

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 - unaudited

CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	248,003	207,807	248,003	207,807
Cost of sales	(138,887)	(139,692)	(138,887)	(139,692)
Gross profit	109,116	68,115	109,116	68,115
Other income	4,467	3,335	4,467	3,335
Selling expenses	(8,050)	(5,883)	(8,050)	(5,883)
Administrative expenses	(10,160)	(8,245)	(10,160)	(8,245)
Fair value change in biological assets	3,005	(3,587)	3,005	(3,587)
Operating profit	98,378	53,735	98,378	53,735
Finance costs	(5,343)	(7,263)	(5,343)	(7,263)
Profit before tax	93,035	46,472	93,035	46,472
Income tax expense	(26,200)	(12,524)	(26,200)	(12,524)
Profit net of tax	66,835	33,948	66,835	33,948
Other comprehensive income:				
Net loss on equity instrument designated as fair value through other comprehensive income	-	(2,780)	-	(2,780)
Total comprehensive income for the period	66,835	31,168	66,835	31,168
Profit attributable to:				
Owner of the parent	66,833	33,985	66,833	33,985
Non-controlling interests	2	(37)	2	(37)
	66,835	33,948	66,835	33,948
Total comprehensive income attributable to:				
Owner of the parent	66,833	31,205	66,833	31,205
Non-controlling interests	2	(37)	2	(37)
	66,835	31,168	66,835	31,168
Basic earnings per share attributable to owners of the parent (Sen)	6.90	3.51	6.90	3.51

The unaudited condensed consolidated profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this quarterly report.

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 - unaudited

CONDENSED STATEMENTS OF FINANCIAL POSITION

	AS AT 30/09/2023 RM'000	AS AT 30/06/2023 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	1,515,946	1,450,841
Biological assets	110,763	105,383
Intangible assets	372	396
Investment securities	9,730	9,730
Deferred tax assets	42,104	44,207
Goodwill on consolidation	11,624	-
	<u>1,690,539</u>	<u>1,610,557</u>
Current Assets		
Inventories	91,039	46,740
Biological assets	19,180	16,174
Trade and other receivables	35,946	32,625
Other current assets	13,208	15,886
Cash and cash equivalents	201,202	232,518
	<u>360,575</u>	<u>343,943</u>
TOTAL ASSETS	<u><u>2,051,114</u></u>	<u><u>1,954,500</u></u>
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	56,310	56,314
Trade and other payables	78,248	79,232
Income tax payable	4,030	49
	<u>138,588</u>	<u>135,595</u>
EQUITY AND LIABILITIES		
Non-current Liabilities		
Loans and borrowings	264,137	292,054
Deferred tax liabilities	186,986	149,066
	<u>451,123</u>	<u>441,120</u>
Total Liabilities	<u>589,711</u>	<u>576,715</u>
Net assets	<u>1,461,403</u>	<u>1,377,785</u>
Equity Attributable to owners of the parent		
Share capital	977,402	977,402
Treasury shares	(13,687)	(13,687)
Other Reserves and Retained Earnings	465,673	415,296
	<u>1,429,388</u>	<u>1,379,011</u>
Non-controlling interests	<u>32,015</u>	<u>(1,226)</u>
Total Equity	<u>1,461,403</u>	<u>1,377,785</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,051,114</u></u>	<u><u>1,954,500</u></u>
Net assets per share attributable to equity holders (RM)	1.51	1.42
Number of ordinary shares net of treasury shares	967,991	967,991

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached.

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 - unaudited

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 01 July 2023	977,402	(13,687)	(25,019)	440,315	1,379,011	(1,226)	1,377,785
Acquisition of subsidiary	-	-	-	-	-	33,239	33,239
Profit for the year	-	-	-	66,833	66,833	2	66,835
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	66,833	66,833	33,241	100,074
Dividends on ordinary shares	-	-	-	(16,456)	(16,456)	-	(16,456)
At 30 September 2023	977,402	(13,687)	(25,019)	490,692	1,429,388	32,015	1,461,403
At 01 July 2022	977,402	(13,687)	(22,934)	330,149	1,270,930	(1,237)	1,269,693
Profit for the year	-	-	-	33,985	33,985	(37)	33,948
Other comprehensive income	-	-	(2,780)	-	(2,780)	-	(2,780)
Total comprehensive income	-	-	(2,780)	33,985	31,205	(37)	31,168
Dividends on ordinary shares	-	-	-	(27,104)	(27,104)	-	(27,104)
At 30 September 2022	977,402	(13,687)	(25,714)	337,030	1,275,031	(1,274)	1,273,757

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this quarterly report.

FIRST QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 - unaudited

CONDENSED STATEMENTS OF CASH FLOWS

	Current 3 months ended 30/09/2023 RM'000	Corresponding 3 months ended 30/09/2022 RM'000
Cash Flows from Operating Activities		
Profit before taxation	93,035	46,472
Adjustments for:		
Depreciation and amortisation	34,669	36,710
Fair value change in biological assets	(3,005)	3,587
Interest expenses	5,191	6,331
Interest income	(1,630)	(1,049)
Net loss/(from) on disposal of property, plant and equipment	5,407	(599)
Operating cash flows before working capital changes	133,667	91,452
Net change in current assets	(44,041)	(15,643)
Net change in current liabilities	(499)	5,057
Cash flows from operations	89,127	80,866
Interest received	1,630	1,049
Interest paid	(5,191)	(6,331)
Income taxes paid, net of refund	(6,095)	(2,458)
Net cash flows from operating activities	79,471	73,126
Cash Flows used in Investing Activities		
Acquisition of subsidiaries, net of cash	(52,209)	-
Acquisition of property, plant and equipment	(11,660)	(6,455)
Acquisition of biological assets	(3,913)	(2,510)
Proceeds from disposal of property, plant and equipment	1,398	6,122
Net cash flows used in investing activities	(66,384)	(2,843)
Cash Flows used in Financing Activities		
Dividend paid	(16,456)	-
Increase in debt service reserve account	(121)	(45)
Net repayment of revolving credit and bankers' acceptances	-	(6,914)
Repayments of lease liabilities	(226)	(216)
Net repayment from term loans	(27,721)	(86,354)
Net cash flows used in financing activities	(44,524)	(93,529)
Net change in cash and cash equivalent	(31,437)	(23,246)
Cash and cash equivalents at the beginning of the year	194,204	228,344
Cash and cash equivalents at the end of the year	162,767	205,098
Fixed Deposit with licensed bank	40,000	174,020
Cash and bank balances	161,202	49,474
	201,202	223,494
Less: Debt service reserve account	(38,435)	(18,396)
	162,767	205,098

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this quarterly report.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

1 Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2023. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2023.

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 30 June 2023. At the date of authorisation of these interim financial statements, the Group had not adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB"). The Group intend to adopt these amendments/standards, if applicable, when they become effective.

<i>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</i>	<i>Effective Date</i>
Amendments to MFRS16: Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS107 and MFRS7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS121: Lack of Exchangeability	1 January 2025
Amendments to MFRS10 and MFRS128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

Initial application of these pronouncements is not expected to have material impact on the financial statements of the Group.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2023 was not qualified.

3 Seasonal and Cyclical Factors

Production of fresh fruit bunches ("FFB") is cyclical in nature. The peak crops season of FFB normally is in the second half of the year but depends on weather conditions.

4 Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

5 *Changes in Estimates*

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

6 *Debt and Equity Securities*

There were no issuances or repayments of debt and equity securities during the financial year. The number of shares retained as treasury shares amounted to 5,727,000 as at 30 June 2023.

7 *Dividends Paid*

A second interim dividend of 1.7 sen per ordinary share for the financial year ending 30 June 2023 amounting to RM16,455,844 was paid on 29 September 2023 to the Depositors whose names appeared in the Record of Depositors on 13 September 2023.

8 *Carrying Amount of Revalued Assets*

The Group did not carry out any valuations on its property, plant and equipment during the current quarter and financial year-to-date. The carrying value of property, plant and equipment is based on the valuation incorporated in the annual financial statements for the year ended 30 June 2023.

9 *Subsequent Events*

No material events have arisen during the interval between the end of the current quarter and the date of this announcement that have not been reflected in the current quarterly report.

10 *Changes in Composition of the Group*

On 29th August 2023, the Company had acquired 55% shares in Wealth Houses Development Sdn. Bhd (“WHD”) for RM52,250,000.

11 *Contingent Liabilities and Contingent Assets*

There are no significant changes in contingent liabilities or assets as at the end of the current quarter.

12 *Capital Commitments*

The amount of commitments for the purchase of property, plant and equipment not provided for in the quarterly report is as follows:

	As at 30 September 2023 RM'000	As at 30 June 2023 RM'000
Approved and contracted for	11,716	10,925

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

13 Segmental Information

The financial information in respect of the Group's business segments for the current financial period ended 30 September 2023 is as follows:

	Oil Palm	Timber	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External	237,932	9,818	253	-	248,003
Inter segment	225,361	4,827	1,013	(231,201)	-
Total Revenue	463,293	14,645	1,266	(231,201)	248,003
EBITDA	144,502	(3,795)	234	-	140,941
Finance cost	(3,992)	(1,320)	(31)	-	(5,343)
Depreciation and amortisation	(31,580)	(2,593)	(496)	-	(34,669)
Segmental result	108,930	(7,708)	(293)	-	100,929
Group admin and overhead cost					(7,894)
Profit before tax					93,035
Segment assets	1,517,200	492,066	41,848	-	2,051,114
Segment liabilities	222,094	343,428	24,189	-	589,711

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

14 Property, Plant and Equipment

Acquisition and disposal of items of property, plant and equipment by the Group for the current financial period ended 30 September 2023 is as follows:

	Acquisition RM'000	Disposal RM'000
Factory, building and quarter	2,371	(12,375)
Road and bridge	-	(19)
Furniture, fitting and equipment	1,007	(188)
Aircraft and Motor vehicle	6,593	(9,239)
Plant and machinery	1,656	(112)
Total	<u>11,627</u>	<u>(21,933)</u>

15 Fair value of Financial Instruments

The Group uses the following levels of fair value hierarchy in measuring the fair value of financial instruments.

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

As at 30 September 2023, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Equity investments quoted in Malaysia	9,730	-	-	9,730
	<u>9,730</u>	<u>-</u>	<u>-</u>	<u>9,730</u>

The methods and valuation techniques used for the purpose of measuring fair value are consistent with the previous financial year ended 30 June 2023. There have been no transfers between the levels during the year.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

16 Significant Related Party Transactions

The Group entered into the following significant related parties transactions with companies connected to certain Directors of the Companies and its subsidiaries for the current financial period ended 30 September 2023.

	Period-to-date	
	30.09.2023 RM'000	30.09.2022 RM'000
i) Purchase of air tickets from RH Tours & Travel Agency Sdn Bhd	16	-
ii) Purchase of motor vehicles from Rimbunan Hijau Auto Services Sdn Bhd	117	-
iii) Purchase of lubricant and spare parts from Rimbunan Hijau General Trading Group	994	1,113
iv) Purchase of lubricant and spare parts from Oriental Evermore Group	2	4
v) Land rental for oil palm plantation development by RH Group	3,198	1,518
vi) Sale of CPO & PK to Borneo Edible Oil Sdn Bhd	99,296	117,618
vii) Sales of lubricant and spare parts to Oriental Evermore Group	111	111
viii) Provision of freight and towage services by Oriental Evermore Group	1,135	1,450
ix) Provision of security contract to Oriental Evermore Group	5	16
x) Provision of electricity & water to Oriental Evermore Group	15	11
xi) Hotel accomodation and purchase of food and beverages from Regalia Rits Enterprise Sdn Bhd	6	4

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

17 Performance Review for Current Quarter and Financial Year to Date

	Individual Period		Changes
	Current Year	Preceding Year	
	First Quarter 30.09.2023 RM'000	Corresponding First Quarter 30.09.2022 RM'000	
<u>Revenue</u>			
<i>Oil Palm</i>	237,932	188,316	26%
<i>Timber</i>	9,818	19,334	-49%
<i>Others</i>	253	157	61%
	248,003	207,807	19%
<u>Operating Profit/(Loss)</u>			
<i>Oil Palm</i>	112,923	52,280	>100%
<i>Timber</i>	(6,388)	4,448	>-100%
<i>Others</i>	(8,156)	(2,993)	>-100%
	98,379	53,735	83%
<u>Profit/(Loss) Before Tax</u>			
<i>Oil Palm</i>	108,930	46,815	>100%
<i>Timber</i>	(7,708)	2,693	>-100%
<i>Others</i>	(8,187)	(3,036)	>-100%
	93,035	46,472	100%
Profit After Tax	66,835	33,948	97%
Profit Attributable to Owner of the Parent	66,833	33,985	97%

For the financial quarter under review, the Group recorded a 19% increase in total revenue as a result of higher contribution from the Oil Palm division. The increase in the sales volume of CPO and PK by 34% and 37% respectively managed to offset the reduction in the average selling prices of both CPO and PK.

The Group recorded a profit before tax of RM93 million in the current quarter, up by 100% or RM46.5 million over the corresponding quarter last year. The improvement in pre-tax profit for the current quarter was mainly attributable to better profit margin in the Oil Palm division as a result of 36% higher FFB production.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

18 Performance Review for Current Quarter with Immediate Preceding Quarter

	Individual Period		Changes
	Current Quarter 30.09.2023 RM'000	Immediate Preceding Quarter 30.06.2023 RM'000	
<u>Revenue</u>			
<i>Oil Palm</i>	237,932	185,685	28%
<i>Timber</i>	9,818	13,141	-25%
<i>Others</i>	253	193	31%
	248,003	199,019	25%
<u>Operating Profit/(Loss)</u>			
<i>Oil Palm</i>	112,923	52,151	>100%
<i>Timber</i>	(6,388)	3,283	>-100%
<i>Others</i>	(8,156)	(8,216)	1%
	98,379	47,218	>100%
<u>Profit/(Loss) Before Tax</u>			
<i>Oil Palm</i>	108,930	48,095	>100%
<i>Timber</i>	(7,708)	508	>-100%
<i>Others</i>	(8,187)	(8,271)	1%
	93,035	40,332	>100%
Profit After Tax	66,835	60,161	11%
Profit Attributable to Owner of the Parent	66,833	60,067	11%

The Group's revenue is 25% higher when compared to the immediate preceding quarter due to an increase in CPO and PK sales volume by 24% and 55% respectively.

The Group's pre-tax profit of RM93million in the current quarter was RM52.7million or more than 100% higher than the immediate preceding quarter. This was mostly brought about by the Oil Palm division's improved profit margin as a result of a 60% increase in FFB production.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

19 Group's Prospects

The CPO average selling price is expected to be supported on the back of flattish global supply due to El Nino phenomenon, rising biodiesel demand and its price competitiveness against other edible oils.

The Group will continue to focus on sustainable management of resources and stringent cost control to ensure productivity and profitability.

In view of the above, the Group anticipates satisfactory financial performance for the remaining quarters of the current financial year.

20 Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes on the variation of actual profit after tax and non-controlling interest, and shortfall in profit guarantee are not applicable.

21 Taxation

Tax charge for the current financial period comprise:-

	Current quarter		Year-to-date	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Current taxation	8,484	1,766	8,484	1,766
Deferred taxation	17,716	10,758	17,716	10,758
	<u>26,200</u>	<u>12,524</u>	<u>26,200</u>	<u>12,524</u>

The effective tax rate for the Group is higher than the statutory tax rate of 24%. This is mainly due to certain expenses not allowable for tax deduction.

22 Corporate Proposals

The acquisition of 55% equity interest in Wealth Houses Development Sdn Bhd ("WHD") for cash consideration of RM52,250,000 was completed on 29 August 2023 in accordance with the terms and conditions of Share Sale Agreement.

23 Quoted Securities

There was no purchase or disposal of quoted securities during the current quarter and financial period-to-date.

24 Unquoted Securities

There was no purchase or disposal of unquoted securities during the current quarter and financial period-to-date.

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

25 Profit for the Year

Included in the profit before tax are the following items:

	Current quarter		Year-to-date	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Amortisation	15,841	14,970	15,841	14,970
Depreciation	18,828	21,740	18,828	21,740
Fair value change in biological assets	(3,005)	3,587	(3,005)	3,587
Interest expenses	5,191	6,331	5,191	6,331
Net loss/(gain) on disposal of property, plant and equipment	5,407	(599)	5,407	(599)
Interest income	(1,630)	(1,049)	(1,630)	(1,049)

26 Dividend Payable

No interim dividend has been declared by the Board of Directors for the current quarter.

27 Material litigation

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

28 Loans and borrowings

	As at 30 September 2023					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured						
Lease Liabilities	-	4,249	-	867	-	5,116
Term loans	-	259,888	-	55,443	-	315,331
Total	-	264,137	-	56,310	-	320,447

	As at 30 June 2023					
	Long term		Short term		Total borrowings	
	USD'000	RM'000	USD'000	RM'000	USD'000	RM'000
Secured						
Lease Liabilities	-	4,445	-	871	-	5,316
Term loans	-	287,609	-	55,443	-	343,052
Total	-	292,054	-	56,314	-	348,368

Explanatory notes pursuant to MFRS 134 and Appendix 9B of the Listing Requirements

29 Earnings per share - EPS

i) Basic EPS

Basic earnings per share is calculated by dividing the net profit of the period over the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	Current Quarter		Year-to-date	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Profit attributable to the equity holders of the Company (RM'000)	66,833	33,985	66,833	33,985
Weighted average number of ordinary shares in issue ('000)	967,991	967,991	967,991	967,991
Basic EPS (sen)	6.90	3.51	6.90	3.51

ii) Diluted EPS

There are no dilutive potential ordinary shares. As such, the dilutive earnings per share of the Group is equivalent to basic earnings per share.

30 Authorization for issue

The Board of Directors in accordance with a resolution of the directors has authorized the quarterly report for issue on 28th November 2023.