

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Unaudited As at 30 Jun 2023 RM'000	Audited As at 31 Dec 2022 RM'000
Non-current assets		
Property, plant and equipment	176,801	172,924
Right-of-use assets	268	369
Investments	3,867	4,587
Investment properties	7,328	7,440
Inventories-Land held for property development	156,648	155,646
Goodwill	27,100	27,100
	<u>372,012</u>	<u>368,066</u>
Current assets		
Inventories	28,580	32,434
Biological assets	826	973
Contract costs	1,543	2,331
Receivables	4,801	7,817
Contract assets	44,893	26,948
Current tax assets	1,320	117
Short-term investments	157,264	166,347
Deposits, cash and bank balances	39,449	34,067
	<u>278,676</u>	<u>271,034</u>
TOTAL ASSETS	<u>650,688</u>	<u>639,100</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	74,945	74,945
Reserves	495,671	491,845
	<u>570,616</u>	<u>566,790</u>
Non-current liabilities		
Lease liabilities	172	172
Deferred tax liabilities	40,130	39,036
	<u>40,302</u>	<u>39,208</u>
Current liabilities		
Contract liabilities	5,639	193
Current tax liabilities	2,643	1,956
Lease liabilities	100	198
Payables	31,388	30,755
	<u>39,770</u>	<u>33,102</u>
TOTAL LIABILITIES	<u>80,072</u>	<u>72,310</u>
TOTAL EQUITY AND LIABILITIES	<u>650,688</u>	<u>639,100</u>
Net Assets per share (RM)	<u>7.62</u>	<u>7.57</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 and the accompanying notes.

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 Jun 2023 RM'000	Preceding Corresponding Quarter Ended 30 Jun 2022 RM'000	Current Year To Date 30 Jun 2023 RM'000	Preceding Corresponding Year To Date 30 Jun 2022 RM'000
Revenue	32,662	20,220	62,241	33,653
Cost of sales	(17,103)	(7,320)	(30,046)	(11,615)
Gross profit	15,559	12,900	32,195	22,038
Interest and distribution income	1,186	910	2,292	1,515
Other income	1,308	1,192	2,818	2,708
Depreciation and amortisation	(927)	(930)	(1,846)	(1,810)
Administration and other expenses	(4,710)	(3,586)	(8,926)	(7,076)
Finance cost	(3)	(1)	(7)	(3)
Profit before taxation	12,413	10,485	26,526	17,372
Taxation	(3,279)	(2,413)	(7,009)	(4,072)
Profit for the period	9,134	8,072	19,517	13,300
Other comprehensive (expense)/income:				
Changes in fair value of investments	(330)	(590)	(720)	65
Total comprehensive income	8,804	7,482	18,797	13,365
Profit attributable to owners of the Company	9,134	8,072	19,517	13,300
Total comprehensive income attributable to owners of the Company	8,804	7,482	18,797	13,365
Earnings per share attributable to owners of the Company	sen	sen	sen	sen
Basic / Diluted	12.20	10.78	26.07	17.77

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 and the accompanying notes.

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

	Attributable to owners of the Company				Total equity RM'000
	Share capital	Non-distributable	Distributable		
		Fair value reserves	General reserves	Accumulated profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 months period ended 30 June 2023</u>					
At 1 January 2023	74,945	29,583	250	462,012	566,790
Profit for the period	-	-	-	19,517	19,517
Other comprehensive expense for the period	-	(720)	-	-	(720)
Total comprehensive (expense)/income for the period	-	(720)	-	19,517	18,797
Transfer within reserves	-	(109)	-	109	-
Dividends	-	-	-	(14,971)	(14,971)
At 30 June 2023	74,945	28,754	250	466,667	570,616

	Attributable to owners of the Company				Total equity RM'000
	Share capital	Non-distributable	Distributable		
		Fair value reserves	General reserves	Accumulated profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 months period ended 30 June 2022</u>					
At 1 January 2022	74,945	29,554	250	433,928	538,677
Profit for the period	-	-	-	13,300	13,300
Other comprehensive income for the period	-	65	-	-	65
Total comprehensive income for the period	-	65	-	13,300	13,365
Transfer within reserves	-	(42)	-	42	-
Dividends	-	-	-	(7,485)	(7,485)
At 30 June 2022	74,945	29,577	250	439,785	544,557

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 and the accompanying notes.

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

	6 Months Ended	
	Current Year To Date 30 Jun 2023 RM'000	Preceding Year To Date 30 Jun 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	26,526	17,372
Adjustments for :		
Depreciation and amortisation	1,846	1,810
Gain on disposal of property, plant and equipment	(22)	-
Fair value loss / (gain) on biological assets	147	(626)
Dividend income	(64)	(98)
Interest expenses	7	3
Interest and distribution income	(2,292)	(1,515)
Operating profit before working capital changes	<u>26,148</u>	<u>16,946</u>
Decrease/(Increase) in inventories and contract costs	4,642	(1,193)
(Increase)/Decrease in receivables and contract assets	(14,942)	12,523
Increase/(Decrease) in payables and contract liabilities	<u>6,079</u>	<u>(2,257)</u>
Cash generated from operations	21,927	26,019
Interest and distribution income received	2,305	1,561
Tax paid	(6,431)	(3,741)
Net cash generated from operating activities	<u>17,801</u>	<u>23,839</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,510)	(2,488)
Proceeds from disposal of property, plant and equipment	22	-
Purchase of investment properties	-	(2,000)
Payment for inventories-land held for property development	(1,002)	(606)
Withdrawal/(Placement) of short-term deposits	178	(34)
Dividend received from quoted equity securities in Malaysia	64	98
Net cash used in investing activities	<u>(6,248)</u>	<u>(5,030)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(14,971)	(7,485)
Repayment of lease liabilities	(98)	(103)
Interest paid	(7)	(3)
Net cash used in financing activities	<u>(15,076)</u>	<u>(7,591)</u>
Net (decrease)/ increase in cash and cash equivalents	(3,523)	11,218
Cash and cash equivalents at the beginning of the period	<u>200,102</u>	<u>174,161</u>
Cash and cash equivalents at the end of the period	<u>196,579</u>	<u>185,379</u>
Cash and cash equivalents comprise :		
Short term investments	157,264	165,761
Short term deposits	154	334
Cash and bank balances	<u>39,295</u>	<u>19,596</u>
	196,713	185,691
Pledged short-term deposits	(134)	(312)
Cash and cash equivalents	<u>196,579</u>	<u>185,379</u>

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 and the accompanying notes.

Part A – Explanatory Notes Pursuant to MFRS 134

1 Basis of preparation and Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. These explanatory notes attached to the interim financial statements 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 31 December 2022.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2022, except for the application of the following amendments/improvements to Malaysian Financial Reporting Standards ("MFRS") ("Standards"), which are effective for financial year ending 31 December 2023:

Effective for financial periods beginning on or after 1 January 2023

- | | |
|--------------------------|--|
| • Amendments to MFRS 101 | Classification of Liabilities as Current or Non-Current |
| • Amendments to MFRS 101 | Disclosure of Accounting Policies |
| • Amendments to MFRS 108 | Definition of Accounting Estimates |
| • Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |

The initial application of these amendments is expected to have an immaterial impact on the Group's financial statements, other than those summarised below:

- | | |
|--------------------------|-----------------------------------|
| • Amendments to MFRS 101 | Disclosure of Accounting Policies |
|--------------------------|-----------------------------------|

The Amendments to MFRS 101 require the Group to disclose its material accounting policy information rather than its significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which the Group is likely to consider an accounting policy information to be material to its financial statements.

These amendments are to be applied prospectively. The Group is making an assessment of the effects on disclosures ensuing from the initial application of the amendments.

2 Seasonal or cyclical factors

The Group's results for the quarter under review were not materially impacted by any seasonal or cyclical factors apart from the plantation segment which is influenced by seasonal climatic conditions.

3 Unusual items due to their nature, size or incidence

None.

Part A – Explanatory Notes Pursuant to MFRS 134 (Cont'd)

4 Changes in estimates that have material effect in the current period

Not applicable.

5 Debt and equity securities

There were no issues, repurchases and repayments of debt and equity securities during the financial period.

6 Dividends paid

The first and final tax exempt dividend of 20.0 sen per ordinary share for the financial year ended 31 December 2022 (for the financial year ended 31 December 2021: 10.0 sen per ordinary share tax exempt) amounting to RM14.97 million was paid on 14 June 2023.

7 Events after the interim period

There was no significant event after the end of the period under review.

8 Changes in composition of the Group

There was no change in the composition of the Group during the period under review.

9 Changes in contingent liabilities and contingent assets

There was no change in contingent liability or contingent asset since the end of the last financial year.

10 Capital commitments

Amounts contracted but not provided for capital expenditure as at 30 June 2023 amounted to RM1.9 million.

11 Significant Related Party Transactions

None.

Part A – Explanatory Notes Pursuant to MFRS 134 (Cont'd)

12. Restatement of Segmental Information

During the quarter and period under review, the Group had undertaken revision in its segmental result presentation for a more meaningful presentation of the business segments' financial information ("Segmental Revision"). The Segmental Revision includes reclassification of inter-segment income from other income to revenue, and revision in presentation of inter-segment transactions. Accordingly, the segmental information for the preceding corresponding quarter and period have been restated for the Segmental Revision ("Segmental Restatement") for consistency in presentation. The Group's consolidated revenue and segment results for the preceding corresponding quarter and period were not impacted by the Segmental Restatement. The effects of the Segmental Restatement are shown below.

	As previously reported RM'000	Restatement RM'000	As restated RM'000
Quarter Ended 30 June 2022			
Revenue			
Property development	9,704	-	9,704
Plantation	10,420	-	10,420
Others	96	650	746
Total reportable segments	20,220	650	20,870
Inter-segment elimination	-	(650)	(650)
Consolidated	20,220	-	20,220
Segment results			
Property development	4,017	(444)	3,573
Plantation	6,742	(179)	6,563
Others	(274)	623	349
Total reportable segments	10,485	-	10,485
Inter-segment elimination	-	-	-
Consolidated	10,485	-	10,485
Period Ended 30 June 2022			
Revenue			
Property development	13,935	-	13,935
Plantation	19,620	-	19,620
Others	98	1,452	1,550
Total reportable segments	33,653	1,452	35,105
Inter-segment elimination	-	(1,452)	(1,452)
Consolidated	33,653	-	33,653
Segment results			
Property development	4,114	(878)	3,236
Plantation	13,971	(395)	13,576
Others	(713)	1,273	560
Total reportable segments	17,372	-	17,372
Inter-segment elimination	-	-	-
Consolidated	17,372	-	17,372

Part A – Explanatory Notes Pursuant to MFRS 134 (Cont'd)

13 Segmental information

Segmental information for the financial period ended 30 June 2023 is as follows:

	Property Development RM'000	Plantation RM'000	Others RM'000	Total Reportable Segments RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
30 June 2023						
Revenue						
External revenue	51,364	10,813	64	62,241	-	62,241
Inter-segment revenue	-	-	3,333	3,333	(3,333)	-
Total revenue	51,364	10,813	3,397	65,574	(3,333)	62,241
Results						
Segment results	20,831	2,820	2,875	26,526	-	26,526
Taxation						(7,009)
Profit for the period						19,517
Assets						
Segment assets	327,443	109,587	213,658	650,688	-	650,688
Liabilities						
Segment liabilities	32,350	3,074	44,648	80,072	-	80,072

Part A – Explanatory Notes Pursuant to MFRS 134 (Cont'd)

13 Segmental information (Cont'd)

Segmental information for the financial period ended 30 June 2022 (restated) is as follows:

	Property Development RM'000	Plantation RM'000	Others RM'000	Total Reportable Segments RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
30 June 2022 (Restated)						
Revenue						
External revenue	13,935	19,620	98	33,653	-	33,653
Inter-segment revenue	-	-	1,452	1,452	(1,452)	-
Total revenue	<u>13,935</u>	<u>19,620</u>	<u>1,550</u>	<u>35,105</u>	<u>(1,452)</u>	<u>33,653</u>
Results						
Segment results	<u>3,236</u>	<u>13,576</u>	<u>560</u>	<u>17,372</u>	<u>-</u>	<u>17,372</u>
Taxation						<u>(4,072)</u>
Profit for the period						<u>13,300</u>
Assets						
Segment assets	<u>284,368</u>	<u>103,903</u>	<u>221,639</u>	<u>609,910</u>	<u>-</u>	<u>609,910</u>
Liabilities						
Segment liabilities	<u>18,997</u>	<u>3,990</u>	<u>42,366</u>	<u>65,353</u>	<u>-</u>	<u>65,353</u>

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

14 Review of performance

For the current quarter under review, the Group recorded revenue of RM32.7 million, an increase of 62% compared to RM20.2 million in the previous corresponding quarter. Profit before taxation for the current quarter under review was RM12.4 million, an increase of 18% compared to RM10.5 million in the previous corresponding quarter.

For the current 6 months period, the Group registered revenue of RM62.2 million and profit before taxation of RM26.5 million. These represent increase of 85% and 53% in revenue and profit before taxation respectively as compared to the previous corresponding period.

	Current Quarter Ended 30 Jun 2023 RM'000	Preceding Corresponding Quarter Ended 30 Jun 2022 RM'000 Restated	Changes + / (-) %	Current Year To Date Ended 30 Jun 2023 RM'000	Preceding Corresponding Year To Date Ended 30 Jun 2022 RM'000 Restated	Changes + / (-) %
<u>Revenue</u>						
Property	27,198	9,704	180%	51,364	13,935	269%
Plantation	5,422	10,420	(48%)	10,813	19,620	(45%)
Others	1,743	746	134%	3,397	1,550	119%
Total reportable segment	34,363	20,870	65%	65,574	35,105	87%
Inter-segment elimination	(1,701)	(650)	(162%)	(3,333)	(1,452)	(130%)
Consolidated	32,662	20,220	62%	62,241	33,653	85%
<u>Profit Before Taxation</u>						
Property	10,259	3,573	187%	20,831	3,236	544%
Plantation	700	6,563	(89%)	2,820	13,576	(79%)
Others	1,454	349	317%	2,875	560	413%
Total reportable segment	12,413	10,485	18%	26,526	17,372	53%
Inter-segment elimination	-	-	-	-	-	-
Consolidated	12,413	10,485	18%	26,526	17,372	53%

(a) Property

2Q'23 vs 2Q'22

Property segment's revenue for the quarter ended 30 June 2023 increased by 180% to RM27.2 million while profit before taxation increased by 187% to RM10.3 million as compared to preceding corresponding quarter.

The increase in revenue was mainly due to higher revenue recognition from an on-going development project, namely Bromelia, following improvement in its construction and sales progress, and the commencement of revenue recognition for Andira Place, a newly launched commercial project.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia (Cont'd)

14 Review of performance (Cont'd)

(a) Property (Cont'd)

2Q'23 vs 2Q'22 (Cont'd)

The profit before taxation in the current quarter under review has increased, in line with increase of revenue under the current quarter under review.

6M'23 vs 6M'22

Property segment's revenue for the period ended 30 June 2023 is increased by 269% to RM51.4 million, while profit before taxation increased by 544% to RM20.8 million as compared to the preceding corresponding period.

The increase in revenue in the current period was mainly due to higher revenue recognition for Bromelia and the commencement of revenue recognition for Andira Place.

The increase in profit before taxation was mainly driven by higher revenue achieved in the current period under review.

(b) Plantation

2Q'23 vs 2Q'22

Revenue for the current quarter decreased by 48% to RM5.4 million while profit before taxation decreased by 89% to RM0.7 million as compared to preceding corresponding quarter.

Lower revenue and profit before taxation for the current quarter under review were primarily attributable to lower crude palm oil ("CPO") price leading to lower average selling price of fresh fruit bunches ("FFB") as well as lower production of FFB partly attributable to low crop pattern and replanting activities.

6M'23 vs 6M'22

Revenue for the current period decreased by 45% to RM10.8 million while profit before taxation decreased by 79% to RM2.8 million as compared to preceding corresponding period.

Lower revenue and profit before taxation for the current period under review were primarily attributable to lower CPO price leading to lower average selling price of FFB as well as lower production of FFB.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia (Cont'd)

15 Material changes in profit before taxation in current quarter vs preceding quarter

	Current Quarter Ended 30 Jun 2023 RM'000	Preceding Quarter Ended 31 Mar 2023 RM'000	Changes + / (-) %
Revenue	32,662	29,579	10%
Profit Before Taxation	12,413	14,113	(12%)

Revenue for the current quarter of RM32.7 million was higher than the preceding quarter of RM29.6 million by 10%, mainly due to higher revenue from the Property segment by RM3.0 million following higher revenue recognised from Bromelia and Andira Place.

Plantation segment recorded a marginal increase in revenue of RM31,000 due to the compensating effect of higher FFB harvested and lower CPO price for the current quarter under review as compared to the preceding quarter.

The decrease in profit before taxation in the current quarter as compared to preceding quarter was mainly attributable to lower gross profit margin recorded for the current quarter, partly resulting from deferment of manuring activities and lower cost saving recognised from previously completed project, which has partially offset the higher revenue generated for the current quarter.

16 Commentary on prospects

The Group's operating landscape continues to be influenced by challenges in the external environment. The volatility in CPO price, which has declined sharply from the preceding corresponding quarter, as well as erratic weather condition and the El Niño phenomenon will continue to adversely impact the Group's plantation segment. Nevertheless, there is an easing of fertilizer cost. Amidst the headwinds, the Group continues its replanting exercises and environmental, social and governance ("ESG") initiatives, such as worker quarters construction and MSPO certification renewal.

On the property front, as the ongoing development projects progress on track, the Group expects to launch a landed residential project in the second half of the year. We have received provisional GreenRE bronze certification, as part of the Group's ESG efforts. While downside risks could emanate from the global development, the continual recovery in the Malaysian economy may bode well for new property sales. However, any further overnight policy rate ("OPR") hike may further soften buying interest.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia (Cont'd)

17 Statement of board of directors' opinion as to whether the revenue or profit estimate, forecast, projection or internal targets are likely to be achieved

Not applicable. The Company has not announced or disclosed any estimates, forecasts, projections or internal targets.

18 Variance of actual profit from forecast profit or profit guarantee

Not applicable.

19 Taxation

	Current Quarter Ended 30 Jun 2023 RM'000	Current Year To Date Ended 30 Jun 2023 RM'000
Malaysian income tax :		
Current tax	3,148	5,915
Deferred tax	131	1,094
	<u>3,279</u>	<u>7,009</u>

The effective tax rate for the current quarter and period is higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes, partially offset by utilisation of previously unrecognised deferred tax assets.

20 Corporate proposals

There was no corporate proposal announced but not completed as at the reporting date.

21 Group borrowings and debt security

There were no borrowings and debt security as at 30 June 2023 other than the lease liability recognised in relation to leased property.

22 Changes in material litigation

There was no material litigation since the date of the last financial position as at 31 December 2022.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia (Cont'd)

23 Dividends

No interim dividend has been declared for the current quarter ended 30 June 2023.

The first and final tax exempt dividend of 20.0 sen per ordinary share for the financial year ended 31 December 2022 (for the financial year ended 31 December 2021: 10.0 sen ordinary per share tax exempt) amounting to RM14.97 million was paid on 14 June 2023.

24 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit net of tax for the period by the weighted average number of shares in issue during the period.

	Current Quarter Ended 30 Jun 2023	Current Year To date Ended 30 Jun 2023
Profit net of tax (RM'000)	9,134	19,517
Weighted average number of ordinary shares in issue ('000)	74,853	74,853
Basic earnings per share (sen)	12.20	26.07

(b) Diluted earnings per share

Not applicable.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia (Cont'd)

25 Disclosure requirements to the Statement of Comprehensive Income

	Current Quarter Ended 30 Jun 2023 RM'000	Current Year To Date Ended 30 Jun 2023 RM'000
(a) Dividend income	42	64
(b) Interest expense	3	7
(c) Provision for and write off of receivables	-	-
(d) Provision for and write off of inventories	-	-
(e) Gain or loss on disposal of quoted or unquoted investments or properties	22	22
(f) Impairment of assets	-	-
(g) Foreign exchange gain or loss	-	-
(h) Gain or loss on derivatives	-	-
(i) Exceptional items	-	-

26 Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not qualified.

27 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors on 29 August 2023.