

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting*, International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, provision of the Companies Act 2016 in Malaysia and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021. The explanatory notes attached to the 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 2021.

**A2. Accounting Policies**

**(i) Changes in accounting policies**

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year, except in current financial period, the Group and the Company adopted all the new and revised standards which are effective for financial year beginning on or after 1 July 2021.

Effective for financial year beginning on or after 1 July 2021

Amendments to MFRS 9, Interest Rate Benchmark Reform – Phase 2  
MFRS 139, MFRS 7,  
MFRS 4 and MFRS 16

Amendments to MFRS 16 Leases (Covid-19: Related Rent Concessions  
beyond 30 June 2021)

The adoption of the abovementioned standard, Amendments and Interpretation do not have material impact on the financial statements of the Group and the Company.

**A2. Accounting Policies – continued**

(ii) Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following new and revised standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company.

Effective for financial year beginning on or after 1 July 2022

Amendments to MFRS 3	Business Combinations (Reference to the Conceptual Framework)
Amendments to MFRS 116	Property, Plant and Equipment (Proceeds before Intended Use)
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)

Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018 - 2020”

Effective for financial year beginning on or after 1 July 2023

Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)
Amendments to MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)
Amendments to MFRS 101	Presentation of Financial Statements (Disclosure of Accounting Policies)
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
Amendments to MFRS 112	Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

Effective for financial year beginning on or after a date yet to be determined

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

**A3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 30 June 2021 was not qualified.

**A4. Comment about Seasonal or Cyclical Factors**

The Group operates in the local and overseas agricultural sector which could be influenced by seasonal or cyclical factors.

**A5. 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 2021 except as disclosed in the notes.

**A6. Changes in Estimates**

There were no changes in estimates that have material effect in the current quarter and current financial year to-date results.

**A7. Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter and current financial year to-date under review.

**A8. Dividend Paid**

A first and final single-tier dividend of 3.5 sen per share, in respect of the financial year ended 30 June 2021 amounting to RM2,800,000 was paid on 20 January 2022.

**A9. Operating Segments**

Business Segments

The Company is principally an investment holding company. The principal businesses of the Group are manufacturing of pesticides and plant micronutrients, distribution and agency of pesticides and other agrochemicals and trading of pesticides, other agrochemicals, mosquito coils, disinfectants and household insecticides. The Group's business segments are presented as follows:

	3 Months Ended		9 Months Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Agrochemicals	16,708	16,118	60,531	43,701
Total	16,708	16,118	60,531	43,701

Geographical Segments

In determining the geographical segments of the Group, segment revenue is based on the geographical location of customers and these are:

- (i) Malaysia
- (ii) Indonesia
- (iii) Others: these consist of segments which cover Australia, China, Russia, Singapore, Vietnam individually fall below the 10% threshold of a reportable segment

	Malaysia	Indonesia	Others	Elimina-	Total
	RM'000	RM'000	RM'000	tions	RM'000
				RM'000	
<b>Current Quarter Ended 31.03.2022</b>					
Segment revenue:					
Sales to external customers	10,348	5,181	1,179	-	16,708
Inter-segment sales	1	-	-	(1)	-
Total	10,349	5,181	1,179	(1)	16,708
Profit before tax					2,160
Income tax expense					(511)
Profit for the period					1,649

**A9. Operating Segments – continued**

	Malaysia RM'000	Indonesia RM'000	Others RM'000	Elimina- tions RM'000	Total RM'000
<b>Current Year To-Date Ended 31.03.2022</b>					
Segment revenue:					
Sales to external customers	40,998	11,365	8,168	-	60,531
Inter-segment sales	1	-	-	(1)	-
Total	<u>40,999</u>	<u>11,365</u>	<u>8,168</u>	<u>(1)</u>	<u>60,531</u>
Profit before tax					15,227
Income tax expense					<u>(2,366)</u>
Profit for the year					<u>12,861</u>

**A10. Carrying Amount of Revalued Assets**

There is no revaluation of the property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

**A11. Changes in the Composition of the Group**

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

**A12. Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since 30 June 2021.

**A13. Capital Commitments**

There was no capital commitments entered into and not provided for by the Group during the current quarter under review.

**A14. Material Subsequent Events**

In the opinion of the Directors, no material events have arisen between the end of the reporting period and 18 May 2022 which had affected substantially the results of the Group for the financial quarter ended 31 March 2022.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Performance Review**

	3 Months Ended			9 Months Ended		
	31.03.2022	31.03.2021	Variance	31.03.2022	31.03.2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	16,708	16,118	3.7	60,531	43,701	38.5
Profit before tax	2,160	1,664		15,227	5,696	
Income tax expense	(511)	(345)		(2,366)	(1,270)	
Profit for the period	1,649	1,319	25.0	12,861	4,426	190.6

For the current quarter under review, the Group registered revenue of RM16.708 million as compared to the preceding year corresponding quarter of RM16.118 million, an increase of RM0.590 million or 3.7%. This increase was due to higher demand in the export segment as compared to the preceding year corresponding quarter.

Profit for the period had increased by 25% to RM1.649 million in the current quarter under review as compared to the preceding year corresponding quarter of RM1.319 million. The increase in the profit for the period was contributed by higher revenue and higher profit margin generated this quarter.

**B2. Variation of Results Against Preceding Quarter**

	3 Months Ended		Variance %
	31.03.2022 RM'000	31.12.2021 RM'000	
Revenue	16,708	30,582	(45.4)
Profit before tax	2,160	6,899	(68.7)

For the current quarter under review, the Group's profit before tax was RM2.160 million as compared to the Group's profit before tax of RM6.899 million in the immediate preceding quarter. This 68.7% decrease in profit before tax in comparison with the immediate preceding quarter was mainly due to higher demand from local and export segments in the immediate preceding quarter.

**B3. Prospects**

The Group will continue to focus on its core activities and market expansion, cost control to ensure sustainability of its financial performance.

**B4. Profit Forecast or Profit Guarantee**

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

**B5. Income Tax Expense**

	Current Quarter Ended 31.03.2022 RM'000	Current Year To-Date Ended 31.03.2022 RM'000
Current tax:		
- Malaysian income tax	(511)	(2,366)

The effective tax rate of the Group for the current year to-date is slightly lower than the statutory tax rate of 24% due to sufficient capital allowances, industrial building allowances and reinvestment allowances allowable for offset.

**B6. Corporate Proposals**

There were no corporate proposals announced but not completed as at 18 May 2022.

**B7. Borrowings**

	<b>As at 31.03.2022 RM'000</b>	<b>As at 30.06.2021 RM'000</b>
<b>RM denominated borrowings</b>		
Short Term Borrowings		
Secured:		
Term Loan	312	321
Long Term Borrowings		
Secured:		
Term Loan	2,450	2,675

There are no borrowings denominated in foreign currency.

**B8. Changes in Material Litigation**

There were no material litigations involving the Group as at 18 May 2022.

**B9. Dividend**

No ordinary dividend has been declared for the quarter ended 31 March 2022.

**B10. Earnings Per Share**

(a) Basic

The computation of basic earnings per share for the current quarter and current year to-date is based on the Group unaudited profit for the period attributable to owners of the Company for the current quarter of RM1.649 million and current year to-date profit of RM12.861 million divided by the number of ordinary shares in issue during the period of 80,000,000.

(b) Diluted

The Group has no dilution in its earnings per ordinary share in the current and the preceding financial period as there are no dilutive potential ordinary shares.



**B11. Profit Before Tax**

	<b>Current Quarter Ended 31.03.2022 RM'000</b>	<b>Current Year To-Date Ended 31.03.2022 RM'000</b>
Profit before tax is stated after (charging)/crediting:		
Dividend income	72	143
Foreign exchange gain - unrealised	180	127
Gain on disposal of property, plant and equipment	17	4,543
Interest income	45	289
Rental income	64	192
Reversal of allowance for impairment of trade receivables	3	21
Depreciation and amortisation	(365)	(1,115)
Impairment loss on trade receivables	(60)	(180)
Interest expenses	(30)	(96)

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**B12. 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 18 May 2022.