

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statement of Comprehensive Income (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2022**

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2022 (Unaudited) RM' 000	31.12.2021 (Unaudited) RM'000	31.12.2022 (Unaudited) RM' 000	31.12.2021 (Audited) RM' 000
Revenue	119,571	195,821	593,266	599,008
Cost of sales	(108,648)	(157,083)	(499,704)	(489,685)
Gross profit	10,923	38,738	93,562	109,323
Other income	4,018	5,084	11,635	8,719
Administrative expenses	(5,897)	(5,504)	(14,970)	(13,900)
Other operating expenses	(3,293)	(1,562)	(7,683)	(3,936)
Operating profit	5,751	36,756	82,544	100,206
Finance costs	(507)	(735)	(2,105)	(3,514)
Profit/(Loss) before tax	5,244	36,021	80,439	96,692
Income tax expense	(6,957)	(5,539)	(24,775)	(19,686)
(Loss)/Profit after tax	(1,713)	30,482	55,664	77,006
Other comprehensive income				
Available-for-sale financial assets:				
- (Loss)/Gain on fair value changes	2	(59)	2	(59)
Exchange difference on translation of foreign operations	(23)	226	(23)	(62)
Total comprehensive (loss)/income for the period	(1,734)	30,649	55,643	76,885
(Loss)/Profit attributable to:				
Owners of the parent	218	14,681	34,622	42,100
Non-controlling interests	(1,931)	15,801	21,042	34,906
	(1,713)	30,482	55,664	77,006
Total comprehensive (loss)/income attributable to:				
Owners of the parent	217	14,787	34,619	42,025
Non-controlling interests	(1,951)	15,862	21,024	34,860
	(1,734)	30,649	55,643	76,885
Weighted average number of shares in issue	196,544	196,544	196,544	196,544
Earnings per share in sen				
- Basic	0.11	7.47	17.62	21.42

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2021.**

**MHC Plantations Bhd (4060-V)**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position**  
**as at 31 December 2022**

	<b>As at 31.12.2022 (Unaudited) RM'000</b>	<b>As at 31.12.2021 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	472,094	486,201
Investment properties	45,264	45,264
Deferred tax assets	4,647	6,539
Investment in securities	281	279
Goodwill on consolidation	43,867	43,867
	<u>566,153</u>	<u>582,150</u>
<b>Current assets</b>		
Inventories	26,813	21,609
Biological assets	3,356	5,822
Trade and other receivables	22,994	26,972
Tax recoverable	1,176	1,700
Short term investments	42,816	31,966
Fixed deposits with licensed banks	41,942	16,684
Cash and bank balances	25,506	34,370
	<u>164,603</u>	<u>139,123</u>
<b>TOTAL ASSETS</b>	<u>730,756</u>	<u>721,273</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	196,544	196,544
Reserves	111,375	88,697
	<u>307,919</u>	<u>285,241</u>
<b>Non-controlling interests</b>	293,955	281,898
<b>Total equity</b>	<u>601,874</u>	<u>567,139</u>

**Condensed Consolidated Statement of Financial Position  
as at 31 December 2022 (Contd.)**

	<b>As at 31.12.2022 (Unaudited) RM'000</b>	<b>As at 31.12.2021 (Audited) RM'000</b>
<b>EQUITY AND LIABILITIES (CONTD.)</b>		
<b>Non-current liabilities</b>		
Borrowings	24,809	33,126
Deferred tax liabilities	50,636	50,997
Lease liabilities	2,849	2,908
	78,294	87,031
<b>Current liabilities</b>		
Payables	33,455	37,758
Borrowings	11,700	22,587
Lease liabilities	1,044	1,075
Taxation	4,389	5,683
	50,588	67,103
<b>Total liabilities</b>	128,882	154,134
<b>TOTAL EQUITY AND LIABILITIES</b>	730,756	721,273
<b>Net Tangible Asset Per Share (RM)</b>	1.34	1.23
<b>Net Asset Per Share (RM)</b>	1.57	1.45

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2021.**

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statements of Changes in Equity (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2022**

	Non-Distributable						Distributable		Total	Non-controlling Interests	Total Equity
	Share Capital RM' 000	Capital Reserve RM' 000	Other Reserve RM' 000	Revaluation Reserve RM' 000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Capital Reserve RM' 000	Retained Profits RM' 000			
<b>Opening balance at 1 Jan 2021</b>	196,544	5,737	(32,382)	789	(4)	(276)	8	80,450	250,866	253,568	504,434
Total comprehensive income for the period	-	-	-	-	(59)	(16)	-	42,100	42,025	34,860	76,885
Dividends paid to the equity holders of the Company	-	-	-	-	-	-	-	(7,862)	(7,862)	-	(7,862)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(5,553)	(5,553)
Effect of subsidiary's treasury transaction	-	-	(142)	-	-	-	-	-	(142)	(85)	(227)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	353	353	(892)	(539)
<b>Closing balance at 31 December 2021</b>	<b>196,544</b>	<b>5,737</b>	<b>(32,524)</b>	<b>789</b>	<b>(63)</b>	<b>(292)</b>	<b>8</b>	<b>115,041</b>	<b>285,240</b>	<b>281,898</b>	<b>567,138</b>
<b>Opening balance at 1 Jan 2022</b>	196,544	5,737	(32,523)	789	(63)	(292)	8	115,041	285,241	281,898	567,139
Total comprehensive income for the period	-	-	-	-	2	(6)	-	34,622	34,618	21,024	55,642
Dividends paid to the equity holders of the Company	-	-	-	-	-	-	-	(11,793)	(11,793)	-	(11,793)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(8,601)	(8,601)
Effect of subsidiary's treasury share transaction	-	-	(147)	-	-	-	-	-	(147)	(66)	(213)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	(300)	(300)
<b>Closing balance at 31 December 2022</b>	<b>196,544</b>	<b>5,737</b>	<b>(32,670)</b>	<b>789</b>	<b>(61)</b>	<b>(298)</b>	<b>8</b>	<b>137,870</b>	<b>307,919</b>	<b>293,955</b>	<b>601,874</b>

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2022**

	<b>12 months ended</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>Operating activities</b>		
Profit before taxation	80,439	96,692
Adjustments for:		
Depreciation and amortisation	29,628	29,797
Reversal of allowance for expected credit losses	218	(51)
Impairment on slow moving inventories	-	1,310
Interest expense	2,105	3,514
Inventory written off	-	340
(Gain)/Loss on disposal of property, plant and equipment	(81)	-
(Gain)/Loss on fair value of biological assets	2,466	(2,558)
(Gain)/Loss on termination of lease liabilities	-	(23)
Property, plant and equipment written off	512	934
Interest income	(1,373)	(559)
Dividend income	(5)	(6)
Total adjustments	33,470	32,698
<b>Operating cash flows before changes in working capital</b>	<b>113,909</b>	<b>129,390</b>
Changes in working capital:		
Inventories	(5,204)	(4,726)
Receivables	3,765	(3,895)
Payables	(4,283)	11,436
Total changes in working capital	(5,722)	2,815
Cash generated from operations	108,187	132,205
Interest received	1,358	559
Interest paid	(2,116)	(3,843)
Tax refunded	322	383
Tax paid	(24,334)	(15,534)
<b>Net cash flows from/(used in) operating activities</b>	<b>83,417</b>	<b>113,770</b>
<b>Investing activities</b>		
Dividend received	5	6
Acquisition of non-controlling interests	(300)	(539)
Purchase of property, plant and equipment	(14,987)	(9,064)
Net redemption/(investment in) of short term investments	(10,850)	(14,392)
(Additional)/Withdrawal placement of pledged fixed deposits	(6)	6
Proceeds from disposal of property, plant and equipment	102	-
<b>Net cash flows (used in)/from investing activities</b>	<b>(26,036)</b>	<b>(23,983)</b>
<b>Financing activities</b>		
Drawdown of revolving credit	20,000	5,000
Drawdown of term loan	100	-
Purchase of treasury shares in a subsidiary	(213)	(226)
Repayment of revolving credit	(28,600)	(40,600)
Repayment of term loan	(10,704)	(20,792)
Repayment of lease liabilities	(1,149)	(1,239)
Dividends paid to equity holders of the Company	(11,793)	(7,862)
Dividend paid to non-controlling interest	(8,601)	(5,553)
<b>Net cash flows from/(used in) financing activities</b>	<b>(40,960)</b>	<b>(71,272)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,421</b>	<b>18,515</b>
Effect on exchange rate changes on cash and cash equivalents	(34)	(61)
<b>Cash and cash equivalents as at 1 January</b>	<b>46,440</b>	<b>27,986</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>62,827</b>	<b>46,440</b>
<b>Cash and cash equivalents :</b>		
Fixed deposits with licensed banks	41,942	16,684
Cash and bank balances	25,506	34,370
	67,448	51,054
Less : Fixed deposits pledged	(4,621)	(4,614)
	62,827	46,440

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2021.**

## Notes to the condensed consolidated interim financial statements

### 1. Basis of preparation

The condensed consolidated interim financial statements for the financial year ended 31 December 2022 have been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

The accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

### 2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 except for the adoption of new MFRS, amendments to published standards and IC Interpretations for the Group for the financial year beginning 1 January 2022:

<b>Amendments to MFRSs</b>	<b>Effective Date</b>
Amendments to MFRS1:First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)	1 Jan 2022
Amendments to MFRS 3: Business Combinations-Reference to Conceptual Framework	1 Jan 2022
Amendments to MFRS 9: Financial Instruments (Annual improvements to MFRS Standard 2018-2020)	1 Jan 2022
Amendments to Illustrative Examples accompanying MFRS 16: Leases (Annual Improvements to MFRS Standards 2018-2020)	1 Jan 2022
Amendments to MFRS116: Property, plant and equipment –Proceeds before intended use	1 Jan 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets-Onerous Contracts- Cost of Fulfilling a Contract	1 Jan 2022
Amendments to MFRS 141 Agriculture (Annual Improvements to MFRS Standards 2018-2020)	1 Jan 2022

The adoption of above amendments to MFRS did not have a material impact on the financial statements of the Group.

2. Significant accounting policies (Cont'd)

At the date of authorization of these interim financial statements, the following MFRS were issued but not yet effective and have not been applied by the Group:

<b>Amendments to MFRSs</b>	<b>Effective Date</b>
MFRS 17: Insurance Contracts	1 Jan 2023
Amendments to MFRS 17: Insurance Contracts-Initial Application of MFRS17	1 Jan 2023
Amendments to MFRS 9 : Comparative Information	1 Jan 2023
Amendments to MFRS101: Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies	1 Jan 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors-Definition of Accounting Estimates	1 Jan 2023
Amendments to MFRS 112: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023

3. Auditors' report

The auditor's report on the preceding annual financial statements was not qualified.

4. Seasonal and cyclical factors

The business of the Group is cyclical in nature and the third quarter is normally the peak production season.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year ended 31 December 2022.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Equity and debt securities

There were no issuance, cancellation, resale, repurchase and repayment of equity or debt securities during the financial year ended 31 December 2022.

## 8. Dividend paid

On 30 March 2022, the Board approved the following single-tier dividend:

(i) A single-tier interim dividend of 2.0 sen per ordinary share totalling RM3,930,879 in respect for the financial year ending 31 December 2022 and paid on 10 May 2022; and

(ii) A single-tier “bumper profit” special dividend of 2.0 sen per ordinary share totalling RM3,930,880 in respect for the financial year ended 31 December 2021 and paid on 10 May 2022; and

(iii) A single-tier “last and final Covid-19 relief” special dividend of 2.0 sen per ordinary share totalling RM3,930,879 in respect for the financial year ending 31 December 2022 and paid on 10 May 2022.

No interim dividend has been paid during the current quarter ended 31 December 2022.

## 9. Segment information

The Group has three reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments:

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products
- c. Power Plant – Power Generation and sales of biomass by-products

Information about reportable segments

	Results for 3 months ended 31 December							
	Plantation		Oil Mill		Power Plant		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	8,879	16,049	103,966	161,233	6,379	18,245	119,224	195,527
Inter-segment revenue	17,506	25,241	-	-	-	-	17,506	25,241
Segment profit/(loss)	4,061	23,474	4,746	7,838	(1,741)	6,912	7,066	38,224



9. Segment information (Contd.)

	<b>3 months ended 31.12.2022 (Unaudited)</b>	<b>3 months ended 31.12.2021 (Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	7,066	38,224
Other non-reportable segments	(417)	(566)
Amortisation of group land cost	(631)	(631)
Elimination of inter-segment profits	20	200
Unallocated corporate (expenses)/income	(794)	(1,206)
Consolidated profit/(loss) before tax	<u>5,244</u>	<u>36,021</u>

	<b>Results for 12 months ended 31 December</b>									
	<b>Plantation</b>		<b>Oil Mill</b>		<b>Power Plant</b>		<b>Total</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
External revenue	36,352	55,406	509,130	488,787	46,213	53,823	591,695	598,016		
Inter-segment revenue	90,642	71,124	-	-	-	-	90,642	71,124		
Segment profit/(loss)	54,384	65,723	20,736	21,368	10,078	16,050	85,198	103,141		

	<b>12 months ended 31.12.2022 (Unaudited)</b>	<b>12 months ended 31.12.2021 (Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	85,198	103,141
Other non-reportable segments	445	(2,173)
Amortisation of group land cost	(2,523)	(2,523)
Elimination of inter-segment profits	(505)	218
Unallocated corporate (expenses)/income	(2,176)	(1,971)
Consolidated profit/(loss) before tax	<u>80,439</u>	<u>96,692</u>

#### 10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 December 2022.

#### 11. Contingent Assets and Liabilities

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2021.

On 10 May 2021, a group of residents of Kampung Segaliud in Sandakan sued a subsidiary of the Company, Prolific Yield Sdn. Bhd. (“Prolific”) and another third party for negligence and breach of duty for alleged discharge of industrial effluent from their palm oil mill and thereby causing pollution to the nearby Segaliud River. Prolific has strongly denied the said claim as they maintain that at all material times they had set up and operated a safe and adequate industrial effluent treatment system duly approved and licensed by the relevant authorities in compliance with the terms and conditions of the said license and all applicable relevant laws and regulations.

The trial was held in Sandakan High Court from 4 July 2022 to 6 July 2022. Thereafter on 1 December 2022, the High Court dismissed the said claim against Prolific and further awarded RM30,000 costs to Prolific.

#### 12. Capital commitments

	RM'000
Capital expenditure	
Approved and contracted for	13,133
Approved but not contracted for	<u>15,462</u>
	<u>28,595</u>

#### 13. Subsequent event

There were no material subsequent events to the end of the current quarter.

## Information required by BMSB Listing Requirements

### 1. Review of performance

#### Financial review for current quarter and financial year to date

	Individual Period (4th Quarter)			Cumulative Period (12 months ended)			
	Current year Quarter	Preceding Year Corresponding Quarter	Changes (%)	Current Year To- date	Preceding Year Corresponding Period	Changes (%)	
	31.12.2022	31.12.2021		31.12.2022	31.12.2021		
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)		
	RM'000	RM'000		RM'000	RM'000		
Revenue	119,571	195,821	-39%	593,266	599,008	-1%	
Operating profit	5,751	36,756	-84%	82,544	100,206	-18%	
Profit before tax	5,244	36,021	-85%	80,439	96,692	-17%	
(Loss)/Profit after tax	(1,713)	30,482	>-100%	55,664	77,006	-28%	
Profit attributable to ordinary equity holders of the Parent	218	14,681	-99%	34,622	42,100	-18%	
<b>Operational Statistics</b>							
Production:							
FFB	(mt)	36,584	38,912	-6%	129,782	143,863	-10%
CPO	(mt)	23,694	26,456	-10%	87,055	94,290	-8%
PK	(mt)	6,456	7,209	-10%	23,015	25,306	-9%
Average selling price:							
FFB	(RM/mt)	704	1,037	-32%	958	868	10%
CPO	(RM/mt)	3,898	5,100	-24%	5,048	4,427	14%
PK	(RM/mt)	2,072	3,729	-44%	3,083	2,889	7%
Quantity sold:							
CPO	(mt)	23,290	26,184	-11%	86,791	93,890	-8%
PK	(mt)	6,366	7,425	-14%	23,033	25,309	-9%
Oil Extraction Rate (%)		19.21	20.00	-4%	19.31	19.68	-2%
Electricity Export(MWh)		8,915	18,375	-51%	52,366	59,542	-12%

1. Review of performance (Cont'd)

**Current Quarter vs. Previous Year Corresponding Quarter**

The Group recorded a revenue of RM119.57 million and profit before tax of RM5.24 million for the current quarter ended 31 December 2022 as compared to a revenue of RM195.82 million and profit before tax of RM36.02 million in the preceding year quarter ended 31 December 2021. The significant decreases in revenue and profit before tax were mainly due to:

- a) Decreases in FFB production and average FFB selling price by 6% and 32% respectively;
- b) Decreases in average selling prices of CPO and PK by 24% and 44% respectively;
- c) Decreases in sales volume of CPO and PK by 11% and 14% respectively
- d) Increased costs for FFB production in variables such as fertiliser and labour costs;
- e) A fair loss of RM2.47 million on biological assets; and
- f) Decreases in power export and EFB Oil sales volume arising from the shutdown of biomass plant for maintenance and repair since October 2022.

Performance of the respective operating business segments for this quarter under review as compared to the previous corresponding quarter was analysed as follows:

- (i) Plantation – The decrease in Segment profit by RM19.41 million (83%) from RM23.47 million to RM4.06 million was mainly due to decreases in FFB production and average FFB selling price by 6% and 32% respectively and increase costs of FFB production in variables such as fertiliser and labour costs. In addition, the Plantation Segment incurred a fair value loss of RM2.47 million on biological assets in the current quarter as compared to a fair value gain of RM2.56 million in the previous corresponding quarter which further contributed to a less favorable comparative results.
- (ii) Oil Mill – The decrease in Segment profit by RM3.09 million (39%) from RM7.84 million to RM4.75 million was mainly due to a decrease in FFB processed volume by 7% and a lower milling margin as a result of decline in Mill OER.
- (iii) Power Plant – The substantial decrease in Segment profit by RM8.65 million (>100%) from a Segment profit of RM6.91 million to a Segment loss of RM1.74 million was mainly due to the shutdown maintenance and repair of biomass plant since October 2022. The shutdown of biomass plant significantly reduced the Power Export by 51% and EFB Oil sales volume by 70%. The Biomass power plant resumed operation since 15 February 2023.

### **Current Year-to-date vs. Previous Year-to-date**

For this financial year under review, the Group recorded a revenue of RM593.27 million and profit before tax of RM80.44 million as compared to a revenue of RM599.01 million and profit before tax of RM96.69 million in the preceding year. The decrease in profit before tax was mainly due to:

- a) A 10% decrease in FFB production;
- b) Increased costs for FFB production in variables such as fertiliser and labour costs;
- c) A fair loss of RM2.47 million on biological assets; and
- d) Decreases in power export and EFB Oil Sales volume by 12% and 24% respectively.

Performance of the respective operating business segments for this financial year under review as compared to the previous financial corresponding period was analysed as follows:

- (i) Plantation – The decrease in Segment profit by RM11.34 million (17%) from RM65.72 million to RM54.38 million was mainly due to a 10% decrease in FFB production and increase costs of FFB production in variables such as fertiliser and labour costs. In addition, the Plantation Segment incurred a fair value loss of RM2.47 million on biological assets in the current year as compared to a fair value gain of RM2.56 million in the previous year.
- (ii) Oil Mill – The Segment profit decreased marginally by RM0.63 million (3%) from RM21.37 million to RM20.74 million.
- (iii) Power Plant – The decrease in Segment profit by RM5.97 million (37%) from RM16.05 million to RM10.08 million was mainly due to a decrease in the power export by 12% and lower EFB Oil sales volume by 24%.

2. Financial review for current quarter compared with immediate preceding quarter

			<b>Current quarter 31.12.2022 (Unaudited) RM'000</b>	<b>Immediate Preceding Quarter 30.9.2022 (Unaudited) RM'000</b>	<b>Changes (%)</b>
Revenue			119,571	139,552	-14%
Operating profit			5,751	15,154	-62%
Profit before tax			5,244	14,632	-64%
(Loss)/Profit after tax			(1,713)	8,705	>-100%
Profit attributable to ordinary equity holders of the Parent			218	6,624	-97%
<b>Operational Statistics</b>					
Production:					
FFB	(mt)		36,584	32,987	11%
CPO	(mt)		23,694	23,725	0%
PK	(mt)		6,456	5,849	10%
Average selling price:					
FFB	(RM/mt)		704	746	-6%
CPO	(RM/mt)		3,898	4,241	-8%
PK	(RM/mt)		2,072	2,430	-15%
Quantity sold:					
CPO	(mt)		23,290	24,627	-5%
PK	(mt)		6,366	6,422	-1%
Oil Extraction Rate (%)			19.21	19.62	-2%
Electricity Export(MWh)			8,915	15,364	-42%

The Group recorded a profit before tax of RM5.24 million in the quarter under review as compared to a profit before tax of RM14.63 million in the immediate preceding quarter. The significant decrease in profit before tax was mainly due:

- a) A fair loss of RM2.47 million on biological assets;
- b) Decreases in power export and EFB Oil Sales volume by 42% and 70% respectively arising from the shutdown of biomass plant for maintenance and repair since October 2022; and
- c) Decreases in average selling prices of CPO and PK by 8% and 15% respectively and a lower milling margin as a result of decline in Mill OER.

### 3. Commentary on prospects

Since the removal of Indonesia's CPO export ban in June 2022, CPO prices have plunged steeply from the unprecedented all-time high levels seen earlier in the year.

However, the Group expects that CPO prices could still remain relatively high for the year 2023 compared to prices seen three years ago.

The Group expects its FFB production to increase in 2023 as recently replanted areas have begun to reach maturity. However, this may be affected if the current labour shortage problem deteriorates any further.

The Group faces challenges from recent significant increase in production costs such as surge in the price of fertiliser. Labour costs have also increased as a result of the acute shortage of foreign workers and the revised minimum wages effective from May 2022. To combat this, the Group will continue to focus on improving our operating efficiency and productivity, particularly through increased mechanisation.

Overall, the Group expects a challenging year for FY2023 in view of escalating production costs alongside the drop in both CPO and PK prices.

### 4. Profit forecast

Not applicable as there was no profit forecast published.

### 5. Profit/(Loss) before taxation

This is arrived at after crediting/ (charging):

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) on disposal of plant and equipment	81	-	81	-
Fair value gain/(loss) on biological assets	(2,466)	2,558	(2,466)	2,558
Interest income	495	175	1,373	559
Interest expense	(507)	(735)	(2,105)	(3,514)
Dividend income	5	6	5	6
Depreciation and amortisation	(7,202)	(7,543)	(29,628)	(29,797)
Inventory written off	-	(340)	-	(340)
Impairment on slow moving inventories	-	(540)	-	(1,310)
(Allowance)/Reversal for expected credit loss	(222)	51	(218)	51
Property, plant and equipment written off	(196)	(935)	(512)	(935)

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

## 6. Income tax expense

Taxation is provided at the prevailing statutory rate based on the operating profit for the quarter as follows:

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2022 (Unaudited) RM'000	31.12.2021 (Unaudited) RM'000	31.12.2022 (Unaudited) RM'000	31.12.2021 (Audited) RM'000
Current tax:				
-Malaysian income tax	6,002	6,041	21,431	17,362
-Under/(over) provision of tax	(14)	(96)	2,398	2
	5,988	5,945	23,829	17,364
Deferred tax				
- relating to origination and reversal of temporary differences	934	(386)	842	2,630
- under/(over) provision of tax	35	(20)	104	(308)
	969	(406)	946	2,322
Total income tax expense	6,957	5,539	24,775	19,686

The Group's effective tax rate for the current and cumulative quarter was higher than the statutory tax rate of 24% principally due to the reversal of deferred tax assets arising from Investment incentive previously recognised by one of Subsidiaries and certain expenses was disallowed for tax purposes.

## 7. Corporate proposal

There was no corporate proposal for the current quarter under review.

## 8. Borrowings

The total borrowings incurred by the Group and outstanding as at end of the current quarter are as follows:

	Current quarter	
	12 months ended	
	31.12.2022 (Unaudited) RM'000	31.12.2021 (Audited) RM'000
<b>Short term borrowings</b>		
Secured:		
Term loans	7,500	9,787
Short term revolving credits	4,100	11,700
Unsecured:		
Short term revolving credits	100	1,100
	11,700	22,587
<b>Long term borrowings</b>		
Secured:		
Term loans	24,809	33,126
<b>Total borrowings</b>		
Secured:		
Term loans	32,309	42,913
Short term revolving credits	4,100	11,700
Unsecured:		
Short term revolving credits	100	1,100
	36,509	55,713



9. Trade and Other Receivables

		As at	
		31.12.2022	31.12.2021
		(Unaudited)	(Audited)
		RM'000	RM'000
<b>Current</b>			
Trade receivables:			
- Non-related parties		13,456	18,113
Less: Allowance for doubtful debts		(226)	(227)
		13,230	17,886
Other receivables, net		9,764	9,086
		22,994	26,972

The credit period of trade receivables is generally for a period of one month.

The ageing analysis of trade receivables is as follows:

		As at	
		31.12.2022	31.12.2021
		(Unaudited)	(Audited)
		RM'000	RM'000
Neither past due nor impaired		13,236	16,772
1 - 30 days past due not impaired		18	730
31 - 60 days past due not impaired		31	57
61 - 90 days past due not impaired		-	327
More than 90 days past due not impaired		171	227
		220	1,341
Impaired		(226)	(227)
		13,230	17,886

10. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly, there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 December 2022.

11. Changes in material litigation

There are no pending material litigations as at the date of this report.

12. Dividend payable

No interim dividend has been declared for the current quarter ended 31 December 2022.

### 13. Earnings per share

#### a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 196,543,970 (2021 – 196,543,970) in issue during the financial period.

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to the owners of the Company	218	14,681	34,622	42,100
Weighted average number of ordinary shares in issue	196,544	196,544	196,544	196,544
Basic earnings per share (sen)	0.11	7.47	17.62	21.42

#### b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been presented.

### 14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2023.