

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31 October		31 October	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Revenue	97,949	76,992	184,735	120,322
Cost of sales	(79,874)	(82,652)	(160,341)	(132,798)
Gross profit/(loss)	18,075	(5,660)	24,394	(12,476)
Other income	2,215	2,552	5,269	5,327
Gain on disposal of non-current assets held for sale	-	49,303	-	103,196
Administrative expenses	(7,110)	(6,573)	(13,979)	(13,187)
Other expenses	(1,536)	(668)	(73)	(719)
Operating profit	11,644	38,954	15,611	82,141
Finance costs	(1,742)	(3,143)	(3,803)	(6,000)
Profit before tax	9,902	35,811	11,808	76,141
Taxation	(3,576)	449	(2,744)	(3,678)
Profit for the period	6,326	36,260	9,064	72,463
Other comprehensive (loss)/income:				
Item that will be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	(5,658)	1,617	(3,925)	5,725
	(5,658)	1,617	(3,925)	5,725
Total comprehensive income for the period	668	37,877	5,139	78,188
Profit/(loss) for the period attributable to:				
Owners of the Company	7,433	36,890	10,987	73,837
Non-controlling interests	(1,107)	(630)	(1,923)	(1,374)
	6,326	36,260	9,064	72,463
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	2,692	38,244	7,697	78,625
Non-controlling interests	(2,024)	(367)	(2,558)	(437)
	668	37,877	5,139	78,188
Earnings per share attributable to owners of the Company:				
Basic (sen)	3.54	17.59	5.24	35.21
Diluted (sen)	3.54	17.59	5.24	35.21

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 October 2020	As at Preceding Financial Year End 30 April 2020
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	668,001	679,144
Right-of-use assets	803,687	814,681
Goodwill on consolidation	82,474	82,474
Intangible asset	28,864	29,136
Other asset	3,936	3,616
	<u>1,586,962</u>	<u>1,609,051</u>
Current Assets		
Inventories	35,407	35,785
Biological assets	8,559	5,454
Trade and other receivables	82,660	69,104
Tax recoverable	8,365	13,076
Financial assets at fair value through profit or loss	17,905	23,412
Cash and bank balances	28,045	35,121
	<u>180,941</u>	<u>181,952</u>
TOTAL ASSETS	<u>1,767,903</u>	<u>1,791,003</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	255,375	255,375
Other reserves	(16,370)	(11,748)
Retained earnings	1,073,868	1,074,135
Equity attributable to owners of the Company	<u>1,312,873</u>	<u>1,317,762</u>
Non-controlling interests	33,605	36,163
Total equity	<u>1,346,478</u>	<u>1,353,925</u>
Non-Current Liabilities		
Bank borrowings	53,598	56,821
Lease liabilities	6,478	6,757
Retirement benefit obligation	1,210	805
Other payable	829	1,530
Deferred tax liabilities	199,070	201,233
	<u>261,185</u>	<u>267,146</u>
Current Liabilities		
Bank borrowings	95,193	96,291
Lease liabilities	551	535
Trade and other payables	64,496	73,106
	<u>160,240</u>	<u>169,932</u>
Total liabilities	<u>421,425</u>	<u>437,078</u>
TOTAL EQUITY AND LIABILITIES	<u>1,767,903</u>	<u>1,791,003</u>
Net assets per share attributable to owners of the Company (RM)	<u>6.26</u>	<u>6.28</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable Other Reserves	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period Ended 31 October 2020</u>						
Balance at 1 May 2020	255,375	(11,748)	1,074,135	1,317,762	36,163	1,353,925
Total comprehensive (loss)/income for the period	-	(3,290)	10,987	7,697	(2,558)	5,139
Transactions with owners:						
Employee share options expired	-	(1,332)	1,332	-	-	-
Dividend	-	-	(12,586)	(12,586)	-	(12,586)
	-	(1,332)	(11,254)	(12,586)	-	(12,586)
Balance at 31 October 2020	255,375	(16,370)	1,073,868	1,312,873	33,605	1,346,478

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2020 - CONT'D**

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable Other Reserves	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period Ended 31 October 2019</u>						
Balance at 1 May 2019	254,935	(10,894)	1,074,485	1,318,526	38,064	1,356,590
Total comprehensive income/(loss) for the period	-	4,788	73,837	78,625	(437)	78,188
Transactions with owners:						
Fair value of share options granted to eligible employees	-	54	-	54	-	54
Dividend	-	-	(12,581)	(12,581)	-	(12,581)
	-	54	(12,581)	(12,527)	-	(12,527)
Balance at 31 October 2019	254,935	(6,052)	1,135,741	1,384,624	37,627	1,422,251

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2020**

	Period Ended 31 October 2020	Period Ended 31 October 2019
	RM'000	RM'000
Operating Activities		
Profit before tax	11,808	76,141
Adjustments for:		
Amortisation of intangible asset	-	268
Depreciation of property, plant and equipment	23,116	24,440
Depreciation of right-of-use assets	7,146	7,037
Fair value changes on biological assets (net)	(3,111)	(2,093)
Fair value of share options expensed off	-	54
Gain on disposal of:		
- non-current assets held for sale	-	(103,196)
- property, plant and equipment	(31)	(11)
Interest expense	3,803	6,000
Interest income	(234)	(579)
Property, plant and equipment written off	52	265
Realised fair value gains on financial assets at fair value through profit or loss	(243)	(751)
Unrealised foreign exchange gain	(676)	(729)
Operating cash flows before changes in working capital	41,630	6,846
Decrease/(increase) in inventories	58	(11,893)
(Increase)/decrease in trade and other receivables	(12,876)	4,364
(Decrease)/increase in trade and other payables	(7,332)	12,527
Cash flows from operations	21,480	11,844
Interest received	244	577
Interest paid	(3,847)	(6,421)
Taxes refunded	-	286
Taxes paid	(1,794)	(7,641)
Net cash flows from/(used in) operating activities	16,083	(1,355)

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2020 - CONT'D**

	Period Ended 31 October 2020	Period Ended 31 October 2019
	RM'000	RM'000
Investing Activities		
Purchase of:		
- financial assets at fair value through profit or loss	(9,700)	(162,454)
- property, plant and equipment	(15,561)	(65,909)
Net proceeds from disposal of:		
- financial assets at fair value through profit or loss	15,450	65,940
- non-current assets held for sale	-	172,734
- property, plant and equipment	118	165
Additions of:		
- other asset	(390)	(402)
- right-of-use assets	(127)	(2,377)
Net withdrawal of other investment	-	19
Net cash flows (used in)/from investing activities	(10,210)	7,716
Financing Activities		
Dividend paid	(12,586)	(12,581)
Drawdown of term loan	-	12,132
Payment of principal portion of lease liabilities	(263)	(120)
Repayment of revolving credit	-	(17,669)
Net cash flows used in financing activities	(12,849)	(18,238)
Net change in cash and bank balances	(6,976)	(11,877)
Effect of foreign exchange rate changes	(100)	125
Cash and bank balances at beginning of period	35,121	46,854
Cash and bank balances at end of period	28,045	35,102
Cash and bank balances comprise:		
Cash on hand and at banks	8,441	9,064
Short-term deposits with licensed financial institutions	19,604	26,038
	28,045	35,102

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 April 2020. 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 30 April 2020.

A2. Changes in Accounting Policies

The accounting policies and methods of computation applied by the Group in the interim financial statements are consistent with those applied in the latest audited financial statements for the financial year ended 30 April 2020 except for the adoption of the following standards effective for the financial year beginning 1 May 2020:

Effective for annual periods beginning on or after 1 January 2020

Amendments to MFRS 3 Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139 Interest Rate Benchmark Reform
Amendments to MFRS 101 Definition of Material
Amendments to MFRS 108 Definition of Material

The adoption of the above standards do not have any material impact on the financial statements of the Group.

A3. Seasonal or Cyclical Nature of Operations

Production of oil palm fresh fruits bunches ("FFB") is influenced by weather.

The FFB production of the Group for the six months ended 31 October 2020 was 12% or 22,034 tonnes higher than that of the corresponding period in the preceding year.

For Malaysian operations, FFB production for the six months ended 31 October 2020 grew by 11% or 16,971 tonnes from the corresponding period in the preceding year mainly due to increase in yield from Sabah estates.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A3. Seasonal or Cyclical Nature of Operations - Cont'd

For Indonesian operations, FFB production for the six months ended 31 October 2020 grew by 21% or 5,063 tonnes from the corresponding period in the preceding year.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period ended 31 October 2020.

A5. Material Changes in Estimates

There were no material changes in estimates that have a material effect against results in the current quarter and current financial year-to-date ended 31 October 2020.

A6. Changes in Debt and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities during the period ended 31 October 2020.

Pursuant to the By-Laws approved by the shareholders of the Company at Extraordinary General Meeting held on 29 August 2009, the ESOS implemented on 18 June 2010 and in force for 10 years expired on 17 June 2020. Upon expiry of the ESOS, the share options forfeited and lapsed totalled 7,435,400. The expiry of ESOS does not have any material impact on the financial statements of the Group.

A7. Dividends Paid

The amount of dividend paid during the period ended 31 October 2020 was as follow:

	RM'000
In respect of financial year ended 30 April 2020	
Second interim single-tier dividend of 6 sen per share, on 209,769,201 ordinary shares, paid on 14 August 2020	<u>12,586</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A8. Segmental Information****(a) Business Segments**

	Current Quarter Ended 31 October 2020 RM'000	Cumulative 6 Months Ended 31 October 2020 RM'000
Segment Revenue		
Plantation revenue	113,869	212,318
Elimination of inter-companies' sales	(15,920)	(27,583)
External sales	<u>97,949</u>	<u>184,735</u>
Segment Profit/(Loss)		
Plantations:		
- Malaysian operations	13,624	19,442
- Indonesian operations (Kalimantan)	(1,679)	(7,147)
- Indonesian operations (Sulawesi)	(214)	(451)
Investment holding	(1,829)	(36)
Profit before tax	<u>9,902</u>	<u>11,808</u>
Taxation	(3,576)	(2,744)
Profit for the period	<u>6,326</u>	<u>9,064</u>
		As at End of Current Quarter 31 October 2020 RM'000
Segment Assets		
Plantations		1,721,943
Investment holding		45,960
Consolidated total assets		<u>1,767,903</u>
Segment Liabilities		
Plantations		272,480
Investment holding		148,945
Consolidated total liabilities		<u>421,425</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A8. Segmental Information - Cont'd****(b) Geographical Segments**

	Current Quarter Ended 31 October 2020 RM'000	Cumulative 6 Months Ended 31 October 2020 RM'000
Segment Revenue		
Malaysia	74,876	141,815
Indonesia	23,073	42,920
Consolidated total revenue	<u>97,949</u>	<u>184,735</u>
Segment Profit/(Loss)		
Malaysia	16,731	25,484
Indonesia	(6,829)	(13,676)
Profit before tax	9,902	11,808
Taxation	(3,576)	(2,744)
Profit for the period	<u>6,326</u>	<u>9,064</u>
		As at End of Current Quarter 31 October 2020 RM'000
Segment Assets		
Malaysia		1,207,925
Indonesia		559,978
Consolidated total assets		<u>1,767,903</u>
Segment Liabilities		
Malaysia		314,175
Indonesia		107,250
Consolidated total liabilities		<u>421,425</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D**A9. Material Events Subsequent to the End of the Interim Period**

There were no material events from the current quarter ended 31 October 2020 to the date of this announcement that had not been reflected in this interim financial statements.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 31 October 2020.

A11. Changes in Contingent Liabilities and Contingent Assets

At the date of this report, no contingent liabilities and contingent assets had arisen since the end of preceding financial year 30 April 2020.

A12. Capital Commitments

At the end of the current quarter, the Group has the following capital commitments:

	RM'000
Capital expenditure approved and contracted for:	
Additions of bearer plants	4,153
Purchase of other property, plant and equipment	9,866
	<u>14,019</u>
Capital expenditure approved but not contracted for:	
Additions of bearer plants	19,443
Purchase of other property, plant and equipment	13,571
	<u>33,014</u>
	<u>47,033</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****A13. Related Party Disclosures**

In addition to the inter-companies' sales as disclosed in Note A8(a), the Group had the following transactions and balances with related parties during the current quarter and current financial year-to-date ended 31 October 2020:

(a) Transaction with Related Parties

	Current Quarter Ended 31 October 2020 RM'000	Cumulative 6 Months Ended 31 October 2020 RM'000
Companies in which certain directors of the Company are directors		
- Sale of FFB	12	198
- Purchase of fertiliser	167	434
	<u>179</u>	<u>632</u>

(b) Balance with Related Party

	As at End of Current Quarter 31 October 2020 RM'000
Company in which certain director of the Company is director	
- Trade payable	175
	<u>175</u>

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance****(a) Current Quarter vs. Preceding Year Corresponding Quarter**

	Individual Quarter		
	Current Quarter Ended 31 October 2020	Preceding Year Corresponding Quarter Ended 31 October 2019	Variance
	RM'000	RM'000	%
Revenue	97,949	76,992	27%
Operating profit	11,644	38,954	-70%
Profit before tax	9,902	35,811	-72%
Profit after tax	6,326	36,260	-83%
Profit attributable to owners of the Company	7,433	36,890	-80%
Additional information: <u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	13,624	(7,237)	288%
- Indonesian operations (Kalimantan)	(1,679)	(3,985)	58%
- Indonesian operations (Sulawesi)	(214)	(265)	19%
Investment holding	(1,829)	(2,005)	9%
Gain on disposal of non-current assets held for sale	-	49,303	-100%
Profit before tax	9,902	35,811	-72%
<u>Breakdown of profit before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	23,280	3,727	525%
- Indonesian operations (Kalimantan)	3,160	966	227%
- Indonesian operations (Sulawesi)	(186)	(124)	-50%
EBITDA	26,254	4,569	475%
Depreciation and amortisation	(14,990)	(16,466)	9%
Fair value changes on biological assets (net)	1,695	1,895	-11%
Investment income	169	793	-79%
Net foreign exchange loss	(1,484)	(1,140)	-30%
Interest expense	(1,742)	(3,143)	45%
Plantations + investment holding results	9,902	(13,492)	173%
Gain on disposal of non-current assets held for sale	-	49,303	-100%
Profit before tax	9,902	35,811	-72%

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
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	Individual Quarter		
	Current Quarter Ended 31 October 2020	Preceding Year Corresponding Quarter Ended 31 October 2019	Variance
Additional information (cont'd):			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,268	18,322	0%
- Indonesia	5,582	5,278	6%
Total mature area	23,850	23,600	1%
Immature area:			
- Malaysia	733	679	8%
- Indonesia	2,157	1,940	11%
Total immature area	2,890	2,619	10%
Total planted area	26,740	26,219	2%
<u>FFB production (tonne)</u>			
- Malaysia	85,753	77,734	10%
- Indonesia	16,795	13,973	20%
Total FFB production	102,548	91,707	12%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.68	4.16	13%
- Indonesia	3.01	2.65	14%
Group FFB yield	4.29	3.83	12%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	2,745	2,057	33%
Average PK price/tonne	1,559	1,167	34%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	2,414	1,889	28%
Average PK price/tonne	1,252	909	38%

During the current quarter ended 31 October 2020, the Group recorded a pretax profit of RM9.9 million compared with a pretax profit of RM35.8 million in the corresponding quarter of the preceding year which included gain on disposal of non-current assets held for sale of RM49.3 million.

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UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(a) Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 October 2020, the Group recorded a plantation profit of RM13.6 million compared with a plantation loss of RM7.2 million in the corresponding quarter of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM23.3 million which was 525% higher than RM3.7 million in the corresponding quarter of the preceding year.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM2,745/tonne (preceding year: RM2,057/tonne) and PK price of RM1,559/tonne (preceding year: RM1,167/tonne), lower unit cost of production as well as higher FFB production by 10% or 8,019 tonnes.

Indonesian operations (Kalimantan)

Plantation losses for the current quarter and corresponding quarter of the preceding year amounted to RM1.7 million and RM4.0 million respectively. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an EBITDA of RM3.2 million which was 227% higher than RM1.0 million in the corresponding quarter of the preceding year.

In the current quarter, FFB production in Indonesian operations grew by 20% or 2,822 tonnes. Higher EBITDA recorded in the current quarter was mainly due to improved yields, higher average CPO price of RM2,414/tonne (preceding year: RM1,889/tonne) and PK price of RM1,252/tonne (preceding year: RM909/tonne) as well as lower unit cost of production.

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**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2020****NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D****B1. Review of Performance - Cont'd****(a) Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd****Investment Income**

Detailed breakdown of investment income is as follows:

	Individual Quarter		
	Current Quarter Ended 31 October 2020	Preceding Year Corresponding Quarter Ended 31 October 2019	Variance
	RM'000	RM'000	%
Interest income	88	285	-69%
Fair value gains on financial assets at fair value through profit or loss	81	508	-84%
	169	793	-79%

Investment income of current quarter and corresponding quarter of the preceding year consist of interest income and fair value gains on financial assets at fair value through profit or loss.

(b) Current Year-to-date vs. Preceding Year-to-date

	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2020	Preceding Year-to-date Ended 31 October 2019	Variance
	RM'000	RM'000	%
Revenue	184,735	120,322	54%
Operating profit	15,611	82,141	-81%
Profit before tax	11,808	76,141	-84%
Profit after tax	9,064	72,463	-87%
Profit attributable to owners of the Company	10,987	73,837	-85%

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	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2020	Preceding Year-to-date Ended 31 October 2019	Variance
Additional information:			
<u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	19,442	(14,534)	234%
- Indonesian operations (Kalimantan)	(7,147)	(10,125)	29%
- Indonesian operations (Sulawesi)	(451)	(443)	-2%
Investment holding	(36)	(1,953)	98%
Gain on disposal of non-current assets held for sale	-	103,196	-100%
Profit before tax	11,808	76,141	-84%
<u>Breakdown of profit before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	38,182	7,592	403%
- Indonesian operations (Kalimantan)	3,847	(441)	972%
- Indonesian operations (Sulawesi)	(399)	(163)	-145%
EBITDA	41,630	6,988	496%
Depreciation and amortisation	(30,262)	(31,745)	5%
Fair value changes on biological assets (net)	3,111	2,093	49%
Investment income	477	1,330	-64%
Net foreign exchange gain	655	279	135%
Interest expense	(3,803)	(6,000)	37%
Plantations + investment holding results	11,808	(27,055)	144%
Gain on disposal of non-current assets held for sale	-	103,196	-100%
Profit before tax	11,808	76,141	-84%

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	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2020	Preceding Year-to-date Ended 31 October 2019	Variance
Additional information (cont'd):			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,268	18,322	0%
- Indonesia	5,582	5,278	6%
Total mature area	23,850	23,600	1%
Immature area:			
- Malaysia	733	679	8%
- Indonesia	2,157	1,940	11%
Total immature area	2,890	2,619	10%
Total planted area	26,740	26,219	2%
<u>FFB production (tonne)</u>			
- Malaysia	171,525	154,554	11%
- Indonesia	28,664	23,601	21%
Total FFB production	200,189	178,155	12%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	9.36	8.14	15%
- Indonesia	5.13	4.47	15%
Group FFB yield	8.37	7.34	14%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	2,530	2,010	26%
Average PK price/tonne	1,446	1,137	27%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	2,252	1,882	20%
Average PK price/tonne	1,160	910	27%

During the current six months ended 31 October 2020, the Group recorded a pretax profit of RM11.8 million compared with a pretax profit of RM76.1 million in the corresponding period of the preceding year which included gain on disposal of non-current assets held for sale of RM103.2 million.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(b) Current Year-to-date vs. Preceding Year-to-date - Cont'd

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current six months ended 31 October 2020, the Group recorded a plantation profit of RM19.4 million compared with a plantation loss of RM14.5 million in the corresponding period of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an EBITDA of RM38.2 million which was 403% higher than RM7.6 million in the corresponding period of the preceding year.

Higher EBITDA in the current six months was mainly due to higher average CPO price of RM2,530/tonne (preceding year: RM2,010/tonne) and PK price of RM1,446/tonne (preceding year: RM1,137/tonne), lower unit cost of production as well as higher FFB production by 11% or 16,971 tonnes.

Indonesian operations (Kalimantan)

Plantation losses for the current six months and corresponding period of the preceding year amounted to RM7.1 million and RM10.1 million respectively. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an EBITDA of RM3.8 million compared with a loss of RM0.4 million in the corresponding period of the preceding year.

In the current six months, FFB production in Indonesian operations grew by 21% or 5,063 tonnes. EBITDA recorded in the current six months was mainly due to improved yields, higher average CPO price of RM2,252/tonne (preceding year: RM1,882/tonne) and PK price of RM1,160/tonne (preceding year: RM910/tonne) as well as lower unit cost of production.

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Detailed breakdown of investment income is as follows:

	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2020	Preceding Year-to-date Ended 31 October 2019	Variance
	RM'000	RM'000	%
Interest income	234	579	-60%
Fair value gains on financial assets at fair value through profit or loss	243	751	-68%
	477	1,330	-64%

Investment income of current six months and corresponding period of the preceding year consist of interest income and fair value gains on financial assets at fair value through profit or loss.

B2. Comparison with Preceding Quarter's Results

	Individual Quarter		
	Current Quarter Ended 31 October 2020	Preceding Quarter Ended 31 July 2020	Variance
	RM'000	RM'000	%
Revenue	97,949	86,786	13%
Operating profit	11,644	3,967	194%
Profit before tax	9,902	1,906	420%
Profit after tax	6,326	2,738	131%
Profit attributable to owners of the Company	7,433	3,554	109%
Additional information: <u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	13,624	5,818	134%
- Indonesian operations (Kalimantan)	(1,679)	(5,468)	69%
- Indonesian operations (Sulawesi)	(214)	(237)	10%
Investment holding	(1,829)	1,793	-202%
Profit before tax	9,902	1,906	420%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D
B2. Comparison with Preceding Quarter's Results - Cont'd

	Individual Quarter		
	Current Quarter Ended 31 October 2020	Preceding Quarter Ended 31 July 2020	Variance
Additional information (cont'd):			
<u>Breakdown of profit before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	23,280	14,902	56%
- Indonesian operations (Kalimantan)	3,160	687	360%
- Indonesian operations (Sulawesi)	(186)	(213)	13%
EBITDA	26,254	15,376	71%
Depreciation and amortisation	(14,990)	(15,272)	2%
Fair value changes on biological assets (net)	1,695	1,416	20%
Investment income	169	308	-45%
Net foreign exchange (loss)/gain	(1,484)	2,139	-169%
Interest expense	(1,742)	(2,061)	15%
Profit before tax	9,902	1,906	420%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,268	18,347	0%
- Indonesia	5,582	5,582	0%
Total mature area	23,850	23,929	0%
Immature area:			
- Malaysia	733	654	12%
- Indonesia	2,157	2,130	1%
Total immature area	2,890	2,784	4%
Total planted area	26,740	26,713	0%
<u>FFB production (tonne)</u>			
- Malaysia	85,753	85,772	0%
- Indonesia	16,795	11,869	42%
Total FFB production	102,548	97,641	5%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.68	4.68	0%
- Indonesia	3.01	2.13	41%
Group FFB yield	4.29	4.08	5%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	2,745	2,328	18%
Average PK price/tonne	1,559	1,334	17%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	2,414	2,091	15%
Average PK price/tonne	1,252	1,044	20%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B2. Comparison with Preceding Quarter's Results - Cont'd

During the current quarter ended 31 October 2020, the Group recorded a pretax profit of RM9.9 million which was 420% higher than RM1.9 million in the preceding quarter.

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 October 2020, the Group recorded a plantation profit of RM13.6 million which was 134% higher than RM5.8 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an EBITDA of RM23.3 million which was 56% higher than RM14.9 million in the preceding quarter.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM2,745/tonne (preceding quarter: RM2,328/tonne) and PK price of RM1,559/tonne (preceding quarter: RM1,334/tonne).

Indonesian operations (Kalimantan)

Plantation losses for the current and preceding quarters amounted to RM1.7 million and RM5.5 million respectively. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Group recorded an EBITDA of RM3.2 million which was 360% higher than RM0.7 million in the preceding quarter.

In the current quarter, FFB production in Indonesian operations grew by 42% or 4,926 tonnes. Higher EBITDA recorded in the current quarter was mainly due to improved yields, higher average CPO price of RM2,414/tonne (preceding quarter: RM2,091/tonne) and PK price of RM1,252/tonne (preceding quarter: RM1,044/tonne) as well as lower unit cost of production.

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Detailed breakdown of investment income is as follows:

	Individual Quarter		
	Current Quarter Ended 31 October 2020	Preceding Quarter Ended 31 July 2020	Variance
	RM'000	RM'000	%
Interest income	88	146	-40%
Fair value gains on financial assets at fair value through profit or loss	81	162	-50%
	169	308	-45%

Investment income of current and preceding quarters consist of interest income and fair value gains on financial assets at fair value through profit or loss.

B3. Current Year Prospects

The Group expects FFB production to increase during the financial year ending 30 April 2021 ("FY 2021") due to higher yields, better age profile and an increase in mature area in oil palm estates in Kalimantan, Indonesia.

Management's priority remains focused on improving labour productivity and cost efficiency as well as increasing FFB yield.

The rising trend of CPO prices coupled with higher FFB production are expected to improve the Group's financial results. However, the Group is cautious in view of the uncertainty of the global demand for CPO due to the COVID-19 pandemic.

B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee was issued by the Group during the period ended 31 October 2020.

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The following items have been (credited)/charged in arriving at profit before tax:

	Current Quarter Ended 31 October 2020	Cumulative 6 Months Ended 31 October 2020
	RM'000	RM'000
Fair value changes on biological assets (net)	(1,695)	(3,111)
Interest income	(88)	(234)
Loss/(gain) on disposal of property, plant and equipment	3	(31)
Net foreign exchange loss/(gain):		
- realised	3	21
- unrealised	1,481	(676)
Realised fair value gains on financial assets at fair value through profit or loss	(81)	(243)
Depreciation of property, plant and equipment	11,423	23,116
Depreciation of right-of-use assets	3,567	7,146
Interest expense	1,742	3,803
Property, plant and equipment written off	52	52

The other minimum disclosure items which are currently not applicable to the Group are as follows:

- Provision for and write off of receivables
- Provision for and write off of inventories
- Impairment of assets
- Gain or loss on derivatives
- Exceptional items

B6. Taxation

	Current Quarter Ended 31 October 2020	Cumulative 6 Months Ended 31 October 2020
	RM'000	RM'000
Current tax expense	2,776	4,221
Withholding tax	205	421
Deferred tax expense	595	(1,898)
	3,576	2,744

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The effective tax rate for the current quarter was higher than the statutory tax rate due to certain expenses which are not deductible whilst the effective tax rate for the current financial year-to-date was approximately the statutory tax rate.

B7. Status of Corporate Proposals

There is no corporate proposal announced by the Group or pending completion as at 15 December 2020.

B8. Group Borrowings and Debt Securities

At the end of the current quarter and preceding year corresponding quarter, the Group's borrowings were as follows:

As at End of Current Quarter 31 October 2020

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	188,727	53,598
Short-term		
- Term loan (USD'000)	5,000	20,773
- Term loan (IDR million)	13,357	3,794
- Revolving credit (USD'000)	17,000	70,626
Total bank borrowings		148,791
Exchange rate used:	USD1 =	4.1545
	IDR1,000 =	0.284

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	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (USD'000)	5,000	20,867
- Term loan (IDR million)	202,084	60,019
Short-term		
- Term loan (USD'000)	15,000	62,603
- Revolving credit (USD'000)	15,000	62,603
Total bank borrowings		206,092
Exchange rate used:	USD1 =	4.1735
	IDR1,000 =	0.297

- (a) The USD term loan carries an interest rate based on the bank's cost of funds + 0.75% to 1% per annum.
- (b) The USD revolving credit carries an interest rate based on the bank's cost of funds + 0.75% to 1% per annum.
- (c) The IDR term loan carries an interest rate based on the 1-month Jakarta Interbank Offered Rate ("JIBOR") + 3.45% per annum.
- (d) The Group does not hedge the USD and IDR borrowings in Ringgit Malaysia ("RM").

There was no debt security as at 31 October 2020.

B9. Material Litigation

There was no material litigation since the last reporting date as at 30 April 2020.

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	As at End of Current Quarter 31 October 2020	As at Preceding Financial Year End 30 April 2020
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	633,817	632,460
- unrealised	457,749	457,631
	<u>1,091,566</u>	<u>1,090,091</u>
Less: Consolidation adjustments	(17,698)	(15,956)
Total Group's retained earnings as per consolidated statement of financial position	<u>1,073,868</u>	<u>1,074,135</u>

B11. Earnings Per Share**(a) Basic earnings per share**

Basic earnings per share are calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period as follows:

	Current Quarter Ended 31 October 2020	Cumulative 6 Months Ended 31 October 2020
Profit for the period attributable to owners of the Company (RM'000)	7,433	10,987
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,769
Basic earnings per share (sen)	<u>3.54</u>	<u>5.24</u>

(b) Diluted earnings per share

Upon expiry of the ESOS on 17 June 2020 as disclosed in Note A6, the Group does not have any potential dilutive ordinary shares for the current quarter and current financial year-to-date ended 31 October 2020.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B12. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications in the auditors' report of the Group's latest annual financial statements ended 30 April 2020.

B13. Dividends

The directors declare a first interim single-tier dividend of 3 sen in respect of the financial year ending 30 April 2021 (previous year 2020: a first interim single-tier dividend of 2 sen).

The first interim dividend will be paid on 4 February 2021.

B14. Closure of Books

NOTICE IS HEREBY GIVEN that a first interim single-tier dividend of 3 sen per share, in respect of the financial year ending 30 April 2021 will be paid on 4 February 2021 to shareholders whose names appear in the Record of Depositors and the Register of Members at the close of business at 5.00 p.m. on 15 January 2021.

A shareholder shall qualify for dividend entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 15 January 2021 in respect of transfers;
- (b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 13 January 2021 in respect of shares which are exempted from mandatory deposit;
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

B15. Authorised for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 15 December 2020.

By order of the Board,
Yong Yoke Hiong (SSM PC No. 20190801562) (MAICSA 7021707)
Pang Poh Chen (SSM PC No. 201908001514) (MACS 01405)
Company Secretaries
Melaka, 15 December 2020