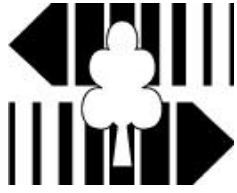


Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the quarter ended 30 April 2019

	(UNAUDITED)	(RESTATED)	(UNAUDITED)	(RESTATED)
	INDIVIDUAL QUARTER	INDIVIDUAL QUARTER	CUMULATIVE QUARTER	CUMULATIVE QUARTER
	CURRENT YEAR QUARTER 30/04/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2018 RM'000	CURRENT YEAR TO DATE 30/04/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2018 RM'000
Revenue	81,683	57,748	242,347	251,789
Cost of sales	(78,047)	(51,360)	(215,636)	(213,987)
Gross Profit	3,636	6,388	26,711	37,802
Other income	4,988	16,819	21,079	32,965
Administrative expenses	(9,006)	(10,896)	(27,627)	(29,788)
Selling and distribution expenses	(10,161)	(8,199)	(31,437)	(28,891)
Fair value change in biological assets	499	(172)	1,029	(169)
Finance costs	(5,091)	(3,977)	(13,636)	(11,026)
(Loss)/Profit before tax	(15,135)	(37)	(23,881)	893
Income tax expenses	3,982	(3,635)	4,033	(7,322)
Loss after taxation	(11,153)	(3,672)	(19,848)	(6,429)
Other Comprehensive Income				
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Fair value changes of financial assets measured at fair value through other comprehensive income	2,070	(3,227)	(3,499)	(5,454)
Total comprehensive income for the period	(9,083)	(6,899)	(23,347)	(11,883)
Profit/(Loss) after taxation attributable to:				
Owners of the Company	(10,900)	(3,710)	(19,459)	(6,557)
Non-controlling interests	(253)	38	(389)	128
	(11,153)	(3,672)	(19,848)	(6,429)
Total comprehensive income attributable to:				
Owners of the Company	(8,830)	(6,937)	(22,958)	(12,011)
Non-controlling interests	(253)	38	(389)	128
	(9,083)	(6,899)	(23,347)	(11,883)
	Sen	Sen	Sen	Sen
Loss per share:				
- Basic	(5.79)	(1.97)	(10.34)	(3.49)
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

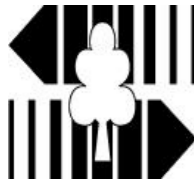
The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Financial Position
As At 30 April 2019

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30/04/2019 RM'000	(RESTATED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2018 RM'000	(RESTATED) AS AT PRECEDING FINANCIAL YEAR END 01/08/2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,099,049	914,727	862,671
Land held for property development	6,628	6,628	6,437
Investment properties	115,941	104,241	84,085
Investment securities	18,807	25,321	33,156
Intangible assets	2,720	2,720	2,720
Long term receivable	1,430	3,042	3,156
Deferred tax assets	10,365	10,365	11,378
	1,254,940	1,067,044	1,003,603
Current assets			
Inventories	124,219	110,736	136,752
Biological assets	3,619	2,590	2,956
Trade receivables	44,508	28,226	48,735
Other receivables, deposits and prepayments	40,881	97,910	96,312
Current tax assets	4,873	5,692	4,739
Deposits with licensed banks	1,135	4,091	16,003
Cash and bank balances	9,059	7,131	12,305
	228,294	256,376	317,802
TOTAL ASSETS	1,483,234	1,323,420	1,321,405
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent:			
Share capital	268,680	268,680	268,680
Treasury shares	(55,173)	(55,166)	(55,165)
Reserves	367,075	390,033	417,253
Equity attributable to owners of the Company	580,582	603,547	630,768
Non-controlling interests	3,397	3,786	2,493
Total equity	583,979	607,333	633,261
Non-current liabilities			
Loans and borrowings	243,607	82,240	92,906
Deferred tax liabilities	30,887	39,978	32,961
	274,494	122,218	125,867
Current liabilities			
Loans and borrowings	469,944	461,349	414,628
Trade payables	108,742	112,139	110,838
Other payables, deposits and accruals	45,873	20,326	36,098
Income tax payable	202	55	713
	624,761	593,869	562,277
Total liabilities	899,255	716,087	688,144
TOTAL EQUITY AND LIABILITIES	1,483,234	1,323,420	1,321,405
Net assets per share attributable to ordinary equity holders of the Parent (RM)	3.10	3.23	3.37
Number of shares net of treasury shares ('000)	188,108	188,118	188,120

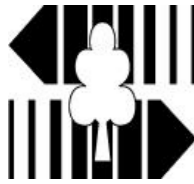
The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Changes in Equity
For the quarter ended 30 April 2019

	Share Capital	Treasury Shares	Non- Distributable Other Reserves	Distributable Retained Earnings	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine Months Ended 30 April 2019							
Balance as at 1 August 2018	268,680	(55,166)	(35,844)	423,932	601,602	3,763	605,365
Effect of MFRS adoption	-	-	-	1,945	1,945	23	1,968
Balance as at 1 August 2018, as restated	268,680	(55,166)	(35,844)	425,877	603,547	3,786	607,333
Loss for the financial period	-	-	-	(19,459)	(19,459)	(389)	(19,848)
Other comprehensive income:-							
- Fair value changes of financial assets measured at fair value through other comprehensive income	-	-	(3,499)	-	(3,499)	-	(3,499)
Total comprehensive income	-	-	(3,499)	(19,459)	(22,958)	(389)	(23,347)
Contributions by and distributions to owners of the Company:-							
- Purchase of treasury shares	-	(7)	-	-	(7)	-	(7)
Total transactions with owners	-	(7)	-	-	(7)	-	(7)
Balance as at 30 April 2019	<u>268,680</u>	<u>(55,173)</u>	<u>(39,343)</u>	<u>406,418</u>	<u>580,582</u>	<u>3,397</u>	<u>583,979</u>

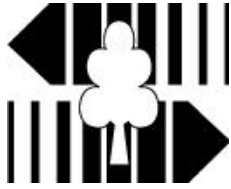
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Changes in Equity
For the quarter ended 30 April 2018

	Share Capital	Treasury Shares	Non- Distributable Other Reserves	Distributable Retained Earnings	Attributable to Owners of the Company	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Nine Months							
<u>Ended 30 April 2018</u>							
Balance as at 1 August 2017	268,680	(55,165)	(28,032)	443,042	628,525	2,489	631,014
Effect of MFRS adoption	-	-	-	2,243	2,243	4	2,247
Balance as at 1 August 2017, as restated	268,680	(55,165)	(28,032)	445,285	630,768	2,493	633,261
(Loss)/Profit for the financial period	-	-	-	(6,557)	(6,557)	128	(6,429)
Other comprehensive income:-							
- Fair value changes of financial assets measured at fair value through other comprehensive income	-	-	(5,454)	-	(5,454)	-	(5,454)
Total comprehensive income	-	-	(5,454)	(6,557)	(12,011)	128	(11,883)
Contributions by and distributions to owners of the Company:-							
- Purchase of treasury shares	-	(1)	-	-	(1)	-	(1)
- Additional investments in an existing subsidiary by non-controlling interests	-	-	-	-	-	1,000	1,000
Total transactions with owners	-	(1)	-	-	(1)	1,000	999
Balance as at 30 April 2018	<u>268,680</u>	<u>(55,166)</u>	<u>(33,486)</u>	<u>438,728</u>	<u>618,756</u>	<u>3,621</u>	<u>622,377</u>

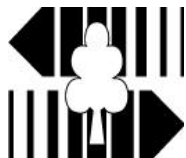
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Cash Flows
For the quarter ended 30 April 2019

	(UNAUDITED) CURRENT YEAR-TO-DATE 30/04/2019 RM'000	(RESTATED) CORRESPONDING YEAR-TO-DATE 30/04/2018 RM'000
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	(23,881)	893
Adjustments for :		
Depreciation and amortisation	41,101	33,955
Dividend income	(9)	-
Fair value gain on investment properties	(11,700)	(11,200)
Fair value change in biological assets	(1,029)	169
Interest expense	13,636	11,026
Interest income	(242)	(486)
Gain on disposal of property, plant and equipment	(5,998)	(16,684)
Property, plant and equipment written off	3,155	59
Unrealised (gain)/loss on foreign exchange	(94)	141
Allowance for slow-moving inventories	355	225
Operating profit before working capital changes	<u>15,294</u>	<u>18,098</u>
Changes in working capital :		
(Increase)/decrease in inventories	(12,191)	19,685
Decrease in trade and other receivables	42,452	9,431
Increase/(decrease) in trade and other payables	22,150	(7,375)
Cash from operations	<u>67,705</u>	<u>39,839</u>
Taxes paid, net of refund	(4,093)	(1,137)
Interest paid	(13,636)	(11,026)
Interest received	242	486
Net cash from operating activities	<u>50,218</u>	<u>28,162</u>
Cash Flows from Investing Activities		
Additional investments in an existing subsidiary by non-controlling interests	-	250
Dividend received	2	-
Proceeds from disposal of investment securities	3,022	-
Proceeds from disposal of property, plant and equipment	9,510	22,807
Purchase of property, plant and equipment	(222,732)	(73,923)
Net cash for investing activities	<u>(210,198)</u>	<u>(50,866)</u>
Cash Flows from Financing Activities		
Net of drawdown/(repayment) of bankers' acceptance	2,349	(14,108)
Net of drawdown of revolving credit	6,000	47,000
Proceeds from drawdown of term loans	166,891	5,850
Repayment of term loans	(9,742)	(11,871)
Purchase of treasury shares	(7)	(1)
Repayment of hire purchase obligations	(5,638)	(14,806)
Net cash from financing activities	<u>159,853</u>	<u>12,064</u>
Net change in cash and cash equivalents	(127)	(10,640)
Cash and cash equivalents at beginning of period	<u>10,321</u>	<u>28,308</u>
Cash and cash equivalents at end of period	<u><u>10,194</u></u>	<u><u>17,668</u></u>
Cash and cash equivalents included in the Condensed Consolidated Statements of Cash Flows comprise:-		
Cash and bank balances	1,135	16,192
Deposits with licensed banks	9,059	1,476
	<u>10,194</u>	<u>17,668</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2018 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 MFRS 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 2018. 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 2018.

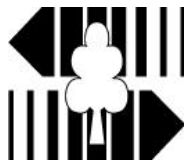
Note 2 Changes in Accounting Policies

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 2018. At the date of authorisation of these interim financial statements, the Group has not adopted in advance the following accounting standards that have been issued by the Malaysian Accounting Standards Board (MASB). The Group will adopt these amendments/standards, if applicable, when they become effective.

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective for annual periods beginning on or after
MFRS 16: Leases	1 January 2019
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

For the financial period beginning 1 August 2018, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) Framework for the first time. The date of transition to the MFRS Framework was on 1 August 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 August 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from FRS in Malaysia to MFRS as disclosed as follows:



Note 2 Changes in Accounting Policies (cont'd)

a) Bearer plants

The amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, bearer plants will now be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). As the Group is currently measuring the bearer biological assets at cost less amortisation, the change in accounting policies is limited to reclassification of the bearer assets from biological assets to bearer plants and thus, the change will not impact comprehensive income or equity.

b) Biological assets

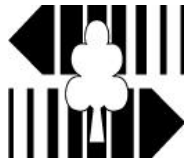
Prior to the adoption of the Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, biological assets which form part of the bearer plants were not recognised. With the adoption of the Amendments to MFRS 116 and MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The change in fair value less costs to sell of the biological assets is recognised in profit or loss.

The effects of the changes in accounting policy on the comparative figures of the financial statements are as follows:

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Preceding year corresponding quarter ended 30.04.2018	As previously reported RM'000	Effect of MFRS 141 RM'000	Restated RM'000
Fair value change in biological assets	-	(172)	(172)
Income tax expenses	(3,676)	41	(3,635)
Loss after taxation	(3,541)	(131)	(3,672)
Profit/(Loss) after taxation attributable to:			
Owners of the parent	(3,576)	(134)	(3,710)
Non-controlling interests	35	3	38
	(3,541)	(131)	(3,672)

Preceding year corresponding year-to-date ended 30.04.2018	As previously reported RM'000	Effect of MFRS 141 RM'000	Restated RM'000
Fair value change in biological assets	-	(169)	(169)
Income tax expenses	(7,363)	41	(7,322)
Loss after taxation	(6,301)	(128)	(6,429)
Profit/(Loss) after taxation attributable to:			
Owners of the parent	(6,407)	(150)	(6,557)
Non-controlling interests	106	22	128
	(6,301)	(128)	(6,429)



Note 2 Changes in Accounting Policies (cont'd)

Condensed Consolidated Statements of Financial Position

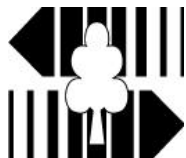
As at 01.08.2017	As previously reported RM'000	Effect of MFRS 141 RM'000	Restated RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	616,007	246,664	862,671
Biological assets	246,664	(246,664)	-
CURRENT ASSETS			
Biological assets	-	2,956	2,956
EQUITY AND LIABILITIES			
Reserves	415,010	2,243	417,253
Total equity attributable to owners of the Company	628,525	2,243	630,768
Non-controlling interests	2,489	4	2,493
NON-CURRENT LIABILITIES			
Deferred tax liabilities	32,252	709	32,961
As at 31.07.2018			
NON-CURRENT ASSETS			
Property, plant and equipment	582,113	332,614	914,727
Biological assets	332,614	(332,614)	-
CURRENT ASSETS			
Biological assets	-	2,590	2,590
EQUITY AND LIABILITIES			
Reserves	388,088	1,945	390,033
Total equity attributable to owners of the Company	601,602	1,945	603,547
Non-controlling interests	3,763	23	3,786
NON-CURRENT LIABILITIES			
Deferred tax liabilities	39,356	622	39,978

Note 3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 July 2018 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

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

Note 7 Debt and Equity Securities

During the financial year-to-date, 13,000 shares 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 consideration RM
		Lowest RM	Highest RM		
September 2018	3,000	0.79	0.79	0.79	2,436
October 2018	1,000	0.75	0.75	0.75	790
November 2018	1,000	0.71	0.71	0.71	750
January 2019	3,000	0.48	0.48	0.48	1,482
February 2019	5,000	0.53	0.53	0.53	2,669
TOTAL	13,000	0.48	0.79	0.61	8,127

During the financial year-to-date, 3,100 shares were resold in the open market. The monthly breakdown of shares resold were as follows:

Month	No. of shares	Selling price per share		Average price per share RM	Total consideration RM
		Lowest RM	Highest RM		
October 2018	2,100	0.84	0.85	0.84	1,674
February 2019	1,000	0.65	0.65	0.65	609
TOTAL	3,100	0.65	0.85	0.74	2,283

As at 30 April 2019, the number of shares retained as treasury shares amounted to 20,891,600.

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/(loss) 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			
	30.04.2019		30.04.2018	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000 (Restated)
Plantation	74,934	(4,735)	77,501	26,316
Timber	162,809	(24,355)	171,533	(33,615)
Others	4,604	5,209	2,755	8,192
	<u>242,347</u>	<u>(23,881)</u>	<u>251,789</u>	<u>893</u>

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

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

The plantation segment is involved in cultivation of oil palm and sale of fresh fruit bunches.

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

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.

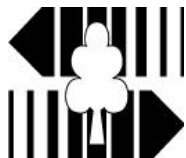
Note 11 Valuations of Investment Properties

Investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers at the end of the reporting date using the market comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, tenure and market trends. The most significant input into this valuation approach is price per acre of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.



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

There were no changes in the composition of the Group in the current quarter under review.

Note 14 Changes in Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities or assets since the last annual reporting date.

Note 15 Capital Commitments

	As at 30.04.2019 RM'000	As at 31.07.2018 RM'000
Purchase of property, plant and equipment	2,884	4,203
Construction of property, plant and equipment	422	904
	<u>3,306</u>	<u>5,107</u>

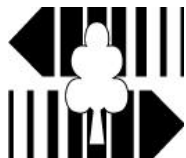
Note 16 Review of Performance

Comparison of Results with Previous Year Corresponding Quarter and Financial Year-to-date

For the current quarter and financial year-to-date ended 30 April 2019, the Group recorded revenue of RM81.7 million and RM242.3 million respectively as compared to RM57.7 million and RM251.8 million in the preceding year corresponding period. The Group reported performance with loss before tax of RM15.1 million and RM23.9 million respectively in the current quarter and financial year-to-date as compared to loss of RM0.04 million and profit of RM0.9 million in the previous year corresponding period.

Segmental performance:

	Individual Quarter		Changes	Cumulative Quarter		Changes
	3 months ended	3 months ended		9 months ended	9 months ended	
	30.04.2019	30.04.2018		30.04.2019	30.04.2018	
	RM'000	RM'000	%	RM'000	RM'000	%
	(Restated)			(Restated)		
Revenue						
Oil Palm	19,776	18,345	8%	74,934	77,501	-3%
Timber	60,259	38,392	57%	162,809	171,533	-5%
Others	1,648	1,011	63%	4,604	2,755	67%
	<u>81,683</u>	<u>57,748</u>	41%	<u>242,347</u>	<u>251,789</u>	-4%
Profit/(Loss) Before Tax						
Oil Palm	(5,676)	2,741	> -100%	(4,735)	26,316	> -100%
Timber	(9,621)	(14,186)	32%	(24,355)	(33,615)	28%
Others	162	11,408	-99%	5,209	8,192	-36%
	<u>(15,135)</u>	<u>(37)</u>	> -100%	<u>(23,881)</u>	<u>893</u>	> -100%



Note 16 Review of Performance (cont'd)

Oil Palm

- Fresh fruit bunch (“FFB”) sales volume increased by 33% and 26% respectively as compared to the previous year corresponding quarter and financial year-to-date.
- Profit before tax decreased mainly due to reduction in FFB average selling price by 24% and 28% respectively as compared to the previous year corresponding quarter and financial year-to-date.

Timber

- Revenue increased by 57% while loss reduced by 32% as compared to the previous year corresponding quarter mainly due to higher sales volume of timber and timber products.
- Revenue reduced by 5% as compared to previous year corresponding financial year-to-date mainly due to lower export sales volume of timber and timber products.
- Despite lower revenue, year-to-date loss decreased by 28% mainly supported by improved average selling prices of timber products and implementation of cost-cutting measures.

Note 17 Material Changes in Quarterly Results Compared to the Results of the Immediate Preceding Quarter

The Group’s revenue increased from RM73.8 million in the immediate preceding quarter to RM81.7 million in the current quarter. The Group reported loss before tax of RM15.1 million as compared to loss before tax of RM9.2 million in the immediate preceding quarter.

Segmental performance:

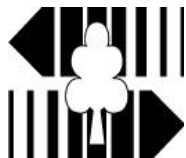
	Current Quarter 30.04.2019 RM'000	Immediate Preceding Quarter 31.01.2019 RM'000 (Restated)	Changes %
<u>Revenue</u>			
Oil Palm	19,776	22,302	-11%
Timber	60,259	49,956	21%
Others	1,648	1,492	10%
	81,683	73,750	11%
<u>Profit/(Loss) Before Tax</u>			
Oil Palm	(5,676)	(5,539)	-2%
Timber	(9,621)	(10,532)	9%
Others	162	6,824	-98%
	(15,135)	(9,247)	-64%

Oil Palm

- Revenue decreased by 11% while loss increased slightly by 2%, mainly due to 18% decrease in FFB sales volume during the low peak season.

Timber

- Revenue increased by 21%, mainly attributed to higher export sales volume of timber and plywood.
- Loss reduced by 9% mainly due to lower unit production cost of timber and plywood.



Note 18 Commentary on Prospects

The Group expects a better performance in oil palm segment with increasing area of more matured palm trees and improvement in FFB production in line with the upcoming peak crop season. We have successfully obtained Malaysian Sustainable Palm Oil (“MSPO”) Certification for Palmlyn Sdn Bhd. Victory Pelita Kabah Sdn Bhd is in the final stage of MSPO Certification. We expect all estates to be certified by this year. Crude palm oil price is expected to stabilize in anticipation of the implementation of biodiesel mandate and an expected rise in demand from key importers.

In view of low production of logs across the timber industry in Sarawak, timber and timber product prices are expected to sustain. We are in the progress to certify our forest and we expect to obtain the Forest Management Certification soon.

The Group is committed to review and improve the effectiveness of our group strategic transformation plans continuously in order to enhance stakeholder value and businesses efficiency.

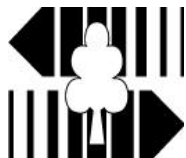
Note 19 Financial Estimate, Forecast, Projection or Internal Targets

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 (Loss)/Profit Before Taxation

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

	Quarter ended		Financial year-to-date ended	
	30.04.2019	30.04.2018	30.04.2019	30.04.2018
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Depreciation of property, plant and equipment	15,158	11,323	41,101	33,955
Dividend income	(3)	-	(9)	-
Fair value gain of investment properties	(3,000)	(11,200)	(11,700)	(11,200)
Fair value change in biological assets	(499)	172	(1,029)	169
Interest expenses	5,091	3,977	13,636	11,026
Interest income	(89)	(108)	(242)	(486)
Gain on disposal of property, plant and equipment	(276)	(4,532)	(5,998)	(16,684)
Property, plant and equipment written off	4	1	3,155	59
Rental income	(113)	(90)	(396)	(277)
Allowance for slow-moving inventories	-	(106)	355	225
Loss/(gain) on foreign exchange				
- realised	-	523	795	2,543
- unrealised	19	98	(94)	141



Note 21 Taxation

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

	Quarter ended		Financial year-to-date ended	
	30.04.2019 RM'000	30.04.2018 RM'000 (Restated)	30.04.2019 RM'000	30.04.2018 RM'000 (Restated)
Income tax:				
Current period provision	4,829	1,955	4,931	2,445
Under provision in prior year	127	596	127	596
Deferred tax:				
Current period provision	(8,938)	1,084	(9,091)	4,281
	<u>(3,982)</u>	<u>3,635</u>	<u>(4,033)</u>	<u>7,322</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.

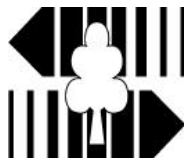
Note 22 Status of Corporate Proposals

There were no outstanding corporate proposals that have been announced but not completed as at 20 June 2019 being the latest practicable date.

Note 23 Borrowings and Debt Securities

		As at 30.04.2019 RM'000	As at 31.07.2018 RM'000
Short term borrowings:			
Unsecured	- Bankers' acceptance	50,780	48,431
	- Revolving credit	307,500	314,500
	- Bank overdrafts	-	109
Secured	- Revolving credit	91,000	78,000
	- Term loans	13,638	13,032
	- Hire purchase obligations	7,026	6,485
	- Bank overdrafts	-	792
		<u>469,944</u>	<u>461,349</u>
Long term borrowings:			
Secured	- Term loans	229,461	72,918
	- Hire purchase obligations	14,146	9,322
		<u>243,607</u>	<u>82,240</u>
Total borrowings		<u>713,551</u>	<u>543,589</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 30 April 2019, 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 2018:

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

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

There were no gains or losses arising from fair value changes of financial liabilities for the current quarter ended 30 April 2019.

Note 26 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 20 June 2019 being the latest practicable date.

Note 27 Dividend Payable

The Board of Directors did not declare any dividend for the quarter ended 30 April 2019 (previous corresponding period: Nil).

Note 28 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.

	Quarter ended 30.04.2019	Financial year- to-date ended 30.04.2019
Loss for the period attributable to ordinary equity holders of the Company (RM'000)	(10,900)	(19,459)
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,110	188,114
Basic loss per share (Sen)	(5.79)	(10.34)

- (b) Diluted earnings per share

N/A

Note 29 Authorisation for Issue

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 June 2019.