



Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 March 2016

	Note	3 months Ended		9 months Ended	
		31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Revenue	8	308,594	315,301	903,928	1,045,708
Cost of Sales		(282,902)	(312,504)	(811,913)	(980,153)
Gross Profit		25,692	2,797	92,015	65,555
Other Items of Income					
Interest Income		315	286	1,017	1,294
Other Operating Income		11,343	(3,041)	16,370	9,984
Other Items of Expenses					
Selling Expenses		(10,174)	(10,477)	(29,086)	(35,226)
Administrative Expenses		(28,590)	(36,522)	(83,646)	(98,380)
Finance Costs		(8,843)	(10,126)	(25,293)	(24,916)
Loss Before Tax	17	(10,257)	(57,083)	(28,623)	(81,689)
Income Tax Expense	20	(581)	(717)	(1,078)	(8,200)
Loss For The Period		(10,838)	(57,800)	(29,701)	(89,889)
Other Comprehensive (Loss)/Profit:					
Exchange Differences on Translation of Foreign Operations		(26,039)	29,801	8,402	29,801
		(26,039)	29,801	8,402	29,801
Total Comprehensive Loss For The Period		(36,877)	(27,999)	(21,299)	(60,088)
Loss For The Period Attributable To:					
Owners of the Company		(10,671)	(57,306)	(29,245)	(89,350)
Non-controlling Interests		(167)	(494)	(456)	(539)
		(10,838)	(57,800)	(29,701)	(89,889)
Total Comprehensive Loss Attributable To:					
Owners of the Company		(36,710)	(27,505)	(20,843)	(59,549)
Non-controlling Interests		(167)	(494)	(456)	(539)
		(36,877)	(27,999)	(21,299)	(60,088)
Loss Per Share Attributable to Owners of The Company (Sen Per Share):					
Basic	28 (a)	(3.42)	(18.39)	(9.38)	(28.67)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position
As At 31 March 2016

	Note	As at 31.03.16 RM'000	As at 30.06.15 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	1,370,985	1,380,501
Biological assets	9	508,622	495,111
Investment properties	9	32,294	36,000
Land use rights		17,596	18,292
Other receivables		8,591	8,988
		<u>1,938,088</u>	<u>1,938,892</u>
Current Assets			
Inventories		114,957	133,610
Derivative assets	25	-	76
Trade receivables		31,034	88,641
Other receivables		23,784	27,722
Tax recoverable		12,246	10,068
GST input tax receivable		-	5,130
Short-term deposits with licensed banks	23	12,800	13,367
Cash and bank balances	23	53,951	42,025
		<u>248,772</u>	<u>320,639</u>
TOTAL ASSETS		<u><u>2,186,860</u></u>	<u><u>2,259,531</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		155,839	155,839
Share premium		53,727	53,727
Retained earnings	22	133,597	162,842
Other reserves		855,250	846,848
		<u>1,198,413</u>	<u>1,219,256</u>
Non-controlling interests		<u>(1,544)</u>	<u>(1,088)</u>
Total Equity		<u><u>1,196,869</u></u>	<u><u>1,218,168</u></u>
Non-Current Liabilities			
Borrowings	24	217,604	284,660
Deferred tax liabilities		211,927	214,427
		<u>429,531</u>	<u>499,087</u>
Current Liabilities			
Borrowings	24	425,425	395,331
Trade payables		71,739	81,809
Other payables		43,477	40,958
GST output tax payable		140	-
Derivative liabilities	25	19,679	24,178
		<u>560,460</u>	<u>542,276</u>
Total Liabilities		<u><u>989,991</u></u>	<u><u>1,041,363</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,186,860</u></u>	<u><u>2,259,531</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For The Period Ended 31 March 2016

	Non-Distributable		Distributable		Attributable to Owners of the Company				Equity Attributable to Owners of the Company, Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Other Reserves Total RM'000	Asset Revaluation Reserve RM'000	Fair Value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Equity Attributable to Owners of the Company, Total RM'000			
At 1 July 2014	155,839	53,727	246,644	918,384	895,169	4,193	19,022	1,374,594	10	1,374,604	
Loss net of tax	-	-	(89,350)	-	-	-	-	(89,350)	(539)	(89,889)	
Other comprehensive income	-	-	-	29,801	-	-	29,801	29,801	-	29,801	
Foreign currency translation	-	-	(89,350)	29,801	-	-	29,801	(59,549)	(539)	(60,088)	
Total comprehensive (expense)/income	-	-	(89,350)	29,801	-	-	-	(15,583)	-	(15,583)	
Transaction with owners	-	-	(15,583)	-	-	-	-	(15,583)	-	(15,583)	
Dividend paid on ordinary shares	-	-	(15,583)	-	-	-	-	(15,583)	-	(15,583)	
At 31 March 2015	155,839	53,727	141,711	948,185	895,169	4,193	48,823	1,299,462	(529)	1,298,933	
At 1 July 2015	155,839	53,727	162,842	846,848	806,126	4,193	36,529	1,219,256	(1,088)	1,218,168	
Loss net of tax	-	-	(29,245)	-	-	-	-	(29,245)	(456)	(29,701)	
Other comprehensive income	-	-	-	8,402	-	-	8,402	8,402	-	8,402	
Foreign currency translation	-	-	(29,245)	8,402	-	-	8,402	(20,843)	(456)	(21,299)	
Total comprehensive (expense)/income	-	-	(29,245)	8,402	-	-	-	(20,843)	(456)	(21,299)	
At 31 March 2016	155,839	53,727	133,597	855,250	806,126	4,193	44,931	1,198,413	(1,544)	1,196,869	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.



	9 months Ended	
	31.03.16 <u>RM'000</u>	31.03.15 <u>RM'000</u>
OPERATING ACTIVITIES		
Loss before tax	(28,623)	(81,689)
Adjustments for:		
Amortisation of loan facility	10,036	4,827
Impairment of property, plant and equipment	-	16,743
Depreciation of property, plant and equipment	30,700	29,527
Property, plant and equipment written off	1	-
Net fair value (gain)/loss on derivative financial instruments	(4,588)	15,975
Gain on disposal of investment properties	(7)	(342)
Gain on disposal of property, plant and equipment	(192)	(439)
Reversal of impairment allowance on receivables	-	(4,608)
Unrealised (gain)/loss on foreign exchange	(2,544)	28,776
Interest expense	25,293	20,089
Interest income	(1,017)	(1,294)
Total adjustments	<u>57,682</u>	<u>109,254</u>
Operating cash flows before working capital changes	<u>29,059</u>	<u>27,565</u>
Changes in working capital:		
Decrease/(increase) in inventories	18,653	(10,042)
Decrease/(increase) in receivables	67,072	(10,830)
Increase/(decrease) in payables	(7,411)	(34,677)
Total changes in working capital	<u>78,314</u>	<u>(55,549)</u>
Cash flows from/(used in) operations	<u>107,373</u>	<u>(27,984)</u>
Interest paid	(25,293)	(24,916)
Income tax paid	(10,871)	(8,978)
Income tax refunded	3,693	6,888
Net cash flows from/(used) in operating activities	<u>74,902</u>	<u>(54,990)</u>
INVESTING ACTIVITIES		
Withdrawal of short-term deposits	5,067	-
Purchase of property, plant and equipment	(5,361)	(9,240)
Plantation development expenditure	(13,511)	(9,009)
Additions of investment properties	(294)	(31)
Proceeds from disposal of property, plant and equipment	223	440
Proceeds from disposal of an investment property	4,007	450
Interest received	1,017	1,294
Net cash flows used in investing activities	<u>(8,852)</u>	<u>(16,096)</u>
FINANCING ACTIVITIES		
Drawdown of revolving credits	1,135,000	210,000
Repayment of revolving credits	(1,028,000)	(210,000)
Drawdown of term loans	-	259,754
Repayment of term loans	(62,283)	(43,719)
Repayment of hire purchase financing	(1,067)	(1,912)
Drawdown of bankers' acceptances and trust receipts	652,565	1,318,324
Repayment of bankers acceptances and trust receipts	(738,333)	(1,397,004)
Dividend paid	-	(15,583)
Net cash flows (used in)/from financing activities	<u>(42,118)</u>	<u>119,860</u>
Net increase in cash and cash equivalents	<u>23,932</u>	<u>48,774</u>
Effect of exchange rate differences	<u>(12,573)</u>	<u>(36,803)</u>
Cash and cash equivalents at beginning of the period	<u>55,392</u>	<u>90,531</u>
Cash and cash equivalents at end of period (Note 23)	<u><u>66,751</u></u>	<u><u>102,502</u></u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of Preparation

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

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

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2015.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2015, except as stated in our audited financial statements for the financial year ended 30 June 2015, the Group has yet to adopt the Malaysian Financial Reporting Standards (“MFRS”) framework, but has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 30 June 2019.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2015 was not qualified.

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

5. Changes in Estimates

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

6. Comments About Seasonal or Cyclical Factors

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

7. Dividend Payable

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



Notes to the Condensed Consolidated Interim Financial Statements – 31 March 2016

8. Segmental Information

Segmental information for the current financial period ended 31 March 2016 is as followed:

	<i>Oil palm plantations and palm products processing</i>		<i>Oleochemical Products</i>		<i>Others</i>		<i>Adjustments and eliminations</i>		<i>Per consolidated financial statements</i>	
	<i>31.03.16</i>	<i>31.03.15</i>	<i>31.03.16</i>	<i>31.03.15</i>	<i>31.03.16</i>	<i>31.03.15</i>	<i>31.03.16</i>	<i>31.03.15</i>	<i>31.03.16</i>	<i>31.03.15</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
3 Months Ended 31 March										
Revenue										
External Sales	258,756	250,500	49,838	64,801	-	-	-	-	308,594	315,301
Inter-segment	-	-	-	-	-	-	195	(195)	-	-
Total Revenue	258,756	250,500	49,838	64,801	-	-	195	(195)	308,594	315,301
Results										
Interest income	281	201	34	85	-	-	-	-	315	286
Depreciation	7,800	8,028	2,010	1,889	212	292	-	-	10,022	10,209
Segment (loss)/profit	(11,829)*	(37,382)	1,791	(2,288)	(219)	(17,413)**	-	-	(10,257)	(57,083)
9 Months Ended 31 March										
Revenue										
External Sales	725,925	851,290	178,003	194,418	-	-	-	-	903,928	1,045,708
Inter-segment	-	-	-	-	-	2,326	-	(2,326)	-	-
Total Revenue	725,925	851,290	178,003	194,418	-	2,326	-	(2,326)	903,928	1,045,708
Results										
Interest income	897	1,063	120	231	-	-	-	-	1,017	1,294
Depreciation	23,791	23,115	6,274	5,243	635	1,169	-	-	30,700	29,527
Segment loss	(20,408)*	(56,511)	(7,772)	(5,737)	(443)	(19,441)**	-	-	(28,623)	(81,689)

* Inclusive of net foreign exchange gain/(loss) and fair value gain/(loss) on derivatives (Please refer to Note 16 for details).

** Inclusive of impairment of plant and equipment of RM16.743 million per Note 17.

9. Carrying Amount of Revalued Assets

The valuation of land and buildings included within property, plant and equipment, biological assets and investment properties have been brought forward without amendment from the financial statements for the financial year ended 30 June 2015.

10. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 March 2016.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter except that the Board of Directors had on 18 February 2016 resolved to strike off Kwantas SPV Sdn Bhd (SPV), a wholly-owned subsidiary of the Company. SPV was incorporated as a special purpose vehicle to undertake the Islamic Securities transactions and the Islamic loan was fully settled in May 2014. Since then, SPV has ceased the purpose in the nature of its activity.

The application to strike off SPV will not have any material effect to the consolidated earnings of the Company for the year ended 30 June 2016.

12. Capital Commitments

The amount of capital commitments for the plantation development activities not provided for in the financial statements as at 31 March 2016 is as follows:

	<i>RM'000</i>
Approved and contracted for	<u>7,026</u>

13. Changes in Contingent Liabilities and Contingent Assets

Unsecured

The Company has provided corporate guarantees to secure banking facilities granted to its subsidiary companies. The amount utilised and outstanding as at 31 March 2016 amounted to approximately RM374 million.

14. Subsequent Events

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

15. Performance Review

Oil palm plantations and palm products processing

This major segment has contributed 83.8% of the Group's total revenue. For the current quarter under review, this segment recorded a revenue of RM259 million, as compared to a total of RM251 million revenue reported in the same corresponding period of preceding year, an increase of 3.2% or RM8 million in value. The increase in revenue was due to the increase in sales volume traded by 33% despite a slight decrease in the realised average CPO unit selling price of RM2,214/MT for the current quarter as compared to RM2,254/MT in Q3 FYE2015.

Oleochemicals

Oleochemical division has accounted for 16.2% of the total Group's revenue for current quarter. The revenue has decreased by 23.1% or RM15.0 million in value to RM49.8 million for this quarter. The decrease was mainly due to the decrease in stearic acid's unit selling price by 6% for the current quarter under review.

Others

Others segments' results are insignificant to the Group.

16. Comment on Material Change in Loss Before Taxation

3-months ended FYE2016 (QTD 2016) Vs 3-months ended FYE2015 (QTD 2015)

The Group reported a loss before taxation of RM10.2 million for 3-months ended FYE2016 (QTD 2016) as compared to a loss of RM57.1 million for 3-months ended FYE2015 (QTD 2015), an improvement of RM46.9 million for QTD 2016. The major reasons of the improvement in results during the QTD 2016 were mainly attributed to the followings:

- a) increase in profit margin contribution in QTD 2016. This was mainly due to increase in sales volume in QTD2016 despite a slight decrease in the realized average CPO unit selling price;
- b) lower administrative expenses in QTD 2016 as compared to QTD 2015. This was particularly due to the strengthening of the Ringgit Malaysia in QTD 2016 and this has resulted the followings:
 - i) net fair value gain on derivative financial instruments of RM13.2 million for QTD 2016 as compared to a loss of RM9 million for QTD 2015;
 - ii) net unrealised foreign exchange gain of RM4.3 million from the USD denominated borrowings and outstanding receivables as compared to a loss of RM10.5 million for QTD 2015;
 - iii) a provision for impairment of plant and equipment of RM16.7 million in QTD 2015 and none noted for QTD 2016; and
- c) decrease in finance cost QTD 2016 by RM1.3 million as compared to QTD 2015. The decrease in finance costs was in line with the decrease in total borrowings during the quarter under review.

16. Comment on Material Change in Loss Before Taxation (continued)

9-months ended FYE2016 (YTD 2016) Vs 9-months ended FYE2015 (YTD 2015)

The Group reported a loss before taxation of RM28.6 million for 9-months ended FYE2016 (YTD 2016) and RM81.7 million for 9-months ended FYE2015 (YTD 2015). The Group results has improved by RM53.1 million or 65%, which were mainly due to the followings:

- a) better profit margin contribution for YTD 2016. This was mainly due to increase in sales volume in QTD2016 despite a slight decrease in the realized average CPO unit selling price;
- b) net fair value gain on derivative financial instruments of RM4.6 million for YTD 2016 as compared to a loss of RM13.9 million for YTD 2015. This was mainly due to the strengthening of the Ringgit Malaysia for the YTD 2016 under review; and
- c) a provision for impairment of plant and equipment of RM16.7 million in YTD 2015 and none noted for YTD 2016.

Excluding the depreciation and impairment on property, plant and equipment, net foreign exchange losses and fair value gains and losses in derivatives, the Group had an underlying profit before tax of RM31.3 million for YTD 2016 as compared to RM2.6 million for YTD 2015, an improvement of RM28.7 million.

17. Loss before tax

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

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>31.03.2016</i>	<i>31.03.2015</i>	<i>31.03.2016</i>	<i>31.03.2015</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Interest income	315	286	1,017	1,294
Interest expense	(8,843)	(10,126)	(25,293)	(24,916)
Gain on disposal of property, plant & equipment	29	305	192	439
Gain on disposal of investment property	-	342	7	342
Depreciation on property, plant & equipment	(10,022)	(10,209)	(30,700)	(29,527)
Realised foreign exchange loss	(20,434)	(5,116)	(37,433)	(3,435)
Unrealised foreign exchange gain/(loss)	4,297	(10,516)	2,544	(28,776)
Reversal of impairment allowance on other receivables	-	-	-	4,608
Property, plant & equipment written off	-	-	(1)	(76)
Impairment of property, plant & equipment	-	(16,743)	-	(16,743)
Fair value gain/(loss) on derivative financial instruments	13,392	(8,991)	4,588	(13,970)

18. Commentary on Prospects

Looking forward, management was of the view that weakness in exchange rate for Ringgit may still persist if the current uncertainty in the economic condition remained due to the concerns that China's slowing economy may caused further weaknesses in the emerging market currencies. However, CPO prices started to pick up and expected to trade around RM2,500 per metric tonne for the first three months of 2016 and expected to reach RM2,700 per metric tonne in the first half of 2016 due to the expected severe El-Nino impact on the output of the crop productions. Plantation segment is expected to contribute significantly to the Group's second half results should the price forecast materialize and provided the group's oil palm productions are not too severely affected by the El-Nino impact.

The Board of Directors is cautiously optimistic that the prospects for the oil palm industry remains bright and pricing trend is expected to be positive in the near terms. Management will continue its various efforts in its asset rationalisation measures in order to reduce its bank borrowings so as to improve its overall financial position.

19. Profit Forecast or Profit Guarantee

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

20. Income Tax Expense

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>31.03.2016</i>	<i>31.03.2015</i>	<i>31.03.2016</i>	<i>31.03.2015</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current income tax:				
- Malaysian income tax	(81)	(967)	(3,578)	(9,450)
Deferred tax	(500)	250	2,500	1,250
Total income tax expense	(581)	(717)	(1,078)	(8,200)

The effective tax rate for the current quarter was higher than the statutory income tax rate principally due to the availability of non-deductible expenses and losses incurred in certain subsidiaries.

21. Corporate Proposals

There are no corporate proposals announced but not completed as at 26 May 2016.

22. Retained Earnings

The breakdown of retained profits of the Group as at 31 March 2016 is as follows:

	<i>As at</i> 31.03.2016 <i>RM'000</i>	<i>As at</i> 30.6.2015 <i>RM'000</i> <i>(Audited)</i>
Total retained earnings of the Company and its subsidiaries:		
- Realised	422,681	485,217
- Unrealised	(85,137)	(87,637)
	<hr/> 337,544	<hr/> 397,580
Less: Consolidation adjustments	(203,947)	(234,738)
Total Group retained earnings as per consolidated accounts	<hr/> 133,597 <hr/>	<hr/> 162,842 <hr/>

23. Cash and cash equivalents

Cash and bank balances	53,951	42,025
Short-term deposits with licensed banks	12,800	13,367
	<hr/> 66,751	<hr/> 55,392
Less: Short-term deposits pledged with licensed banks for bank facilities	-	(5,067)
Cash and cash equivalents	<hr/> 66,751 <hr/>	<hr/> 50,325 <hr/>

24. Borrowings

Short term borrowings		
- Secured	136,581	150,236
- Unsecured	288,844	245,095
	<hr/> 425,425 <hr/>	<hr/> 395,331 <hr/>
Long term borrowings		
- Secured	217,604	284,660
Total borrowings	<hr/> 643,029 <hr/>	<hr/> 679,991 <hr/>

Borrowings denominated in foreign currency:

	USD '000	RMB '000	RM'000 equivalent
United States Dollars	55,916	-	219,302
Renminbi	-	99,763	60,557
Total	<hr/> 55,916 <hr/>	<hr/> 99,763 <hr/>	<hr/> 279,859 <hr/>

25. Derivative Financial Instruments

As at 31 March 2016, the values and maturity analysis of the outstanding derivatives are as follows:

	Contract/Notional Amount RM '000	Fair Value Gain/(Loss) RM '000
i) Forward Currency Contracts - Less than 1 year	809	(885)
ii) Cross Currency Swap Contracts - 1 year to 3 years	18,870	5,473

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

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

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

For the current quarter ended 31 March 2016, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year as well as the Group's risk management objectives, policies and processes.

26. Material Litigation

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

KOSB filed its Statement of Defence and Counterclaim on 5 August 2014. The plaintiff applied for summary judgement and hearing began on 13.8.2015. On 18 January 2016, the Court has dismissed the Summary Judgement application on this case. The Court will fix a date for hearing/trial.

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

27. Dividend

No interim dividend has been declared for the financial year ending 30 June 2016.

28. Loss Per Share

(a) Basic

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

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>31.03.2016</i>	<i>31.03.2015</i>	<i>31.03.2016</i>	<i>31.03.2015</i>
Loss for the period attributable to owners of the Company (RM'000)	(10,671)	(57,306)	(29,245)	(89,350)
Weighted average number of ordinary shares in issue ('000)	311,678	311,678	311,678	311,678
Basic loss per share (sen)	<u>(3.42)</u>	<u>(18.39)</u>	<u>(9.38)</u>	<u>(28.67)</u>

(b) Diluted

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

29. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 May 2016.