<i>30.06.2018</i> <i>RM'000</i>	<i>30.06.2019</i> <i>RM'000</i>	<i>30.06.2018</i> <i>RM'000</i>
Revenue	(7)	(1,667)	-	9,008
Expenses	313	1,497	-	(3,067)
Profit/(Loss) before taxation from discontinued operations	306	(170)	-	5,941
Income tax expense	-	178	-	178
Profit from discontinued operations, net of tax	306	8	-	6,119

23. Cash and Cash Equivalents

	<i>As at</i> 30.06.2019 <i>RM'000</i>	<i>As at</i> 30.06.2018 <i>RM'000</i>
Cash and bank balances	21,627	20,671
Short-term deposits with licensed banks	18,100	4,500
Cash and cash equivalents	39,727	25,171

24. Loans and borrowings

	<i>As at 30.06.2019</i>			<i>As at 30.06.2018</i>		
	Denominated in foreign currency RM'000	Denominated in RM RM'000	Total RM'000	Denominated in foreign currency RM'000	Denominated in RM RM'000	Total RM'000
<u>Long term</u>						
Secured						
Term loan	-	22,221	22,221	-	26,650	26,650
Hire purchase	-	962	962	-	203	203
Total	-	23,183	23,183	-	26,853	26,853
<u>Short term</u>						
Secured						
Term loan	-	15,757	15,757	-	18,958	18,958
Banker acceptance	34,064	123,933	157,997	-	112,076	112,076
Hire purchase	-	1,103	1,103	-	246	246
Revolving credits	-	257,000	257,000	-	232,000	232,000
Total	34,064	397,793	431,857	-	363,280	363,280
Total Borrowings	34,064	420,976	455,040	-	390,133	390,133

25. Derivative Assets/(Liabilities)

As at 30 June 2019, the values and maturity analysis of the outstanding derivatives assets/(liabilities) are as follows:

	<i>Contract/ Notional Amount RM '000</i>	<i>Fair Value Gain/(Loss) RM '000</i>
i) Forward Currency Contracts - Less than 1 year	(131)	(495)
ii) Commodity Swap Contracts - Less than 1 year	(356)	(1,628)
Net Total	(487)	(2,123)

The Group had entered into forward currency contracts and commodity swap contracts to manage some of the transactions exposure to foreign exchange fluctuations and commodity price fluctuations respectively. These contracts were not designated as cash flow or fair value hedges and were entered into for periods consistent with currency transaction exposures and fair value changes exposure.

With the adoption of MFRS 9, the derivative financial instruments are initially stated 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 the statement of profit or loss.

For the current year ended 30 June 2019, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial period as well as the Group's risk management objectives, policies and processes.

26. Material Litigation

a) Inno Integrasi

A Writ of Summons dated 27 June 2014 was filed by Inno Integrasi Sdn. Bhd. (Plaintiff) and served to Kwantas Oil Sdn. Bhd. (KOSB), a wholly-owned subsidiary of the Company, whereby the plaintiff claimed for loss of profit of approximately RM66,900,000 for the alleged breached/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 will 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.

KOSB has however counterclaimed against the plaintiff for outstanding rental, dismantling of plaintiff's plant and possession of the land being occupied by the plaintiff, and damages and declarative reliefs against the plaintiff.

Based on the court order dated 21 December 2017, the High Court adjudged that the plaintiff's claim is dismissed and shall forthwith pay the defendant costs of RM150,000 subject to payment of allocator fee. The plaintiff has appealed against the High Court's decision in dismissing the RM66,900,000 claims against KOSB and in allowing KOSB's counterclaim. In respect of the above appeal, KOSB has filed a Notice of Motion on 10 January 2019 to strike out the appeal from the plaintiff.

The application to strike out the Record of Appeal as a whole or alternatively part of the Record of Appeal was heard on 19 March 2019. The Court of Appeal has ordered for the Record of Appeal to be amended by Inno Integrasi Sdn Bhd, indicating the objection made by KOSB of the disputed documents. Further, the Court of Appeal has ordered the Inno Integrasi Sdn Bhd to give further Supplementary Record of Appeal to include the exhibits, namely the MPOB licenses of the Respondent that were improperly excluded from the Record of Appeal within fourteen(14) days from the hearing day. However, the Court of Appeal did not award any costs.

b) Shanghai Hengtong

A Writ of Summons dated 11 September 2018 was filed by Shanghai Hengtong Energy Development Co. Ltd. ("SHT") and served to Dongma Palm Industries (Zhangjiagang) Co. Ltd. ("DMPI"), a wholly-owned subsidiary of the Company, whereby SHT claimed for loss of profit on termination of contract plus interest of RMB33,718,397.05 (equivalent to approximately RM20,399,630) in respect of a Processing Contract and its Supplemental Agreement (together "the Contract") entered into between SHT and DMPI on 27 September 2017 and 19 December 2017 respectively to process 10,000 MT of palm stearin per month on behalf of SHT by DMPI.

DMPI had appointed a solicitor in Shanghai, People's Republic of China to represent DMPI in the legal suit. The legal proceedings had commenced on 24 October 2018 and followed by 19 December 2018. During the proceedings on 19 December 2018, the Court has granted permission to the plaintiff to apply for modifications to its claim against DMPI in relation to the loss of profit on termination of contract plus interest, being revised from RMB 33,718,397.05 to RMB 32,457,359.96 (equivalent to approximately RM19,688,635). DMPI has submitted its defence statement in respect of the above modified claim during the legal proceeding held on 21 February 2019, however, there were no decision or order given by the Court at the end of the hearing. The date of next hearing in relation to the above litigation case had yet to be affixed by the Court.

26. Material Litigation (continued)

b) Shanghai Hengtong (continued)

DMPI had on 10 December 2018 filed a Statement of Counter-claim against SHT in respect of the Contract entered into between SHT and DMPI on 27 September 2017 and 19 December 2017 respectively to process 10,000 MT of palm stearin per month. DMPI claimed for RMB26,715,302.55 (equivalent to approximately RM16,184,130) on loss of profits and outstanding receivables due to non-performance of terms and conditions by SHT. The first legal proceeding was initially affixed by the Court on 18 January 2019, however the legal proceeding has been postponed to another hearing date due to the procedural issue challenged by SHT. The Court has rejected the procedural issue challenged by SHT and has since affixed the hearing date of the Counter-claim on 7 May 2019. There were no decision given by the Court at the end of the hearing held on 7 May 2019 and the date of the next hearing in relation to the above counter-claim case had yet to be affixed by the Court.

The legal council is of the opinion that DMPI has a fair chance of succeeding in its claim and defending SHT's claim. Accordingly, no provision for liability has been recognised in the current quarter financial statements as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

27. Dividend

No interim dividend has been declared for the financial year ending 30 June 2019.

28. Loss Per Share

(a) Basic

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

	<i>Individual Period</i>		<i>Cumulative Period</i>	
	<i>3 months ended</i>	<i>3 months ended</i>	<i>12 months ended</i>	<i>12 months ended</i>
	<i>30.06.2019</i>	<i>30.06.2018</i>	<i>30.06.2019</i>	<i>30.06.2018</i>
	<i>(Restated under MFRS)</i>		<i>(Restated under MFRS)</i>	
Loss for the period/year attributable to Owners of the Company (RM'000)	(49,842)	(97,871)	(92,458)	(89,030)
Weighted average number of ordinary shares in issue ('000)	311,678	311,678	311,678	311,678
Basic loss per share (sen)	(15.99)	(31.40)	(29.66)	(28.56)

(b) Diluted

There is no dilution in the earnings per share of the current and previous period/year end as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

29. Significant Related Party Transactions

The significant related party transactions set out below were carried out in the normal course of business and on terms and conditions no more materially different from those obtainable in transactions with unrelated parties.

<i>Name of related parties</i>	<i>Type of transaction</i>	<i>12 months ended</i>	
		<i>30.06.2019</i>	<i>30.06.2018</i>
		<i>RM'000</i>	<i>RM'000</i>
			<i>(Audited)</i>
With companies which have common Directors with the Company and in which certain Directors of the Company have financial interests:			
Lahad Datu Tyres Sdn. Bhd.	Purchase of tyres, batteries and lubricants	1,487	1,738
Fordeco Sdn. Bhd.	Provision of general servicing and supply of spare parts	6,807	7,679
Petrolmax Borneo Sdn. Bhd.	Purchase of diesel	9,020	8,048
Bina Segama Sdn. Bhd.	Purchase of lubricants	717	919
Fordeco Construction Sdn. Bhd.	Construction costs/materials	5,078	3,385
Kwan Ah Hee & Sons Realty Sdn. Bhd.	Rental	380	402
Miyasa Sdn. Bhd.	Purchase of fresh fruit bunches	2,862	3,609
Sri Bandaran Sdn. Bhd.	Purchase of fresh fruit bunches	911	3,269
Fordeco Plantations Sdn. Bhd.	Purchase of fresh fruit bunches	1,971	1,982
Cindai Development Sdn. Bhd.	Purchase of fresh fruit bunches	1,475	2,337

30. Group Statistics

	<i>Unit</i>	<i>Cumulative Period</i>	
		<i>30.06.2019</i>	<i>30.06.2018</i>
<u>PLANTATION</u>			
Oil Palm Area			
Mature	<i>hectare</i>	16,308	15,749
Immature	<i>hectare</i>	3,357	4,124
Total planted area	<i>hectare</i>	19,665	19,872
FFB			
Production	<i>tonnes</i>	288,671	333,333
Yield per mature hectare	<i>tonnes</i>	17.7	21.2
Average selling price per tonne	<i>RM</i>	348	497
<u>MILLS, REFINERY AND OLEOCHEMICAL</u>			
Extraction Rates			
Crude palm oil	<i>%</i>	20.7	20.9
Palm kernel	<i>%</i>	5.1	5.0
Production			
Crude palm oil	<i>tonnes</i>	107,610	128,549
Palm kernel	<i>tonnes</i>	26,394	31,008
Oleochemical products	<i>tonnes</i>	58,384	3,672
Trading			
Crude palm oil	<i>tonnes</i>	220,334	169,892
Crude palm kernel oil	<i>tonnes</i>	26,698	24,202
Palm products	<i>tonnes</i>	8,252	30,000
Oleochemical products	<i>tonnes</i>	66,682	30,736
Average Selling Price (Per Tonne)			
Crude palm oil	<i>RM per Tonne</i>	1,979	2,638
Crude palm kernel oil	<i>RM per Tonne</i>	2,955	4,795
Palm products	<i>RM per Tonne</i>	2,054	2,943
Oleochemical products	<i>RM per Tonne</i>	2,687	1,974

31. 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 29 August 2019.