

**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 2022. 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 2022.

**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 2022.

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 112	Income Taxes (International Tax Reform – Pillar Two Model Rules, Paragraphs 4A and 88A)
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”

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 2023

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)
Amendments to MFRS 112	Income Taxes (International Tax Reform – Pillar Two Model Rules, Paragraphs 88B to 88D)

Effective for financial year beginning on or after 1 July 2024

Amendments to MFRS 16	Leases (Lease Liability in a Sale and Leaseback)
Amendments to MFRS 101	Presentation of Financial Statements (Non-current Liabilities with Covenants)
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures (Supplier Finance Arrangements)

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 2022 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 2022 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**

No dividend was paid by the Company during the current quarter period under review.

**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		12 Months Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Agrochemicals	11,477	16,075	50,141	76,606
Total	11,477	16,075	50,141	76,606

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) Bulgaria
- (iii) Others: these consist of segments which cover Cambodia, China, Indonesia, Lebanon, Philippines, Singapore, Taiwan, Vietnam and New Zealand individually fall below the 10% threshold of a reportable segment

	Malaysia	Bulgaria	Others	Elimina-	Total
	RM'000	RM'000	RM'000	tions	RM'000
				RM'000	RM'000
<b>Current Quarter Ended 30.06.2023</b>					
Segment revenue:					
Sales to external customers	10,231	-	1,246	-	11,477
Inter-segment sales	120	-	-	(120)	-
Total	10,351	-	1,246	(120)	11,477
Profit before tax				1,675	
Income tax expense				(681)	
Profit for the period				994	

**A9. Operating Segments – continued**

	Malaysia RM'000	Bulgaria RM'000	Others RM'000	Elimina- tions RM'000	Total RM'000
<b>Current Year To-Date Ended 30.06.2023</b>					
Segment revenue:					
Sales to external customers	39,346	5,792	5,003	-	50,141
Inter-segment sales	120	-	-	(120)	-
Total	<u>39,466</u>	<u>5,792</u>	<u>5,003</u>	<u>(120)</u>	<u>50,141</u>
Profit before tax				2,769	
Income tax expense				<u>(973)</u>	
Profit for the year				<u>1,796</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 2022.

**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 23 August 2023 which had affected substantially the results of the Group for the financial quarter ended 30 June 2023.

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

**B1. Performance Review**

	3 Months Ended			12 Months Ended		
	30.06.2023	30.06.2022	Variance	30.06.2023	30.06.2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Continuing operations</b>						
Revenue	11,477	16,075	(28.6)	50,141	76,606	(34.5)
Profit before tax	1,383	408		2,527	15,635	
Income tax expense	(681)	(753)		(973)	(3,119)	
Profit/(loss) from continuing operations	702	(345)	303.5	1,554	12,516	(87.6)
<b>Discontinued operations</b>						
Profit/(loss) from discontinued operations	292	(10,330)		242	(10,330)	
<b>Profit/(loss) for the period</b>	994	(10,675)	109.3	1,796	2,186	(17.8)

For the current quarter under review, the Group registered revenue of RM11.477 million as compared to the preceding year corresponding quarter of RM16.075 million, a decrease of RM4.598 million or 28.60%. This decrease was due to lower demand in the local and export segment as compared to the preceding year corresponding quarter.

For the current quarter under review, the Group's profit for the period was RM0.994 million as compared to the Group's loss for the period of RM10.675 million in the preceding year corresponding quarter, an increase of RM11.669 million or 109.3%. This increase was due to high impairment loss of inventories arising from lower net realisable value and a high loss from the discontinued operations in the preceding year corresponding quarter.

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

	3 Months Ended		Variance %
	30.06.2023 RM'000	31.03.2023 RM'000	
<b>Continuing operations</b>			
Revenue	11,477	16,109	(28.8)
Profit/(loss) before tax	1,383	(196)	805.6

For the current quarter under review, the Group's profit before tax was RM1.383 million as compared to the Group's loss before tax of RM0.196 million in the immediate preceding quarter. This 805.6% increase was mainly due to higher gross profit margin generated as compare to 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 30.06.2023 RM'000	Current Year To-Date Ended 30.06.2023 RM'000
Current tax:		
- Malaysian income tax	(681)	(973)

The effective tax rate of the Group for the current year to-date is higher than the statutory tax rate of 24% principally due to certain expenses that were not deductible for tax purposes.

**B6. Corporate Proposals**

There were no corporate proposals announced but not completed as at 23 August 2023.

**B7. Borrowings**

	As at 30.06.2023 RM'000	As at 30.06.2022 RM'000
<b>RM denominated borrowings</b>		
Short Term Borrowings		
Secured:		
Term Loan	321	321
Long Term Borrowings		
Secured:		
Term Loan	2,052	2,363

There are no borrowings denominated in foreign currency.

**B8. Changes in Material Litigation**

There were no material litigations involving the Group as at 23 August 2023.

**B9. Dividend**

The Board of Directors is recommending a first and final single tier dividend of 3.5 sen per share in respect of the financial year ended 30 June 2023. The dividend payable amounting to RM2.8 million if approved by the shareholders of the company at the forthcoming Annual General Meeting of the company will be paid on a date to be announced.

**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's unaudited profit for the period attributable to owners of the Company for the current quarter profit of RM0.994 million and current year to-date profit of RM1.796 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 30.06.2023 RM'000</b>	<b>Current Year To-Date Ended 30.06.2023 RM'000</b>
Profit before tax is stated after (charging)/crediting:		
Dividend income	110	220
Foreign exchange gain – realised	1,250	1,719
Foreign exchange gain – unrealised	191	19
Gain on disposal of property, plant and equipment	110	197
Interest income	240	692
Rental income	56	262
Reversal of allowance for impairment of trade receivables	(32)	-
Depreciation and amortisation	(361)	(1,476)
Impairment loss on trade receivables	171	(9)
Interest expenses	(14)	(112)
Inventories written down	(280)	(280)

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 23 August 2023.