

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

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER	PRECEDING YEAR	CUMULATIVE QUARTER	PRECEDING YEAR
	CURRENT YEAR	CORRESPONDING QUARTER	CURRENT YEAR	CORRESPONDING PERIOD
	31/10/2019	31/10/2018	31/10/2019	31/10/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	94,884	86,914	94,884	86,914
Cost of sales	(76,473)	(67,980)	(76,473)	(67,980)
Gross Profit	18,411	18,934	18,411	18,934
Other income	8,646	6,529	8,646	6,529
Administrative expenses	(7,786)	(9,496)	(7,786)	(9,496)
Selling and distribution expenses	(12,207)	(11,668)	(12,207)	(11,668)
Finance costs	(4,706)	(3,798)	(4,706)	(3,798)
Profit before tax	2,358	501	2,358	501
Income tax expenses	(1,731)	(271)	(1,731)	(271)
Profit after taxation	627	230	627	230
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Fair value changes of financial assets measured at fair value through other comprehensive income	(1,696)	(6,743)	(1,696)	(6,743)
Total comprehensive income for the period	(1,069)	(6,513)	(1,069)	(6,513)
Profit after taxation attributable to:				
Owners of the Company	508	120	508	120
Non-controlling interests	119	110	119	110
	627	230	627	230
Total comprehensive income attributable to:				
Owners of the Company	(1,188)	(6,623)	(1,188)	(6,623)
Non-controlling interests	119	110	119	110
	(1,069)	(6,513)	(1,069)	(6,513)
	Sen	Sen	Sen	Sen
Earnings per share:				
- Basic	0.27	0.06	0.27	0.06
- 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 2019 and the accompanying explanatory notes attached to the quarterly report.

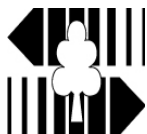


Condensed Consolidated Statements of Financial Position

As At 31 October 2019

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/10/2019 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,005,311	1,003,081
Investment properties	147,094	147,094
Land held for property development	6,628	6,628
Intangible assets	20,829	20,944
Biological assets	57,540	56,991
Investment securities	13,887	15,583
Goodwill	2,720	2,720
Long-term receivable	6,938	2,117
Deferred tax assets	6,554	6,554
	1,267,501	1,261,712
Current assets		
Inventories	116,524	119,084
Biological assets	3,365	2,776
Trade receivables	34,753	29,252
Other receivables, deposits and prepayments	20,899	37,027
Current tax assets	3,361	4,938
Deposits with licensed banks	1,057	4,721
Cash and bank balances	6,928	6,604
	186,887	204,402
TOTAL ASSETS	1,454,388	1,466,114
EQUITY AND LIABILITIES		
Equity		
Share capital	268,680	268,680
Treasury shares	(55,175)	(55,172)
Reserves	341,129	342,317
Equity attributable to owners of the Company	554,634	555,825
Non-controlling interests	4,882	4,763
Total equity	559,516	560,588
Non-current liabilities		
Bank borrowings	250,808	229,202
Deferred tax liabilities	35,193	35,079
	286,001	264,281
Current liabilities		
Trade payables	111,199	106,912
Other payables, deposits and accruals	29,790	35,981
Bank borrowings	466,119	498,056
Current tax liabilities	1,763	296
	608,871	641,245
Total liabilities	894,872	905,526
TOTAL EQUITY AND LIABILITIES	1,454,388	1,466,114
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.97	2.98
Number of shares net of treasury shares ('000)	188,112	188,108

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2019 and the accompanying explanatory notes attached to the quarterly report.

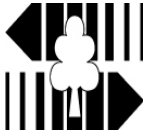


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Condensed Consolidated Statements of Changes in Equity
For the quarter ended 31 October 2019

	<u>Share Capital</u>	<u>Treasury Shares</u>	<u>Non- Distributable Fair Value Reserves</u>	<u>Distributable Retained Profits</u>	<u>Attributable to Owners of the Company</u>	<u>Non- controlling Interests</u>	<u>Total Equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three Months Ended 31 October 2019							
Balance as at 1 August 2019	268,680	(55,172)	(42,583)	384,900	555,825	4,763	560,588
Profit for the financial period	-	-	-	508	508	119	627
Other comprehensive income:-							
- Fair value changes of financial assets measured at fair value through other comprehensive income	-	-	(1,696)	-	(1,696)	-	(1,696)
Contributions by and distributions to owners of the Company:-							
- Purchase of treasury shares	-	(3)	-	-	(3)	-	(3)
Total transactions with owners	-	(3)	-	-	(3)	-	(3)
Balance as at 31 October 2019	<u>268,680</u>	<u>(55,175)</u>	<u>(44,279)</u>	<u>385,408</u>	<u>554,634</u>	<u>4,882</u>	<u>559,516</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 2019 and the accompanying explanatory notes attached to the quarterly report.



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

	Share Capital	Treasury Shares	Non- Distributable Fair Value Reserves	Distributable Retained Profits	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
Three Months Ended 31 October 2018							
Balance as at 1 August 2018	268,680	(55,166)	(35,844)	420,696	598,366	3,807	602,173
Profit for the financial period	-	-	-	120	120	110	230
Other comprehensive income:-							
- Fair value changes of financial assets measured at fair value through other comprehensive income	-	-	(6,743)	-	(6,743)	-	(6,743)
Total comprehensive income	-	-	(6,743)	120	(6,623)	110	(6,513)
Contributions by and distributions to owners of the Company:-							
- Purchase of treasury shares	-	(2)	-	-	(2)	-	(2)
Total transactions with owners	-	(2)	-	-	(2)	-	(2)
Balance as at 31 October 2018	<u>268,680</u>	<u>(55,168)</u>	<u>(42,587)</u>	<u>420,816</u>	<u>591,741</u>	<u>3,917</u>	<u>595,658</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 2019 and the accompanying explanatory notes attached to the quarterly report.



Condensed Consolidated Statements of Cash Flows
For the quarter ended 31 October 2019

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/10/2019 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 31/10/2018 RM'000
Cash Flows from Operating Activities		
Profit before taxation	2,358	501
Adjustments for :		
Amortisation of commercial rights	116	-
Depreciation of property, plant and equipment	12,272	10,752
Dividend income	(4)	-
Fair value change in biological assets	(589)	(673)
Interest expense	4,706	3,798
Interest income	(159)	(69)
Gain on disposal of property, plant and equipment	(2,554)	(5,037)
Property, plant and equipment written off	1	65
Unrealised loss/(gain) on foreign exchange	58	(76)
Allowance for slow-moving inventories	-	296
Operating profit before working capital changes	<u>16,205</u>	<u>9,557</u>
Changes in working capital :		
Decrease/(increase) in inventories	2,560	(16,319)
Decrease in trade and other receivables	5,748	11,770
(Decrease)/Increase in trade and other payables	(1,902)	40,939
Cash from operations	<u>22,611</u>	<u>45,947</u>
Taxes paid, net of refund	1,425	(1,584)
Interest paid	(2,671)	(3,798)
Interest received	159	69
Net cash from operating activities	<u>21,524</u>	<u>40,634</u>
Cash Flows from Investing Activities		
Dividend received	4	-
Proceeds from disposal of property, plant and equipment	5,720	6,946
Purchase of property, plant and equipment	(7,463)	(174,781)
Net cash for investing activities	<u>(1,739)</u>	<u>(167,835)</u>
Cash Flows from Financing Activities		
Net of drawdown/(repayment) of bankers' acceptance	(15,142)	16,519
Net of drawdown/(repayment) of revolving credit	(5,700)	(3,500)
Proceeds from drawdown of term loans	8,894	134,505
Payment of interests on long-term borrowings	(3,530)	-
Repayment of term loans	(5,067)	(3,793)
Purchase of treasury shares	(3)	(2)
Repayment of hire purchase obligations	(1,989)	(2,223)
Net cash (for)/from financing activities	<u>(22,537)</u>	<u>141,506</u>
Net change in cash and cash equivalents	<u>(2,752)</u>	<u>14,305</u>
Cash and cash equivalents at beginning of period	<u>10,737</u>	<u>10,321</u>
Cash and cash equivalents at end of period	<u><u>7,985</u></u>	<u><u>24,626</u></u>
Cash and cash equivalents included in the Condensed Consolidated Statements of Cash Flows comprise:-		
Cash and bank balances	6,928	2,179
Deposits with licensed banks	1,057	22,447
	<u>7,985</u>	<u>24,626</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2019 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 2019. 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 2019.

Note 2 Significant 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 2019, except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRSs”), Amendments to MFRSs and Issues Committee Interpretations (“IC Interpretations”) effective for financial year beginning 1 January 2019.

(a) Changes in accounting policies

On 1 August 2019, the Group adopted the relevant and applicable new and revised MFRSs mandatory for annual financial periods beginning on or after 1 January 2019 as follows:

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

The adoption of the new/revised MFRSs, Amendments to MFRSs and IC Interpretation did not result in any material financial impact to the Group.



Note 2 Significant Accounting Policies (cont'd)

(b) Standards issued but not yet effective

The Group has not adopted 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
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
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

Note 3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 July 2019 was not qualified.

Note 4 Seasonal or Cyclical factors

Production of fresh fruit bunches ("FFB") is subject to the cropping pattern and age of the palms. The prices for the Group's products are not within the control of the Group. The timber and timber products prices are determined by the global demand and buying patterns of the buyers. The FFB prices are affected by the edible oils demand in the market.

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, 5,700 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 2019	5,000	0.44	0.44	0.44	2,233
October 2019	700	0.39	0.39	0.39	304
TOTAL	5,700	0.39	0.44	0.43	2,537

During the financial year-to-date, 9,000 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 2019	9,000	0.40	0.45	0.43	3,705
TOTAL	9,000	0.40	0.45	0.43	3,705

As at 31 October 2019, the number of shares retained as treasury shares amounted to 20,888,300.

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			
	31.10.2019		31.10.2018	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000
Plantation	34,229	4,562	32,856	6,479
Timber	58,491	(856)	52,594	(4,202)
Others	2,164	(1,348)	1,464	(1,776)
	<u>94,884</u>	<u>2,358</u>	<u>86,914</u>	<u>501</u>



Note 9 Segmental Information (cont'd)

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.

There has been no valuation undertaken for the Group's investment properties since the last annual financial statements.

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 31.10.2019 RM'000	As at 31.07.2019 RM'000
Purchase of property, plant and equipment	1,275	1,576
Construction of property, plant and equipment	290	271
	<u>1,565</u>	<u>1,847</u>

Note 16 Review of Performance

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

For the current quarter ended 31 October 2019, the Group recorded revenue of RM94.9 million and profit before tax of RM2.4 million as compared to revenue of RM86.9 million and profit before tax of RM0.5 million in the preceding year corresponding period.

Segmental performance:

	Individual Quarter		Changes
	3 months ended	3 months ended	
	31.10.2019	31.10.2018	
	RM'000	RM'000	%
<u>Revenue</u>			
Oil Palm	34,229	32,856	4%
Timber	58,491	52,594	11%
Others	2,164	1,464	48%
	<u>94,884</u>	<u>86,914</u>	9%
<u>Profit/(Loss) Before Tax</u>			
Oil Palm	4,562	6,479	-30%
Timber	(856)	(4,202)	80%
Others	(1,348)	(1,776)	24%
	<u>2,358</u>	<u>501</u>	> 100%

Oil Palm

- Quarter-on-quarter revenue increased by 4%, mainly contributed by the 22% increase of fresh fruit bunch (“FFB”) sales volume from 78,291 MT to 95,788 MT.
- Quarter-on-quarter profit before tax decreased mainly due to reduction in crude palm oil (“CPO”) price by 3% from RM2,150/MT to RM2,092/MT.

Timber

- Quarter-on-quarter revenue increased by 11% mainly contributed by higher sales volume of logs.
- Performance improved mainly due to higher sales volume of logs at lower unit cost of sales.



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

The Group's revenue increased from RM64.1 million in the immediate preceding quarter to RM94.9 million in the current quarter. The Group reported profit before tax of RM2.4 million as compared to loss before tax of RM4.4 million in the immediate preceding quarter.

Segmental performance:

	Current Quarter 31.10.2019 RM'000	Immediate Preceding Quarter 31.07.2019 RM'000	Changes %
<u>Revenue</u>			
Oil Palm	34,229	16,986	102%
Timber	58,491	44,816	31%
Others	2,164	2,283	-5%
	94,884	64,085	48%
<u>Profit/(Loss) Before Tax</u>			
Oil Palm	4,562	(2,255)	> 100%
Timber	(856)	(796)	-8%
Others	(1,348)	(1,380)	2%
	2,358	(4,431)	> 100%

Oil Palm

- Revenue and profit increased by RM17.2 million and RM6.8 million respectively, mainly contributed by 33% increase in FFB sales volume from 71,865 MT to 95,788 MT. The growth in FFB sales volume was attributable to the increasing yield per hectare coincided with the peak crop season. The improvement in performance was also due to the recovery of FFB average selling price as compared to immediate preceding quarter.

Timber

- Revenue increased by 31%, mainly attributed to higher sales volume of logs and plywood.
- However, lower average selling price of logs and plywood has resulted in slightly higher loss before tax.

Note 18 Commentary on Prospects

We have successfully obtained Malaysian Sustainable Palm Oil Certification for all estates. The Group expects a better performance in oil palm segment in view of the recent uptrend of CPO price and operational efficiency.



Note 18 Commentary on Prospects (cont'd)

Our Group is making good progress towards obtaining Forest Management Certification for our timber operations. 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.

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 Before Taxation

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

	Quarter ended		Financial year-to-date ended	
	31.10.2019	31.10.2018	31.10.2019	31.10.2018
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	12,272	10,752	12,272	10,752
Amortisation of commercial rights	116	-	116	-
Dividend income	(4)	-	(4)	-
Fair value change in biological assets	(589)	(673)	(589)	(673)
Interest expenses	4,706	3,798	4,706	3,798
Interest income	(159)	(69)	(159)	(69)
Gain on disposal of property, plant and equipment	(2,554)	(5,037)	(2,554)	(5,037)
Property, plant and equipment written off	1	65	1	65
Rental income	(108)	-	(108)	-
Allowance for slow-moving inventories	-	296	-	296
Loss/(gain) on foreign exchange				
- realised	400	354	400	354
- unrealised	58	(76)	58	(76)



Note 21 Taxation

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

	Quarter ended		Financial year-to-date ended	
	31.10.2019 RM'000	31.10.2018 RM'000	31.10.2019 RM'000	31.10.2018 RM'000
Income tax: Current period provision	1,618	57	1,618	57
Deferred tax: Current period provision	113	214	113	214
	<u>1,731</u>	<u>271</u>	<u>1,731</u>	<u>271</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 the date of this announcement.

Note 23 Borrowings and Debt Securities

		As at 31.10.2019 RM'000	As at 31.07.2019 RM'000
Short term borrowings:			
Unsecured	- Bankers' acceptance	51,649	60,514
	- Revolving credit	311,000	330,700
Secured	- Bank overdrafts	-	588
	- Bankers' acceptance	-	6,277
	- Hire purchase obligations	3,649	6,788
	- Revolving credit	86,000	72,000
	- Term loans	13,821	21,189
		<u>466,119</u>	<u>498,056</u>
Long term borrowings:			
Secured	- Term loans	227,879	216,684
	- Hire purchase obligations	22,929	12,518
		<u>250,808</u>	<u>229,202</u>
Total borrowings		<u>716,927</u>	<u>727,258</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 October 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 2019:

- (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 31 October 2019.

Note 26 Changes in Material Litigation

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

Note 27 Dividend Payable

The Board of Directors did not declare any dividend for the quarter ended 31 October 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/ financial year-to-date ended 31.10.2019
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	508
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,106
Basic earnings per share (Sen)	0.27

- (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 20 December 2019.