

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 31 January 2020**

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER	PRECEDING YEAR	CUMULATIVE QUARTER	PRECEDING YEAR
	CURRENT YEAR	CORRESPONDING QUARTER	CURRENT YEAR	CORRESPONDING YEAR
	QUARTER	QUARTER	TO DATE	PERIOD
	31/01/2020	31/01/2019	31/01/2020	31/01/2019
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	84,358	73,750	179,242	160,664
Cost of sales	(65,899)	(69,609)	(142,372)	(137,589)
<b>Gross Profit</b>	18,459	4,141	36,870	23,075
Other income	8,043	10,235	16,689	16,764
Administrative expenses	(7,135)	(9,268)	(14,921)	(18,764)
Selling and distribution expenses	(9,960)	(9,608)	(22,167)	(21,276)
Finance costs	(5,308)	(4,747)	(10,014)	(8,545)
<b>Profit/(Loss) before taxation</b>	4,099	(9,247)	6,457	(8,746)
Income tax expenses	(1,814)	322	(3,545)	51
<b>Profit/(Loss) after taxation</b>	2,285	(8,925)	2,912	(8,695)
<b>Other Comprehensive Income</b>				
<u>Items that will not be reclassified</u>				
<u>subsequently to profit or loss</u>				
Fair value changes of financial assets measured at fair value through other comprehensive income	7,192	1,174	5,496	(5,569)
<b>Total comprehensive income for the period</b>	<b>9,477</b>	<b>(7,751)</b>	<b>8,408</b>	<b>(14,264)</b>
<b>Profit/(Loss) after taxation attributable to:</b>				
Owners of the Company	2,201	(8,679)	2,709	(8,559)
Non-controlling interests	84	(246)	203	(136)
	<b>2,285</b>	<b>(8,925)</b>	<b>2,912</b>	<b>(8,695)</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	9,393	(7,505)	8,205	(14,128)
Non-controlling interests	84	(246)	203	(136)
	<b>9,477</b>	<b>(7,751)</b>	<b>8,408</b>	<b>(14,264)</b>
	Sen	Sen	Sen	Sen
<b>Earnings/(Loss) per share:</b>				
- Basic	1.17	(4.61)	1.44	(4.55)
- Diluted	N/A	N/A	N/A	N/A

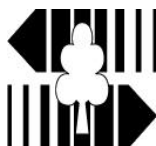
Note: N/A: Not Applicable

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 January 2020**

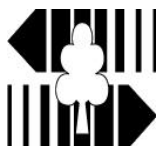
	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/01/2020 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,005,002	1,003,081
Investment properties	149,094	147,094
Land held for property development	6,628	6,628
Intangible assets	20,709	20,944
Biological assets	59,583	56,991
Investment securities	9,175	15,583
Goodwill	2,720	2,720
Long-term receivable	2,745	2,117
Deferred tax assets	6,554	6,554
	1,262,210	1,261,712
<b>Current assets</b>		
Inventories	107,167	119,084
Biological assets	2,893	2,776
Trade receivables	40,485	29,252
Other receivables, deposits and prepayments	28,420	37,027
Current tax assets	3,854	4,938
Deposits with licensed banks	1,058	4,721
Cash and bank balances	7,353	6,604
	191,230	204,402
<b>TOTAL ASSETS</b>	1,453,440	1,466,114
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	268,680	268,680
Treasury shares	(55,171)	(55,172)
Reserves	350,522	342,317
Equity attributable to owners of the Company	564,031	555,825
Non-controlling interests	4,966	4,763
<b>Total equity</b>	568,997	560,588
<b>Non-current liabilities</b>		
Bank borrowings	250,492	229,202
Deferred tax liabilities	34,890	35,079
	285,382	264,281
<b>Current liabilities</b>		
Trade payables	99,789	106,912
Other payables, deposits and accruals	31,221	35,981
Bank borrowings	465,145	498,056
Current tax liabilities	2,906	296
	599,061	641,245
<b>Total liabilities</b>	884,443	905,526
<b>TOTAL EQUITY AND LIABILITIES</b>	1,453,440	1,466,114
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	3.02	2.98
Number of shares net of treasury shares ('000)	188,112	188,108



**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 January 2020**

	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
Six Months Ended 31 January 2020							
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	-	-	-	2,709	2,709	203	2,912
Other comprehensive income:-							
- Fair value changes of financial assets measured at fair value through other comprehensive income	-	-	5,496	-	5,496	-	5,496
Total comprehensive income	-	-	5,496	2,709	8,205	203	8,408
Contributions by and distributions to owners of the Company:-							
- Purchase of treasury shares	-	(3)	-	-	(3)	-	(3)
- Sale of treasury shares	-	4	-	-	4	-	4
Total transactions with owners	-	1	-	-	1	-	1
Balance as at 31 January 2020	<u>268,680</u>	<u>(55,171)</u>	<u>(37,087)</u>	<u>387,609</u>	<u>564,031</u>	<u>4,966</u>	<u>568,997</u>

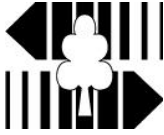
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2019 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 January 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>
Six Months <u>Ended 31 January 2019</u>							
Balance as at 1 August 2018	268,680	(55,166)	(35,844)	420,696	598,366	3,807	602,173
Loss for the financial period	-	-	-	(8,559)	(8,559)	(136)	(8,695)
Other comprehensive income:-							
- Fair value changes of financial assets measured at fair value through other comprehensive income	-	-	(5,569)	-	(5,569)	-	(5,569)
Total comprehensive income	-	-	(5,569)	(8,559)	(14,128)	(136)	(14,264)
Contributions by and distributions to owners of the Company:-							
- Purchase of treasury shares	-	(4)	-	-	(4)	-	(4)
Total transactions with owners	-	(4)	-	-	(4)	-	(4)
Balance as at 31 January 2019	<u>268,680</u>	<u>(55,170)</u>	<u>(41,413)</u>	<u>412,137</u>	<u>584,234</u>	<u>3,671</u>	<u>587,905</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 January 2020**

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/01/2020 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 31/01/2019 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) before taxation	6,457	(8,746)
Adjustments for :		
Amortisation of commercial rights	234	-
Depreciation of property, plant and equipment	24,608	25,943
Dividend income	(13)	(6)
Fair value gain on investment properties	(2,000)	(8,700)
Fair value change in biological assets	(116)	(530)
Interest expense	10,014	8,545
Interest income	(324)	(153)
Gain on disposal of property, plant and equipment	(3,732)	(5,722)
Property, plant and equipment written off	5	3,151
Unrealised loss/(gain) on foreign exchange	106	(113)
Allowance for slow-moving inventories	830	355
Operating profit before working capital changes	<u>36,069</u>	<u>14,024</u>
Changes in working capital :		
Decrease/(increase) in inventories	11,087	(13,128)
(Increase)/decrease in trade and other receivables	(3,360)	44,250
Decrease in trade and other payables	(11,882)	(752)
Cash from operations	<u>31,914</u>	<u>44,394</u>
Taxes paid, net of refund	(41)	(2,628)
Interest paid	(6,963)	(8,545)
Interest received	324	153
Net cash from operating activities	<u>25,234</u>	<u>33,374</u>
<b>Cash Flows from Investing Activities</b>		
Dividend received	13	2
Proceeds from disposal of investment securities	11,904	-
Proceeds from disposal of property, plant and equipment	5,660	9,126
Purchase of property, plant and equipment	(26,821)	(202,399)
Net cash for investing activities	<u>(9,244)</u>	<u>(193,271)</u>
<b>Cash Flows from Financing Activities</b>		
Net of drawdown/(repayment) of bankers' acceptance	(11,889)	18,485
Net of drawdown/(repayment) of revolving credit	(12,650)	(2,000)
Proceeds from drawdown of term loans	9,431	159,505
Payment of interests on long-term borrowings	(7,283)	-
Repayment of term loans	(10,125)	(6,901)
Purchase of treasury shares	(3)	(4)
Proceed from disposal of treasury shares	4	-
Proceeds from drawdown of hire purchase financing	16,185	-
Repayment of hire purchase obligations	(4,448)	(3,882)
Net cash (for)/from financing activities	<u>(20,778)</u>	<u>165,203</u>
<b>Net change in cash and cash equivalents</b>	(4,788)	5,306
<b>Cash and cash equivalents at beginning of period</b>	<u>10,737</u>	<u>10,321</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>5,949</u></u>	<u><u>15,627</u></u>
Cash and cash equivalents included in the Condensed Consolidated Statements of Cash Flows comprise:-		
Cash and bank balances	7,353	2,284
Deposits with licensed banks	1,058	13,343
Bank overdrafts	(2,462)	-
	<u>5,949</u>	<u>15,627</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**

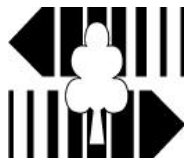
The significant accounting policies adopted in the quarterly report are consistent with those adopted in the Group’s audited financial statements for the financial year ended 31 July 2019, except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRSs”), Amendments 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:

<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

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.

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

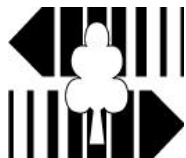
Production of fresh fruit bunches ("FFB") is subject to the cropping pattern and age of the palms. The prices for the Group's products are not within the control of the Group. The timber and timber products prices are determined by the global demand and buying patterns of the buyers. The FFB prices are 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
<b>TOTAL</b>	<b>5,700</b>	<b>0.39</b>	<b>0.44</b>	<b>0.43</b>	<b>2,537</b>

During the financial year-to-date, 10,000 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
November 2019	1,000	0.47	0.47	0.47	439
<b>TOTAL</b>	<b>10,000</b>	<b>0.40</b>	<b>0.47</b>	<b>0.43</b>	<b>4,144</b>

As at 31 January 2020, the number of shares retained as treasury shares amounted to 20,887,300.

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			
	31.01.2020		31.01.2019	
	Revenue	Profit/(Loss)	Revenue	Profit/(Loss)
		Before Tax		Before Tax
	RM'000	RM'000	RM'000	RM'000
Plantation	71,235	16,394	55,158	940
Timber	103,693	(8,320)	102,550	(14,734)
Others	4,314	(1,617)	2,956	5,048
	<u>179,242</u>	<u>6,457</u>	<u>160,664</u>	<u>(8,746)</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**

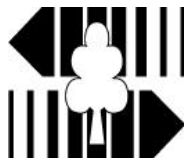
There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statement.

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

On 6 November 2019, Enerrich Sdn. Bhd. (formerly known as Merri Mee Sdn. Bhd.), a wholly-owned subsidiary of the Company, acquired 100% equity interest in Powerpuff Alliance Sdn. Bhd. ("PWF"), a company incorporated in Malaysia, for a total cash consideration of RM410. PWF is currently a dormant company and its intended principal activities are related to oil palm business.

**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 31.01.2020 RM'000	As at 31.07.2019 RM'000
Purchase of property, plant and equipment	1,091	1,576
Construction of property, plant and equipment	299	271
	1,390	1,847

**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 31 January 2020, the Group recorded higher revenue of RM84.4 million and RM179.2 million respectively as compared to RM73.8 million and RM160.7 million in the preceding year corresponding period. The Group reported improved performance with profit before tax of RM4.1 million and RM6.5 million respectively in the current quarter and financial year-to-date as compared to loss before tax of RM9.2 million and RM8.7 million in the preceding year corresponding period.

Segmental performance:

	Individual Quarter			Cumulative Quarter		
	3 months ended		Q-o-Q	6 months ended		Y-o-Y
	31.01.2020	31.01.2019	%	31.01.2020	31.01.2019	%
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
Oil Palm	37,006	22,302	66%	71,235	55,158	29%
Timber	45,202	49,956	-10%	103,693	102,550	1%
Others	2,150	1,492	44%	4,314	2,956	46%
	<b>84,358</b>	<b>73,750</b>	<b>14%</b>	<b>179,242</b>	<b>160,664</b>	<b>12%</b>
<b>Profit/(Loss) Before Tax</b>						
Oil Palm	11,832	(5,539)	> 100%	16,394	940	> 100%
Timber	(7,464)	(10,532)	29%	(8,320)	(14,734)	44%
Others	(269)	6,824	> -100%	(1,617)	5,048	> -100%
	<b>4,099</b>	<b>(9,247)</b>	<b>&gt; 100%</b>	<b>6,457</b>	<b>(8,746)</b>	<b>&gt; 100%</b>

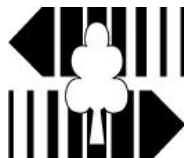
**Oil Palm**

For quarter-on-quarter (Q-o-Q) review, revenue and profit before tax increased by RM14.7 million and RM17.4 million respectively, mainly contributed by:

- 9% increase in fresh fruit bunch (“FFB”) sales volume from 64,856 MT to 70,675 MT.
- 47% increase in crude palm oil (“CPO”) price from RM1,892/MT to RM2,780/MT.

For year-on-year (Y-o-Y) review, revenue and profit before tax increased by RM16.1 million and RM15.5 million respectively, mainly contributed by:

- 16% increase in FFB sales volume from 143,147 MT to 166,463 MT.
- 21% increase in CPO price from RM2,021/MT to RM2,436/MT.



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

### Oil Palm (cont'd)

Profit margin improved due to lower unit production cost of FFB resulting from higher FFB production volume and effective cost-cutting measures.

### Timber

The improvement in timber segment was mainly due to the implementation of cost effectiveness program. Timber segment improved by recording lower loss by 29% and 44% respectively as compared to preceding year corresponding quarter and financial year-to-date.

For Q-o-Q review, revenue decreased by RM4.8 million mainly due to lower average selling prices of logs, plywood and particleboard. However, the reduction of revenue was partially offset by higher sales volume of logs.

For Y-o-Y review, revenue increased by RM1.1 million, mainly due to higher sales of logs.

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

The Group reported revenue of RM84.4 million in the current quarter as compared to RM94.9 million reported in the immediate preceding quarter. The Group recorded higher profit before tax of RM4.1 million as compared to profit before tax of RM2.4 million in the immediate preceding quarter.

Segmental performance:

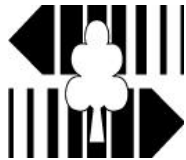
	<b>Current Quarter 31.01.2020 RM'000</b>	<b>Immediate Preceding Quarter 31.10.2019 RM'000</b>	<b>Changes %</b>
<b><u>Revenue</u></b>			
Oil Palm	37,006	34,229	8%
Timber	45,202	58,491	-23%
Others	2,150	2,164	-1%
	<b>84,358</b>	<b>94,884</b>	<b>-11%</b>
<b><u>Profit/(Loss) Before Tax</u></b>			
Oil Palm	11,832	4,562	> 100%
Timber	(7,464)	(856)	> -100%
Others	(269)	(1,348)	80%
	<b>4,099</b>	<b>2,358</b>	<b>74%</b>

### Oil Palm

Revenue and profit increased by RM2.8 million and RM7.3 million respectively, mainly contributed by higher CPO price by 33%, from RM2,092/MT to RM2,780/MT.

### Timber

The current quarter's performance was mainly impacted by lower average selling prices and sales volume of timber and manufactured products. The lower sales volume resulted from lower volume of logs harvested during the monsoon season.



#### **Note 18 Commentary on Prospects**

Oil palm segment is expected to contribute positively to the Group despite the slowdown of the demand for CPO due to coronavirus outbreak in China. The Group will continue to further improve FFB production via effective estate management and continuous improvement programs. We expect a better performance from oil palm segment in view of the higher CPO price and FFB yield as compared with year 2019.

Our Group has successfully passed stage 2 audit for Mujong-Melinau Forest Management Unit under Malaysian Timber Certification Scheme. The impending certification will enhance the sustainability of our forest and market accessibility of our timber products.

The Group promotes continuous learning culture in building an agile and adaptive organization. The Group is committed to continuously review and improve the effectiveness of our group strategic transformation plans. Our Group adopts a lean business model to improve process across the value stream in order to eliminate waste and deliver optimized value to the stakeholders.

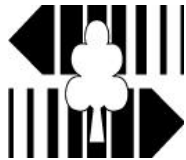
#### **Note 19 Financial Estimate, Forecast, Projection or Internal Targets**

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

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

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

	Quarter ended		Financial year-to-date ended	
	31.01.2020	31.01.2019	31.01.2020	31.01.2019
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	830	59	830	355
Depreciation of property, plant and equipment	12,336	15,191	24,608	25,943
Amortisation of commercial rights	118	-	234	-
Dividend income	(9)	(6)	(13)	(6)
Fair value change in biological assets	473	143	(116)	(530)
Fair value gain on investment properties	(2,000)	(8,700)	(2,000)	(8,700)
Interest expenses	5,308	4,747	10,014	8,545
Interest income	(165)	(84)	(324)	(153)
Gain on disposal of property, plant and equipment	(1,178)	(685)	(3,732)	(5,722)
Property, plant and equipment written off	4	3,086	5	3,151
Rental income	(168)	(105)	(276)	(283)
Loss/(gain) on foreign exchange				
- realised	402	441	802	795
- unrealised	48	(37)	106	(113)



**Note 21 Taxation**

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

	Quarter ended		Financial year-to-date ended	
	31.01.2020 RM'000	31.01.2019 RM'000	31.01.2020 RM'000	31.01.2019 RM'000
Income tax: Current period provision	2,116	45	3,734	102
Deferred tax: Current period provision	(302)	(367)	(189)	(153)
	<u>1,814</u>	<u>(322)</u>	<u>3,545</u>	<u>(51)</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 31.01.2020 RM'000	As at 31.07.2019 RM'000
<b>Short term borrowings:</b>			
Unsecured	- Bank overdrafts	1,842	-
	- Bankers' acceptance	54,902	60,514
	- Revolving credit	304,050	330,700
Secured	- Bank overdrafts	620	588
	- Bankers' acceptance	-	6,277
	- Hire purchase obligations	3,660	6,788
	- Revolving credit	86,000	72,000
	- Term loans	14,071	21,189
		<u>465,145</u>	<u>498,056</u>
<b>Long term borrowings:</b>			
Secured	- Term loans	223,108	216,684
	- Hire purchase obligations	27,384	12,518
		<u>250,492</u>	<u>229,202</u>
<b>Total borrowings</b>		<u>715,637</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 January 2020, 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 January 2020.

**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 January 2020 (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 31.01.2020</b>	<b>Financial year-to-date ended 31.01.2020</b>
Profit for the period attributable to ordinary equity holders of the Company (RM'000)	2,201	2,709
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,113	188,110
Basic earnings per share (Sen)	1.17	1.44

- (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 March 2020.