

**MATANG BERHAD (1142377-X)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE GROUP FOR THE SECOND QUARTER ENDED 31 DECEMBER 2016**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER <sup>(2)</sup> 31/12/2015 RM'000	CURRENT PERIOD TO-DATE 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD <sup>(2)</sup> 31/12/2015 RM'000
Revenue	2,795	N/A	4,762	N/A
Cost of sales	(939)	N/A	(1,623)	N/A
Gross profit	1,856	N/A	3,139	N/A
Other income	533	N/A	1,216	N/A
Operating expenses	(2,183)	N/A	(3,165)	N/A
Finance costs	-	N/A	-	N/A
Profit before tax	206	N/A	1,190	N/A
Income tax expense	(141)	N/A	(439)	N/A
<b>Profit for the period</b>	<b>65</b>	<b>N/A</b>	<b>751</b>	<b>N/A</b>
<b>Other comprehensive income</b>				
Fair value gain/(loss) on other investments	-	N/A	-	N/A
<b>Total comprehensive income for the period</b>	<b>65</b>	<b>N/A</b>	<b>751</b>	<b>N/A</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the parent	65	N/A	751	N/A
Non-controlling interests	-	N/A	-	N/A
	<b>65</b>	<b>N/A</b>	<b>751</b>	<b>N/A</b>
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the parent	65	N/A	751	N/A
Non-controlling interests	-	N/A	-	N/A
	<b>65</b>	<b>N/A</b>	<b>751</b>	<b>N/A</b>
Earnings per share (sen) <sup>(3)</sup>				
(i) Basic	0.004	N/A	0.04	N/A
(ii) Fully diluted <sup>(4)</sup>	0.004	N/A	0.04	N/A
Dividends per share (sen)	-	N/A	-	N/A

**NOTES:**

- The Unaudited Combined Statements of Profit or Loss and Other Comprehensive Income of the Group are prepared based on the combined results of Matang Berhad ('Matang') and its subsidiaries ('Matang Group' or 'Group') for the quarter ended 31 December 2016 after the completion of the Exchange of Shares (as defined under Note 3 below) and the acquisition by Matang of the Matang Holdings Berhad ('MHB Group') on 14 November 2016, further details of which are incorporated in Note A12 of the accompanying explanatory notes. This interim financial report should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- This is the second interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the corresponding quarter and year to date in preceding financial year available as no interim financial report was prepared for the comparative financial period concerned.
- Based on the issued and paid up capital of 1,680,000,256 new Matang shares of RM0.10 each ("Matang Shares") after the completion of the exchange of shares of Matang Holdings Berhad ("MHB") of RM0.50 each to Matang Shares on the basis of 14 Matang Shares for every one (1) MHB Share ("Exchange of Shares"), the completion of which has taken place on or before 14 November 2016.
- Diluted earnings per share of the Group for the quarter and year to date ended 31 December 2016 is equivalent to the basic earnings per share as the Group does not have convertible options or securities as at the end of the reporting period.

The interim financial result for quarter ended 31 December 2016 include, inter alia, the charging of one-time stamp duty expenses of RM0.50 million arising from the Exchange of Shares.

N/A denotes not applicable

**MATANG BERHAD (1142377-X)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP  
AS AT 31 DECEMBER 2016**

(The figures have not been audited)

	UNAUDITED AS AT 31/12/2016 RM'000	AUDITED AS AT 30/06/2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	139,333	140,307
Land held for property development	1,058	1,058
Investment properties	11,650	11,650
Other investments	162	162
	<u>152,203</u>	<u>153,177</u>
<b>Current assets</b>		
Inventories	160	122
Agriculture Produce	832	603
Trade and other receivables	997	554
Deposits and prepayments	956	791
Tax recoverable	-	-
Cash and cash equivalents	15,910	14,357
	<u>18,855</u>	<u>16,427</u>
<b>TOTAL ASSETS</b>	<u>171,058</u>	<u>169,604</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	168,000	168,000
Available-for-sale reserve	38	38
Retained earnings	108,101	107,170
Merger deficit	(108,000)	(108,000)
<b>Total equity</b>	<u>168,139</u>	<u>167,208</u>
<b>Non-current liabilities</b>		
Deferred tax	1,447	1,443
	<u>1,447</u>	<u>1,443</u>
<b>Current Liabilities</b>		
Trade and other payables	860	490
Current tax liabilities	612	463
	<u>1,472</u>	<u>953</u>
<b>Total liabilities</b>	<u>2,919</u>	<u>2,396</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>171,058</u>	<u>169,604</u>
Net assets per share (RM) <sup>(4)</sup>	<u>0.10</u>	<u>0.10</u>

**Notes:**

- The Unaudited Combined Statements of Profit or Loss and Other Comprehensive Income of the Group are prepared based on the combined results of Matang Berhad ('Matang') and its subsidiaries ('Matang Group' or 'Group') for the quarter ended 31 December 2016 after the completion of the Exchange of Shares (as defined under Note 2 below) and the acquisition by Matang of the Matang Holdings Berhad ('MHB Group') on 14 November 2016, further details of which are incorporated in Note A12 of the accompanying explanatory notes. This interim financial report should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- Based on the issued and paid up capital of 1,680,000,256 new Matang shares of RM0.10 each ("Matang Shares") after the completion of the exchange of shares of Matang Holdings Berhad ("MHB") of RM0.50 each to Matang Shares on the basis of 14 Matang Shares for every one (1) MHB Share ("Exchange of Shares"), the completion of which has taken place on or before 14 November 2016.
- The Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Statement of Financial Information as at 30 June 2016 and the Accountants' Report for the financial year ended 30 June 2016 as disclosed in the Prospectus of Matang Berhad dated 19 December 2016 and the accompanying notes attached to this interim financial report.

**MATANG BERHAD (1142377-X)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY OF THE GROUP**  
**FOR THE YEAR TO DATE ENDED 31 DECEMBER 2016**

(The figures have not been audited)

	← Attributable to owners of the parent →					Total
	Non-distributable			Distributable		
	Share Capital RM '000	Share Premium RM '000	Merger Deficit <sup>(3)</sup> RM '000	Available-for- sale Reserve RM '000	Retained Earnings RM '000	RM '000
<b>6 months ended</b>						
<b>31 December 2016</b>						
Balance as at 1 July 2016	168,000	-	(108,000)	38	107,170	167,208
Total comprehensive income for the period	-	-	-	-	751	751
Distribution of dividends	-	-	-	-	-	-
<b>Balance as at 31 December 2016</b>	<b>168,000</b>	<b>-</b>	<b>(108,000)</b>	<b>38</b>	<b>107,921</b>	<b>167,959</b>

**Notes:**

- The Unaudited Consolidated Statements of Changes in Equity of the Group are prepared based on the combined results of Matang Berhad ('Matang') and its subsidiaries ('Matang Group' or 'Group') for the quarter ended 31 December 2016 after the completion of the Exchange of Shares and the acquisition by Matang of the Matang Holdings Berhad ('MHB Group') on 14 November 2016, further details of which are incorporated in Note A12 of the accompanying explanatory notes. This interim financial report should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- This is the second interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the corresponding quarter and year to date in preceding financial year available as no interim financial report was prepared for the comparative financial period concerned.
- These represents the effects of applying the merger method of accounting for the acquisition of MHB Group detailed in Note A12(a). Under this method, the invested equity of RM108,000,000 was set off against the purchase consideration totalling RM168,000,006 for the aforesaid acquisition.

**MATANG BERHAD (1142377-X)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE GROUP**  
**FOR THE YEAR TO DATE ENDED 31 DECEMBER 2016**  
(The figures have not been audited)

	6 months ended 31 December	
	2016	2015 <sup>(2)</sup>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,190	N/A
Adjustments for:		
Depreciation of property, plant and equipment	1,079	N/A
Fair value adjustment of agriculture produce	(229)	N/A
Amortisation of prepaid lease payments for land	-	N/A
Unrealised gain on foreign currency translations	-	N/A
Reversal of impairment loss on other investments	-	N/A
Interest income	(160)	N/A
Rental income from investment properties	-	N/A
Dividend income	-	N/A
Loss on disposal of other investments	-	N/A
Loss on disposal of property, plant and equipment	-	N/A
Operating profit before changes in working capital	1,880	N/A
Changes in working capital		
Inventories	(38)	N/A
Receivables & prepayments	(608)	N/A
Payables	369	N/A
Cash generated from operations	1,603	N/A
Interest received		N/A
Income taxes paid	(202)	N/A
Income tax refund	101	N/A
Net cash from operating activities	1,502	N/A
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Rental received from investment properties	-	N/A
Interest received	160	N/A
Purchase of:		N/A
- bearer plants	(109)	N/A
- property, plant and equipment	-	N/A
Proceeds from disposal of other investments	-	N/A
Proceeds from disposal of property, plant and equipment	-	N/A
Net cash used in investing activities	51	N/A
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	-	N/A
Net cash used in financing activity	-	N/A
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,553	N/A
Currency translation differences	-	N/A
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	14,328	N/A
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	15,881	N/A

Components of cash and cash equivalents are as follows:

	UNAUDITED AS AT 30/09/2016 RM'000	AUDITED AS AT 30/6/2016 RM'000
Cash and bank balances	15,910	14,357
Deposits with licensed bank (more than 3 months)	(29)	(29)
	15,881	14,328

**Notes:**

1 The Unaudited Consolidated Statements of Cash Flows of the Group are prepared based on the combined results of Matang Berhad ('Matang') and its subsidiaries ('Matang Group' or 'Group') for the year to date ended 31 December 2016 after the completion of the Exchange of Shares and the acquisition by Matang of the Matang Holdings Berhad ('MHB Group') on 14 November 2016, further details of which are incorporated in Note A12 of the accompanying explanatory notes. This interim financial report should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

2 This is the second interim financial report announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the corresponding quarter and year to date in preceding financial year available as no interim financial report was prepared for the comparative financial period concerned.

**PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134:  
INTERIM FINANCIAL REPORTING**

**A1. BASIS OF PREPARATION**

The interim financial report of Matang Berhad (“Matang” or the “Company”) and its subsidiaries (the “Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134 – Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This is the second interim financial report on the consolidated results for the second quarter ended 31 December 2016 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The consolidated interim financial report has been prepared using the principles of merger accounting whereby it is assumed that the transaction constituting the Group as detailed in Note A12(a) herein had occurred from the earliest date presented in this report and that the Group has operated as a single entity throughout the financial periods presented in this report. The interim financial report should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

**A2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus of the Company dated 19 December 2016 except for the adoption of the following during the financial period which is effective from 1 January 2016:

MFRS (including the consequential amendments)

- MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 10, MFRS 12, MFRS 128 Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations  
Amendments to MFRS 101 Disclosure Initiative
- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants
- Amendments to MFRS 127 Equity Method in Separate Financial Statements
- Amendments to MFRS Annual Improvement to MFRSs 2012 - 2014 Cycle

The application of the above changes did not have significant impact on this interim financial report.

**PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS ("FRS") 134:  
INTERIM FINANCIAL REPORTING (CONT'D)**

**A3. AUDITORS' REPORT ON PRECEDING AUDITED FINANCIAL STATEMENTS**

The preceding year's audited financial statements of the Company and the subsidiaries of the Company were not subject to any qualification.

**A4. SEASONAL OR CYCLICAL FACTORS**

The seasonal factors that affects the Group's revenue and business operations is mainly the weather conditions which affect the oil palm production. In the event of an El Nino phenomenon, insufficient rainfall results in moisture stress in oil palms which can adversely affect the fresh fruit bunches ("FFB") production. Conversely, periods of heavy rainfall such as monsoons or La Nina phenomenon can be disruptive towards the harvesting and transportation operations, thus affecting the amount of FFBs harvested.

Generally, the Group experiences higher FFB production during the second and third quarter of the year, attributed to favourable weather and rainfall patterns in Johor during these times. However, the Group is not materially affected by seasonal or cyclical factors during the current financial period under review.

**A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS.**

There were no material unusual exceptional item that occurred during the current financial quarter and financial period under review which affected the profit or loss and cash flows of the Group.

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no changes in estimates of amounts reported in previous financial years that have a material effect on the results for the current financial period under review.

**A7. DEBT AND EQUITY SECURITIES**

Save as disclosed under A12, there were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during this financial quarter.

**A8. DIVIDEND PAID**

There was no dividend paid during the current financial period under review.

**A9. SEGMENTAL INFORMATION**

The Group is primarily involved in the cultivation of oil palm and sale of fresh fruit bunches. The Group operates an oil palm plantation estate in Johor, Malaysia and as such the operating revenue reflected in the financial quarter under review was derived entirely from the operation of the oil palm plantation.

**PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134:  
INTERIM FINANCIAL REPORTING (CONT’D)**

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of property, plant and equipment in the current financial period under review.

**A11. CAPITAL COMMITMENTS**

There are no capital commitments incurred by the Group as at 31 December 2016.

**A12. EFFECT OF CHANGES IN COMPOSITION OF THE GROUP**

**(a) Exchange of Shares**

The Company entered into a scheme agreement with Matang Holdings Berhad (“MHB”) on 6 May 2016 (“Scheme Agreement”).

Pursuant to the Scheme Agreement, MHB undertook a members’ scheme of arrangement under Section 176 of the Companies Act, 1965 to enable the entire issued and paid-up share capital of MHB of RM60,000,002 comprising 120,000,004 MHB ordinary shares of RM0.50 each (“MHB Shares”) to be transferred to Matang and exchanged for 1,680,000,056 new ordinary shares of RM0.10 each in Matang (“Matang Shares” or “Shares”) at the issue price of RM0.10 each on the basis of 14 new Matang Shares for every one (1) MHB Share held.

The Exchange of Shares was completed on 14 November 2016 and resulted in MHB becoming a wholly-owned subsidiary of Matang.

**(b) Public Issue**

In addition, the Company has also undertaken a public issue of 130,000,000 new Shares representing 7.18% of the enlarged issued and paid-up capital of the Company, at an issue price of RM0.13 per share (“Public Issue”), payable in full upon application in conjunction with the listing and quotation of the entire and enlarged issued and paid-up share capital of RM181,000,025.60 comprising 1,810,000,256 Shares on the ACE Market of Bursa Securities. The Public Issue Shares have been fully allotted to the new shareholders of the Company on 13 January 2017.

**(c) Listing**

The effects on the results of the Group arising from (a) above have been reflected in the Unaudited Combined Statements of Profit or Loss and Other Comprehensive Income and the Unaudited Consolidated Statements of Financial Position of the Group included in this interim financial report. The Company’s issued and paid-up capital comprising 1,810,000,256 Shares have been listed and quoted on the ACE Market of Bursa Securities on 17 January 2017.

**PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134:  
INTERIM FINANCIAL REPORTING (CONT’D)**

**A13. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL PERIOD**

- (a) The subsidiary of the Company, Matang Realty Sdn Bhd (“MRSB”), had received the following notifications on the compulsory acquisition of part of the Group’s oil palm plantation located with the District of Ledang and Segamat, Johor with a total net land area of 1,096.3 hectares (“Matang Estate”), pursuant to the Land Acquisition Act, 1960 to upgrade the existing Muar-Tangkak-Segamat Road:
- (i) Notification dated 27 September 2016 from Petadbir Tanah Segamat (“PTS”) in relation to the land title Geran 37583 for Lot 6185 and Geran 37585 for Lot 6187 in Mukim Jementah, Daerah Segamat for which the land area to be acquired by the State Government of Johor is 0.7418 hectares and 1.2994 hectares respectively;
- (ii) Notification dated 12 October 2016 from Petadbir Tanah Tangkak (“PTT”) in relation to the land title Geran 2752 for Lot 984 in Mukim Tangkak, Daerah Tangkak for which the land area to be acquired by the State Government of Johor is 0.1116 hectares.

Further to the notifications as set out above respectively from PTS and PTT, MRSB had been offered compensation sums as set out below:

Particulars of title	Land area for compulsory acquisition (hectares)	% land area for compulsory acquisition over Matang Estate (%)	NBV <sup>^</sup> (as at 30 June 2016) (RM)	Compensation Sum (RM)
Lot 6185, Geran 37583 (Mukim Jementah, Daerah Segamat)	0.7418	0.07%	94,928	432,464
Lot 6187, Geran 37585 (Mukim Jementah, Daerah Segamat)	1.2994	0.12%	166,284	767,212
Lot 984, Geran 2752 (Mukim Tangkak, Daerah Tangkak)	0.1116	0.01%	14,281	41,000
<b>Total</b>	<b>2.1528</b>	<b>0.20%</b>	<b>275,493</b>	<b>1,240,676</b>

Note:

<sup>^</sup> Net book value for land areas to be acquired under the compulsory acquisitions, the value of which is arrived at in proportion to total NBV of RM140,293,501 as at 30 June 2016 for the total land area of 1,096.3 hectares.



**PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS (“FRS”) 134:  
INTERIM FINANCIAL REPORTING (CONT’D)**

MRSB had on 8 January 2017 accepted the offers of compensation sums made by PTT and PTS, the sums of which are as set out above.

As a result of the compulsory acquisitions, the land area of Matang Estate shall decrease by 2.1528 hectares or 0.20%. Nevertheless, the decrease in Matang Estate land area is not expected to materially adversely impact the revenue, profitability and/or operations of the Group going forward due to the minimal reduction in the land area of 0.20%.

**A14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There are no contingent liabilities nor contingent assets as at the date of this report.

**A15. RELATED PARTY TRANSACTIONS**

There is no related party transaction that had been entered into in the normal course of the business of the Group during the financial quarter under review.

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**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. REVIEW OF PERFORMANCE**

For the second financial quarter ended 31 December 2016, the Group recorded an operating revenue of RM2.80 million, pre-tax profit of RM0.21 million and post-tax profit of RM0.07 million.

The increase in revenue for this financial quarter ended 31 December 2016 from RM1.97 million in the previous quarter ended 30 September 2016 was mainly due to the increase in FFB production of 4,143.58 tonnes compared to 3,319.42 tonnes for the immediate preceding quarter.

The revenue for the Group for the financial quarter under review registered a growth of approximately 42% from the previous quarter ended 30 September 2016. The gross profit margin of the Group for the financial quarter under review was about 66% in comparison to 65% for the previous quarter ended 30 September 2016.

While, the pre-tax and post-tax profit of the Group was about RM0.21 million and RM0.07 million respectively for the financial quarter under review or about 79% and 90% lower than the previous quarter primarily due to the increase in operating expenses from RM0.98 million in previous quarter to RM2.18 million for the financial quarter under review. The rise in operating expenses of RM1.20 million was attributed mainly to the IPO related expenses.

The Group also registered approximately RM0.53 million in other operating income out of which RM0.23 million was rental income from the investment properties of the Group located in Kawasan Perindustrian Larkin (also known as Dato' Onn Industrial Estate) and RM0.15 million interest income.

**B2. COMPARISON WITH PRECEDING QUARTER'S FINANCIAL RESULT**

The Group reported pre-tax profit of RM0.21 million as for the current quarter ended 31 December 2016 as compared to the pre-tax profit of RM0.99 million for the immediate preceding quarter. The lower pre-tax profit for this financial quarter under review was mainly due to one-off IPO expenses which included RM0.50 million stamp duty arising from the Exchange of Shares.

**B3. COMMENTARY ON PROSPECTS**

The Group is expected to generate favourable level of revenue supported by the demands for the FFB as a result of positive outlook for the crude palm oil in the global market.

As disclosed in the Prospectus of the Company dated 19 December 2016, the Group has targeted to carry out replanting exercise involving 16.4 hectares in 2017. Part of the proceeds from the Public Issue (the exercise of which was completed on 17 January 2017) will be utilised to extend the fundamental growth of the Group by enhancing FFB yield through greater use of fertilisers, continuous usage of quality germinated seeds and replanting exercises as well as

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

improving the infrastructure within the estate to increase operational efficiency.

**B4. PROFIT FORECASTS AND PROFIT GUARANTEES**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial period under review.

**B5. STATUS OF CORPORATE PROPOSALS**

Save as disclosed under A12(b) and A12(c), there was no other corporate proposals announced but not completed as at the date of this report.

**B6. INCOME TAX EXPENSE**

	Quarter ended 31 December 2016 RM	Year-to-date 31 December 2016 RM
Income tax expense		
- Current financial period	139,000	435,000
Deferred tax		
- Current financial period	2,000	3,000
- Prior year period	-	1,000
Total tax expense	<u>141,000</u>	<u>439,000</u>
Effective tax rate	<u>68.4%</u>	<u>36.9%</u>

The effective tax rate for the current and financial year to date ended 31 December 2016 is higher than the statutory tax rate of 24% due to non-tax deductible expenses.

**B7. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“IPO”)**

Based on the issue price of RM0.13 per share for the Public Issue (details of which have been more fully explained under A12(b) above), the gross proceeds arising from the Public Issue amounting to RM16.9 million is intended to be utilised in the following manner:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Estimated time frame for utilisation <sup>(1)</sup>
Replanting exercise	250	-	-	Within 24 months
Capital expenditure	2,550	-	-	Within 36 months
General working capital	11,924	-	-	Within 60 months
Estimated listing expenses	2,176	-	-	Within 3 months
<b>Total</b>	<b>16,900</b>	<b>-</b>	<b>-</b>	

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 19 December 2016.

As at the date of the report, the IPO is pending completion (the completion of which was on 17 January 2017) and hence there was no utilisation of IPO proceeds.

Note:

<sup>(1)</sup> From the date of listing of the Company on the ACE Market of Bursa Securities was on 17 January 2017.

**B8. GROUP'S BORROWINGS AND DEBT SECURITIES**

The Group has no borrowing and the Group has no debt securities in issue as at 31 December 2016.

**B9. MATERIAL LITIGATION**

There is no litigation or arbitration which has a material effect on the financial position of the Group and as at the date of this report and the Board of Directors is not aware of any proceedings pending or threatened, or of any fact that likely to give rise to any proceedings as at the date of this report.

**B10. DIVIDEND**

The Board of Directors does not recommend any dividend for the current financial quarter under review.

**B11. EARNINGS PER SHARE ("EPS")**

The basic and diluted EPS for the current financial quarter and financial year-to-date are computed as follows:

	Quarter ended 31 December 2016	Year-to-date 31 December 2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	65	751
Number of ordinary shares in issue ('000)	1,680,000	1,680,000
Basic EPS (sen) <sup>(1)</sup>	0.004	0.04
Diluted EPS (sen) <sup>(2)</sup>	0.004	0.04

Notes:

(1) Basic EPS is calculated based on the shares in issue of 1,680,000,256 of RM0.10 each in the Company as at 31 December 2016 after the completion of the Exchange of Shares on the basis of 14 Matang Shares for every one (1) MHB Share but before the Public Issue.

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

- (2) Diluted EPS of the Company for the quarter and year to date ended 31 December 2016 is equivalent to the basic EPS as the Company does not have convertible options and securities as at the end of the reporting period.

**B12. NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Profit for the financial period is arrived at after charging/(crediting) the following expense/(income):

	<b>Quarter ended 31 December 2016 RM'000</b>	<b>Year-to-date 31 December 2016 RM'000</b>
Depreciation of bearer plants	490	990
Depreciation of property, plant and equipment	42	89
Stamp duty paid for Exchange of Shares	504	504
Fair value gain on agriculture produce	(50)	(229)
Rental income	(234)	(468)
Interest income	(145)	(160)
Share registration income	(24)	(28)

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

**B13. DISCLOSURES OF REALISED AND UNREALISED PROFIT OR LOSSES**

The realised and unrealised retained earnings of the Group as at 31 December 2016 are analysed as follows:

	<b>Unaudited as at 31 December 2016</b>	<b>Audited as at 30 June 2016</b>
Total retained profits of the Group		
- Realised	109,597	108,584
- Unrealised	(1,676)	(1,414)
Total retained profits of the Group	<b>107,921</b>	<b>107,170</b>

**B14. AUTHORISATION FOR ISSUE**

The interim financial report was authorised for issue by the Board of Directors on 21 February 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**  
**21 FEBRUARY 2017**