NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. CORPORATE INFORMATION

Kluang Rubber Company (Malaya) Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor. The principal place of business is located at Kluang Estate, Batu 2 Jalan Mengkibol, P.O. Box 64, 86007 Kluang, Johor.

The principal activities of the Company consist of the production and sale of fresh oil palm fruit bunches. The Company is also a long term portfolio investor in securities. The principal activities and other information on the subsidiaries are described in Note 13.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the Companies Act 2016 in Malaysia.

For all periods up to and including the year ended 30 June 2018, the Group and the Company prepared their financial statements in accordance with Financial Reporting Standards in Malaysia ("FRS"). These financial statements for the year ended 30 June 2019 are the first that the Group and the Company have prepared in accordance with MFRS and MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The financial statements have been prepared on a historical basis, except for investment properties and investments that have been measured at their fair values. The financial statements are presented in Ringgit Malaysia ("RM").

2.2 First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

As disclosed in Note 2.1, the Group and the Company have prepared financial statements that comply with MFRS applicable as at 30 June 2019, together with the comparative period data for the year ended 30 June 2018, as described in the significant accounting policies. In preparing the financial statements, the Group's and the Company's opening statement of financial position was prepared as at 1 July 2017, the Group's and the Company's date of transition to MFRS. This note explains the principal adjustments made by the Group and the Company in restating their FRS financial statements, including the statements of financial position as at 1 July 2017 and the financial statements for the year ended 30 June 2018.

As provided in MFRS 1, first-time adopter of MFRS Framework can elect optional exemptions from full retrospective application of MFRS. The Group and the Company have elected not to apply MFRS 3 Business Combinations and MFRS 10 Consolidated Financial Statements retrospectively, that is not to restate any of its business combinations that occurred before the date of transition to MFRS.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 First-time adoption of Malaysian Financial Reporting Standards ("MFRS") (cont'd)

The impact arising from the adoption is summarised as follows:

Consolidated statement of financial position

	Note	Under FRS Framework RM	Effects of transition RM	Under MFRS Framework RM
30 June 2018				
Non-current assets				
Bearer plants	i	-	34,282,112	34,282,112
Biological assets	i	26,986,118	(26,986,118)	-
Deferred tax assets	iii	298,000	(298,000)	-
Current assets				
Biological assets	ii	-	284,658	284,658
Non-current liabilities				
Deferred tax liabilities	iii	15,701,000	1,878,000	17,579,000
Equity				
Reserves	iv	453,441,336	(57,300,881)	396,140,455
Retained earnings	i,ii,iii,iv	170,927,000	54,735,891	225,662,891
Non-controlling interests	i,ii,iii,iv	543,472,748	7,969,642	551,442,390
1 July 2017				
Non-current assets				
Bearer plants	i	-	28,213,345	28,213,345
Biological assets	i	20,898,980	(20,898,980)	-
Deferred tax assets	iii	260,000	(260,000)	-
Current assets				
Biological assets	ii	-	313,588	313,588
Non-current liabilities				
Deferred tax liabilities	iii	15,725,000	1,634,000	17,359,000
Equity				
Reserves	iv	447,804,128	(56,092,473)	391,711,655
Retained earnings	i,ii,iii,iv	165,028,125	53,631,622	218,659,747
Non-controlling interests	i,ii,iii,iv	525,661,113	8,194,804	533,855,917

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 First-time adoption of Malaysian Financial Reporting Standards ("MFRS") (cont'd)

Company statement of financial position

	Note	Under FRS Framework RM	Effects of transition RM	Under MFRS Framework RM
30 June 2018				
Non-current assets				
Bearer plants	i	-	3,380,517	3,380,517
Biological assets	i	336,079	(336,079)	-
Current assets				
Biological assets	ii	-	166,234	166,234
Non-current liabilities				
Deferred tax liabilities	iii	9,824,000	812,000	10,636,000
Equity				
Retained earnings	i,ii,iii,iv	29,848,226	19,773,411	49,621,637
1 July 2017				
Non-current assets				
Bearer plants	i	-	3,482,064	3,482,064
Biological assets	i	336,079	(336,079)	-
Current assets				
Biological assets	ii	-	185,510	185,510
Non-current liabilities				
Deferred tax liabilities	iii	9,824,000	836,000	10,660,000
Equity				
Retained earnings	i,ii,iii	29,287,148	19,870,234	49,157,382

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 First-time adoption of Malaysian Financial Reporting Standards ("MFRS") (cont'd)

Consolidated statement of comprehensive income

	Note	Under FRS Framework RM	Effects of transition RM	Under MFRS Framework RM
Revenue	i	29,104,925	(113,336)	28,991,589
Depreciation	i	(511,164)	(343,240)	(854,404)
Subcontract labour cost, fertilizer and chemical costs	i	(5,077,831)	324,869	(4,752,962)
Fair value changes on biological assets	ii	-	(28,930)	(28,930)
Fair value changes on investments	iv	-	3,432,299	3,432,299
Impairment loss on available-for-sale investments	iv	(526,271)	526,271	-
Share of results of associates	iv	958,803	(2,428,482)	(1,469,679)
Profit before tax		14,435,637	1,369,451	15,805,088
Income tax expense	iii	(689,089)	(282,000)	(971,089)
Profit net of tax		13,746,548	1,087,451	14,833,999
Other comprehensive income		17,426,298	(1,530,088)	15,896,210
Total comprehensive income		31,172,846	(442,637)	30,730,209

Company statement of comprehensive income

	Note	Under FRS Framework RM	Effects of transition RM	Under MFRS Framework RM
Depreciation	i	(343,131)	(179,496)	(522,627)
Subcontract labour cost, fertilizer and chemical costs	i	(1,894,984)	77,949	(1,817,035)
Fair value changes on biological assets	ii	-	(19,276)	(19,276)
Profit before tax		1,666,557	(120,823)	1,545,734
Income tax expense	iii	(473,759)	24,000	(449,759)
Profit net of tax		1,192,798	(96,823)	1,095,975
Total comprehensive income		(327,663)	(96,823)	(424,486)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 First-time adoption of Malaysian Financial Reporting Standards ("MFRS") (cont'd)

Consolidated statement of cash flows

	Note	Under FRS Framework RM	Effects of transition RM	Under MFRS Framework RM
Operating activities				
Profit before taxation		14,435,637	1,369,451	15,805,088
Depreciation		511,164	343,240	854,404
Impairment loss on investment		526,271	(526,271)	-
Dividend income		(11,167,436)	113,336	(11,054,100)
Fair value loss on biological assets		-	28,930	28,930
Fair value gain on other investments		-	(3,432,299)	(3,432,299)
Share of (profit)/loss of associates		(958,803)	2,428,482	1,469,679
Investing activities				
Addition of bearer plants		-	(6,412,007)	(6,412,007)

Company statement of cash flows

	Note	Under FRS Framework RM	Effects of transition RM	Under MFRS Framework RM
Operating activities				
Profit before taxation		1,666,557	(120,823)	1,545,734
Depreciation	i	343,131	179,496	522,627
Fair value loss on biological asset	ii	-	19,276	19,276
Investing activities				
Addition of bearer plants	i	-	(77,949)	(77,949)

(i) Bearer plants and subcontract labour cost, fertilizer and chemical costs

The amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, bearer plants will now be measured under MFRS 116 at accumulated cost (before maturity) and cost less accumulated depreciation and impairment (after maturity).

Prior to the adoption of MFRS, new planting expenditure incurred were capitalized and were not depreciated while replanting expenditure were recognised in profit or loss in the year the expenditures were incurred. Under MFRS 116, new planting expenditure and replanting expenditures were capitalized as bearer plants. On maturity, these expenditures are amortised over the useful life of the bearer plants.

(ii) Biological assets

Prior to the adoption of MFRS 141 Agriculture, agricultural produce growing on the bearer plants ("biological assets") were not recognised. With the adoption of the MFRS 141, biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes in fair value less costs to sell of the biological assets are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 First-time adoption of Malaysian Financial Reporting Standards ("MFRS") (cont'd)

(iii) Deferred tax liabilities and income tax expenses

The various transitional adjustments lead to temporary differences. According to the accounting policies stated in Note 2.24(b), deferred tax adjustments are recognised for the underlying transactions.

(iv) MFRS 9 Financial instruments

On 1 July 2018, the Group adopted MFRS 9 Financial instruments, which is effective for annual periods beginning on or after 1 January 2018. The changes arising from the adoption of MFRS 9 have been applied retrospectively.

Under MFRS 139, the Group's equity and debt instruments were classified as AFS financial assets. With the adoption of MFRS 9, investments in debt instruments are measured at FVTPL and investments in equity instruments which are classified as FVOCI are not subject to an impairment assessment. The fair value changes for investments in debt instruments are transferred out from other comprehensive income or fair value reserve to profit or loss or retained earnings. The impairment losses made earlier on the equity instruments are transferred out from profit or loss or retained earnings to other comprehensive income or fair value reserve.

(v) Property, plant and equipment - previous revaluation as deemed cost exemption

As provided in MFRS 1, first-time adopters can elect optional exemptions from full retrospective application of MFRS. The Group and the Company have elected to apply the optional exemption to use the revaluation of freehold land as at 1 July 2017 (date of transition to the MFRS) as deemed cost. No adjustments were made for the application of the exemption.

2.3 Standards, Amendments, Annual Improvements and IC interpretation issued but not yet effective

The Standards, Amendments, Annual Improvements and IC interpretation that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these Standards, Amendments, Annual Improvements and IC Interpretations, if applicable, when they become effective.

Description	**Effective for annual periods beginning on or after**
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to references to the Conceptual Framework in MFRS Standards	1 January 2020

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards, Amendments, Annual Improvements and IC interpretation issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
Definition of a Business (Amendments to MFRS 3 Business Combination)	1 January 2020
Definition of Material (Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors are of opinion that the Standards, Annual Improvements, IC interpretation and Amendments above would not have any material impact on the financial statements in the year of initial adoption other than as discussed below:

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group is currently assessing the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

On the adoption of MFRS 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if MFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 July 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 July 2019.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards, Amendments, Annual Improvements and IC interpretation issued but not yet effective (cont'd)

MFRS 16 Leases (cont'd)

In addition, the Group plans to elect the following practical expedients:

(i) not to reassess whether a contract is, or contains a lease at the date of initial application and to apply MFRS 16 to all contracts that were previously identified as leases.

(ii) to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 July 2019.

(iii) to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Group plans to adopt MFRS 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 July 2019.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) potential voting rights held by the Company, other vote holders or other parties;

(iii) rights arising from other contractual arrangements; and

(iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Basis of consolidation (cont'd)

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in other comprehensive income as incurred.

Freehold land is stated at deemed cost less impairment losses. The deemed cost was based on a valuation as at 30 June 2015 as permitted under the optional exemptions of MFRS 1.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	10%
Plant and machinery	10%
Furniture and fittings	10%
Motor vehicles and tractors	33.3%
Computers	50%

Capital in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Bearer plants

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants are initially recorded at cost. Subsequent to recognition, the bearer plants are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of bearer plants include total cost incurred from land clearing to the point of maturity. Bearer plants have an average life cycle of 26 years and are considered mature when the plants attain 4 years old. Depreciation of mature bearer plants are computed on a straight-line basis over the remaining useful life of 22 years. The immature bearer plants are not depreciated as these assets are not yet available for use.

2.9 Biological assets

Agricultural produce growing on bearer plants are measured at fair value less costs to sell. Fair value is determined based on the estimated future cash flows expected to be generated from the agricultural produce growing on bearer plants. The expected future cash flows are estimated using projected quantity and the estimated market price of the agricultural produce growing on bearer plants.

The changes in the fair value less costs to sell of agricultural produce growing on bearer plants are recognised in profit or loss.

2.10 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 Impairment of non-financial assets (cont'd)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.13 Associates

An associate is defined as a company, not being a subsidiary or an interest in a joint venture, in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non- controlling interests in the subsidiaries of the associate.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Associates (cont'd)

The financial statements of associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates. At each reporting date, the Group determines whether there is objective evidence that the investment in associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.14 Current versus non-current classification

Assets and liabilities in the statements of financial position are presented based on current/non- current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in Note 29.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity investment of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do no contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

<u>Financial assets at amortised cost (debt instruments)</u>

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost mainly comprise their trade and other receivables balances and cash and bank balances.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

This category comprises the Group's investment in debt instruments.

Dividends and interests are recognised as revenue in the statements of comprehensive income when the right of payment has been established.

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group and the Company may elect to classify irrevocably their equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as revenue in the statements of comprehensive income when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably their quoted equity investments under this category.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Impairment of financial assets (cont'd)

For other receivables, the Group and the Company apply low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the other receivables are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In addition, the Group and the Company consider that there has been a significant increase in credit risk when the contractual payments are more than 6 months past due.

The Group and the Company consider a financial asset in default when contractual payments are 12 months past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities comprise trade and other payables.

Subsequent measurement

After initial recognition, payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Financial instruments (cont'd)

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.17 Investment in precious metal - gold bullion

Investment in precious metal - gold bullion is initially measured at cost. After initial recognition, gold bullion are measured at fair value. Any gains or losses from changes in fair value of the gold bullion are recognised in other comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the investment in precious metal is derecognised.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, pledged deposits and deposits with maturity exceeding 90 days.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Spare parts, fertilizers and chemicals: purchase costs on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Employee benefits (cont'd)

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Retirement benefits

The Group and the Company provide for retirement benefits for eligible employees on an unfunded defined benefits basis in accordance with the terms of the unions' collective agreement and/or employment agreement. Full provision has been made for retirement benefits payable to all eligible employees based on their last drawn salaries, the length of service to-date and the rates set out in the said agreements. Should an employee leave after completing the qualifying period of service but before attaining the retirement age, the provision made for the employee is written back.

2.22 Leases

(a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23(b)(iii).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Revenue recognition

(a) Revenue from contracts with customers

The Group and the Company recognise revenue from contracts with customers based on the five-step model as set out below:

(i) Identify contract with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transfering promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

(v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

(i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Sales of goods

The Group and the Company contract with their customers for sales of fresh oil palm fruit bunches. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon the transfer of significant risks and rewards of ownership of the goods to the customer. Payment is generally due up to 30 days from transfer of risks and rewards. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Revenue recognition (cont'd)

(b) Revenue from other sources

(i) Interest income

Interest is recognised on a time proportion basis that reflect the effective yield on the assets.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

2.24 Taxes

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Taxes (cont'd)

(b) Deferred tax (cont'd)

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Services Tax ("GST")

Revenues, expenses, liabilities and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

(d) Sales and services tax ("SST")

The amount of SST incurred in a purchase of assets or services is not recoverable from the taxation authority and is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

(a) Consolidation of Sungei Bagan Rubber Company Malaya (Berhad) ("Sungei Bagan") and Kuchai Development Berhad ("Kuchai")

The directors consider that the Group has control of Sungei Bagan and Kuchai, which are public limited liability companies listed on the Main Market of Bursa Malaysia Securities Berhad, even though it has less than 50% of each of the two companies' voting rights. The Group is the major shareholder of Sungei Bagan and Kuchai with a 43.40% and 45.25% equity interest respectively as at 30 June 2019 (2018: 43.40% and 45.25%). The second largest shareholder holds 5% and 9% of the equity interest respectively. All other shareholders individually own less than 3% of the equity shares of Sungei Bagan and Kuchai. Historically, other than the second largest shareholder, less than 20 shareholders attended the Annual General Meetings held in the past 3 years.

On this basis, the directors consider that the shareholders who are likely to attend the shareholders' meeting are unlikely to out vote the Company in any shareholders' meetings and therefore the Group has control over Sungei Bagan and Kuchai.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist, using the comparison method, to assess fair value of the investment properties as at 30 June 2019. The key assumptions and the unobservable inputs which are used to determine the fair value of the investment properties are disclosed in Note 29 (b).

(b) Valuation of investment in debt instruments

The Group measures its investment in debt instruments at fair value through profit or loss.

The management used the net asset value of the investment entity to determine fair value. The assets of the entity mainly consist of quoted shares for which fair values are determined based on publicly available market data.

4. REVENUE

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Type of revenue				
Revenue from contracts with customers:				
- Sales of fresh oil palm fruit bunches	8,489,351	14,064,736	3,819,327	6,307,203
Revenue from other sources:				
Dividend income				
- Quoted shares in Malaysia	-	-	11,843,468	933,938
- Quoted shares outside Malaysia	9,474,714	11,054,100	221,267	263,152
Rental income	1,611,548	1,633,170	-	-
Interest income	3,036,950	2,239,583	410,224	386,276
	22,612,563	28,991,589	16,294,286	7,890,569

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

5. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Wages and salaries	2,926,035	2,598,424	1,037,290	887,529
Contributions to defined contribution plan	161,639	144,753	49,942	46,772
Social security contributions	17,208	12,399	5,096	3,929
Retirement benefits (Note 22)	14,098	10,207	565	885
Other benefits	328,464	490,341	119,614	174,399
	3,447,444	3,256,124	1,212,507	1,113,514

Included in employee benefits expenses of the Group and Company are executive directors' remuneration amounting to RM1,807,631 (2018: RM1,725,596) and RM664,124 (2018: RM650,708) respectively as further disclosed in Note 7.

6. PROFIT FROM OPERATIONS

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Profit from operations is stated after charging/(crediting):				
Auditors' remuneration				
- Current year	176,500	133,000	65,500	47,500
- Prior year	-	2,500	-	-
- Of subsidiary, borne by the Company	13,500	12,000	4,500	4,000
- Other services	109,029	251,722	47,650	139,300
Depreciation				
- Property, plant and equipment (Note 10)	459,065	511,164	201,427	343,131
- Bearer plants (Note 11)	1,148,561	343,240	179,496	179,496
Property, plant and equipment written off	1,515	103,065	1,515	24
Fees of subsidiaries' directors	8,910	8,829	-	-
Foreign exchange loss/(gain)				
- Realised	16,112	7,346	15,466	(6,430)
- Unrealised	(567,912)	(115,964)	(480,049)	731,533
Direct operating expenses from investment properties	269,090	261,720	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

7. DIRECTORS' REMUNERATION

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company				
Executive:				
- Salaries and allowances	1,807,631	1,353,306	664,124	502,368
- Fees	-	372,290	-	148,340
	1,807,631	1,725,596	664,124	650,708
Non-executive:				
- Fees	871,860	955,320	314,760	344,660
Total	2,679,491	2,680,916	978,884	995,368

The number of directors of the Company whose total remuneration during the year fell within the following bands are as analysed below:

	Number of directors	
	2019	2018
Executive directors		
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	2	1
RM150,001 to RM250,000	-	1
RM250,001 to RM300,000	-	1
RM400,001 to RM450,000	1	-
Non-Executive directors		
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	2	3

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

8. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 30 June 2019 and 2018 are:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Current income tax:				
Malaysian income tax	9,068	582,173	-	481,000
Foreign income tax	234,089	159,502	-	-
	243,157	741,675	-	481,000
(Over)/under provision in respect of prior years:				
Malaysian income tax	(6,800)	(8,746)	(6,457)	(7,241)
Foreign income tax	(138,779)	18,160	-	-
	(145,579)	9,414	(6,457)	(7,241)
Deferred tax (Note 21):				
Origination and reversal of temporary differences	(1,592,971)	189,261	(463,000)	(24,000)
Changes in Malaysian Real Property Gains Tax ("RPGT") rate	14,999,000	-	9,704,000	-
Underprovision in prior year	28,971	30,739	-	-
	13,435,000	220,000	9,241,000	(24,000)
Total income tax expense	13,532,578	971,089	9,234,543	449,759

Reconciliation between tax expense and accounting (loss)/profit:
The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 30 June 2019 and 2018 is as follows:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
(Loss)/Profit before taxation	(1,185,586)	15,805,088	10,737,886	1,545,734
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	(284,541)	3,793,221	2,577,093	370,976
Effects of income not subject to tax	(3,377,349)	(4,209,529)	(3,196,479)	(299,000)
Effects of expenses not deductible for tax purposes	858,695	998,625	156,386	385,024
Effects of share of results of associates	1,470,178	352,723	-	-
Different tax rate in foreign countries	(16,797)	(4,104)	-	-
Effect of change in RPGT rate	14,999,000	-	9,704,000	-
(Over)/underprovision of income tax in prior years	(145,579)	9,414	(6,457)	(7,241)
Underprovision of deferred tax in prior years	28,971	30,739	-	-
Tax expense for the year	13,532,578	971,089	9,234,543	449,759

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

9. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the (loss)/profit for the year by the number of ordinary shares in issue during the financial year.

	Group	
	2019	**2018**
(Loss)/Profit attributable to owners of parent for the year (RM)	(12,302,762)	7,586,890
Number of ordinary shares (unit)	63,171,977	63,171,977
Basic (loss)/earnings per share (sen)	(19.5)	12.0

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding as at 30 June 2019 and 30 June 2018.

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Plant and machinery RM	*Other assets RM	Total RM
Group					
Cost					
At 1 July 2017	297,929,619	2,673,040	943,961	1,524,674	303,071,294
Additions	-	908,437	437,854	142,347	1,488,638
Written off	-	(55,182)	(125,351)	(251,003)	(431,536)
Exchange difference	-	-	-	(1,541)	(1,541)
At 30 June 2018 and 1 July 2018	297,929,619	3,526,295	1,256,464	1,414,477	304,126,855
Additions	31,430	1,627,383	489,093	249,555	2,397,461
Written off	-	-	(22,685)	(22,160)	(44,845)
Exchange difference	-	-	-	946	946
At 30 June 2019	297,961,049	5,153,678	1,722,872	1,642,818	306,480,417

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM	Buildings RM	Plant and machinery RM	*Other assets RM	Total RM
Group					
Accumulated depreciation					
At 1 July 2017	-	1,403,157	531,907	1,111,408	3,046,472
Charge for the year (Note 6)	-	125,236	116,968	268,960	511,164
Written off	-	(55,173)	(125,304)	(147,994)	(328,471)
Exchange difference	-	-	-	(1,080)	(1,080)
At 30 June 2018 and 1 July 2018	-	1,473,220	523,571	1,231,294	3,228,085
Charge for the year (Note 6)	-	178,046	165,504	115,515	459,065
Written off	-	-	(22,679)	(20,651)	(43,330)
Exchange difference	-	-	-	720	720
At 30 June 2019	-	1,651,266	666,396	1,326,878	3,644,540
Net carrying amount					
At 1 July 2017	297,929,619	1,269,883	412,054	413,266	300,024,822
At 30 June 2018	297,929,619	2,053,075	732,893	183,183	300,898,770
At 30 June 2019	297,961,049	3,502,412	1,056,476	315,940	302,835,877

* Other assets comprise furniture, fittings, computers, motor vehicles and tractors.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM	Buildings RM	Plant and machinery RM	*Other assets RM	Total RM
Company					
Cost					
At 1 July 2017	195,796,023	1,287,716	535,054	855,994	198,474,787
Additions	-	151,403	-	136,102	287,505
Written off	-	-	(20,425)	(46,739)	(67,164)
At 30 June 2018 and 1 July 2018	195,796,023	1,439,119	514,629	945,357	198,695,128
Additions	31,430	177,295	14,487	39,029	262,241
Written off	-	-	(22,685)	(22,160)	(44,845)
At 30 June 2019	195,827,453	1,616,414	506,431	962,226	198,912,524
Accumulated depreciation					
At 1 July 2017	-	799,154	325,748	643,977	1,768,879
Charge for the year (Note 6)	-	85,185	44,064	213,882	343,131
Written off	-	-	(20,418)	(46,722)	(67,140)
At 30 June 2018 and 1 July 2018	-	884,339	349,394	811,137	2,044,870
Charge for the year (Note 6)	-	101,743	45,140	54,544	201,427
Written off	-	-	(22,679)	(20,651)	(43,330)
At 30 June 2019	-	986,082	371,855	845,030	2,202,967
Net carrying amount					
At 1 July 2017	195,796,023	488,562	209,306	212,017	196,705,908
At 30 June 2018	195,796,023	554,780	165,235	134,220	196,650,258
At 30 June 2019	195,827,453	630,332	134,576	117,196	196,709,557

* Other assets comprise furniture, fittings, computers, motor vehicles and tractors.

Included in property, plant and equipment of the Group and of the Company are the cost of the following fully depreciated assets which are still in use:

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Buildings	1,084,127	1,084,127	598,986	598,986
Plant and machinery	174,539	90,473	161,739	77,673
Other assets	1,058,104	1,072,725	708,287	727,446
	2,316,770	2,247,325	1,469,012	1,404,105

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

11. BEARER PLANTS

	Group		Company	
	2019	**2018**	**2019**	**2018**
At cost	**RM**	**RM**	**RM**	**RM**
At beginning of year	36,033,419	29,621,412	4,291,358	4,213,409
Additions	5,876,235	6,412,007	405,403	77,949
At end of year	41,909,654	36,033,419	4,696,761	4,291,358
Accumulated depreciation				
At beginning of year	1,751,307	1,408,067	910,841	731,345
Charge for the year (Note 6)	1,148,561	343,240	179,496	179,496
At end of year	2,899,868	1,751,307	1,090,337	910,841
Net carrying amount	39,009,786	34,282,112	3,606,424	3,380,517

Included in the bearer plants are immature bearer plants of the Group and of the Company with a carrying amount of RM16,641,333 (30.6.2018: RM28,482,157; 1.7.2017: RM23,015,887) and RM747,844 (30.6.2018: RM342,441; 1.7.2017: RM1,094,287) respectively.

12. INVESTMENT PROPERTIES

	Group	
	2019	**2018**
	RM	**RM**
At beginning of year	65,009,836	68,594,291
Fair value gain/(loss)	941,226	(212,011)
Exchange differences	477,720	(3,372,444)
At end of year	66,428,782	65,009,836

Investment properties are stated at fair value, which has been determined based on valuations conducted by accredited independent valuers using the comparison method. The comparison method involves comparing and adopting recent transactions as a yardstick and sale evidences involving other similar properties in the vicinity. The Group has assessed that the highest and best use of its properties do not differ from their current use.

Details of significant unobservable valuation inputs for using the comparison method of valuation are disclosed in Note 29(b). Significant increases/(decreases) in estimated price per square feet in isolation would result in significantly higher/(lower) fair value of investment property.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

13. INVESTMENT IN SUBSIDIARIES

	Company		
	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Quoted shares, at cost	8,828,627	8,828,627	8,828,627
Unquoted shares, at cost	26,784,005	26,784,005	26,784,005
	35,612,632	35,612,632	35,612,632
Fair value of quoted shares	146,215,799	182,799,556	128,434,085

a) Composition of the Group

Details of the subsidiaries are as follows:

Name	Principal place of business	Principal activities	Proportion (%) of ownership interest 2019	2018
Held by the Company:				
Sungei Bagan Rubber Company (Malaya) Berhad	Malaysia	Plantation owner and long term portfolio investor	43.40	43.40
Kuchai Development Berhad	Malaysia	Investment holding	45.25	45.25
Devon Worldwide Limited	British Virgin Islands	Investment holding	100	100
Held through Sungei Bagan Rubber Company (Malaya) Berhad:				
Lanstar Assets Limited	British Virgin Islands	Investment holding	43.40	43.40
Springvale International Limited	British Virgin Islands	Investment holding	43.40	43.40

The following subsidiaries have non-controlling interests ("NCI") that are material to the Group:

Names of the subsidiaries	Proportion of ownership interest held by NCI 2019	2018
Sungei Bagan Rubber Company (Malaya) Berhad	56.60%	56.60%
Kuchai Develpoment Berhad	54.75%	54.75%

All subsidiaries are audited by Ernst & Young.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

13. INVESTMENT IN SUBSIDIARIES (cont'd)

b) Summarised financial information about subsidiaries with material NCI

Summarised financial information of subsidiaries with material non-controlling interests are as follows:

Summarised statements of financial position

	Sungei Bagan RM	Kuchai RM	Total RM
At 30 June 2019			
Non-current assets	468,016,296	297,468,962	765,485,258
Current assets	143,773,290	69,858,098	213,631,388
Total assets	611,789,586	367,327,060	979,116,646
Current liabilities	2,751,789	1,142,696	3,894,485
Non-current liabilities	11,184,596	470,000	11,654,596
Total liabilities	13,936,385	1,612,696	15,549,081
Equity	597,853,201	365,714,364	963,567,565
Equity attributable to NCI	338,384,912	200,228,614	538,613,526
Elimination adjustments	(1,271,664)	-	(1,271,664)
Other adjustments	(11,546,036)	(9,349,141)	(20,895,177)
Adjusted NCI	325,567,212	190,879,473	516,446,685
At 30 June 2018			
Non-current assets	499,882,289	323,279,903	823,162,192
Current assets	146,055,834	67,931,407	213,987,241
Total assets	645,938,123	391,211,310	1,037,149,433
Current liabilities	2,831,200	998,743	3,829,943
Non-current liabilities	7,146,103	235,000	7,381,103
Total liabilities	9,977,303	1,233,743	11,211,046
Equity	635,960,820	389,977,567	1,025,938,387
Equity attributable to NCI	359,953,824	213,512,718	573,466,542
Elimination adjustments	(1,141,855)	12,880	(1,128,975)
Other adjustments	(11,546,036)	(9,349,141)	(20,895,177)
Adjusted NCI	347,265,933	204,176,457	551,442,390

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

13. INVESTMENT IN SUBSIDIARIES (cont'd)

b) Summarised financial information about subsidiaries with material NCI (cont'd)

Summarised statements of comprehensive income

	Sungei Bagan RM	Kuchai RM	Total RM
Year ended 30 June 2019			
Revenue	12,241,519	11,923,466	24,164,985
(Loss)/Profit for the year attributable to:			
- equity holders of the parent	(5,018,459)	3,839,527	(1,178,932)
- non-controlling interest	(6,686,445)	4,271,043	(2,415,402)
	(11,704,904)	8,110,570	(3,594,334)
Other comprehensive loss attributable to:			
- equity holders of the parent	(2,492,327)	(8,841,624)	(11,333,951)
- non-controlling interest	(3,250,362)	(10,697,875)	(13,948,237)
	(5,742,689)	(19,539,499)	(25,282,188)
Total comprehensive loss attributable to:			
- equity holders of the parent	(7,510,786)	(5,002,097)	(12,512,883)
- non-controlling interest	(9,936,807)	(6,426,832)	(16,363,639)
	(17,447,593)	(11,428,929)	(28,876,522)
Dividends paid to NCI	7,850,263	6,540,754	14,391,017
Year ended 30 June 2018			
Revenue	14,193,069	8,136,015	22,329,084
Profit for the year attributable to:			
- equity holders of the parent	2,801,095	3,005,336	5,806,431
- non-controlling interest	3,643,412	3,603,697	7,247,109
	6,444,507	6,609,033	13,053,540
Other comprehensive income attributable to:			
- equity holders of the parent	744,744	8,674,904	9,419,648
- non-controlling interest	971,255	10,496,155	11,467,410
	1,715,999	19,171,059	20,887,058
Total comprehensive income attributable to:			
- equity holders of the parent	3,545,839	11,680,240	15,226,079
- non-controlling interest	4,614,667	14,099,852	18,714,519
	8,160,506	25,780,092	33,940,598
Dividends paid to NCI	547,656	580,390	1,128,046

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

13. INVESTMENT IN SUBSIDIARIES (cont'd)

b) Summarised financial information about subsidiaries with material NCI (cont'd)

Summarised cash flow information

	Sungei Bagan RM	Kuchai RM	Total RM
Year ended 30 June 2019			
Operating	(3,925,620)	(1,052,843)	(4,978,463)
Investing	(895,763)	22,320,882	21,425,119
Financing	(3,979,959)	(6,187,368)	(10,167,327)
Net changes in cash and cash equivalents	(8,801,342)	15,080,671	6,279,329
Year ended 30 June 2018			
Operating	2,678,829	(679,451)	1,999,378
Investing	(75,358,222)	(44,454,403)	(119,812,625)
Financing	(1,326,653)	(1,200,350)	(2,527,003)
Net changes in cash and cash equivalents	(74,006,046)	(46,334,204)	(120,340,250)

14. INVESTMENT IN ASSOCIATES

		Group	
	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Outside Malaysia:			
Unquoted shares, at cost	83,167,143	83,167,143	83,167,143
Share of post-acquisition reserves and other adjustments	13,333,249	19,747,707	22,438,543
	96,500,392	102,914,850	105,605,686

Name of associates	Country of incorporation	Principal activities	Proportion (%) of ownership interest* 2019	Proportion (%) of ownership interest* 2018
Held through subsidiaries:				
Kuala Pergau Rubber Plantations PLC ("KP")	England	Plantation owner	25.00	25.00
Balland Properties Limited ("Balland")	Ireland	Investment holding	49.00	49.00
Raffles - Asia Investment Company ("RAIC")	Mauritius	Invest in a portfolio of securities	43.36	43.43

* equals to the proportion of voting rights held.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

14. INVESTMENT IN ASSOCIATES (cont'd)

Summarised financial information of the associates is set out below:

(i) Summarised statements of financial position

As at 30 June 2019	KP RM	Balland RM	RAIC RM	Total RM
Current assets	662,582	266,316	213,350,701	214,279,599
Non-current assets	859,697	12,253,166	-	13,112,863
Current liabilities	(568,652)	(3,137,981)	(828,949)	(4,535,582)
Non-current liabilities	(300,000)	(835,472)	-	(1,135,472)
Equity	653,627	8,546,029	212,521,752	221,721,408
Proportion of Group's ownership	25.00%	49.00%	43.36%	
Carrying amount of investment	163,407	4,187,554	92,149,431	96,500,392
As at 30 June 2018				
Current assets	561,235	352,888	227,158,680	228,072,803
Non-current assets	859,697	12,668,185	-	13,527,882
Current liabilities	(564,860)	(2,846,554)	(807,071)	(4,218,485)
Non-current liabilities	(300,000)	(1,049,360)	-	(1,349,360)
Equity	556,072	9,125,159	226,351,609	236,032,840
Proportion of Group's ownership	25.00%	49.00%	43.43%	
Carrying amount of investment	139,018	4,471,328	98,304,504	102,914,850

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

14. INVESTMENT IN ASSOCIATES (cont'd)

(ii) Summarised statements of comprehensive income

For the year ended 30 June 2019	**KP RM**	**Balland RM**	**RAIC RM**	**Total RM**
Revenue	-	-	4,675,649	4,675,649
Other income	250,000	-	-	250,000
Other expenses	(77,417)	(26,607)	-	(104,024)
Other operating expenses	(11,922)	(608,584)	(18,052,373)	(18,672,879)
Income tax expense	(63,106)	-	(286,734)	(349,840)
Profit/(loss) net of tax, representing total comprehensive income/(loss) for the year	97,555	(635,191)	(13,663,458)	(14,201,094)
Proportion of Group's ownership	25.00%	49.00%	43.36%	
Group's share of total comprehensive income/(loss) for the year	24,389	(311,244)	(5,924,475)	(6,211,330)
Change in proportion of Group's ownership	-	-	(5,484)	(5,484)
Adjustment to conform with the accounting policies of the Group	-	91,072	-	91,072
Net Group's share of total comprehensive income/(loss) for the year	24,389	(220,172)	(5,929,959)	(6,125,742)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

14. INVESTMENT IN ASSOCIATES (cont'd)

(ii) Summarised statements of comprehensive income (cont'd)

For the year ended 30 June 2018	**KP RM**	**Balland RM**	**RAIC RM**	**Total RM**
Revenue	-	-	4,017,620	4,017,620
Other income	262,940	-	-	262,940
Other expenses	(86,889)	(18,578)	-	(105,467)
Other operating expenses	(42,008)	(574,761)	(8,313,303)	(8,930,072)
Income tax expense	(60,000)	-	(4,820)	(64,820)
Profit/(loss) net of tax, representing total comprehensive income/(loss) for the year	74,043	(593,339)	(4,300,503)	(4,819,799)
Proportion of Group's ownership	25.00%	49.00%	43.43%	
Group's share of total comprehensive income/(loss) for the year	18,511	(290,736)	(1,867,708)	(2,139,933)
Change in proportion of Group's ownership	-	-	995,860	995,860
Adjustment to conform with the accounting policies of the Group	-	(325,606)	-	(325,606)
Net Group's share of total comprehensive income/(loss) for the year	18,511	(616,342)	(871,848)	(1,469,679)

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

15. INVESTMENTS

	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Group			
Financial assets at fair value through other comprehensive income:			
Quoted equity instruments -			
Shares outside Malaysia	388,373,631	426,592,732	391,197,985
Financial assets at fair value through profit or loss:			
Debt instruments -			
Redeemable preference shares outside Malaysia	8,257,060	7,808,056	8,830,109
Other debt instruments outside Malaysia	33,337,645	33,502,966	31,451,719
	41,594,705	41,311,022	40,281,828
Investment at fair value through other comprehensive income:			
Investment in precious metal - gold bullion	23,442,400	20,302,475	21,475,020
Total investments	453,410,736	488,206,229	452,954,833
Company			
Financial assets at fair value through other comprehensive income:			
Quoted equity instruments -			
Shares outside Malaysia	4,348,589	4,483,729	5,873,998
Investment at fair value through other comprehensive income:			
Investment in precious metal - gold bullion	2,622,850	2,271,431	2,401,622
Total investments	6,971,439	6,755,160	8,275,620

16. INVENTORIES

	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Group			
At cost:			
Spare parts, fertilizers and chemicals	19,346	27,390	47,312
Company			
At cost:			
Spare parts, fertilizers and chemicals	1,161	1,739	5,667

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

17. BIOLOGICAL ASSETS

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
At fair value:				
At beginning of year	284,658	313,588	166,234	185,510
Changes in fair value	(54,423)	(28,930)	(70,352)	(19,276)
At end of year	230,235	284,658	95,882	166,234

The biological assets of the Group and Company comprise of fresh fruit bunches ("FFB") prior to harvest. Fair value is determined based on the estimated future cash flows expected to be generated from the sale of FFB, which takes into consideration the market price of FFB, adjusted for estimated oil content of the unharvested FFB, less harvesting cost, transportation fee and other costs to sell.

The Group and Company have assumed that net cash flows to be generated from unripe FFB beyond 14 days from harvest are negligible. The other key assumptions used to determine the fair value are as follows:

		Group	
	30.06.2019	30.06.2018	01.07.2017
FFB expected to be harvested (MT)	839	723	804
Average FFB selling price (RM/MT)	373	467	507

		Company	
	30.06.2019	30.06.2018	01.07.2017
FFB expected to be harvested (MT)	318	403	462
Average FFB selling price (RM/MT)	375	479	464

The fair value measurement of the Group's and the Company's biological assets are categorised within Level 3 of the fair value hierarchy. A reasonable change in the key assumptions would not result in any material impact to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

18. TRADE AND OTHER RECEIVABLES

	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Group			
Trade receivables - third parties	250,749	443,832	495,192
Other receivables:			
Deposits	532,679	530,018	530,018
Sundry receivables	1,142,835	1,034,665	354,668
	1,675,514	1,564,683	884,686
Total trade and other receivables	1,926,263	2,008,515	1,379,878
Add: Cash and bank balances (Note 19)	267,950,904	265,423,000	270,454,680
Total financial assets at amortised cost	269,877,167	267,431,515	271,834,558
Company			
Trade receivables - third parties	85,111	346,496	267,832
Other receivables:			
Deposits	19,298	16,138	16,138
Sundry receivables	128,326	118,169	108,942
Due from subsidiaries	309,782	302,827	320,878
	457,406	437,134	445,958
Total trade and other receivables	542,517	783,630	713,790
Add: Cash and bank balances (Note 19)	28,911,306	27,257,525	26,252,843
Total financial assets at amortised cost	29,453,823	28,041,155	26,966,633

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 15 to 30 days (30.6.2018 : 15 to 30 days; 1.7.2017: 15 to 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are neither past due nor impaired

None of the Group's and Company's trade and other receivables are past due or impaired.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of these balances have been renegotiated during the financial year.

(b) Due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

19. CASH AND BANK BALANCES

	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Group			
Cash at banks and on hand			
- in Malaysia	15,798,072	15,176,529	10,248,058
- outside Malaysia	114,098,861	97,424,094	220,039,418
Short-term deposits with licensed banks			
- in Malaysia	14,504,827	19,396,647	30,776,330
- outside Malaysia	123,549,144	133,425,730	9,390,874
Cash and bank balances	267,950,904	265,423,000	270,454,680
Company			
Cash at banks and on hand			
- in Malaysia	5,676,280	5,247,590	4,295,602
- outside Malaysia	4,610,374	4,268,900	10,493,900
Short-term deposits with licensed banks			
- in Malaysia	12,443,913	11,802,265	11,463,341
- outside Malaysia	6,180,739	5,938,770	-
Cash and bank balances	28,911,306	27,257,525	26,252,843

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

		Group	
	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Cash and bank balances	267,950,904	265,423,000	270,454,680
Less: Short-term deposits with maturities exceeding 90 days	(132,027,076)	(144,896,896)	(13,016,266)
Cash and cash equivalents	135,923,828	120,526,104	257,438,414

		Company	
	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Cash and bank balances	28,911,306	27,257,525	26,252,843
Less: Short-term deposits with maturities exceeding 90 days	(13,983,973)	(13,500,869)	(7,337,328)
Cash and cash equivalents	14,927,333	13,756,656	18,915,515

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

19. CASH AND BANK BALANCES (cont'd)

The weighted average interest rates of deposits at the reporting date were as follows:

	Interest rate (% per annum)		
	30.06.2019	**30.06.2018**	**01.07.2017**
Group			
In Malaysia	2.65 - 3.25	2.93 - 3.09	2.70 - 3.25
Outside Malaysia	0.75 - 1.52	0.56 - 0.86	0.25
Company			
In Malaysia	2.99	3.09	2.91
Outside Malaysia	0.82	0.70	N/A

The average remaining maturity days of deposits at the reporting date were as follows:

	Maturity (days)		
	30.06.2019	**30.06.2018**	**01.07.2017**
Group			
In Malaysia	7 - 147	7 - 148	7 - 148
Outside Malaysia	3 - 4	3 - 4	7
Company			
In Malaysia	147	148	148
Outside Malaysia	4	4	N/A

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

20. TRADE AND OTHER PAYABLES

	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Group			
Current			
Trade payables	1,451,992	1,266,388	258,510
Other payables:			
Accruals	1,560,531	2,467,249	1,513,760
Sundry payables	777,658	587,372	616,206
Due to director's related companies	1,083,671	686,391	1,002,994
	3,421,860	3,741,012	3,132,960
	4,873,852	5,007,400	3,391,470
Non-current			
Provision for ex-gratia	724,681	610,574	523,105
Total trade and other payables	5,598,533	5,617,974	3,914,575
Less: Provision	(724,681)	(610,574)	(523,105)
Total financial liabilities at amortised cost	4,873,852	5,007,400	3,391,470
Company			
Current			
Trade payables	100,504	106,615	87,168
Other payables:			
Accruals	529,097	939,139	538,078
Sundry payables	90,583	48,940	67,465
Due to director's related companies	464,430	293,544	429,432
Due to subsidiary	-	24,519	1,814
	1,084,110	1,306,142	1,036,789
	1,184,614	1,412,757	1,123,957
Non-current			
Provision for ex-gratia	263,940	223,790	187,735
Total trade and other payables	1,448,554	1,636,547	1,311,692
Less: Provision	(263,940)	(223,790)	(187,735)
Total financial liabilities at amortised cost	1,184,614	1,412,757	1,123,957

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

20. TRADE AND OTHER PAYABLES (cont'd)

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 30 days to 90 days (30.6.2018: 30 days to 90 days; 1.7.2017: 30 to 90 days).

Included in trade payables of the Group and the Company are amounts of RM35,763 (30.6.2018: RM31,230; 1.7.2017: RM34,489) and RM10,613 (30.6.2018: RM15,487; 1.7.2017: RM14,021) respectively, due to Kluang Estate (1977) Sdn. Bhd., a company in which a director namely, Lee Chung-Shih Justin has interest. These amounts are unsecured, interest free and are repayable on demand.

(b) Amounts due to director's related companies

These amounts represent non-trade amounts due to companies in which a director, Lee Chung-Shih Justin has interest. They are unsecured, interest free and are repayable on demand.

	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Group			
The Nyalas Rubber Estates Limited	1,083,671	677,160	995,723
Estate & Trust Agencies (1927) Limited	-	9,231	7,271
	1,083,671	686,391	1,002,994
Company			
The Nyalas Rubber Estates Limited	464,430	290,212	426,739
Estate & Trust Agencies (1927) Limited	-	3,332	2,693
	464,430	293,544	429,432

(c) Sundry payables

Sundry payables are normally settled on an average term of three months (30.6.2018: three months; 1.7.2017: three months).

(d) Amounts due to subsidiary

The amounts due to subsidiary is unsecured, non-interest bearing and is repayment on demand.

(e) Provision for ex-gratia

These are payable upon retirement of eligible employees.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

21. DEFERRED TAX LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
At beginning of year	(17,579,000)	(17,359,000)	(10,636,000)	(10,660,000)
Recognised in profit or loss (Note 8)	(13,435,000)	(220,000)	(9,241,000)	24,000
At end of year	(31,014,000)	(17,579,000)	(19,877,000)	(10,636,000)
Analysed as follows:				
Deferred tax assets	8,870,000	6,036,000	481,000	50,000
Deferred tax liabilities	(39,884,000)	(23,615,000)	(20,358,000)	(10,686,000)
	(31,014,000)	(17,579,000)	(19,877,000)	(10,636,000)

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Provisions RM	Unabsorbed capital allowances RM	Unabsorbed business losses RM	Total RM
At 1 July 2017	206,000	3,267,000	-	3,473,000
Recognised in profit or loss	25,000	1,376,000	1,162,000	2,563,000
At 30 June 2018/1 July 2018	231,000	4,643,000	1,162,000	6,036,000
Recognised in profit or loss	21,000	1,635,000	1,178,000	2,834,000
At 30 June 2019	252,000	6,278,000	2,340,000	8,870,000

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Bearer plants RM	Freehold estate land RM	Total RM
At 1 July 2017	(610,000)	(5,458,000)	(14,764,000)	(20,832,000)
Recognised in profit or loss	(230,000)	(2,553,000)	-	(2,783,000)
At 30 June 2018/1 July 2018	(840,000)	(8,011,000)	(14,764,000)	(23,615,000)
Recognised in profit or loss	(350,000)	(920,000)	(14,999,000)	(16,269,000)
At 30 June 2019	(1,190,000)	(8,931,000)	(29,763,000)	(39,884,000)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

21. DEFERRED TAX LIABILITIES (cont'd)

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows: (cont'd)

Deferred tax assets of the Company

	Provisions RM	Unabsorbed capital allowances RM	Unabsorbed business losses RM	Total RM
At 1 July 2017/30 June 2018/ 1 July 2018	50,000	-	-	50,000
Recognised in profit or loss	44,000	48,000	339,000	431,000
At 30 June 2019	94,000	48,000	339,000	481,000

Deferred tax liabilities of the Company

	Property, plant and equipment RM	Bearer plants RM	Freehold estate land RM	Total RM
At 1 July 2017	(170,000)	(836,000)	(9,704,000)	(10,710,000)
Recognised in profit or loss	-	24,000	-	24,000
At 30 June 2018/1 July 2018	(170,000)	(812,000)	(9,704,000)	(10,686,000)
Recognised in profit or loss	86,000	(54,000)	(9,704,000)	(9,672,000)
At 30 June 2019	(84,000)	(866,000)	(19,408,000)	(20,358,000)

22. RETIREMENT BENEFITS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
At beginning of year	55,428	50,766	4,109	8,769
Charged to profit or loss (Note 5)	14,098	10,207	565	885
Retirement benefits paid	(7,997)	(5,545)	-	(5,545)
At end of year	61,529	55,428	4,674	4,109

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

23. SHARE CAPITAL

	Number of ordinary shares		
	30.06.2019	30.06.2018	01.07.2017
Group and Company			
Issued and fully paid	63,171,977	63,171,977	63,171,977

	Amount		
	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Group and Company			
Issued and fully paid	68,387,724	63,171,977	63,171,977

The movement in the share capital account represent a reclassification from share premium as shown in the statements of changes in equity.

24. RESERVES

	Note	30.06.2019 RM	30.06.2018 RM	01.07.2017 RM
Group				
Share premium	(a)	-	5,215,747	5,215,747
Capital reserve	(b)	198,114,385	198,114,385	198,114,385
Fair value reserve	(c)	146,771,863	165,367,817	146,516,532
Foreign currency translation reserve	(d)	61,606,475	53,255,631	67,514,430
Equity interest in parent held by subsidiaries	(e)	-	(25,813,125)	(25,649,439)
		406,492,723	396,140,455	391,711,655
Company				
Share premium	(a)	-	5,215,747	5,215,747
Capital reserve	(b)	135,969,305	135,969,305	135,969,305
Fair value reserve	(c)	4,698,276	4,481,996	6,002,457
		140,667,581	145,667,048	147,187,509

The components and movements of reserves are disclosed in the statements of changes in equity.

(a) The share premium represents the premium arising from the issuance of ordinary shares.

(b) Capital reserve was created for the purpose of future acquisition of property and investment. It consists of the gain from the disposal of properties and long term investments. It also includes the difference between deemed cost (based on a valuation as at 30 June 2015) and historical cost of the freehold land which arose from the adoption of deemed cost exemption under MFRS 1.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

24. RESERVES (cont'd)

(c) Fair value reserve represents net gains or losses from the fair value adjustments of investments measured at fair value through other comprehensive income.

(d) The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of entities whose functional currencies are different from that of the Group's presentation currency.

(e) Equity interest in parent represents ordinary shares of the Company held by the subsidiaries.

25. RETAINED EARNINGS

The entire retained earnings of the Company as at 30 June 2019 and 30 June 2018 may be distributed as dividends under the single tier system.

26. DIVIDENDS

	Amount		Net dividends per share	
	2019 RM	2018 RM	2019 Sen	2018 Sen
Dividend in specie*				
Tax exempt (single-tier), on 63,171,977 ordinary shares, declared on 4 January 2019, paid on 21 February 2019	7,942,082	-	13.00	-
First and final				
Tax exempt single-tier, on 63,171,977 ordinary shares, declared on 25 October 2017, paid on 19 December 2017	-	631,720	-	1.00
Tax exempt single-tier, on 63,171,977 ordinary shares, declared on 16 October 2018, paid on 7 January 2019	631,720	-	1.00	-
	631,720	631,720	1.00	1.00
Total dividend	8,573,802	631,720	14.00	1.00

* Represents 2,068,368 ordinary shares in Kluang Rubber Company (Malaya) Berhad with a fair value of RM7,942,082 on 21 February 2019.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

26. DIVIDENDS (cont'd)

At the forthcoming Annual General Meeting, the following dividend in respect of the current financial year ended 30 June 2019 on 63,171,977 ordinary shares, will be proposed for shareholders' approval.

	Amount RM	Net dividend per share Sen
First and final tax exempt single-tier dividend	631,720	1.00
Special tax exempt single-tier dividend	3,158,599	5.00
	3,790,319	6.00

The financial statements for the current financial year do not reflect this proposed dividend. The dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2020.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
With companies, in which a director, Lee Chung-Shih Justin, has an interest:				
Rental income from Ice Cold Beer Pte. Ltd.	943,114	946,764	-	-
Estate agency fee payable to Kluang Estates (1977) Sdn. Bhd.	213,628	297,768	88,439	128,415
Administration and support services payable to The Nyalas Rubber Estates Limited	2,133,571	1,770,989	914,395	758,911
Administration and support services payable to Estate & Trust Agencies (1927) Limited	589,452	414,136	179,595	135,490
Land lease rental payable to Kuala Pergau Rubber Plantations Plc	250,000	250,000	-	-

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

28. COMMITMENTS

Operating lease commitment - as lessee

The Group has entered into a non-cancellable operating lease agreement for a parcel of leasehold land. This lease has a remaining non-cancellable lease term of 19.75 years (30.6.2018: 20.75 years; 1.7.2017: 21.75 years).

The future minimum lease payments payable under the non-cancellable operating lease contracted for as at the reporting date but not recognised as payables, are as follows:

		Group	
	30.06.2019	**30.06.2018**	**01.07.2017**
	RM	**RM**	**RM**
Not later than 1 year	250,000	250,000	250,000
Later than 1 year and not later than 5 years	1,000,000	1,000,000	1,000,000
Later than 5 years	3,687,500	3,937,500	4,187,500
	4,937,500	5,187,500	5,437,500

Operating lease commitment - as lessor

The Group has entered into a non-cancellable operating lease agreement on its investment property. The lease has a remaining non-cancellable lease term of 14 months. The lease includes a clause to enable upward revision of the rental charges on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under the non-cancellable operating lease contracted for as at the reporting date but not recognised as receivables are as follows:

		Group	
	30.06.2019	**30.06.2018**	**01.07.2017**
	RM	**RM**	**RM**
Not later than 1 year	1,132,764	1,033,555	1,672,843
Later than 1 year and not later than 5 years	109,286	461,604	1,576,893
	1,242,050	1,495,159	3,249,736

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

29. FAIR VALUE MEASUREMENT

(a) Fair value measurement hierarchy

The following table provides the fair value measurement hierarchy of the Group's and Company's assets:

Group	Quoted price in active markets (Level 1) RM	Significant observable inputs (Level 2) RM	Significant unobservable inputs (Level 3) RM	Total RM
At 30 June 2019				
Assets measured at fair value				
Quoted equity instruments	388,373,631	-	-	388,373,631
Debt instruments	-	41,594,705	-	41,594,705
Investment in precious metal				
- gold bullion	23,442,400	-	-	23,442,400
Investment property	-	-	66,428,782	66,428,782
Biological assets	-	-	230,235	230,235
	411,816,031	41,594,705	66,659,017	520,069,753
At 30 June 2018				
Assets measured at fair value				
Quoted equity instruments	426,592,732	-	-	426,592,732
Debt instruments	-	41,311,022	-	41,311,022
Investment in precious metal				
- gold bullion	20,302,475	-	-	20,302,475
Investment property	-	-	65,009,836	65,009,836
Biological assets	-	-	284,658	284,658
	446,895,207	41,311,022	65,294,494	553,500,723
Company				
At 30 June 2019				
Assets measured at fair value				
Quoted equity instruments	4,348,589	-	-	4,348,589
Investment in precious metal				
- gold bullion	2,622,850	-	-	2,622,850
Biological assets	-	-	95,882	95,882
	6,971,439	-	95,882	7,067,321
At 30 June 2018				
Assets measured at fair value				
Quoted equity instruments	4,483,729	-	-	4,483,729
Investment in precious metal				
- gold bullion	2,271,431	-	-	2,271,431
Biological assets	-	-	166,234	166,234
	6,755,160	-	166,234	6,921,394

During the financial year ended 30 June 2019 and 30 June 2018, there were no transfers between the various levels of the fair value measurement hierachy.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

29. FAIR VALUE MEASUREMENT (cont'd)

(b) Level 3 fair value measurement

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

Description	Fair value RM	Valuation techniques	Unobservable inputs	Range (adjusted RM/psf)
As at 30 June 2019				
Investment properties				
- Residential	36,577,378	Comparable	Yield	7,232 to 12,278
- Commercial	25,381,403	approach	adjustments	9,046 to 9,269
Freehold land			based on	
- agricultural	4,470,001		assumptions*	12.99 to 16.00
Total investment properties	66,428,782			
As at 30 June 2018				
Investment properties				
- Residential	35,980,135	Comparable	Yield	8,207 to 11,625
- Commercial	24,559,700	approach	adjustments	8,753 to 8,969
Freehold land			based on	
- agricultural	4,470,001		assumptions*	14.92 to 16.06
Total investment properties	65,009,836			

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

(ii) Valuation policies and procedures

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value on a linear basis.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and MFRS 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs used in the valuations.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

29. FAIR VALUE MEASUREMENT (cont'd)

(b) Level 3 fair value measurement (cont'd)

(ii) Valuation policies and procedures (cont'd)

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use a minimum of two valuation approaches to allow for cross- checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value:

	Note
Trade and other receivables	18
Cash and bank balances	19
Trade and other payables	20

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values due to their short-term nature.

(d) Determination of fair values

<u>Quoted equity instruments</u>

Fair value is determined directly by reference to their published market bid price at the reporting date.

<u>Precious metal</u>

Fair value of precious metal is determined by reference to its average bid spot price at the reporting date.

<u>Debt instruments</u>

The debt instruments have been valued using the net assets value attributable to each share.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis to minimise the Group's exposure to bad debts.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 18.

<u>Credit risk concentration profile</u>

At the reporting date, approximately 57% (30.6.2018: 39%; 1.7.2017: 45%) of the Company's trade and other receivables was due from its subsidiary, Devon Worldwide Limited.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through diverse sources of committed and uncommitted credit facilities from various banks.

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted payments.

	Group		Company	
	30.06.2019 RM	30.06.2018 RM	30.06.2019 RM	30.06.2018 RM
Trade and other payables				
- On demand or within 1 year	4,873,852	5,007,400	1,184,614	1,412,757
- More than 1 year	724,681	610,574	263,940	223,790
	5,598,533	5,617,974	1,448,554	1,636,547

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from its investments and short term deposits with licensed banks that are denominated in a currency other than the respective functional currencies of Group's entities, primarily in RM, United States Dollar ("USD") and Singapore Dollar ("SGD"). The foreign currencies in which these transactions are denominated are mainly RM, SGD and British Pound ("£").

The Group also holds cash and cash equivalents denominated in foreign currencies. At the reporting date, such foreign currency balances amounted to RM242,232,597 (30.6.2018: RM238,562,706; 1.7.2017: RM234,859,896) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the SGD, £ and USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		30.06.2019 RM	30.06.2018 RM
		Increase/(decrease) in profit net of tax	
SGD/RM	- Strengthened 5%	1,353,000	1,735,000
	- Weakened 5%	(1,353,000)	(1,735,000)
SGD/USD	- Strengthened 5%	6,696,000	6,398,000
	- Weakened 5%	(6,696,000)	(6,398,000)
£/USD	- Strengthened 5%	59,000	48,000
	- Weakened 5%	(59,000)	(48,000)
RM/SGD	- Strengthened 5%	113,000	124,000
	- Weakened 5%	(113,000)	(124,000)

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments and investments will fluctuate because of changes in market price (other than interest or exchange rate).

The Group and the Company are exposed to market price risk arising from its investments in quoted equity instruments quoted on SGX-ST in Singapore and gold bullion in Australia.

Sensitivity analysis for market price risk

At the reporting date, if the STI in Singapore and the precious metal price in Australia were to fluctuate by 5% respectively with all other variables held constant, the effects on other comprehensive income for the Group and the Company would have been as follows:

	Increase/(decrease) in profit or loss			
	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Quoted shares in Singapore				
- increased by 5%	19,419,000	21,330,000	217,000	224,000
- decreased by 5%	(19,419,000)	(21,330,000)	(217,000)	(224,000)
Precious metal				
- increased by 5%	1,172,000	1,015,000	131,000	114,000
- decreased by 5%	(1,172,000)	(1,015,000)	(131,000)	(114,000)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2019 and 30 June 2018.

32. SEGMENT INFORMATION

(a) Business segments

For management purposes, the Group is organised into business units based on their sources of income, and has two reportable operating segments as follows:

(i) Plantation - cultivation of oil palm
(ii) Investments - long term portfolio investment in securities, deposits with banks and investment properties

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group income taxes are managed on a group basis and are not allocated to operating segments.

	Plantation		Investments		Consolidated	
	2019 RM	2018 RM	2019 RM	2018 RM	2019 RM	2018 RM
Revenue						
External	8,489,351	14,064,736	14,123,212	14,926,853	22,612,563	28,991,589
Result						
Segment results	(1,246,352)	7,239,028	15,066,117	17,497,793	13,819,765	24,736,821
Foreign exchange (loss)/gain	(24,171)	6,014	575,971	102,604	551,800	108,618
Unallocated corporate expenses					(9,431,409)	(7,570,672)
Profits from operations					4,940,156	17,274,767
Share of results of associates	-	-	(6,125,742)	(1,469,679)	(6,125,742)	(1,469,679)
Income tax expense					(13,532,578)	(971,089)
(Loss)/Profit net of tax					(14,718,164)	14,833,999

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

32. SEGMENT INFORMATION (cont'd)

(a) Business segments (cont'd)

	Plantation		Investments		Consolidated	
	2019 RM	2018 RM	2019 RM	2018 RM	2019 RM	2018 RM
Assets						
Segment assets	376,404,843	379,296,550	756,234,351	777,517,887	1,132,639,194	1,156,814,437
Investments in associates			96,500,392	102,914,850	96,500,392	102,914,850
Unallocated assets					664,641	162,404
Consolidated total assets					1,229,804,227	1,259,891,691
Liabilities						
Segment liabilities	32,142,079	18,630,312	998,614	747,275	33,140,693	19,377,587
Unallocated liabilities					3,750,497	4,096,391
					36,891,190	23,473,978
Other information						
Depreciation	1,607,626	854,404	-	-	1,607,626	854,404
Fair value (gain)/loss on investment properties	-	-	(941,226)	212,011	(941,226)	212,011
Property, plant and equipment written off	1,515	103,065	-	-	1,515	103,065
Unrealised foreign exchange (gain)/loss	(480,049)	731,533	(87,863)	(847,497)	(567,912)	(115,964)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

32. SEGMENT INFORMATION (cont'd)

(b) Geographical segments

The Group's plantation activity is mainly in Malaysia whilst the investment activities are in six geographical areas of the world.

	Total revenue		Segment assets	
	2019 RM	2018 RM	2019 RM	2018 RM
Malaysia	9,033,729	14,848,825	402,676,413	404,482,136
Singapore	12,910,400	13,456,356	626,933,585	653,410,406
Hong Kong	-	-	758,156	421,860
United Kingdom	668,434	686,408	42,229,892	41,559,774
Mauritius	-	-	85,002,331	105,868,047
Cayman Islands	-	-	38,866,207	20,435,222
Australia	-	-	33,337,643	33,714,246
	22,612,563	28,991,589	1,229,804,227	1,259,891,691

33. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 7 October 2019.

THREE YEARS COMPARATIVE FIGURES

Year ended 30 June	2017	2018	2019
FFB Production - Kluang Estate (MT)	9,268	11,431	9,453
Mature Acreage (>3Y) at 30 June - Kluang Estate (Acre)	1,220	1,406	1,303
Immature Acreage (0-3Y) at 30 June - Kluang Estate (Acre)	354	168	271
FFB Yield – Average per mature hectare - Kluang Estate (MT/hectare)	18	20	17

STATEMENT OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 1 OCTOBER 2019

Total number of issued shares	:	63,171,977
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share
No. of Shareholders	:	4,365

DISTIBUTION OF SHAREHOLDINGS

Range of Shares	No. of shareholders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	1,605	36.77	66,914	0.11
100 to 1,000	1,391	31.87	446,795	0.71
1,001 to 10,000	1,029	23.57	3,128,248	4.95
10,001 to 100,000	291	6.67	8,636,360	13.67
100,001 to less than 5% of issued shares	47	1.07	15,842,976	25.08
5% and above of issued shares	2	0.05	35,050,684	55.48
Total	4,365	100.00	63,171,977	100.00

THIRTY LARGEST SHAREHOLDERS

No.	Name of shareholders	Number of shares	%
1.	THE NYALAS RUBBER ESTATES LIMITED	27,596,561	43.68
2.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	7,454,123	11.80
3.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,459,811	3.89
4.	KEY DEVELOPMENT SDN.BERHAD	1,792,395	2.84
5.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LID (A/C CLIENTS)	1,060,363	1.68
6.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. LIM & TAN SECURITIES PTE LTD FOR CHONG YONG WAH	800,002	1.27
7.	KEY DEVELOPMENT SDN. BERHAD	693,324	1.10
8.	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR LEE THOR SENG (1635)	535,785	0.85
9.	YEOW TENG TAK	529,687	0.84
10.	CHONG YEAN FONG	498,439	0.79

STATEMENT OF SHAREHOLDINGS (cont'd)

THIRTY LARGEST SHAREHOLDERS (cont'd)

No.	Name of shareholders	Number of shares	Percentage of shares
11.	WONG PENG YAN BENJAMIN @ PENG YAN WONG	469,048	0.74
12.	YEOW WEE HONG	449,928	0.71
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	417,716	0.66
14.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO MENG HAI	300,579	0.48
15.	CHAN KIM SENDIRIAN BERHAD	288,542	0.46
16.	LOH KAH WAI	258,488	0.41
17.	GAN TONG HONG	250,103	0.40
18.	PM NOMINEES (TEMPATAN) SDN BHD MALPAC MANAGEMENT SDN BHD FOR OH KIM HOE	245,655	0.39
19.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	238,827	0.38
20.	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH KAH WAI	209,458	0.33
21.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR-CREDIT SUISSE (SG-BR-TST-ASING)	209,375	0.33
22.	YEO KHEE HUAT	194,796	0.31
23.	CHIN KHEE KONG & SONS SENDIRIAN BERHAD	191,737	0.30
24.	LAI PHIN KHONG	188,995	0.29
25.	YEO POH NOI CAROLINE	186,099	0.29
26.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. DBS VICKERS SECS (S) PTE LTD FOR KHOO HYE TIN	184,032	0.29
27.	LOH KAH WAI	182,054	0.29
28.	PANG BOON SENG	176,794	0.28
29.	BEH HAN KIM	175,373	0.28
30.	CHIN KIAN FONG	163,092	0.26

LIST OF SUBSTANTIAL SHAREHOLDERS

	Interest in Shares			
Name of Substantial Shareholders	**Direct**	**%**	**Indirect**	**%**
The Nyalas Rubber Estates Limited	27,596,561	43.68	202,329 [(a)]	0.32
Lee Thor Seng	535,785	0.85	27,798,890 [(b)]	44.01
Lee Chung-Shih Justin	39,108	0.06	27,798,890 [(b)]	44.01
Lee Yung-Shih Colin	35,187	0.06	27,798,890 [(b)]	44.01

Notes:

[(a)] *Deemed interested by virtue of its substantial interest in Estate & Trust Agencies (1927) Limited.*

[(b)] *Deemed interested by virtue of their substantial interest in The Nyalas Rubber Estates Limited and Estate & Trust Agencies (1927) Limited.*

DIRECTORS' INTEREST IN SHARES

		Interest in Shares			
No.	**Name of Directors**	**Direct**	**%**	**Indirect**	**%**
1.	Lee Chung-Shih Justin	39,108	0.06	27,798,890 [(a)]	44.01
2.	Cheong Mun Hong	-	-	-	-
3.	Lee Soo Hoon	-	-	-	-
4.	Chew Khat Khiam Albert	-	-	-	-
5.	Tay Beng Chai	-	-	-	-
6.	Balaraman A/L Annamaly	1,300	0.00	-	-
7.	Mugana Kerisnan A/L Karpiah	-	-	-	-

Note:

[(a)] *Deemed interested by virtue of his substantial interest in The Nyalas Rubber Estates Limited and Estate & Trust Agencies (1927) Limited.*

LIST OF PROPERTIES

The details of landed properties owned by the Company as at 30 June 2019 are as follows:

Location	Description	Tenure	Land Area	Term	Net Carrying Amount/ Fair Value (RM)	Acquisition(A)/ Revaluation(R) Date
Lot 838, 1219 and 2723 District of Kluang, Johor	Oil palm	Freehold	1,596 acres*	-	195,918,500	1 January 2015 (R)

* Land Area as at 30 June 2019

PLANTED AREA AGE PROFILE

The Age Profile of the Company's Planted Area as at 30 June 2019 are as follows:

Kluang Estate Year Planted	Age	Acre	%
1993	26	129	8%
1996	23	181	12%
2004	15	108	7%
2005	14	83	5%
2007	12	126	8%
2009	10	143	9%
2010	9	116	7%
2011	8	71	5%
2013	6	160	10%
2014	5	186	12%
2017	2	168	11%
2019	0	103	7%
TOTAL	**11**	**1,574**	**100%**

Note: Total Age is the Weighted Average Age

FORM OF PROXY

NO. OF SHARES HELD	CDS ACCOUNT NO.

I/We...

of...

being a Member/Members of KLUANG RUBBER COMPANY (MALAYA) BERHAD, hereby appoint

....(NRIC/Passport No.)...

of...

or failing him/her...(NRIC/Passport No.)..

of...

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Sixtieth (60th) Annual General Meeting of the Company to be held at Penang Langkawi Meeting Room, Block 1, Level 3A, Hotel Jen Puteri Harbour Johor, Persiaran Puteri Selatan, Puteri Harbour, 79000 Iskandar Puteri, Johor Darul Takzim, Malaysia on Thursday, 28 November 2019 at 12:00 p.m. and at any adjournment thereof.

Please indicate with a cross ("X") in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.

ITEM	AGENDA			
ORDINARY BUSINESS		RESOLUTION	*FOR	*AGAINST
1.	To declare and approve payment of a Single Tier First and Final Dividend of 1 sen per share for the financial year ended 30 June 2019.	1		
2.	To declare and approve the payment of a Single Tier Special Dividend of 5 sen per share for the financial year ended 30 June 2019.	2		
3.	To approve the payment of Directors Fees and Benefits for the financial year ending 30 June 2020.	3		
4.	To re-elect the following Directors who retire pursuant to Clause 22.4 of the Company's Constitution: (a) Mr. Chew Khat Khiam Albert	4		
	(b) Mr. Lee Chung-Shih Justin	5		
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration.	6		
SPECIAL BUSINESS				
6.	To approve the continuation of Mr Lee Soo Hoon as Independent Non-Executive Director.	7		
7.	To authorise the Directors to Allot Shares pursuant to Section 75 and 76 of the Companies Act 2016.	8		
8.	Proposed Renewal of Shareholders' Mandate for Share Buy-Back Authority.	9		
9.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading in Nature with The Nyalas Rubber Estates Limited.	10		

NOTE: *For appointment of 2 proxies, percentage of shareholdings to be represented by the proxies:-*

Dated this.....................day of..................................... 2019.

	No. of Shares	Percentage (%)
Proxy 1		
Proxy 2		

....

Signature / Common Seal of Member

Contact No.

Notes:

1. *For the purpose of determining members' eligibility to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd, in accordance with Clause 19.6 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositor as at 20 November 2019. Only members whose names appear therein shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on his/her behalf.*
2. *A member entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company and there shall be no restriction as to the qualification of the proxy. Where a member appoints more than 1 proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
3. *In the case of a corporation, the proxy should be executed under its Common Seal or under the hand of the officer of attorney of the corporation duly authorised in writing on its behalf.*
4. *Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account its holds.*
6. *The proxy form and the Power of Attorney or other authority (if any) under which it is signed, or notary certified copy thereof must be lodged at the Share Registrar's Office of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 24 hours before the time of the meeting.*

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Sixtieth Annual General Meeting dated 30 October 2019.

Fold this flap for sealing

Then fold here

Affix Stamp Here

The Share Registrar
KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
c/o BOARDROOM SHARE REGISTRARS SDN. BHD. (378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

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