

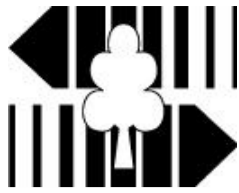
**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 31 July 2017**

	(UNAUDITED)	(RESTATED)	(UNAUDITED)	(RESTATED)
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2016 RM'000	CURRENT YEAR TO DATE 31/07/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2016 RM'000
<b>Revenue</b>	121,337	137,690	498,700	554,603
Cost of sales	(91,421)	(137,024)	(399,357)	(480,449)
<b>Gross Profit</b>	29,916	666	99,343	74,154
Other income	4,262	5,690	15,832	17,228
Administrative expenses	(7,938)	2,238	(46,723)	(42,559)
Selling and distribution expenses	(13,881)	(12,151)	(48,516)	(53,797)
Other expenses	-	(1,006)	(1,621)	(5,736)
<b>Operating Profit/(Loss)</b>	12,359	(4,563)	18,315	(10,710)
Finance costs	(3,806)	(8,281)	(13,605)	(21,030)
<b>Profit/(Loss) before tax</b>	8,553	(12,844)	4,710	(31,740)
Income tax expenses	(16,820)	(4,426)	(21,168)	(1,132)
<b>Loss for the period</b>	(8,267)	(17,270)	(16,458)	(32,872)
<b>Other Comprehensive Income</b>				
Other comprehensive income, net of tax, will not be reclassified to profit or loss in subsequent periods:				
Changes in fair value of equity instruments	(2,959)	(6,263)	(3,593)	(5,641)
<b>Total comprehensive income for the period</b>	(11,226)	(23,533)	(20,051)	(38,513)
<b>Loss net of tax attributable to:</b>				
Owners of the parent	(8,596)	(17,261)	(16,752)	(32,863)
Non-controlling interests	329	(9)	294	(9)
	(8,267)	(17,270)	(16,458)	(32,872)
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(11,555)	(23,524)	(20,345)	(38,504)
Non-controlling interests	329	(9)	294	(9)
	(11,226)	(23,533)	(20,051)	(38,513)
	Sen	Sen	Sen	Sen
Loss per share attributable to Owners of the parent:				
- Basic	(4.57)	(12.05)	(8.90)	(20.34)
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

Certain figure has been restated to conform to audited financial statements ended 31 July 2016.

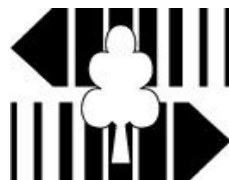
The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Financial Position**  
**As At 31 July 2017**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/07/2017 RM'000	(RESTATED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	618,819	606,621
Land held for property development	6,005	6,005
Biological assets	246,853	200,598
Investment properties	84,085	79,490
Investment securities	33,156	36,722
Intangible assets	2,720	4,341
Long term receivable	3,080	3,205
Deferred tax assets	11,378	21,804
	1,006,096	958,786
<b>Current assets</b>		
Property development cost	432	-
Inventories	133,707	165,886
Trade and other receivables	130,643	95,365
Other current assets	13,297	9,458
Cash and bank balances	27,697	47,527
	305,776	318,236
<b>TOTAL ASSETS</b>	1,311,872	1,277,022
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	268,680	209,000
Share premium	-	59,680
Treasury shares	(55,165)	(55,162)
Retained earnings	443,037	459,789
Other reserves	(28,032)	(24,439)
	628,520	648,868
Non-controlling interests	2,495	951
<b>Total equity</b>	631,015	649,819
<b>Non-current liabilities</b>		
Loans and borrowings	92,954	96,259
Deferred tax liabilities	32,252	23,461
	125,206	119,720
<b>Current liabilities</b>		
Loans and borrowings	414,528	392,905
Trade and other payables	140,388	113,956
Income tax payable	735	622
	555,651	507,483
<b>Total liabilities</b>	680,857	627,203
<b>TOTAL EQUITY AND LIABILITIES</b>	1,311,872	1,277,022
<b>Net assets per share attributable to ordinary equity holders of the Parent (RM)</b>	3.35	3.45
Number of shares net of treasury shares ('000)	188,120	188,122

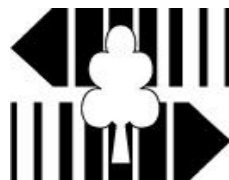
The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 July 2017**

	← Attributable to Equity Holders of the Parent →				Distributable	Total	Non- controlling interests	Total Equity
	← Non-Distributable →							
	Share capital	Share premium	Treasury shares	Other reserves	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve Months Ended 31 July 2017								
Balance as at 1 August 2016	209,000	59,680	(55,162)	(24,439)	445,922	635,001	951	635,952
Changes in accounting policy <sup>#</sup>	-	-	-	-	13,867	13,867	-	13,867
Balance as at 1 August 2016, as restated	209,000	59,680	(55,162)	(24,439)	459,789	648,868	951	649,819
Loss for the financial period	-	-	-	-	(16,752)	(16,752)	294	(16,458)
Other comprehensive income	-	-	-	(3,593)	-	(3,593)	-	(3,593)
Total comprehensive income	-	-	-	(3,593)	(16,752)	(20,345)	294	(20,051)
Upon abolition of par value *	59,680	(59,680)	-	-	-	-	-	-
Purchase of treasury shares	-	-	(3)	-	-	(3)	-	(3)
Capital contributed by non-controlling interest in a subsidiary	-	-	-	-	-	-	1,250	1,250
Balance as at 31 July 2017	268,680	-	(55,165)	(28,032)	443,037	628,520	2,495	631,015

\* On 31 January 2017, in accordance with the Companies Act 2016, the concepts of “par value” and “authorised capital” were abolished and on that date, the shares of the Company ceased to have a par value. Consequently, the amounts standing in the share premium had become part of the Company’s share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use these amounts for purposes as set out in Sections 618(3) and 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.



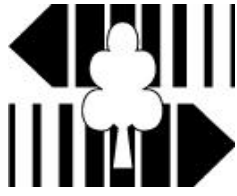
**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 July 2017**

	← Attributable to Equity Holders of the Parent →				Distributable	Total	Non- controlling interests	Total Equity
	Non-Distributable							
	Share capital	Share premium	Treasury shares	Other reserves	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve Months Ended 31 July 2016								
Balance as at 1 August 2015	209,000	59,680	(55,158)	(18,798)	478,785	673,509	(40)	673,469
Changes in accounting policy <sup>#</sup>	-	-	-	-	13,867	13,867	-	13,867
Balance as at 1 August 2015, as restated	209,000	59,680	(55,158)	(18,798)	492,652	687,376	(40)	687,336
Loss for the financial period	-	-	-	-	(32,863)	(32,863)	(9)	(32,872)
Other comprehensive income	-	-	-	(5,641)	-	(5,641)	-	(5,641)
Total comprehensive income	-	-	-	(5,641)	(32,863)	(38,504)	(9)	(38,513)
Purchase of treasury shares	-	-	(4)	-	-	(4)	-	(4)
Capital contributed by non-controlling interest in a subsidiary	-	-	-	-	-	-	1,000	1,000
Balance as at 31 July 2016	209,000	59,680	(55,162)	(24,439)	459,789	648,868	951	649,819

<sup>#</sup> The Company has changed the valuation method of its investment properties from cost to fair value model during the financial year 31 July 2017. The change in valuation method constitutes a change in accounting policy and is applied retrospectively. This fair value gain on investment properties were from twenty-nine lots of leasehold land in Sibul, Kuching and Kota Kinabalu which were revalued by independent firm of professional valuer in 2017 for valuation of RM84.1 million.

Certain figure has been restated to conform to audited financial statements ended 31 July 2016.

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.

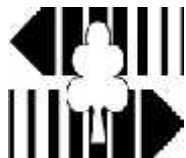


**Condensed Consolidated Statements of Cash Flows**  
**For the quarter ended 31 July 2017**

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/07/2017 RM'000	(RESTATED) CORRESPONDING YEAR-TO-DATE 31/07/2016 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit/(loss) before taxation	4,710	(31,740)
Adjustments for :		
Amortisation of biological assets	5,981	5,082
Amortisation of intangible assets	1,621	5,540
Depreciation of property, plant and equipment	41,177	79,379
Dividend income	(32)	(41)
Fair value gain on investment securities	(13)	(86)
Interest expense	13,605	21,030
Interest income	(798)	(1,002)
Fair value gain on investment properties	(4,595)	(2,509)
(Gain)/loss on disposal of property, plant and equipment	(5,759)	1,978
Property, plant and equipment written off	517	25
Reversal of inventory written down	-	(710)
Unrealised (gain)/loss on foreign exchange	(175)	587
Write-down of inventories	626	196
Operating profit before working capital changes	56,865	77,729
Changes in working capital :		
Increase in property development costs	(432)	-
Decrease in inventories	31,553	11,147
Increase in trade and other receivables	(34,978)	(9,628)
Increase in other current assets	(3,817)	(939)
Increase/(decrease) in trade and other payables	26,429	(23,879)
Cash from operations	75,620	54,430
Taxes paid, net of refund	(1,859)	(4,944)
Interest paid	(13,605)	(23,453)
Interest received	798	1,002
Net cash from operating activities	60,954	27,035
<b>Cash Flows from Investing Activities</b>		
Additional investments in an existing subsidiary by non-controlling interests	1,250	250
Costs incurred on biological assets	(52,235)	(33,798)
Dividend received	18	41
Proceeds from disposal of investment securities	-	60
Proceeds from disposal of property, plant and equipment	8,709	10,271
Purchase of investment securities	-	(26,051)
Purchase of land held for property held for development	-	(39)
Purchase of property, plant and equipment	(50,322)	(34,899)
Net cash for investing activities	(92,580)	(84,165)
<b>Cash Flows from Financing Activities</b>		
Decrease in pledge fixed deposits with licence banks	-	(29)
Net of drawdown/(repayment) of bankers' acceptance	14,816	6,952
Net of drawdown/(repayment) of revolving credit	38,500	118,000
Proceeds from drawdown of term loans	24,166	-
Repayment of term loans	(15,453)	(19,026)
Purchase of treasury shares	(3)	(4)
Repayment of hire purchase obligations	(50,230)	(57,435)
Net cash from financing activities	11,796	48,458
<b>Net change in cash and cash equivalents</b>	(19,830)	(8,672)
Effects of exchange rate changes on cash and cash equivalents	-	(107)
<b>Cash and cash equivalents at beginning of period</b>	46,576	55,355
<b>Cash and cash equivalents at end of period</b>	26,746	46,576

Certain figure has been restated to conform to audited financial statements ended 31 July 2016.

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly financial report.



**NOTES :**

**Note 1 Basis of Preparation**

The quarterly report is unaudited and has been prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly report should be read in conjunction with the Group’s audited financial statements for the year ended 31 July 2016. These explanatory notes attached to the quarterly report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 July 2016.

**Note 2 Changes in Accounting Policies**

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 31 July 2016. At the date of authorization of these interim financial statements, the Group has 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.

<b>FRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRS Standards 2014 – 2016 Cycles: Amendments to FRS 12: Clarification of the Scope of the Standard	1 January 2017

The adoption of the above standards and amendments are not expected to have any material impact on the financial statements of the Group.

**Note 3 Auditors’ Report on Preceding Annual Financial Statements**

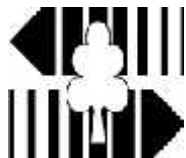
The auditors’ report on the financial statements for the year ended 31 July 2016 was not qualified.

**Note 4 Seasonal or Cyclical factors**

Timber operations are, to a certain extent, affected by weather condition especially for logging operations. In addition, the four seasons also had some impact on the buying patterns of traditional buyers of timber products.

**Note 5 Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the period under review.



## **Note 6 Changes in Estimates**

During the financial year, the Group changed the useful lives for the following assets:-

	Previous financial years	For the current financial year and subsequent financial year
Watercrafts, trucks and motor vehicles	10% - 25%	5% - 25%

The new rates have been applied prospectively with effect from 1 August 2016. The board is of the opinion that the revised depreciation rate better reflects the estimated useful lives of the relevant property, plant and equipment.

## **Note 7 Debt and Equity Securities**

During the financial year-to-date, 2,100 shares of RM1.00 each were purchased and retained as treasury shares. The monthly breakdown of shares bought back were as follows:

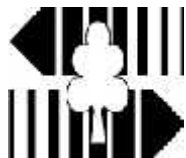
Month	No. of shares	Purchase price per share		Average price per share RM	Total cost RM
		Lowest RM	Highest RM		
August 2016	1,000	1.42	1.42	1.42	1,462
September 2016	1,100	1.41	1.50	1.42	1,644
<b>TOTAL</b>	<b>2,100</b>	<b>1.41</b>	<b>1.50</b>	<b>1.42</b>	<b>3,106</b>

All the shares purchased to-date were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965. As at 31 July 2017, the number of shares retained as treasury shares amounted to 20,880,300. There has been no resale or cancellation of treasury shares during the period under review.

Apart from the above, there were no issuances and repayments of debt and equity securities for the period under review.

## **Note 8 Dividends Paid**

There were no dividends paid during the period under review.



## Note 9 Segmental Information

Segmental revenue and profit before taxation for the current financial year-to-date and preceding year corresponding period by the respective operating segments as follows:

	Financial year-to-date ended			
	31.07.2017		31.07.2016	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000
Timber	401,194	(31,884)	501,998	(37,886)
Plantation	95,037	36,698	51,187	9,405
Others	2,469	(104)	1,418	(3,259)
	<u>498,700</u>	<u>4,710</u>	<u>554,603</u>	<u>(31,740)</u>

The Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

The timber segment is involved in extraction, sale of logs, tree planting (reforestation), manufacturing and trading of plywood, particleboard, sawn timber, finger-joint moulding, charcoal and supply of electricity for its manufacturing activities.

The plantation segment is involved in cultivation of oil palm and sales of fresh fruit bunch.

The others segment is involved in sales of grocery, manufacturing and trading of drinking water, provision of towage and transportation services, insurance services, property holding and development.

## Note 10 Valuations of Property, Plant and Equipment

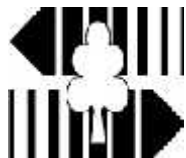
There has been no valuation undertaken for the Group's property, plant and equipment since the last annual financial statements.

## Note 11 Valuations of Investment Properties

The values captured are based upon a valuation exercise carried out by independent firms of professional valuer. The valuations were arrived at by reference to market evidence of transaction prices for similar properties. This was in line with our policy upon adoption of MFRS 140, that investment properties are revalued annually.

During the current quarter, the Company changed its accounting policy from cost model to fair value model as permitted by Malaysian Financial Reporting Standards 140: Investment Properties. On 31 July 2017, the Company carried out revaluation on its twenty-nine lots of leasehold land in Sibul, Kuching and Kota Kinabalu for a total valuation of RM84,085,000. This resulted in revaluation surpluses of RM4,595,000 (before deferred tax effects) which were recognized as fair value gain on investment properties in Condensed Consolidated Statements of Comprehensive Income and a retrospective adjustment of RM19,272,000 (before deferred tax effects) being fair value gain taken directly into the retained profits of the Company.





#### **Note 12 Subsequent Events**

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statement.

#### **Note 13 Changes in the Composition of the Group**

On 27 September 2016, the Company's equity interest in Hahn Fert Sdn. Bhd. ("HAF"), a wholly-owned subsidiary of the Company has been diluted from 100% to 75% as a result of issuance of new ordinary shares in HAF to a new shareholder. Following the dilution, HAF became a 75% owned subsidiary of the Company.

On 30 September 2016, the wholly-owned subsidiary of the Company, Momawater Sdn. Bhd. ("MWT") has acquired the entire issued and paid up capital of MOMA Marketing Pte. Ltd. ("MMS") comprising one (1) ordinary share of SGD1.00. Thereby, MMS became a wholly-owned subsidiary of the Company via MWT. MMS is currently a dormant company and its intended principal business activity is trading of drinking water.

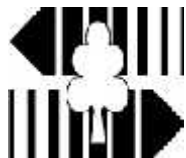
#### **Note 14 Changes in Contingent Liabilities and Contingent Assets**

The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

The amount of banking facilities utilised which were secured by corporate guarantees increased by RM89,068,000 from RM214,796,000 as at 31 July 2016 (last annual balance sheet) to RM303,864,000 as at 31 July 2017.

#### **Note 15 Capital Commitments**

	<b>As at 31.07.2017 RM'000</b>	<b>As at 31.07.2016 RM'000</b>
Approved and contracted for	6,574	8,125
Approved but not contracted for	610	4,619
	<u>7,184</u>	<u>12,744</u>
Analysed as follows:		
Property, plant and equipment	5,695	9,425
Investment properties	1,489	3,319
	<u>7,184</u>	<u>12,744</u>



## Note 16 Review of Performance

### (a) Comparison of Results with Previous Corresponding Quarter

For the quarter ended 31 July 2017, the Group recorded revenue of RM121.3 million and profit before tax of RM8.6 million as compared to revenue of RM137.7 million and loss before tax of RM12.8 million respectively in the previous corresponding quarter.

Segmental performance:

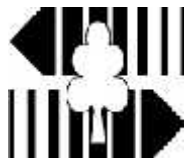
	31.07.2017	31.07.2016	Increase/(Decrease)	
	3 months	3 months	3 months	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
Timber	88,426	121,635	(33,208)	-27%
Oil Palm	31,616	14,939	16,677	112%
<u>Operational Profit/(Loss)</u>				
Timber	(8,658)	(18,194)	9,536	52%
Oil Palm	12,650	4,249	8,401	198%

#### Timber

- Revenue contracted by 27% as a result of the reduction in export log and plywood sales volume of 59% and 37% respectively.
- Operational loss decreased by 52% due to lower unit operational cost resulting from reduced overheads.

#### Oil Palm

- Higher revenue by 112% was attributable to:
  - (i) 74% increase in fresh fruit bunch (“FFB”) sales volume due to increasing area of more matured palm trees with higher yield; and
  - (ii) 8% and 3% increase in crude palm oil (“CPO”) and FFB average selling price respectively.
- Operation profit improved by 198% due to higher FFB sales volume and reduction of unit production cost of FFB as a result of increase in production volume.



**Note 16 Review of Performance (Cont'd)**

**(b) Comparison of Results with Previous Corresponding Financial Year**

For the financial year, the Group registered revenue of RM498.7 million and profit before tax of RM4.7 million as compared to revenue of RM554.6 million and loss of RM31.7 million in the previous corresponding year.

Segmental performance:

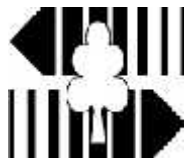
	31.07.2017	31.07.2016	Increase/(Decrease)	
	12 months	12 months	12 months	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
Timber	401,194	501,998	(100,804)	-20%
Oil Palm	95,037	51,187	43,850	86%
<u>Operational Profit/(Loss)</u>				
Timber	(31,884)	(37,886)	6,002	16%
Oil Palm	36,699	9,377	27,322	291%

Timber

- 20% decrease in revenue was mainly due to lower export log and plywood sales volume by 46% and 38% respectively.
- Operational loss decreased by 16% due to lower unit operational cost as a result of reduced overheads.

Oil Palm

- Higher revenue and profit before tax by 86% and 291% respectively was contributed by:
  - (i) higher CPO and FFB average selling price by 24% and 30% respectively; and
  - (ii) 34% increase in FFB sales volume due to increasing area of more matured palm trees with higher yield.



**Note 17 Variation in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter**

The Group's revenue increased from RM115.4 million in the immediate preceding quarter to RM121.3 million in the current quarter. The Group reported higher profit before tax of RM8.6 million as compared to profit before tax of RM3.1 million.

Segmental performance:

	31.07.2017	30.04.2017	Increase/(Decrease)	
	3 months	3 months	3 months	%
	RM'000	RM'000	RM'000	
<b>Revenue</b>				
Timber	88,426	96,926	(8,499)	-9%
Oil Palm	31,616	18,034	13,581	75%
<b>Operational Profit/(Loss)</b>				
Timber	(8,658)	(2,682)	(5,975)	-223%
Oil Palm	12,650	5,131	6,519	106%

**Timber**

- Revenue slightly decreased by 9% mainly caused by 26% reduction in export plywood sales volume.
- Operational loss increased due to higher unit operational cost for plywood as a result of lower production volume by 21%.

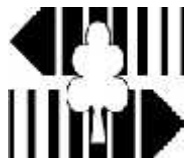
**Oil Palm**

- Revenue increased by 75%, contributed by:
  - (i) 91% increase in FFB sales volume due to increasing area of more matured palm trees with higher yield, entering into peak crop season; and
  - (ii) however, being partially offset by lower CPO and FFB average selling price by 9% and 14% respectively.
- Operation profit doubled due to lower unit production cost of FFB as a result of 91% increase in production volume.

**Note 18 Commentary on Prospects**

The reduction of log export quota from 30% to 20% by the Sarawak State Government effective 1st July 2017 will channel more proportion of logs harvested to the mills for processing. Timber and timber products prices are anticipated to go up trend with higher demand.

The oil palm segment performance would continue to contribute positively to the Group driven by the peak crop season of FFB production. The current CPO price is expected to remain stable in view of higher price of soybean oil.



**Note 19 Financial Estimate, Forecast, Projection or Internal Targets**

The disclosure requirements for explanatory notes on the variation of actual profit after tax and profit forecast stated in the financial estimate, forecast, projection or internal targets and shortfall in profit guarantee are not applicable.

**Note 20 Profit/(Loss) Before Taxation**

Profit/(Loss) before taxation was derived after taking into consideration of the following:

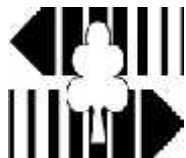
	Quarter ended		Financial year-to-date ended	
	31.07.2017	31.07.2016	31.07.2017	31.07.2016
	RM'000	RM'000	RM'000	RM'000
Amortisation and depreciation	7,935	15,848	48,779	90,001
Property, plant and equipment written off	458	(500)	517	25
Write-down/(Reversal of) inventory	1,006	298	626	(514)
Interest expenses	3,806	8,281	13,605	21,030
Dividend income	(22)	(41)	(32)	(41)
Interest income	(200)	(301)	(798)	(1,002)
(Gain)/Loss on disposal of property, plant and equipment	(869)	3,872	(5,759)	1,978
Rental income	(86)	(59)	(255)	(273)
Reversal of loss on derivative financial instrument	(55)	-	-	-
Fair value gain on investment securities	(13)	(86)	(13)	(86)
Fair value gain on investment properties	(4,595)	(2,509)	(4,595)	(2,509)
Loss/(Gain) on foreign exchange				
- realised	459	604	2,196	2,993
- unrealised	6	1,275	(175)	587

**Note 21 Taxation**

The Group's taxation for the period under review was as follows:

	Quarter ended		Financial year-to-date ended	
	31.07.2017	31.07.2016	31.07.2017	31.07.2016
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current period provision	222	(1,256)	1,384	2,347
Under/(Over) provision in prior year	94	568	567	(3,805)
Deferred tax:				
Current period provision	16,504	2,869	19,217	345
Under provision in prior year	-	2,245	-	2,245
	<u>16,820</u>	<u>4,426</u>	<u>21,168</u>	<u>1,132</u>

Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.



## Note 22 Status of Corporate Proposals

On 22 February 2017, Tiasa Mesra Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into an agreement with Rimbunan Sawit Berhad (“RSB”) to acquire all the rights, titles and interests in relation to the Simunjan Estate (as defined) via an assignment including development costs, biological assets, commercial rights and all the fixtures and fittings relating thereto held by RSB under the license for planted forest No. LPF/0035, for a cash consideration of RM150.0 million. The Company and RSB had on 21 August 2017, by way of an exchange of letter, agreed to an extension of time (in accordance with the terms and conditions of the Agreement) by six (6) months commencing from 22 August 2017 until 21 February 2018 for the fulfilment of the Remaining CPs.

Save as disclosed above, there were no corporate proposals announced but not completed as at 21 September 2017, being the latest practicable date.

## Note 23 Borrowings and Debt Securities

		As at 31.07.2017 RM'000	As at 31.07.2016 RM'000
<b>Short term borrowings:</b>			
Unsecured	- Bankers' acceptance	45,438	30,622
	- Revolving credit	330,500	292,000
Secured	- Revolving credit	6,000	6,000
	- Term loans	15,450	14,087
	- Hire purchase obligations	17,140	50,196
		<u>414,528</u>	<u>392,905</u>
<b>Long term borrowings:</b>			
Secured	- Term loans	80,314	72,964
	- Hire purchase obligations	12,640	23,295
		<u>92,954</u>	<u>96,259</u>
<b>Total borrowings</b>		<u>507,482</u>	<u>489,164</u>

There were no borrowings denominated in foreign currency.

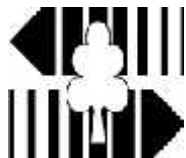
## Note 24 Fair Value of Financial Liabilities

The Group has entered into forward foreign exchange contracts to limit its exposure on foreign currency receipts, when it is deemed necessary.

As at 31 July 2017, there was no outstanding foreign exchange contracts.

There was no significant change for the financial derivatives in respect of the followings since the last financial year ended 31 July 2016:

- the credit risk, market risk and liquidity risk associated with these financial derivatives;
- the cash requirements of the derivatives;
- the policies in place for mitigating or controlling the risks associated with these financial derivative; and
- the related accounting policies.



**Note 25 Profit/Loss Arising from Fair Value Changes of Financial Liabilities**

The Group recognised reversal of loss of RM55,000 for the current quarter under review, arising from fair value changes of derivative liabilities, namely, forward foreign exchange contracts. The fair value changes are attributable to changes in foreign exchange spot and forward rate. Forward foreign exchange contracts are valued using a valuation technique with market observable inputs, by the bankers. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates.

**Note 26 Realised and Unrealised Profits/Losses Disclosure**

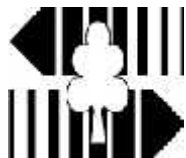
	<b>As at 31.07.2017 RM'000</b>	<b>As at 31.07.2016 RM'000 Restated</b>
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	462,368	470,416
- Unrealised	(20,699)	(2,244)
	<u>441,669</u>	<u>468,172</u>
Less: Consolidation adjustments	1,368	(8,383)
Total Group retained profits as per consolidated accounts	<u>443,037</u>	<u>459,789</u>

**Note 27 Changes in Material Litigation**

The Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group as at 21 September 2017 being the latest practicable date.

**Note 28 Dividend Payable**

The Board of Directors did not declare any dividend for the quarter ended 31 July 2017 (previous corresponding period: Nil).



**Note 29 Earnings Per Share**

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	<b>Quarter ended 31.07.2017</b>	<b>Financial year- to-date ended 31.07.2017</b>
Loss for the period attributable to ordinary equity holders of the Company (RM'000)	(8,596)	(16,752)
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,120	188,120
Basic loss per share (Sen)	(4.57)	(8.90)

(b) Diluted earnings per share

N/A

**Note 30 Authorisation for Issue**

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 September 2017.