

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 - unaudited
CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
Revenue	271,658	248,003	271,658	248,003
Cost of sales	(152,865)	(138,887)	(152,865)	(138,887)
Gross profit	118,793	109,116	118,793	109,116
Other income	3,527	4,467	3,527	4,467
Selling expenses	(9,322)	(8,050)	(9,322)	(8,050)
Administrative expenses	(11,200)	(10,160)	(11,200)	(10,160)
Fair value change in biological assets	2,505	3,005	2,505	3,005
Operating profit	104,303	98,378	104,303	98,378
Finance costs	(2,952)	(5,343)	(2,952)	(5,343)
Profit before tax	101,351	93,035	101,351	93,035
Income tax expense	(28,960)	(26,200)	(28,960)	(26,200)
Profit net of tax	72,391	66,835	72,391	66,835
Other comprehensive income:				
Net gain on equity instrument designated as fair value through other comprehensive income	347	-	347	-
Total comprehensive income for the period	<u>72,738</u>	<u>66,835</u>	<u>72,738</u>	<u>66,835</u>
Profit attributable to:				
Owner of the parent	72,312	66,833	72,312	66,833
Non-controlling interests	79	2	79	2
	<u>72,391</u>	<u>66,835</u>	<u>72,391</u>	<u>66,835</u>
Total comprehensive income attributable to:				
Owner of the parent	72,659	66,833	72,659	66,833
Non-controlling interests	79	2	79	2
	<u>72,738</u>	<u>66,835</u>	<u>72,738</u>	<u>66,835</u>
Basic earnings per share attributable to owners of the parent (Sen)	7.47	6.90	7.47	6.90

The unaudited condensed consolidated profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2024 and the accompanying explanatory notes attached to this quarterly report.

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 - unaudited

CONDENSED STATEMENTS OF FINANCIAL POSITION

	AS AT 30/09/2024 RM'000	AS AT 30/06/2024 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	1,414,492	1,439,494
Biological assets	93,422	93,421
Intangible assets	353	377
Investment securities	15,638	15,290
Deferred tax assets	31,317	34,182
	<u>1,555,222</u>	<u>1,582,764</u>
Current Assets		
Inventories	106,615	48,662
Biological assets	20,704	14,339
Trade and other receivables	51,235	39,488
Other current assets	7,338	10,446
Cash and cash equivalents	228,489	283,207
	<u>414,381</u>	<u>396,142</u>
TOTAL ASSETS	<u><u>1,969,603</u></u>	<u><u>1,978,906</u></u>
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	58,830	57,624
Trade and other payables	93,470	85,502
Income tax payable	2,842	2,986
	<u>155,142</u>	<u>146,112</u>
EQUITY AND LIABILITIES		
Non-current Liabilities		
Loans and borrowings	62,462	136,612
Deferred tax liabilities	198,444	181,236
	<u>260,906</u>	<u>317,848</u>
Total Liabilities	<u>416,048</u>	<u>463,960</u>
Net assets	<u>1,553,555</u>	<u>1,514,946</u>
Equity Attributable to owners of the parent		
Share capital	977,402	977,402
Treasury shares	(13,687)	(13,687)
Other Reserves and Retained Earnings	547,596	509,066
	<u>1,511,311</u>	<u>1,472,781</u>
Non-controlling interests	42,244	42,165
Total Equity	<u>1,553,555</u>	<u>1,514,946</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,969,603</u></u>	<u><u>1,978,906</u></u>
Net assets per share attributable to equity holders (RM)	1.60	1.57
Number of ordinary shares net of treasury shares	967,991	967,991

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2024 and the accompanying explanatory notes attached.

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 - unaudited

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 01 July 2024	977,402	(13,687)	(19,457)	528,523	1,472,781	42,165	1,514,946
Profit for the period	-	-	-	72,312	72,312	79	72,391
Other comprehensive income	-	-	347	-	347	-	347
Total comprehensive income	-	-	347	72,312	72,659	79	72,738
Dividends on ordinary shares	-	-	-	(34,129)	(34,129)	-	(34,129)
At 30 September 2024	977,402	(13,687)	(19,110)	566,706	1,511,311	42,244	1,553,555
At 01 July 2023	977,402	(13,687)	(25,019)	440,315	1,379,011	(1,226)	1,377,785
Acquisition of subsidiary	-	-	-	-	-	33,239	33,239
Profit for the period	-	-	-	66,833	66,833	2	66,835
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	66,833	66,833	33,241	100,074
Dividends on ordinary shares	-	-	-	(16,456)	(16,456)	-	(16,456)
At 30 September 2023	977,402	(13,687)	(25,019)	490,692	1,429,388	32,015	1,461,403

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2024 and the accompanying explanatory notes attached to this quarterly report.

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 - unaudited

CONDENSED STATEMENTS OF CASH FLOWS

	Current 3 months ended 30/09/2024 RM'000	Corresponding 3 months ended 30/09/2023 RM'000
Cash Flows from Operating Activities		
Profit before taxation	101,351	93,035
Adjustments for:		
Depreciation and amortisation	34,326	34,669
Fair value change in biological assets	(2,505)	(3,005)
Interest expenses	2,792	5,191
Interest income	(1,933)	(1,630)
Net loss/(from) on disposal of property, plant and equipment	91	5,407
Expected credit loss on trade and other receivables	8	-
Operating cash flows before working capital changes	134,130	133,667
Net change in current assets	(65,401)	(44,041)
Net change in current liabilities	4,010	(499)
Cash flows from operations	72,739	89,127
Interest received	1,933	1,630
Interest paid	(2,792)	(5,191)
Income taxes paid, net of refund	(6,598)	(6,095)
Net cash flows from operating activities	65,282	79,471
Cash Flows used in Investing Activities		
Acquisition of subsidiaries, net of cash	-	(52,209)
Acquisition of property, plant and equipment	(9,426)	(11,660)
Acquisition of biological assets	(4,018)	(3,913)
Proceeds from disposal of property, plant and equipment	517	1,398
Net cash flows used in investing activities	(12,927)	(66,384)
Cash Flows used in Financing Activities		
Dividend paid	(34,129)	(16,456)
Increase in debt service reserve account	(141)	(121)
Repayments of lease liabilities	(223)	(226)
Net repayment from term loans	(72,721)	(27,721)
Net cash flows used in financing activities	(107,214)	(44,524)
Net change in cash and cash equivalent	(54,859)	(31,437)
Cash and cash equivalents at the beginning of the year	244,283	194,204
Cash and cash equivalents at the end of the year	189,424	162,767
Fixed Deposit with licensed bank	160,000	40,000
Cash and bank balances	68,489	161,202
	228,489	201,202
Less: Debt service reserve account	(39,065)	(38,435)
	189,424	162,767

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 June 2024 and the accompanying explanatory notes attached to this quarterly report.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

1 Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024. The explanatory notes attached to the interim financial report 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 2024.

The significant accounting policies adopted in the quarterly report are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2024. At the date of authorisation of these interim financial statements, the Group had not adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB"). The Group intend to adopt these amendments/standards, if applicable, when they become effective.

<i>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</i>	<i>Effective Date</i>
Amendments to MFRS121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statement	1 January 2027
MFRS 19: Subsidiaries without Public Accountability – Disclosure	1 January 2027
Amendments to MFRS10 and MFRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

Initial application of these pronouncements is not expected to have material impact on the financial statements of the Group.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2024 was not qualified.

3 Seasonal and Cyclical Factors

Production of fresh fruit bunches ("FFB") is cyclical in nature. The peak crops season of FFB normally is in the second half of the year but depends on weather conditions.

4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

5 *Changes in Estimates*

There were no changes in estimates that have had a material effect on the results of the Group for the period under review.

6 *Debt and Equity Securities*

There were no issuances or repayments of debt and equity securities during the financial period. The number of shares retained as treasury shares amounted to 5,727,000 as at 30 September 2024.

7 *Dividends Paid*

A second interim dividend of 3.5 sen per ordinary share for the financial year ended 30 June 2024 amounting to RM33,879,680 was paid on 30 September 2024 to the Depositors whose names appeared in the Record of Depositors on 17 September 2024.

8 *Carrying Amount of Revalued Assets*

The Group did not carry out any valuations on its property, plant and equipment during the current quarter and financial year-to-date. The carrying value of property, plant and equipment is based on the valuation incorporated in the annual financial statements for the year ended 30 June 2024.

9 *Subsequent Events*

No material events have arisen during the interval between the end of the current quarter and the date of this announcement that have not been reflected in the current quarterly report.

10 *Changes in Composition of the Group*

There were no changes in the composition of the Group during the current quarter, which were previously not announced.

11 *Contingent Liabilities and Contingent Assets*

There are no significant changes in contingent liabilities or assets as at the end of the current quarter.

12 *Capital Commitments*

The amount of commitments for the purchase of property, plant and equipment not provided for in the quarterly report is as follows:

	As at 30 September 2024 RM'000	As at 30 June 2024 RM'000
Approved and contracted for	12,166	12,623

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

13 Segmental Information

The financial information in respect of the Group's business segments for the current financial period ended 30 September 2024 is as follows:

	Oil Palm	Timber	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External	253,417	17,863	378	-	271,658
Inter segment	226,673	38,592	601	(265,866)	-
Total Revenue	480,090	56,455	979	(265,866)	271,658
EBITDA	147,470	501	(1,444)	-	146,527
Finance cost	(837)	(2,095)	(20)	-	(2,952)
Depreciation and amortisation	(31,508)	(2,329)	(489)	-	(34,326)
Segmental result	115,125	(3,923)	(1,953)	-	109,249
Group admin and overhead cost					(7,898)
Profit before tax					101,351
Segment assets	1,447,949	485,707	35,947	-	1,969,603
Segment liabilities	274,112	139,725	2,211	-	416,048

Fair value changes in biological assets were recognised in the statement of profit or loss during the current financial period.

Division	Fair value changes loss/(gain) (RM'000)
Timber	3,860
Oil Palm	(6,365)

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

14 Property, Plant and Equipment

Acquisition and disposal of items of property, plant and equipment by the Group for the current financial period ended 30 September 2024 is as follows:

	Acquisition RM'000	Disposal RM'000
Factory, building and quarter	2,200	(7)
Road and bridge	-	(14)
Furniture, fitting and equipment	1,785	(589)
Aircraft and Motor vehicle	4,825	(333)
Plant and machinery	251	-
Total	<u>9,061</u>	<u>(943)</u>

15 Fair value of Financial Instruments

The Group uses the following levels of fair value hierarchy in measuring the fair value of financial instruments.

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

As at 30 September 2024, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Equity investments quoted in Malaysia	15,638	-	-	15,638
	<u>15,638</u>	<u>-</u>	<u>-</u>	<u>15,638</u>

The methods and valuation techniques used for the purpose of measuring fair value are consistent with the previous financial year ended 30 June 2024. There have been no transfers between the levels during the year.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

16 Significant Related Party Transactions

The Group entered into the following significant related parties transactions with companies connected to certain Directors of the Companies and its subsidiaries for the current financial period ended 30 September 2024.

	Period-to-date	
	30.09.2024 RM'000	30.09.2023 RM'000
i) Purchase of air tickets from RH Tours & Travel Agency Sdn Bhd	-	16
ii) Purchase of motor vehicles from Rimbunan Hijau Auto Services Sdn Bhd	209	117
iii) Purchase of lubricant and spare parts from Rimbunan Hijau General Trading Group	1,335	994
iv) Purchase of lubricant and spare parts from Oriental Evermore Group	3	2
v) Land rental for oil palm plantation development by RH Group	2,916	3,198
vi) Sale of CPO & PK to Borneo Edible Oil Sdn Bhd	137,100	99,296
vii) Sales of lubricant and spare parts to Oriental Evermore Group	52	111
viii) Provision of freight and towage services by Oriental Evermore Group	1,224	1,135
ix) Provision of construction services by Moverstar (M) Sdn Bhd	268	-
x) Provision of security contract to Oriental Evermore Group	-	5
xi) Provision of electricity & water to Oriental Evermore Group	10	15
xii) Hotel accomodation and purchase of food and beverages from Regalia Rits Enterprise Sdn Bhd	30	6
xiii) Technical and advisory fee paid to Palm Biolab Sdn Bhd	61	-

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

17 Performance Review for Current Quarter and Preceding Year Corresponding Quarter

	Individual Period		Changes
	Current Year First Quarter 30.09.2024 RM'000	Preceding Year Corresponding First Quarter 30.09.2023 RM'000	
<u>Revenue</u>			
<i>Oil Palm</i>	253,417	237,932	7%
<i>Timber</i>	17,863	9,818	82%
<i>Others</i>	378	253	49%
	271,658	248,003	10%
<u>Operating Profit/(Loss)</u>			
<i>Oil Palm</i>	115,962	112,923	3%
<i>Timber</i>	(9,726)	(14,282)	32%
<i>Others</i>	(1,933)	(263)	>-100%
	104,303	98,378	6%
<u>Profit/(Loss) Before Tax</u>			
<i>Oil Palm</i>	115,125	108,930	6%
<i>Timber</i>	(11,821)	(15,602)	24%
<i>Others</i>	(1,953)	(293)	>-100%
	101,351	93,035	9%
Profit After Tax	72,391	66,835	8%
Profit Attributable to Owner of the Parent	72,312	66,833	8%

For the financial period under review, the Group recorded a 10% increase in total revenue as compared to the corresponding quarter last year.

The Group recorded a profit before tax of RM101.3 million in the current quarter, up by 9% over the corresponding quarter last year. The improvement in pre-tax profit for the current quarter was mainly attributable to better profit margin in oil palm division as a result of 5% and 29% higher CPO and PK selling prices respectively.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

18 Performance Review for Current Quarter with Immediate Preceding Quarter

	Individual Period		Changes
	Current Quarter 30.09.2024 RM'000	Immediate Preceding Quarter 30.06.2024 RM'000	
<u>Revenue</u>			
<i>Oil Palm</i>	253,417	207,161	22%
<i>Timber</i>	17,863	17,291	3%
<i>Others</i>	378	353	7%
	271,658	224,805	21%
<u>Operating Profit/(Loss)</u>			
<i>Oil Palm</i>	115,962	43,834	>100%
<i>Timber</i>	(9,726)	(6,026)	-61%
<i>Others</i>	(1,933)	(803)	>-100%
	104,303	37,005	>100%
<u>Profit/(Loss) Before Tax</u>			
<i>Oil Palm</i>	115,125	42,776	>100%
<i>Timber</i>	(11,821)	(10,835)	-9%
<i>Others</i>	(1,953)	(876)	>-100%
	101,351	31,065	>100%
Profit After Tax	72,391	15,617	>100%
Profit Attributable to Owner of the Parent	72,312	15,676	>100%

The Group's reported revenue was RM271.65 million or 21% higher when compared to the immediate preceding quarter due to increase in CPO and PK sales volume by 20% and 53% respectively.

The Group's pre-tax profit in the current quarter was substantially higher than the immediate preceding quarter. This was mostly brought about by the Oil Palm division's improved profit margin as a result of a 47% and 59% increase in CPO and PK production respectively.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

19 Group's Prospects

The Group expects the CPO selling prices to be well supported in view of positive market outlooks, lower production season, and commitment of Indonesian government to implement higher biodiesel blending mandate.

The Group continues to focus on maximising production and operational efficiency while managing resources sustainably to ensure profitability.

Barring any unforeseen circumstances, the Group anticipates satisfactory financial performance for the remaining quarters of the current financial year.

20 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes on the variation of actual profit after tax and non-controlling interest, and shortfall in profit guarantee are not applicable.

21 Taxation

Tax charge for the current financial period comprise:-

	Current quarter		Year-to-date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Current taxation	8,886	8,484	8,886	8,484
Deferred taxation	20,074	17,716	20,074	17,716
	<u>28,960</u>	<u>26,200</u>	<u>28,960</u>	<u>26,200</u>

The effective tax rate for the Group is higher than the statutory tax rate of 24%. This is mainly due to certain expenses not allowable for tax deduction.

22 Corporate Proposals

There were no corporate proposals pending completion as at the date of this quarterly report.

23 Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial period-to-date.

24 Unquoted Securities

There was no purchase or disposal of unquoted securities during the current quarter and financial period-to-date.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

25 Profit for the Year

Included in the profit before tax are the following items:

	Current quarter		Year-to-date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Amortisation	15,661	15,841	15,661	15,841
Depreciation	18,665	18,828	18,665	18,828
Fair value change in biological assets	(2,505)	(3,005)	(2,505)	(3,005)
Interest expenses	2,792	5,191	2,792	5,191
Net loss on disposal of property, plant and equipment	91	5,407	91	5,407
Interest income	(1,933)	(1,630)	(1,933)	(1,630)

26 Dividend Payable

No interim dividend has been declared by the Board of Directors for the current quarter.

27 Material litigation

There is no pending material litigation as at the date of this announcement.

28 Loans and borrowings

	As at 30 September 2024					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured						
Lease Liabilities	-	3,393	-	733	-	4,126
Term loans	-	59,069	-	58,097	-	117,166
Total	-	62,462	-	58,830	-	121,292

	As at 30 June 2024					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured						
Lease Liabilities	-	3,494	-	854	-	4,348
Term loans	-	133,118	-	56,770	-	189,888
Total	-	136,612	-	57,624	-	194,236

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

29 Earnings per share - EPS

i) Basic EPS

Basic earnings per share is calculated by dividing the net profit of the period over the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	Current Quarter		Year-to-date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit attributable to the equity holders of the Company (RM'000)	72,312	66,833	72,312	66,833
Weighted average number of ordinary shares in issue ('000)	967,991	967,991	967,991	967,991
Basic EPS (sen)	7.47	6.90	7.47	6.90

ii) Diluted EPS

There are no dilutive potential ordinary shares. As such, the dilutive earnings per share of the Group is equivalent to basic earnings per share.

30 Authorization for issue

The Board of Directors in accordance with a resolution of the directors has authorized the quarterly report for issue on 26th November 2024.