

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the second quarter ended 30 June 2023. The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2023 RM'000	Preceding Year Corresponding Quarter 30/06/2022 RM'000	Current Year To-Date 30/06/2023 RM'000	Preceding Year Corresponding Period 30/06/2022 RM'000
Revenue	805,950	1,045,795	1,390,201	1,576,227
Cost of sales	(623,096)	(645,639)	(1,077,885)	(942,043)
Gross profit	182,854	400,156	312,316	634,184
Other income	11,559	9,244	31,287	20,281
Other expenses	(77,183)	(69,935)	(149,405)	(122,313)
Other gains/(losses)	1,604	7,578	(2,674)	9,553
Profit from operations	118,834	347,043	191,524	541,705
Finance cost	(25,895)	(26,270)	(52,966)	(49,361)
Share of results in joint ventures and associates	11,382	13,340	21,345	23,374
Profit before taxation	104,321	334,113	159,903	515,718
Taxation	(26,693)	(89,756)	(41,566)	(139,861)
Profit for the financial period	77,628	244,357	118,337	375,857
Profit attributable to:				
Equity holders of the Company	70,966	223,434	109,775	340,078
Non-controlling interests	6,662	20,923	8,562	35,779
	77,628	244,357	118,337	375,857
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	7.91	24.90	12.24	37.90
- Diluted	7.91	24.90	12.24	37.90

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30/06/2023 RM'000	Preceding Year Corresponding Quarter 30/06/2022 RM'000	Current Year To-Date 30/06/2023 RM'000	Preceding Year Corresponding Period 30/06/2022 RM'000
Profit for the financial period	77,628	244,357	118,337	375,857
Other comprehensive income/(loss), net of tax:				
Items that will not be reclassified subsequently to profit or loss:				
Changes in the fair value of equity investments at fair value through other comprehensive income	<u>(6,118)</u>	<u>(13,815)</u>	<u>(6,931)</u>	<u>(16,590)</u>
	(6,118)	(13,815)	(6,931)	(16,590)
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedge				
- Fair value changes	<u>58</u>	10,418	<u>3,170</u>	<u>(10,465)</u>
- Reclassifications	<u>(2,047)</u>	2,515	<u>(9,539)</u>	<u>6,637</u>
	(1,989)	12,933	(6,369)	(3,828)
Share of other comprehensive income of joint venture	5,723	-	8,516	-
Foreign currency translation differences	<u>161,372</u>	3,888	<u>250,726</u>	<u>36</u>
	165,106	16,821	252,873	(3,792)
Other comprehensive income/(loss) for the financial period, net of tax	<u>158,988</u>	3,006	<u>245,942</u>	<u>(20,382)</u>
Total comprehensive income for the financial period	<u>236,616</u>	<u>247,363</u>	<u>364,279</u>	<u>355,475</u>
Total comprehensive income attributable to:				
Equity holders of the Company	207,094	235,062	321,750	328,187
Non-controlling interests	<u>29,522</u>	<u>12,301</u>	<u>42,529</u>	<u>27,288</u>
	<u>236,616</u>	<u>247,363</u>	<u>364,279</u>	<u>355,475</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



GENTING
PLANTATIONS

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	As at 30/06/2023 RM'000	Audited As at 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,680,933	4,389,625
Land held for property development	387,508	372,743
Investment properties	18,148	18,377
Right-of-use assets	997,032	960,279
Intangible assets	809	820
Joint ventures	349,029	320,395
Associates	11,873	11,521
Financial assets at fair value through profit or loss ("FVTPL")	370	4,167
Financial assets at fair value through other comprehensive income ("FVOCI")	7,466	11,461
Other non-current assets	182,865	172,082
Deferred tax assets	57,042	65,903
Derivative financial instruments	-	1,348
	<u>6,693,075</u>	<u>6,328,721</u>
Current assets		
Property development costs	11,807	8,060
Inventories	246,418	270,385
Produce growing on bearer plants	12,690	10,302
Tax recoverable	54,881	22,730
Trade and other receivables	593,380	541,508
Amounts due from joint ventures, associates and other related companies	5,583	1,731
Derivative financial instruments	5,703	8,948
Restricted cash	24,169	22,702
Cash and cash equivalents	1,071,793	1,575,771
	<u>2,026,424</u>	<u>2,462,137</u>
Assets classified as held for sale	134	956
	<u>2,026,558</u>	<u>2,463,093</u>
TOTAL ASSETS	<u>8,719,633</u>	<u>8,791,814</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



GENTING
PLANTATIONS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 *(Continued)*

	As at 30/06/2023 RM'000	Audited As at 31/12/2022 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,724,016	1,724,016
Treasury shares	(1,372)	(1,372)
Reserves	<u>3,638,201</u>	<u>3,486,919</u>
	5,360,845	5,209,563
Non-controlling interests	<u>141,016</u>	<u>99,607</u>
Total equity	5,501,861	5,309,170
Non-current liabilities		
Borrowings	1,736,694	1,831,603
Lease liabilities	11,339	6,537
Provisions	77,656	63,216
Deferred tax liabilities	471,389	435,192
Other non-current liabilities	2,635	1,626
	<u>2,299,713</u>	<u>2,338,174</u>
Current liabilities		
Trade and other payables	496,862	539,476
Amounts due to ultimate holding and other related companies	918	2,763
Borrowings	410,610	588,523
Lease liabilities	2,642	2,679
Derivative financial instruments	3,034	389
Taxation	3,993	10,640
	<u>918,059</u>	<u>1,144,470</u>
Total liabilities	<u>3,217,772</u>	<u>3,482,644</u>
TOTAL EQUITY AND LIABILITIES	<u>8,719,633</u>	<u>8,791,814</u>
NET ASSETS PER SHARE (RM)	5.98	5.81

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	<----- Attributable to equity holders of the Company ----->								
	Share Capital	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	1,724,016	(100,031)	(347,625)	5,531	(1,372)	3,929,044	5,209,563	99,607	5,309,170
Profit for the financial period	-	-	-	-	-	109,775	109,775	8,562	118,337
Other comprehensive income/(loss)	-	(6,931)	223,542	(4,636)	-	-	211,975	33,967	245,942
Total comprehensive income/(loss) for the financial period	-	(6,931)	223,542	(4,636)	-	109,775	321,750	42,529	364,279
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,120)	(1,120)
Appropriation:									
- Special single-tier dividend paid for the financial year ended 31 December 2022 (15.0 sen)	-	-	-	-	-	(134,580)	(134,580)	-	(134,580)
- Final single-tier dividend paid for the financial year ended 31 December 2022 (4.0 sen)	-	-	-	-	-	(35,888)	(35,888)	-	(35,888)
	-	-	-	-	-	(170,468)	(170,468)	-	(170,468)
At 30 June 2023	1,724,016	(106,962)	(124,083)	895	(1,372)	3,868,351	5,360,845	141,016	5,501,861

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 *(Continued)*

	<----- Attributable to equity holders of the Company ----->								
	Share Capital	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	1,724,016	(81,816)	(240,972)	(12,437)	(1,372)	3,761,686	5,149,105	146,635	5,295,740
Profit for the financial period	-	-	-	-	-	340,078	340,078	35,779	375,857
Other comprehensive income/(loss)	-	(16,590)	10,137	(5,438)	-	-	(11,891)	(8,491)	(20,382)
Total comprehensive income/(loss) for the financial period	-	(16,590)	10,137	(5,438)	-	340,078	328,187	27,288	355,475
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,909)	(1,909)
Appropriation:									
- Special single-tier dividend paid for the financial year ended 31 December 2021 (15.0 sen)	-	-	-	-	-	(134,580)	(134,580)	-	(134,580)
- Final single-tier dividend paid for the financial year ended 31 December 2021 (4.0 sen)	-	-	-	-	-	(35,888)	(35,888)	-	(35,888)
	-	-	-	-	-	(170,468)	(170,468)	-	(170,468)
At 30 June 2022	<u>1,724,016</u>	<u>(98,406)</u>	<u>(230,835)</u>	<u>(17,875)</u>	<u>(1,372)</u>	<u>3,931,296</u>	<u>5,306,824</u>	<u>172,014</u>	<u>5,478,838</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Current Year To-Date 30/06/2023 RM'000	Preceding Year Corresponding Period 30/06/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	159,903	515,718
Adjustments for:		
Depreciation and amortisation	149,060	139,284
Finance cost	52,966	49,361
Interest income	(17,785)	(15,159)
Net surplus arising from Government acquisition	(3,311)	(738)
Net unrealised foreign exchange differences	(2,001)	(10,001)
Share of results in joint ventures and associates	(21,345)	(23,374)
Fair value changes arising from produce growing on bearer plants	(12,679)	(16,946)
Provision for retirement gratuities/benefits	10,018	9,543
Net fair value loss on financial assets at FVTPL	1,410	-
Net reversal of impairment losses	(49)	-
Gain on disposal of assets classified as held for sale	(5,748)	-
Other non-cash items and adjustments	840	978
	151,376	132,948
Operating profit before changes in working capital	311,279	648,666
Changes in working capital:		
Net change in current assets	(45,078)	(104,505)
Net change in current liabilities	20,991	48,196
	(24,087)	(56,309)
Cash generated from operations	287,192	592,357
Tax paid (<i>net of tax refund</i>)	(77,159)	(71,451)
Retirement gratuities/benefits paid	(787)	(60)
Net cash flows from operating activities	209,246	520,846
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(180,989)	(145,288)
Purchase of intangible assets	(4)	(3)
Purchase of right-of-use assets	(978)	(457)
Purchase of investment properties	(6)	-
Land held for property development	(5,254)	(9,251)
Interest received	17,761	15,044
Proceeds from disposal of property, plant and equipment	41	139
Proceeds from disposal of assets classified as held for sale	16,581	-
Dividend received from associates	875	1,750
Acquisition of a subsidiary	-	(1,249)
Financial assets at FVOCI	-	(2,969)
Proceeds received from Government acquisition	-	879
Net cash flows from investing activities	(151,973)	(141,405)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023 *(Continued)*

	Current Year To-Date 30/06/2023 RM'000	Preceding Year Corresponding Period 30/06/2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	378,477	417,632
Repayment of bank borrowings	(700,090)	(489,130)
Finance cost paid	(64,333)	(45,874)
Repayment of lease liabilities	(1,584)	(1,490)
Dividends paid	(170,468)	(170,468)
Dividends paid to non-controlling interests	(4,845)	(1,909)
Net cash flows from financing activities	(562,843)	(291,239)
Net change in cash and cash equivalents	(505,570)	88,202
Cash and cash equivalents at beginning of financial period	1,575,771	1,630,330
Effects of currency translation	1,592	9,964
Cash and cash equivalents at end of financial period	1,071,793	1,728,496
Analysis of cash and cash equivalents		
Bank balances and deposits	326,270	641,949
Money market instruments	745,523	1,086,547
	1,071,793	1,728,496

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



GENTING PLANTATIONS BERHAD
NOTES TO THE INTERIM QUARTERLY FINANCIAL REPORT
- SECOND QUARTER ENDED 30 JUNE 2023

(I) Compliance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting

(a) Accounting Policies, Presentation and Methods of Computation

The interim quarterly financial report has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The financial information for the six months ended 30 June 2023 have been reviewed by the Company’s auditor in accordance with the International Standards on Review Engagements (“ISRE”) 2410 – Review of Interim Financial Information Performed by the Independence Auditor of the Entity.

The interim quarterly financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022. The accounting policies, presentation and methods of computation adopted for the interim quarterly financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2022 except for the adoption of amendments to published standards for the Group for the financial year beginning 1 January 2023:

- Amendments to MFRS 101 and MFRS Practice Statements 2 on disclosure of accounting policies
- Amendments to MFRS 108 on definition of accounting estimates
- Amendments to MFRS 112 on deferred tax related to assets and liabilities arising from a single transaction

The adoption of these amendments to published standard did not have any material impact on the interim quarterly financial report of the Group.

(b) Seasonal or Cyclical Factors

Fresh fruit bunches (“FFB”) production is seasonal in nature. Production of FFB normally peaks in the second half of the year but this cropping pattern can be affected by changes in weather conditions.

(c) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the six months ended 30 June 2023.

(d) Material Changes in Estimates

There were no significant changes made in estimates of amounts reported in the previous financial year.

(e) Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debts or equity securities for the six months ended 30 June 2023.

(f) Dividends Paid

Dividends paid during the six months ended 30 June 2023 are as follows:

	RM'Mil
(i) Special single-tier dividend paid on 28 March 2023 for the financial year ended 31 December 2022 - 15.0 sen per ordinary share	134.6
(ii) Final single-tier dividend paid on 28 March 2023 for the financial year ended 31 December 2022 - 4.0 sen per ordinary share	<u>35.9</u>
	<u>170.5</u>

(g) Segment Information

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker whereby the Group's business is considered based on the nature of the products and services, specific expertise and technology requirements of individual reportable segments. The performance of the operating segments is based on a measure of adjusted EBITDA. Items not forming part of the adjusted EBITDA include net fair value gain or loss on financial assets, gain or loss on disposal of property, plant and equipment, net surplus arising from Government acquisition, assets written off, impairment losses and reversal of previously recognised impairment losses.

(g) Segment Information (Continued)

Segment analysis for the six months ended 30 June 2023 is set out below:

	Plantation RM'000	Property RM'000	AgTech RM'000	Downstream Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
- External	765,049	41,601	2,142	581,409	-	-	1,390,201
- Inter segment	297,418	-	4,562	-	-	(301,980)	-
Total Revenue	<u>1,062,467</u>	<u>41,601</u>	<u>6,704</u>	<u>581,409</u>	<u>-</u>	<u>(301,980)</u>	<u>1,390,201</u>
Adjusted EBITDA	304,294	15,636	(4,251)	7,281	(1,248)	-	321,712
Net surplus arising from Government acquisition	3,311	-	-	-	-	-	3,311
Net reversal of impairment losses on receivables	49	-	-	-	-	-	49
Net fair value loss on financial assets at FVTPL	-	-	(1,410)	-	-	-	(1,410)
Assets written off & others	(842)	-	(3)	(18)	-	-	(863)
	<u>306,812</u>	<u>15,636</u>	<u>(5,664)</u>	<u>7,263</u>	<u>(1,248)</u>	<u>-</u>	<u>322,799</u>
Depreciation and amortisation	(141,366)	(429)	(1,011)	(6,254)	-	-	(149,060)
Share of results in joint ventures and associates	1,252	21,848	(1,750)	-	(5)	-	21,345
	<u>166,698</u>	<u>37,055</u>	<u>(8,425)</u>	<u>1,009</u>	<u>(1,253)</u>	<u>-</u>	<u>195,084</u>
Interest income							17,785
Finance cost							(52,966)
Profit before taxation							<u>159,903</u>
Main foreign currency exchange ratio of 100 units of foreign currency to RM	RM/IDR 0.02960	RM -	RM -	RM -	RM -		
Assets							
Segment assets	6,483,171	504,181	33,365	337,111	4,926	-	7,362,754
Joint ventures	-	306,424	42,605	-	-	-	349,029
Associates	12,178	(1)	-	-	(304)	-	11,873
Assets classified as held for sale	-	134	-	-	-	-	134
	<u>6,495,349</u>	<u>810,738</u>	<u>75,970</u>	<u>337,111</u>	<u>4,622</u>	<u>-</u>	<u>7,723,790</u>
Interest bearing instruments							883,920
Deferred tax assets							57,042
Tax recoverable							54,881
Total assets							<u>8,719,633</u>
Liabilities							
Segment liabilities	442,417	131,440	7,295	12,923	1,011	-	595,086
Interest bearing instruments							2,147,304
Deferred tax liabilities							471,389
Taxation							3,993
Total liabilities							<u>3,217,772</u>
Main foreign currency exchange ratio of 100 units of foreign currency to RM	RM/IDR 0.03110	RM -	RM -	RM -	RM -		

(h) Property, Plant and Equipment

During the six months ended 30 June 2023, acquisitions and disposals of property, plant and equipment by the Group were RM191.8 million and RM0.8 million respectively.

(i) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the six months ended 30 June 2023 that have not been reflected in this interim quarterly financial report.

(j) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the six months ended 30 June 2023.

(k) Changes in Contingent Liabilities or Contingent Assets

There were no significant changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2022.

(l) Capital Commitments

Authorised capital commitments not provided for in the interim condensed financial statements as at 30 June 2023 are as follows:

	RM'000
Contracted	134,519
Not contracted	1,024,460
	<u>1,158,979</u>
Analysed as follows:	
- Property, plant and equipment	1,012,586
- Right-of-use assets	146,352
- Intangible assets	41
	<u>1,158,979</u>

(m) Significant Related Party Transactions

Significant related party transactions which were entered into on agreed terms and prices for the six months ended 30 June 2023 are set out below. The relationship of the related parties are as disclosed in the annual audited financial statements for the financial year ended 31 December 2022 and the approved shareholders' mandates for recurrent related party transactions.

	Current Quarter 2Q 2023 RM'000	Current Financial Year-to- Date RM'000
(i) Provision of shared services in relation to secretarial, tax, treasury and other services by Genting Berhad ("GENT").	<u>399</u>	<u>784</u>
(ii) Letting of office space and provision of related services by Oakwood Sdn Bhd.	<u>639</u>	<u>1,278</u>
(iii) Provision of information technology consultancy, development, implementation, support and maintenance service by Genting Malaysia Berhad ("GENM").	<u>645</u>	<u>1,162</u>
(iv) Purchase of air-tickets, hotel accommodation and other related services from GENM.	<u>22</u>	<u>27</u>
(v) Provision of management services to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd by Genting Awanpura Sdn Bhd.	<u>375</u>	<u>714</u>
(vi) Sale of refined palm oil products by Genting MusimMas Refinery Sdn Bhd to Inter-Continental Oils & Fats Pte Ltd.	<u>193,572</u>	<u>326,524</u>
(vii) Royalty fee charged by Genting Intellectual Property Sdn Bhd and Genting Intellectual Property Pte Ltd, both are subsidiaries of GENT, to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd.	<u>397</u>	<u>757</u>
(viii) Provision of electricity services by Genting Utilities & Services Sdn Bhd, a subsidiary of GENM, to Genting Highlands Premium Outlets Sdn Bhd.	<u>38</u>	<u>140</u>

(n) Fair Value of Financial Instruments

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

RM'000	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL	370	-	-	370
Financial assets at FVOCI	4,876	-	2,590	7,466
Derivative financial instruments	-	5,703	-	5,703
	<u>5,246</u>	<u>5,703</u>	<u>2,590</u>	<u>13,539</u>
Financial liabilities				
Derivative financial instruments	-	3,034	-	3,034

(n) Fair Value of Financial Instruments (Continued)

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the previous financial year ended 31 December 2022.

The following table presents the changes in financial instruments classified within Level 3:

	RM'000
As at 1 January 2023	10,753
Fair value loss	(8,165)
Transfer from fair value hierarchy Level 3 to Level 1	(569)
Interest income	23
Foreign exchange differences	548
	<hr/>
As at 30 June 2023	<u>2,590</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – SECOND QUARTER ENDED 30 JUNE 2023

(II) Compliance with Appendix 9(B) of Bursa Securities Listing Requirements

(1) Performance Analysis

The results of the Group are tabulated below:

	CURRENT QUARTER				FINANCIAL YEAR-TO-DATE			
	2023 RM'Mil	2022 RM'Mil	+/ RM'Mil	+/ %	2023 RM'Mil	2022 RM'Mil	+/ RM'Mil	+/ %
Revenue								
Plantation	571.2	732.3	-161.1	-22	1,062.5	1,297.9	-235.4	-18
Property	19.2	33.2	-14.0	-42	41.6	49.7	-8.1	-16
AgTech	4.0	3.9	+0.1	+3	6.7	7.0	-0.3	-4
Downstream Manufacturing	371.0	501.3	-130.3	-26	581.4	654.0	-72.6	-11
	965.4	1,270.7	-305.3	-24	1,692.2	2,008.6	-316.4	-16
Inter segment	(159.5)	(224.9)	+65.4	+29	(302.0)	(432.4)	+130.4	+30
Revenue - external	805.9	1,045.8	-239.9	-23	1,390.2	1,576.2	-186.0	-12
Profit before tax								
Plantation	185.5	369.0	-183.5	-50	304.3	618.9	-314.6	-51
Property	5.8	9.0	-3.2	-36	15.6	10.6	+5.0	+47
AgTech	(1.8)	(0.6)	-1.2	>100	(4.3)	(0.7)	-3.6	>100
Downstream Manufacturing	(3.6)	23.6	-27.2	-	7.3	27.3	-20.0	-73
Others	1.5	8.2	-6.7	-82	(1.2)	9.7	-10.9	-
Adjusted EBITDA	187.4	409.2	-221.8	-54	321.7	665.8	-344.1	-52
Net reversal of impairment losses	0.8	-	+0.8	-	0.1	-	+0.1	-
Net surplus arising from Government acquisition	-	0.7	-0.7	-	3.3	0.7	+2.6	>100
Net fair value loss on financial assets at FVTPL	(0.3)	-	-0.3	-	(1.4)	-	-1.4	-
Assets written off and others	(0.8)	(0.3)	-0.5	>100	(0.9)	(0.7)	-0.2	-29
EBITDA	187.1	409.6	-222.5	-54	322.8	665.8	-343.0	-52
Depreciation and amortisation	(76.0)	(69.8)	-6.2	-9	(149.0)	(139.3)	-9.7	-7
Interest income	7.8	7.2	+0.6	+8	17.8	15.2	+2.6	+17
Finance cost	(25.9)	(26.3)	+0.4	+2	(53.0)	(49.4)	-3.6	-7
Share of results in joint ventures and associates	11.3	13.4	-2.1	-16	21.3	23.4	-2.1	-9
Profit before tax	104.3	334.1	-229.8	-69	159.9	515.7	-355.8	-69

(1) **Performance Analysis (Continued)**

The Group's revenue was lower year-on-year for the quarter ended 30 June 2023 ("2Q 2023") and for the first half of 2023 ("1H 2023") owing to notably weaker palm product prices as compared to the corresponding period a year ago.

FFB production in 2Q 2023 and 1H 2023 increased year-on-year primarily driven by improved production in Indonesia, attributable to its favourable age profile and expanded harvesting area. This has more than compensated for the marginally lower output in Malaysia as a result of its ongoing replanting activities.

Crude palm oil ("CPO") prices weakened during the quarter amidst slowdown in exports owing to declining prices of sunflower and soya oil, which came under pressure due to bumper harvest, coupled with downbeat economic prospects in several major economies prompting buyers to adopt a wait-and-see approach for palm oil. Consequentially, CPO prices dropped below RM3,400 per metric tonne in early June. Nevertheless, the weakened prices and concerns over an impending El Nino has spurred buying interest, aiding CPO prices to recoup some of the losses to close the quarter above RM3,700 per metric tonne. Accordingly, the Group achieved lower CPO price for 2Q 2023 and 1H 2023 in comparison to the historical high prices achieved in the corresponding periods of the previous year. Meanwhile, the Group's achieved palm kernel ("PK") prices declined as well, tracking the weakness in CPO prices.

	Current Quarter			Year-To-Date		
	2023	2022	Change %	2023	2022	Change %
Average Selling Price/tonne (RM)						
○ Crude Palm Oil	3,584	4,907	-27	3,584	4,860	-26
○ Palm Kernel	1,945	3,484	-44	1,963	3,777	-48
Production (MT'000)						
○ Fresh Fruit Bunches	497	493	+1	954	930	+3

The Plantation segment's EBITDA for 2Q 2023 and 1H 2023 was lower year-on-year on account of weaker palm product prices.

EBITDA for the Property segment declined year-on-year in 2Q 2023, in line with lower revenue. Notwithstanding lower revenue in 1H 2023, the segment's EBITDA was higher year-on-year attributable to gain on disposal of investment properties.

The AgTech segment posted higher year-on-year losses for 2Q 2023 and 1H 2023 due to higher operating expenses.

The Downstream Manufacturing segment recorded losses for 2Q 2023 while its EBITDA for 1H 2023 was lower year-on-year owing to margin deterioration.

The "Others" category reflects the impact of changes in foreign currency translation position of the Group's US Dollar denominated cash reserves and borrowings arising from foreign exchange fluctuations.

(2) **Material Changes in Profit before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter**

	2Q 2023 RM'Mil	1Q 2023 RM'Mil	+/- RM'Mil	+/- %
Revenue				
Plantation	571.2	491.3	+79.9	+16
Property	19.2	22.4	-3.2	-14
AgTech	4.0	2.7	+1.3	+48
Downstream manufacturing	371.0	210.4	+160.6	+76
	965.4	726.8	+238.6	+33
Inter segment	(159.5)	(142.5)	-17.0	-12
Revenue – external	805.9	584.3	+221.6	+38
Profit before tax				
Plantation	185.5	118.8	+66.7	+56
Property	5.8	9.8	-4.0	-41
AgTech	(1.8)	(2.5)	+0.7	+28
Downstream manufacturing	(3.6)	10.9	-14.5	-
Others	1.5	(2.7)	+4.2	-
Adjusted EBITDA	187.4	134.3	+53.1	+40
Net reversal of/(impairment losses)	0.8	(0.7)	+1.5	-
Net surplus arising from Government acquisition	-	3.3	-3.3	-
Net fair value loss on financial assets at FVTPL	(0.3)	(1.1)	+0.8	+73
Assets written off and others	(0.8)	(0.1)	-0.7	>100
EBITDA	187.1	135.7	+51.4	+38
Depreciation and amortisation	(76.0)	(73.0)	-3.0	-4
Interest income	7.8	10.0	-2.2	-22
Finance cost	(25.9)	(27.1)	+1.2	+4
Share of results in joint ventures and associates	11.3	10.0	+1.3	+13
Profit before tax	104.3	55.6	+48.7	+88

The Group's profit before tax for 2Q 2023 improved against the immediate preceding quarter largely attributable to higher palm product sales volume.

	2Q 2023	1Q 2023	Change %
Average Selling Price/tonne (RM)			
○ Crude Palm Oil	3,584	3,585	-
○ Palm Kernel	1,945	1,983	-2
Production (MT'000)			
○ Fresh Fruit Bunches	497	457	+9

(3) **Prospects**

The Group's prospects for the second half of 2023 ("2H 2023") will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the Group's FFB production.

In the short run, the Group expects palm product prices to remain supported as palm oil production is expected to be impacted by the looming El Nino phenomenon in major palm oil producing regions. Additionally, palm product prices have gained strength amidst the geopolitical tension in the Black Sea region which disrupted supply of sunflower oil, along with drought in North America potentially affecting production of soya and canola oil.

The Group anticipates a modest year-on-year growth in FFB production for 2H 2023, spurred by the favourable age profile and expanded harvesting area in Indonesia. Nevertheless, the ongoing replanting activities in Malaysia may have a moderating effect on the Group's production growth. Furthermore, the potential occurrence of El Nino could also impact the Group's production in 2H 2023, the extent of which will depend on the timing and severity of the phenomenon.

The Property segment will continue to offer products which cater to a broader market segment, taking into consideration the prevailing market sentiments. The Premium Outlets® is expected to continue its growth trajectory underpinned by its enhanced tenant portfolio. Meanwhile, the Premium Outlets has recently conducted a groundbreaking event for its first foreign expansion, namely the Jakarta Premium Outlets®, situated in Alam Sutera, to the southwest of Greater Jakarta.

The AgTech segment will continue to expand the application of biological solutions, superior planting material, automation, mechanisation and digital solutions at the Group's estates with the goal of improving operating efficiency, enabling traceability and enhancing sustainability.

The Downstream Manufacturing segment continues to face stiff competition for its refined palm products due to Indonesia's export tax structure. On the other hand, the segment's palm-based biodiesel will cater mainly for Malaysian biodiesel mandate as biodiesel export remain challenging.

(4) **Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee for the year.

(5) **Taxation**

Taxation charges for the current quarter and six months ended 30 June 2023 are set out below:

	Current Quarter 2Q 2023 RM'000	Current Financial Year-To-Date RM'000
Current taxation:		
Malaysian income tax charge	13,691	30,692
Foreign income tax charge	4,858	8,666
	<u>18,549</u>	<u>39,358</u>
Deferred tax charge	8,144	2,208
	<u>26,693</u>	<u>41,566</u>

The effective tax rate for the current quarter and six months ended 30 June 2023 was higher than the Malaysian statutory tax rate mainly due to expenses not deductible for tax purposes.

(6) Profit before taxation

Profit before taxation has been determined after inclusion of the following charges and credits:

	Current Quarter 2Q 2023 RM'000	Current Financial Year-To- Date RM'000
Charges:		
Finance cost	25,895	52,966
Depreciation and amortisation	76,008	149,060
Property, plant and equipment written off	801	893
Net fair value loss on financial assets at FVTPL	253	1,410
Net foreign exchange differences	(1,857)	1,264
Receivables written off	-	35
Credits:		
Interest income	7,741	17,785
Deferred income recognised for Government grant	29	58
Gain on disposal of assets classified as held for sale	898	5,748
Net reversal of impairment losses on receivables	737	49
Net surplus arising from Government acquisition	-	3,311
Gain on disposal of property, plant and equipment	-	30

Other than the above, there were no gain or loss on disposal of quoted investments and gain or loss on derivatives for the six months ended 30 June 2023.

(7) Status of Corporate Proposals Announced

There was no corporate proposals announced but not completed as at 16 August 2023.

(8) Group Borrowings and Debt Securities

The details of the Group's borrowings and debts securities as at 30 June 2023 are set out below:

	As at 30/06/2023			As at 31/12/2022	
	Secured/ Unsecured	Foreign Currency 'million		RM Equivalent '000	RM Equivalent '000
Short term borrowings	Secured	USD	60.4	281,517	408,434
	Secured	RM		24,655	24,721
	Unsecured	RM		104,438	155,368
				410,610	588,523
Long term borrowings	Secured	USD	151.1	704,599	787,493
	Secured	RM		32,695	44,863
	Unsecured	RM		999,400	999,247
				1,736,694	1,831,603
Total borrowings	Secured	USD	211.5	986,116	1,195,927
	Secured	RM		57,350	69,584
	Unsecured	RM		1,103,838	1,154,615
				2,147,304	2,420,126

(9) Outstanding Derivatives

As at 30 June 2023, the maturity analysis of the outstanding derivatives of the Group are summarised as follows:

Types of Derivative	Contract/Notional Value RM'000	Fair Value Assets/(Liabilities) RM'000
<u>Interest Rate Swaps</u>		
USD	186,480	
- Less than 1 year		5,703
<u>Forward Foreign Currency Exchange Contracts</u>		
USD	37,415	
- Less than 1 year		(743)
<u>Commodity Futures Contracts</u>		
RM	52,765	
- Less than 1 year		(2,291)

There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 December 2022:

- (a) the credit risk, market risk and liquidity risk associated with those financial derivatives;
- (b) the cash requirements of the financial derivatives; and
- (c) the policy in place for mitigating or controlling the risks associated with those financial derivatives.

(10) Fair Value Changes of Financial Liabilities

As at 30 June 2023, the Group does not have any financial liabilities measured at fair value through profit or loss.

(11) Changes in Material Litigation

There are no pending material litigations as at 16 August 2023.

(12) Dividend Proposed or Declared

- (a) (i) An interim single-tier dividend of 8.0 sen per ordinary share in respect of the financial year ending 31 December 2023 has been declared by the Directors.
 - (ii) The interim single-tier dividend declared and paid for the previous year's corresponding period was 15.0 sen per ordinary share.
 - (iii) The interim single-tier dividend shall be payable on 25 September 2023.
 - (iv) Entitlement to the interim single-tier dividend:
 - A Depositor shall qualify for entitlement to the interim single-tier dividend only in respect of:
 - Shares transferred into the Depositor's Securities Account before 4.30 p.m on 11 September 2023 in respect of ordinary transfer; and
 - Shares bought on the Bursa Securities on a cum entitlement basis according to the Main Market Listing Requirements of Bursa Securities.
- (b) The total single-tier dividend payable for the financial year ending 31 December 2023 is 8.0 sen per ordinary share.

(13) Earnings per Share

	Current Quarter 2Q 2023	Current Financial Year-To-Date
Basic and diluted earnings per share		
Profit for the financial period attributable to equity holders of the Company (<i>RM'000</i>)	<u>70,966</u>	<u>109,775</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>897,198</u>	<u>897,198</u>
Basic earnings per share (<i>sen</i>)	<u>7.91</u>	<u>12.24</u>

The Group has no dilutive potential ordinary shares and therefore the diluted earnings per share is the same as the basic earnings per share.

(14) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the financial year ended 31 December 2022 did not contain any qualification.

(15) Approval of Interim Condensed Financial Statements

The interim condensed financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 August 2023.