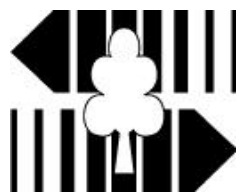


**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 31 July 2019**

	(UNAUDITED)	(RESTATED)	(UNAUDITED)	(RESTATED)
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/07/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/07/2018 RM'000	CURRENT YEAR TO DATE 31/07/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/07/2018 RM'000
Revenue	70,568	70,374	312,915	322,163
Cost of sales	(69,977)	(62,276)	(285,613)	(276,263)
<b>Gross Profit</b>	591	8,098	27,302	45,900
Other income	10,685	11,621	31,764	44,586
Administrative expenses	(8,141)	(6,749)	(35,768)	(36,537)
Selling and distribution expenses	(8,468)	(10,150)	(39,905)	(39,041)
Other expenses	(2,374)	(5,636)	(2,374)	(5,636)
Fair value change in biological assets	8,254	(2,511)	9,283	(2,333)
Finance costs	(4,461)	(5,363)	(18,097)	(16,389)
<b>Loss before tax</b>	(3,914)	(10,690)	(27,795)	(9,450)
Income tax expenses	(11,425)	(4,231)	(7,392)	(11,637)
<b>Loss after taxation</b>	(15,339)	(14,921)	(35,187)	(21,087)
<b>Other Comprehensive Income</b>				
<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	(3,240)	(2,358)	(6,739)	(7,812)
<b>Total comprehensive income for the period</b>	(18,579)	(17,279)	(41,926)	(28,899)
<b>Profit/(Loss) after taxation attributable to:</b>				
Owners of the Company	(15,651)	(15,074)	(35,110)	(21,371)
Non-controlling interests	312	153	(77)	284
	(15,339)	(14,921)	(35,187)	(21,087)
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	(18,891)	(17,432)	(41,849)	(29,183)
Non-controlling interests	312	153	(77)	284
	(18,579)	(17,279)	(41,926)	(28,899)
	Sen	Sen	Sen	Sen
<b>Loss per share:</b>				
- Basic	(8.32)	(8.01)	(18.66)	(11.36)
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

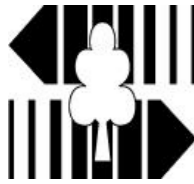
The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Financial Position**  
**As At 31 July 2019**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/07/2019 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
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,002,770	870,492	831,200
Biological assets	55,885	39,317	28,545
Land held for property development	6,628	6,628	6,437
Investment properties	147,094	104,241	84,085
Investment securities	15,589	25,321	33,156
Intangible assets	2,720	2,720	2,720
Rights in commercial licences	20,944	-	-
Long term receivable	2,118	3,042	3,156
Deferred tax assets	6,554	10,365	11,378
	1,260,302	1,062,126	1,000,677
<b>Current assets</b>			
Inventories	119,061	110,736	136,752
Biological assets	2,776	2,268	2,609
Trade receivables	29,820	28,226	48,735
Other receivables, deposits and prepayments	37,402	97,910	96,312
Current tax assets	5,485	5,692	4,739
Deposits with licensed banks	4,646	4,091	16,003
Cash and bank balances	6,684	7,131	12,305
	205,874	256,054	317,455
<b>TOTAL ASSETS</b>	1,466,176	1,318,180	1,318,132
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent:</b>			
Share capital	268,680	268,680	268,680
Treasury shares	(55,172)	(55,166)	(55,165)
Reserves	343,033	384,882	414,069
Equity attributable to owners of the Company	556,541	598,396	627,584
Non-controlling interests	4,698	3,775	2,487
<b>Total equity</b>	561,239	602,171	630,071
<b>Non-current liabilities</b>			
Loans and borrowings	229,202	82,240	92,906
Deferred tax liabilities	35,353	39,899	32,878
	264,555	122,139	125,784
<b>Current liabilities</b>			
Loans and borrowings	498,132	461,349	414,628
Trade payables	107,712	112,140	110,838
Other payables, deposits and accruals	34,246	20,326	36,098
Income tax payable	292	55	713
	640,382	593,870	562,277
<b>Total liabilities</b>	904,937	716,009	688,061
<b>TOTAL EQUITY AND LIABILITIES</b>	1,466,176	1,318,180	1,318,132
<b>Net assets per share attributable to ordinary equity holders of the Parent (RM)</b>	2.98	3.20	3.35
Number of shares net of treasury shares ('000)	188,108	188,118	188,120

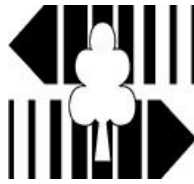
The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 July 2019**

	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Non- Distributable Other Reserves</b>	<b>Distributable Retained Earnings</b>	<b>Attributable to Owners of the Company</b>	<b>Non- controlling Interests</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Twelve Months Ended 31 July 2019							
Balance as at 1 August 2018	268,680	(55,166)	(35,844)	423,930	601,600	3,764	605,364
Effect of MFRS adoption	-	-	-	(3,204)	(3,204)	11	(3,193)
Balance as at 1 August 2018, as restated	268,680	(55,166)	(35,844)	420,726	598,396	3,775	602,171
Loss for the financial period	-	-	-	(35,110)	(35,110)	(77)	(35,187)
Other comprehensive income:-							
- Fair value changes of financial assets measured at fair value through other comprehensive income	-	-	(6,739)	-	(6,739)	-	(6,739)
Total comprehensive income	-	-	(6,739)	(35,110)	(41,849)	(77)	(41,926)
Contributions by and distributions to owners of the Company:-							
- Purchase of treasury shares	-	(6)	-	-	(6)	-	(6)
- Additional investments in an existing subsidiary by non-controlling interests	-	-	-	-	-	1,000	1,000
Total transactions with owners	-	(6)	-	-	(6)	1,000	994
Balance as at 31 July 2019	<u>268,680</u>	<u>(55,172)</u>	<u>(42,583)</u>	<u>385,616</u>	<u>556,541</u>	<u>4,698</u>	<u>561,239</u>

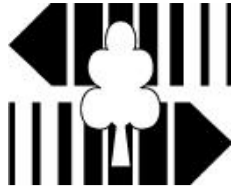
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 July 2018**

	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Non- Distributable Other Reserves</b>	<b>Distributable Retained Earnings</b>	<b>Attributable to Owners of the Company</b>	<b>Non- controlling Interests</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Twelve Months <u>Ended 31 July 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	-	-	-	(941)	(941)	(2)	(943)
Balance as at 1 August 2017, as restated	268,680	(55,165)	(28,032)	442,101	627,584	2,487	630,071
(Loss)/Profit for the financial period	-	-	-	(21,371)	(21,371)	284	(21,087)
Other comprehensive income:-							
- Fair value changes of financial assets measured at fair value through other comprehensive income	-	-	(7,812)	-	(7,812)	-	(7,812)
Total comprehensive income	-	-	(7,812)	(21,371)	(29,183)	284	(28,899)
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 31 July 2018	<u>268,680</u>	<u>(55,166)</u>	<u>(35,844)</u>	<u>420,730</u>	<u>598,400</u>	<u>3,771</u>	<u>602,171</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 31 July 2019**

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/07/2019 RM'000	(RESTATED) CORRESPONDING YEAR-TO-DATE 31/07/2018 RM'000
<b>Cash Flows from Operating Activities</b>		
Loss before taxation	(27,795)	(9,450)
Adjustments for :		
Amortisation of commercial rights	39	-
Depreciation and amortisation	46,825	42,253
Dividend income	(17)	(19)
Fair value (gain)/loss on investment securities	(14)	37
Fair value gain on investment properties	(12,298)	(17,293)
Fair value change in biological assets	(9,283)	2,333
Impairment of property, plant and equipment	-	5,600
Impairment loss on receivables	2,374	-
Interest expense	18,097	16,389
Interest income	(428)	(578)
Gain on disposal of property, plant and equipment	(8,134)	(19,582)
Property, plant and equipment written off	3,205	335
Unrealised (gain)/loss on foreign exchange	(167)	322
Write-down of inventories	-	7,553
Short term accumulating compensated absences	64	-
Allowance for slow-moving inventories	2,492	1,066
Operating profit before working capital changes	<u>14,960</u>	<u>28,966</u>
Changes in working capital :		
(Increase)/decrease in inventories	(9,170)	17,397
Decrease in trade and other receivables	57,816	18,740
Increase/(decrease) in trade and other payables	9,098	(14,493)
Cash from operations	<u>72,704</u>	<u>50,610</u>
Taxes paid, net of refund	(7,540)	(5,212)
Interest paid	(18,097)	(24,452)
Interest received	428	578
Net cash from operating activities	<u>47,495</u>	<u>21,524</u>
<b>Cash Flows from Investing Activities</b>		
Additional investments in an existing subsidiary by non-controlling interests	250	250
Dividend received	3	19
Proceeds from disposal of investment securities	3,022	-
Proceeds from disposal of property, plant and equipment	25,081	34,373
Purchase of investment securities	-	(15)
Purchase of land held for property held for development	-	(191)
Purchase of property, plant and equipment	(248,479)	(106,875)
Net cash for investing activities	<u>(220,123)</u>	<u>(72,439)</u>
<b>Cash Flows from Financing Activities</b>		
Net of drawdown/(repayment) of bankers' acceptance	18,436	3,010
Net of drawdown/(repayment) of revolving credit	10,200	56,000
Proceeds from drawdown of term loans	167,229	5,850
Repayment of term loans	(15,306)	(15,732)
Purchase of treasury shares	(6)	(1)
Proceeds from drawdown of hire purchase financing	-	1,426
Repayment of hire purchase obligations	(7,504)	(17,610)
Net cash from financing activities	<u>173,049</u>	<u>32,943</u>
<b>Net change in cash and cash equivalents</b>	421	(17,972)
Effects of exchange rate changes on cash and cash equivalents	-	(15)
<b>Cash and cash equivalents at beginning of period</b>	<u>10,321</u>	<u>28,308</u>
<b>Cash and cash equivalents at end of period</b>	<u>10,742</u>	<u>10,321</u>
Cash and cash equivalents included in the Condensed Consolidated Statements of Cash Flows comprise:-		
Cash and bank balances	9,296	7,131
Deposits with licensed banks	2,034	4,091
Bank overdrafts	(588)	(901)
	<u>10,742</u>	<u>10,321</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.

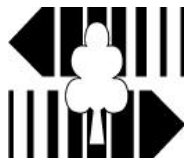
### **Note 2 Changes in Accounting Policies**

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.

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective for annual periods beginning on or after</b>
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.

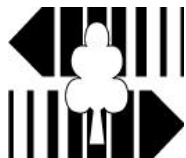
The effects of the changes in accounting policy on the comparative figures of the financial statements are as follows:

### Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

<b>Preceding year corresponding quarter ended</b>	<b>As previously reported</b>	<b>Effect of MFRS 141</b>	<b>Restated</b>
<b>31.07.2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fair value change in biological assets	-	(2,511)	(2,511)
Income tax expenses	(4,356)	125	(4,231)
Loss after taxation	(12,535)	(2,386)	(14,921)
Profit/(Loss) after taxation attributable to:			
Owners of the parent	(12,703)	(2,371)	(15,074)
Non-controlling interests	168	(15)	153
	(12,535)	(2,386)	(14,921)

<b>Preceding year corresponding year-to-date ended 31.07.2018</b>	<b>As previously reported</b>	<b>Effect of MFRS 141</b>	<b>Restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fair value change in biological assets	-	(2,333)	(2,333)
Income tax expenses	(11,719)	82	(11,637)
Loss after taxation	(18,836)	(2,251)	(21,087)
Profit/(Loss) after taxation attributable to:			
Owners of the parent	(19,110)	(2,261)	(21,371)
Non-controlling interests	274	10	284
	(18,836)	(2,251)	(21,087)



**Note 2 Changes in Accounting Policies (cont'd)**

**Condensed Consolidated Statements of Financial Position**

<b>As at 01.08.2017</b>	<b>As previously reported RM'000</b>	<b>Effect of MFRS 141 RM'000</b>	<b>Restated RM'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	616,007	215,193	831,200
Biological assets	246,664	(218,119)	28,545
<b>CURRENT ASSETS</b>			
Biological assets	-	2,609	2,609
<b>EQUITY AND LIABILITIES</b>			
Reserves	415,010	(941)	414,069
Total equity attributable to owners of the Company	628,525	(941)	627,584
Non-controlling interests	2,489	(2)	2,487
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	32,252	626	32,878
<b>As at 31.07.2018</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	582,113	288,379	870,492
Biological assets	332,614	(293,297)	39,317
<b>CURRENT ASSETS</b>			
Biological assets	-	2,268	2,268
<b>EQUITY AND LIABILITIES</b>			
Reserves	388,086	(3,204)	384,882
Total equity attributable to owners of the Company	601,600	(3,204)	598,396
Non-controlling interests	3,764	11	3,775
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	39,356	543	39,899

**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
<b>TOTAL</b>	<b>13,000</b>	<b>0.48</b>	<b>0.79</b>	<b>0.61</b>	<b>8,127</b>

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

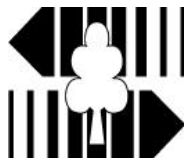
Month	No. of shares	Selling price per share		Average price per share RM	Total consideration RM
		Lowest RM	Highest RM		
October 2018	2,100	0.84	0.85	0.84	1,674
February 2019	1,000	0.65	0.65	0.65	609
<b>TOTAL</b>	<b>3,100</b>	<b>0.65</b>	<b>0.85</b>	<b>0.74</b>	<b>2,283</b>

As at 31 July 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			
	31.07.2019		31.07.2018	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000 (Restated)
Plantation	98,370	(6,991)	102,655	27,428
Timber	207,625	(24,633)	214,299	(48,215)
Others	6,920	3,829	5,209	11,337
	<u>312,915</u>	<u>(27,795)</u>	<u>322,163</u>	<u>(9,450)</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.

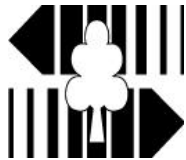
## Note 11 Valuations of Investment Properties

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 31.07.2019 RM'000	As at 31.07.2018 RM'000
Purchase of property, plant and equipment	1,368	4,203
Construction of property, plant and equipment	444	904
	<u>1,812</u>	<u>5,107</u>

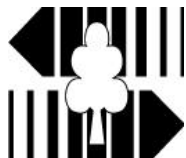
**Note 16 Review of Performance**

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

For the current quarter and financial year ended 31 July 2019, the Group recorded revenue of RM70.6 million and RM312.9 million respectively as compared to RM70.4 million and RM322.2 million in the preceding year corresponding period. The Group reported performance with loss before tax of RM3.9 million and RM27.8 million respectively in the current quarter and financial year as compared to loss of RM10.7 million and RM9.5 million in the previous year corresponding period.

Segmental performance:

	Individual Quarter			Cumulative Quarter		
	3 months ended		Changes	12 months ended		Changes
	31.07.2019	31.07.2018		31.07.2019	31.07.2018	
	RM'000	RM'000	%	RM'000	RM'000	%
	(Restated)			(Restated)		
<b>Revenue</b>						
Oil Palm	23,435	25,154	-7%	98,370	102,655	-4%
Timber	44,816	42,766	5%	207,625	214,299	-3%
Others	2,317	2,454	-6%	6,920	5,209	33%
	<u>70,568</u>	<u>70,374</u>	<b>0%</b>	<u>312,915</u>	<u>322,163</u>	<b>-3%</b>
<b>Profit/(Loss) Before Tax</b>						
Oil Palm	(2,256)	765	> -100%	(6,991)	27,428	> -100%
Timber	(278)	(14,599)	98%	(24,633)	(48,215)	49%
Others	(1,380)	3,144	> -100%	3,829	11,337	-66%
	<u>(3,914)</u>	<u>(10,690)</u>	<b>63%</b>	<u>(27,795)</u>	<u>(9,450)</u>	<b>&gt; -100%</b>



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

Oil Palm

- Quarter-on-quarter fresh fruit bunch (“FFB”) sales volume increased by 25% from 57,540 MT to 71,865 MT.
- FFB annual sales volume increased by 25% from 213,915 MT to 268,377 MT.
- Year-on-year profit before tax decreased mainly due to reduction in crude palm oil (“CPO”) price by 20% from RM2,510/MT to RM1,999/MT.

Timber

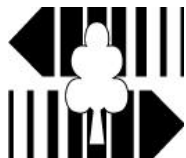
- Quarter-on-quarter revenue increased by 5% mainly contributed by higher sales volume of timber.
- Year-on-year revenue reduced by 3% mainly due to lower export sales volume of timber products.
- Operating performance improved as compared to corresponding quarter and financial year-to-date mainly supported by improved average selling prices of timber products and implementation of cost optimisation measures.

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

The Group’s revenue decreased from RM81.7 million in the immediate preceding quarter to RM70.6 million in the current quarter. The Group reported loss before tax of RM3.9 million as compared to loss before tax of RM15.1 million in the immediate preceding quarter.

Segmental performance:

	<b>Current Quarter 31.07.2019 RM'000</b>	<b>Immediate Preceding Quarter 30.04.2019 RM'000</b>	<b>Changes %</b>
<b><u>Revenue</u></b>			
Oil Palm	23,435	19,776	19%
Timber	44,816	60,259	-26%
Others	2,317	1,647	41%
	<b>70,568</b>	<b>81,682</b>	<b>-14%</b>
<b><u>Profit/(Loss) Before Tax</u></b>			
Oil Palm	(2,256)	(5,676)	60%
Timber	(278)	(9,621)	97%
Others	(1,380)	162	> -100%
	<b>(3,914)</b>	<b>(15,135)</b>	<b>74%</b>



**Note 17 Material Changes in Quarterly Results Compared to the Results of the Immediate Preceding Quarter (cont'd)**

Oil Palm

- Revenue increased by 19% while loss decreased significantly by 60%, mainly due to 35% increase in FFB sales volume. The growth in FFB sales volume was attributable to the increasing yield per hectare during the peak crop season.

Timber

- Revenue decreased by 26%, mainly attributed to lower export sales volume of timber and plywood.
- Operating performance improved mainly due to lower unit production cost of timber and timber products.

**Note 18 Commentary on Prospects**

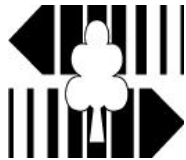
The Group expects a better performance in oil palm segment with improvement in FFB yield and increasing area of more matured palm trees. We have successfully obtained Malaysian Sustainable Palm Oil Certification for Palmlyn Sdn Bhd. Victory Pelita Kabah Sdn Bhd and Tiasa Palm Sdn Bhd have also completed the certification program. We expect all estates to be certified by this year. CPO price is expected to recover gradually in anticipation of the decline in palm oil inventory and higher demand from key importers.

We expect to obtain Forest Management Certification in the near future. The impending certification will enhance the sustainability of our forest and competitiveness of our timber products.

The Group is committed to continuously review and improve the effectiveness of our group strategic transformation plans and efficiency of our business processes.

**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 Before Taxation**

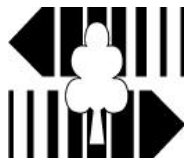
Loss before taxation was derived after taking into consideration of the following:

	Quarter ended		Financial year-to-date ended	
	31.07.2019 RM'000	31.07.2018 RM'000 (Restated)	31.07.2019 RM'000	31.07.2018 RM'000 (Restated)
Depreciation of property, plant and equipment	5,723	8,298	46,825	42,253
Amortisation of commercial rights	39	-	39	-
Dividend income	(8)	(19)	(17)	(19)
Fair value gain of investment properties	(598)	(6,093)	(12,298)	(17,293)
Fair value (gain)/loss on investment securities	(14)	37	(14)	37
Fair value change in biological assets	(8,254)	2,511	(9,283)	2,333
Impairment of property, plant and equipment	-	5,600	-	5,600
Impairment loss on receivables	2,374	-	2,374	-
Interest expenses	4,461	5,363	18,097	16,389
Interest income	(186)	(92)	(428)	(578)
Gain on disposal of property, plant and equipment	(2,136)	(2,898)	(8,134)	(19,582)
Property, plant and equipment written off	50	276	3,205	335
Rental income	(92)	90	(488)	(187)
Allowance for slow-moving inventories	387	841	2,492	1,066
Write-down of inventories	-	7,553	-	7,553
Loss/(gain) on foreign exchange				
- realised	883	3	1,678	2,546
- unrealised	(73)	181	(167)	322

**Note 21 Taxation**

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

	Quarter ended		Financial year-to-date ended	
	31.07.2019 RM'000	31.07.2018 RM'000 (Restated)	31.07.2019 RM'000	31.07.2018 RM'000 (Restated)
Income tax:				
Current period provision	2,743	(670)	7,675	1,775
Under provision in prior year	183	1,220	310	1,816
Real property gain tax:	-	11	-	11
Deferred tax:				
Current period provision	8,499	3,018	(593)	7,383
Under provision in prior year	-	652	-	652
	<u>11,425</u>	<u>4,231</u>	<u>7,392</u>	<u>11,637</u>



**Note 21 Taxation (cont'd)**

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 September 2019 being the latest practicable date.

**Note 23 Borrowings and Debt Securities**

		<b>As at 31.07.2019 RM'000</b>	<b>As at 31.07.2018 RM'000</b>
<b>Short term borrowings:</b>			
Unsecured	- Bankers' acceptance	66,867	48,431
	- Revolving credit	176,700	314,500
	- Bank overdrafts	588	109
Secured	- Revolving credit	226,000	78,000
	- Term loans	21,189	13,032
	- Hire purchase obligations	6,788	6,485
	- Bank overdrafts	-	792
		<u>498,132</u>	<u>461,349</u>
<b>Long term borrowings:</b>			
Secured	- Term loans	216,684	72,918
	- Hire purchase obligations	12,518	9,322
		<u>229,202</u>	<u>82,240</u>
<b>Total borrowings</b>		<u>727,334</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.

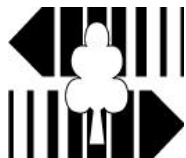
As at 31 July 2019, there was no outstanding foreign exchange contracts.

There was no significant change for the financial derivatives in respect of the followings since the last financial year ended 31 July 2018:

- 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**

There were no gains or losses arising from fair value changes of financial liabilities for the current quarter ended 31 July 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 September 2019 being the latest practicable date.

**Note 27 Dividend Payable**

The Board of Directors did not declare any dividend for the quarter ended 31 July 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.

	<b>Quarter ended 31.07.2019</b>	<b>Financial year- to-date ended 31.07.2019</b>
Loss for the period attributable to ordinary equity holders of the Company (RM'000)	(15,651)	(35,110)
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,108	188,113
Basic loss per share (Sen)	(8.32)	(18.66)

(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 September 2019.