



**INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021**  
**Condensed Consolidated Statement of Financial Position as at 31 March 2021**  
(The figures have not been audited)

	Note	31 March 2021 RM'000	31 December 2020 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		1,041,074	1,040,132
Bearer plants		972,110	979,964
Inventories		40,818	40,618
Right-of-use assets		508,523	510,461
Investment in a joint venture		23,381	23,287
Intangible assets		168,264	168,266
Deferred tax assets		40,732	44,942
		2,794,902	2,807,670
<b>Current Assets</b>			
Inventories		332,112	251,561
Biological assets		32,681	25,282
Trade and other receivables		272,811	213,377
Current tax recoverable		3,494	5,808
Derivatives	B9	5,825	7,144
Other investments		250,746	304,836
Cash and bank balances		674,341	642,409
		1,572,010	1,450,417
<b>TOTAL ASSETS</b>		4,366,912	4,258,087
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		822,118	820,982
Employee share option reserve		24,366	23,870
Other reserves		(6,436)	(6,543)
Retained earnings		1,619,371	1,540,314
		2,459,419	2,378,623
<b>Non-controlling interests</b>		131,825	124,272
<b>Total equity</b>		2,591,244	2,502,895

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Financial Position as at 31 March 2021 (Continued)**  
(The figures have not been audited)

	<b>Note</b>	<b>31 March 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Non-current liabilities</b>			
Loans and borrowings	B8	682,589	715,164
Deferred tax liabilities		356,005	356,998
Government grants		15,332	15,212
Derivatives	B9	5,279	4,828
Lease liabilities		1,173	584
		<u>1,060,378</u>	<u>1,092,786</u>
<b>Current liabilities</b>			
Loans and borrowings	B8	418,737	393,848
Trade and other payables		247,870	209,330
Current tax payable		5,295	11,469
Government grants		869	868
Derivatives	B9	41,686	45,311
Lease liabilities		833	1,580
		<u>715,290</u>	<u>662,406</u>
<b>Total liabilities</b>		<u>1,775,668</u>	<u>1,755,192</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,366,912</u>	<u>4,258,087</u>
Net assets per share attributable to owners of the Company (RM)		4.30	4.16
No. of share ('000)		571,418	571,122

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Comprehensive Income**  
**For the Three-Months Period ended 31 March 2021**  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 3 months ended 31 March	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Continuing Operations</b>					
Revenue		788,322	518,084	788,322	518,084
Cost of sales		(645,552)	(444,745)	(645,552)	(444,745)
<b>Gross profit</b>		142,770	73,339	142,770	73,339
Administrative expenses		(7,935)	(8,241)	(7,935)	(8,241)
Other operating (expense)/income		(15,054)	37,257	(15,054)	37,257
<b>Operating profit</b>		119,781	102,355	119,781	102,355
Finance income		2,463	6,239	2,463	6,239
Finance costs		(8,691)	(12,285)	(8,691)	(12,285)
Share of result of equity- accounted joint venture, net of tax		(520)	-	(520)	-
<b>Profit before tax</b>	B5	113,033	96,309	113,033	96,309
Taxation	B6	(26,423)	(22,001)	(26,423)	(22,001)
<b>Profit after tax for the period</b>		86,610	74,308	86,610	74,308
<b>Other comprehensive income/(loss):</b>					
Foreign exchange translation differences for foreign operations		612	408	612	408
Fair value adjustment on cash flow hedge		(664)	(2,364)	(664)	(2,364)
Income tax relating to components of other comprehensive income		159	567	159	567
<b>Other comprehensive income/(loss) for the period, net of tax</b>		107	(1,389)	107	(1,389)
<b>Total comprehensive income for the period</b>		86,717	72,919	86,717	72,919
<b>Profit attributable to:</b>					
Owners of the Company		79,057	71,202	79,057	71,202
Non-controlling interests		7,553	3,106	7,553	3,106
		86,610	74,308	86,610	74,308

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Comprehensive Income**  
**For the Three-Months Period ended 31 March 2021 (Continued)**  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 3 months ended 31 March	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		79,164	69,813	79,164	69,813
Non-controlling interests		7,553	3,106	7,553	3,106
		<u>86,717</u>	<u>72,919</u>	<u>86,717</u>	<u>72,919</u>
<b>Earnings per share attributable to owners of the Company (Sen):</b>					
Basic	B12	<u>13.84</u>	<u>12.47</u>	<u>13.84</u>	<u>12.47</u>
Diluted	B12	<u>13.76</u>	<u>12.46</u>	<u>13.76</u>	<u>12.46</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity**  
**For the Three-Months Period ended 31 March 2021**  
(The figures have not been audited)

Equity attributable to owners of the Company

	Equity, total	Equity attributable to owners of the Company total	Share capital	Non-distributable  Employee share option reserve	Other reserves	Distributable  Retained earnings	Non- controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2021</b>	2,502,895	2,378,623	820,982	23,870	(6,543)	1,540,314	124,272
<b>Total comprehensive income for the period</b>	86,717	79,164	-	-	107	79,057	7,553
<b>Transactions with owners</b>							
Issuance of ordinary shares:							
Pursuant to exercise of ESOS	967	967	967	-	-	-	-
Share options granted under ESOS	665	665	-	665	-	-	-
Share options exercised under ESOS	-	-	169	(169)	-	-	-
<b>At 31 March 2021</b>	<u>2,591,244</u>	<u>2,459,419</u>	<u>822,118</u>	<u>24,366</u>	<u>(6,436)</u>	<u>1,619,371</u>	<u>131,825</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunctions with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity  
For the Three-Months Period ended 31 March 2021 (Continued)**

Equity attributable to owners of the Company

	Equity, total	Equity attributable to owners of the Company total	Share capital	Non-distributable		Distributable		Non- controlling interests
				Employee share option reserve	Other reserves	Retained earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2020</b>	2,315,105	2,203,365	820,091	20,366	(1,856)	1,364,764	111,740	
<b>Total comprehensive income for the year</b>	215,471	199,429	-	-	(4,687)	204,116	16,042	
<b>Transactions with owners</b>								
Dividends paid to non-controlling interests in subsidiaries	(3,530)	-	-	-	-	-	(3,530)	
Dividends on ordinary shares	(28,546)	(28,546)	-	-	-	(28,546)	-	
Issuance of ordinary shares:								
Pursuant to exercise of ESOS	749	749	749	-	-	-	-	
Change in ownership interest in a subsidiary	-	(20)	-	-	-	(20)	20	
Share options granted under ESOS	3,646	3,646	-	3,646	-	-	-	
Share options exercised under ESOS	-	-	142	(142)	-	-	-	
<b>At 31 December 2020</b>	<u>2,502,895</u>	<u>2,378,623</u>	<u>820,982</u>	<u>23,870</u>	<u>(6,543)</u>	<u>1,540,314</u>	<u>124,272</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunctions with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Cash Flows**  
**For the Three-Months Period ended 31 March 2021**  
(The figures have not been audited)

	<b>31 March 2021 RM'000</b>	<b>31 March 2020 RM'000</b>
<b>Operating activities</b>		
<b>Profit before tax</b>	113,033	96,309
Adjustments for non-cash items:		
Depreciation and amortisation	38,182	36,262
Amortisation of government grant	(250)	(847)
Share options granted under ESOS	665	866
Gain on disposal of property, plant and equipment	(510)	(147)
Property, plant and equipment written off	31	368
Finance income	(2,463)	(6,239)
Finance costs	8,691	12,285
Fair value (gain)/loss on biological assets	(7,399)	3,351
Unrealised loss on foreign exchange	963	4,317
Fair value gain on derivatives	(2,738)	(37,900)
Share of results of a joint venture	520	-
<b>Operating cash flows before working capital changes</b>	<b>148,725</b>	<b>108,625</b>
(Increase)/Decrease in inventories	(80,751)	(58,306)
(Increase)/Decrease in trade and other receivables	(53,763)	73,639
Increase/(Decrease) in trade and other payables	40,906	(30,566)
<b>Cash flows from operations</b>	<b>55,117</b>	<b>93,392</b>
Net income tax paid	(26,909)	(8,789)
<b>Net cash flows from operating activities</b>	<b>28,208</b>	<b>84,603</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Cash Flows**  
**For the Three-Months Period ended 31 March 2021 (Continued)**  
(The figures have not been audited)

	<b>31 March 2021 RM'000</b>	<b>31 March 2020 RM'000</b>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(22,935)	(12,412)
Increase in bearer plants	(6,475)	(6,961)
Investment in a joint venture	(614)	-
Proceeds from disposal of property, plant and equipment	765	107
Interest received	2,463	6,239
Upliftment of fixed deposits with tenor maturities exceeding three months	54,089	-
<b>Net cash flows from/(used in) investing activities</b>	<u>27,293</u>	<u>(13,027)</u>
<b>Financing activities</b>		
Net movements in trade financing	17,941	(53,979)
Proceeds from loans and borrowings	-	24,859
Proceeds from issuance of shares	967	96
Proceeds from government grant	370	-
Repayment of obligations under hire purchase	(7,699)	(7,784)
Repayment of loans and borrowings	(26,222)	(16,164)
Repayment of lease liabilities	(159)	257
Interest paid	(8,691)	(12,735)
<b>Net cash flows used in financing activities</b>	<u>(23,493)</u>	<u>(65,450)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)





**Condensed Consolidated Statement of Cash Flows**  
**For the Three-Months Period ended 31 March 2021 (Continued)**  
(The figures have not been audited)

	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net increase in cash and cash equivalents</b>	32,008	6,126
<b>Cash and cash equivalents at beginning of the financial period</b>	642,309	822,416
Effect of exchange rate changes	(76)	(1,724)
<b>Cash and cash equivalents at end of the financial period</b>	<u>674,241</u>	<u>826,818</u>
 Cash and cash equivalents at the end of the financial period comprised the following:		
Short term deposits with licensed banks	423,674	597,205
Cash in hand and at banks	252,667	237,434
Cash and bank balances	<u>676,341</u>	<u>834,639</u>
Less: Bank overdraft	-	(7,721)
Less: Short term deposit pledged as security	(100)	(100)
	<u>674,241</u>	<u>826,818</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report)



## Explanatory Notes To The Interim Report – 31 March 2021

### A1. Accounting Policies and Basis of Preparation

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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 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 31 December 2020.

The accounting policies used in the preparation of interim financial statements are consistent with those adopted in the audited financial statements of the Group for the year ended 31 December 2020.

On 1 January 2021, the Group adopted the following new and amended Malaysian Financial Reporting Standards (“MFRSs”) mandatory for annual financial periods beginning on or after 1 January 2021.

- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*
- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the above pronouncements did not have material impact on the financial statements of the Group.

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

<b>MFRS, Amendments to MFRS and IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
• Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements to MFRS Standards 2018-2020</i>	01 January 2022
• Amendments to MFRS 3 <i>Business Combination - Reference to the Conceptual Framework</i>	01 January 2022
• Amendments to MFRS 9, <i>Financial Instruments - Annual Improvements to MFRS Standards 2018-2020</i>	01 January 2022
• Amendments to MFRS 116, <i>Property, Plant and Equipment - Property, Plant and Equipment – Proceeds before Intended Use</i>	01 January 2022
• Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract</i>	01 January 2022



**Explanatory Notes To The Interim Report – 31 March 2021**

**A1. Accounting Policies and Basis of Preparation (Continued)**

<b>MFRS, IC Interpretation and Amendments to IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
<ul style="list-style-type: none"> <li>• Amendments to Illustrative Examples accompanying MFRS 16, Leases - <i>Annual Improvements to MFRS Standards 2018-2020</i></li> </ul>	01 January 2022
<ul style="list-style-type: none"> <li>• Amendments to MFRS 141, Agriculture - <i>Annual Improvements to MFRS Standards 2018-2020</i></li> </ul>	01 January 2022
<ul style="list-style-type: none"> <li>• MFRS 17, Insurance Contracts</li> </ul>	01 January 2023
<ul style="list-style-type: none"> <li>• Amendments to MFRS 17, Insurance Contracts</li> </ul>	01 January 2023
<ul style="list-style-type: none"> <li>• Amendments to MFRS 101, Presentation of Financial Statements - <i>Classification of Liabilities as Current or Non-current</i></li> </ul>	01 January 2023
<ul style="list-style-type: none"> <li>• Amendments to MFRS 108, Accounting Policies Changes in Accounting Estimates and Errors - <i>Definition of Accounting Estimates</i></li> </ul>	01 January 2023
<ul style="list-style-type: none"> <li>• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – <i>Sale or Contribution of Assets between an Investors and its Associate or Joint Venture</i></li> </ul>	To be determined

**A2. Disclosure of audit report qualification and status of matters raised**

There were no qualifications in the audit report on the preceding annual financial statements.

**A3. Seasonality or cyclicity of interim operations**

The Group's performance is subjected to the cropping pattern of the palms.

**A4. Unusual Items affecting assets, liabilities, equity, net income, or cash flow**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size, or incidence during the interim period under review.

**A5. Material changes in estimates**

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect in the current interim period.

**A6. Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale or repayment of debt and equity securities during the current quarter other than :

- (i) Listing and quotation of 296,300 shares exercised under the Employees' Share Option Scheme; and
- (ii) 713,700 share options granted to eligible employees of the Group under the Employees' Share Option Scheme. The options are exercisable at RM3.57 per share and will expire on 18 September 2027.



**Explanatory Notes To The Interim Report – 31 March 2021**

**A7. Dividends paid**

There was no dividend paid during interim period under review.

**A8. Segment Information**

Segment information is presented in respect of the Group's reportable segments which are based on the Group's management and internal reporting structure.

**Year to date ended 31 March 2021**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	786,354	1,968	-	788,322
Revenue from external customers	786,354	1,968	-	788,322
Finance income	4,176	9	(1,722)	2,463
Finance costs	(10,247)	(155)	1,711	(8,691)
Depreciation and amortisation	(36,766)	(70)	(1,346)	(38,182)
Profit before taxation for financial period	113,393	24	(384)	113,033

**Year to date ended 31 March 2020**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	514,240	3,844	-	518,084
Revenue from external customers	514,240	3,844	-	518,084
Finance income	8,617	31	(2,409)	6,239
Finance costs	(14,437)	(260)	2,412	(12,285)
Depreciation and amortisation	(34,329)	74	(2,007)	(36,262)
Profit before taxation for financial period	93,882	1,735	692	96,309



## Explanatory Notes To The Interim Report – 31 March 2021

### A9. Valuation of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment brought forward from previous annual financial statements.

### A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

### A11. Changes in the composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings, and discontinued operations for the current interim period, except for subscription of 150,000 non-cumulative and non-convertible preference shares of USD1.00 each in Seaworth Pte Ltd, a joint venture company by Asia Oils Investment Pte Ltd, a wholly-owned subsidiary of the Group.

### A12. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 31 March 2021 except corporate guarantees of RM1,069.9 million favouring the banks in respect of banking facilities granted to the subsidiaries. The contingent liabilities of RM208.2 million represents the outstanding banking facilities of the subsidiaries with corporate guarantee at the end of the reporting period.

### A13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and for bearer plants not provided for in the financial statements as at 31 March 2021 is as follows:-

	<b>31 March 2021</b>
	<b>RM'000</b>
Property, plant and equipment	
Authorised but not contracted for	200,091
Contracted but not provided in the financial statements	29,041
	-----
	229,132
	=====
 Bearer plants	
Authorised but not contracted for	29,618
Contracted but not provided in the financial statements	1,049
	-----
	30,667
	=====



**Explanatory Notes To The Interim Report – 31 March 2021**

**B. BMSB Listing Requirements (Part A of Appendix 9B)**

**B1. Review of Group's Financial Performance**

**Financial review for current quarter and financial period to date**

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (%)	Current Year To-date	Preceding Year Corresponding Period	Changes (%)
	RM'000	RM'000		RM'000	RM'000	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020		
<b>Revenue</b>	788,322	518,084	52%	788,322	518,084	52%
<b>Gross Profit</b>	142,770	73,339	95%	142,770	73,339	95%
<b>Operating profit</b>	119,781	102,355	17%	119,781	102,355	17%
<b>Profit Before Tax</b>	113,033	96,309	17%	113,033	96,309	17%
<b>Profit After Tax</b>	86,610	74,308	17%	86,610	74,308	17%
<b>Profit Attributable to Owners of the Company</b>	79,057	71,202	11%	79,057	71,202	11%

**1<sup>st</sup> Quarter FY2021 (“Q1FY2021”) vs 1<sup>st</sup> Quarter FY2020 (“Q1FY2020”)**

The Group registered a total revenue of RM788.3 million for Q1FY2021 compared with RM518.1 million reported in Q1FY2020, representing an increase of 52%.

The Group's profit before tax for the current quarter increased to RM113.0 million compared with RM96.3 million reported in corresponding quarter last year. Both increase in revenue and profit before tax was mainly attributed to higher average realised prices of palm products sold.



**Explanatory Notes To The Interim Report – 31 March 2021**

**B2. Group's Financial Performance Review and Segmental Analysis**

**Financial review for current quarter compared with immediate preceding quarter**

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	RM'000	RM'000	
	31/03/2021	31/12/2020	
<b>Revenue</b>	788,322	820,395	(4%)
<b>Gross Profit</b>	142,770	121,354	18%
<b>Operating profit</b>	119,781	59,602	101%
<b>Profit Before Tax</b>	113,033	45,578	148%
<b>Profit After Tax</b>	86,610	25,943	234%
<b>Profit Attributable to owners of the Company</b>	79,057	18,820	321%

**1<sup>st</sup> Quarter FY2021 (“Q1FY2021”) vs 4<sup>th</sup> Quarter FY2020 (“Q4FY2020”)**

The Group posted total revenue of RM788.3 million in Q1FY2021 compared with RM820.4 million reported in Q4FY2020.

The Group reported a profit before tax of RM113.0 million compared with RM45.6 million reported in Q4FY2020. This was due principally to higher palm oil products average realised prices in current quarter and no impairment loss recognised in the current quarter. For the quarter under review, simple average palm products' realised prices against last quarter were as below:-

	Q1FY 2021	Q4FY 2020
Palm Oil Products (RM/mt)	3,885	3,235
Palm Kernel Products (RM/mt)	2,889	2,177

**B3. Prospect**

The performance of the Group would continue to be driven by the FFB production and palm products price movement which is dependent on the world edible oil market, movement of Ringgit Malaysia and economic situation.

**B4. Variance of actual profit from forecast profit**

The disclosure requirement for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interests and for the shortfall in profit guarantee are not applicable.



**Explanatory Notes To The Interim Report – 31 March 2021**

**B5. Profit before tax**

Profit before tax is arrived at after charging/(crediting):-

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	38,182	36,262	38,182	36,262
Gain on disposal of property, plant and equipment	(510)	(147)	(510)	(147)
Property, plant and equipment written off	31	368	31	368
Finance income	(2,463)	(6,239)	(2,463)	(6,239)
Finance costs	8,691	12,285	8,691	12,285
Fair value (gain)/loss on biological assets	(7,399)	3,351	(7,399)	3,351
Unrealised loss on foreign exchange	963	4,317	963	4,317
Fair value gain on derivatives	(2,738)	(37,900)	(2,738)	(37,900)

**B6. Taxation**

Current tax expenses	23,049	30,797	23,049	30,797
Deferred tax	3,374	(8,796)	3,374	(8,796)
	<u>26,423</u>	<u>22,001</u>	<u>26,423</u>	<u>22,001</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	(159)	(567)	(159)	(567)

**B7. Status of corporate proposal announced**

On 29 April 2021, the Group has announced its proposed acquisition of 6,200,000 ordinary shares of SOP Plantations (Sabaju) Sdn. Bhd. which represents the remaining 40.00% equity interest not already held by the Group, from Shin Yang Holding Sdn. Bhd. for a total consideration of RM45.88 million. As at the reporting date, the acquisition has not yet been completed subject to the fulfilment of the term and conditions of the share sales agreement. Barring unforeseen circumstances, this corporate proposal is expected to complete by end of the second quarter of financial year 2021.

Save as disclosed, there was no corporate proposal announced that was not completed as at the date of this announcement.





**Explanatory Notes To The Interim Report – 31 March 2021**

**B8. Loans and borrowings**

	As at 1 <sup>st</sup> quarter ended 2021							
	Long term		Short term			Total borrowings		
	Denomination in		Denomination in			Denomination in		
	SGD	RM	SGD	USD	RM	SGD	USD	RM
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b><u>Secured</u></b>								
Hire purchase	-	5,990	-	-	4,524	-	-	10,514
Revolving credits	-	-	-	-	50,000	-	-	50,000
Sukuk Murabahah	-	19,384	-	-	-	-	-	19,384
Term loans	4,176	655,039	1,044	-	117,400	5,220	-	772,439
<b><u>Unsecured</u></b>								
Trade loans	-	-	-	108,003	128,501	-	108,003	128,501
Term loans	-	-	-	-	9,265	-	-	9,265
	<u>4,176</u>	<u>678,413</u>	<u>1,044</u>	<u>108,003</u>	<u>309,690</u>	<u>5,220<sup>^</sup></u>	<u>108,003<sup>*</sup></u>	<u>988,103</u>

*\*USD26.05 million equivalent*

*<sup>^</sup>SGD1.69 million equivalent*



**Explanatory Notes To The Interim Report – 31 March 2021**

**B8. Loans and borrowings (Continued)**

	As at 1 <sup>st</sup> quarter ended 2020							
	Long term		Short term			Total borrowings		
	Denomination in		Denomination in			Denomination in		
	SGD	RM	SGD	USD	RM	SGD	USD	RM
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b><u>Secured</u></b>								
Hire purchase	-	4,556	-	-	5,800	-	-	10,356
Revolving credits	-	-	-	-	69,500	-	-	69,500
Term loans	5,460	776,171	1,365	-	109,603	6,825	-	885,774
<b><u>Unsecured</u></b>								
Revolving credits	-	-	-	-	10,000	-	-	10,000
Trade loans	-	-	-	80,951	99,864	-	80,951	99,864
Bank overdraft	-	-	-	-	7,721	-	-	7,721
Term loans	-	7,333	-	-	14,150	-	-	21,483
	<u>5,460</u>	<u>788,060</u>	<u>1,365</u>	<u>80,951</u>	<u>316,638</u>	<u>6,825<sup>^</sup></u>	<u>80,951<sup>*</sup></u>	<u>1,104,698</u>

*\*USD18.77 million equivalent*

*<sup>^</sup>SGD2.14 million equivalent*



**Explanatory Notes To The Interim Report – 31 March 2021**

**B9. Derivatives**

(a) The outstanding interest rate swap (IRS) contracts as at 31 March 2021 are as follows:-

(i) Interest rate swap - designated as hedging

	Contract/Notional Value (Million)					Fair Value – assets/(liabilities) (RM'000)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Interest rate swap	RM	-	200	-	200	(3,901)	(5,279)	-	(9,180)

The Group uses IRS to manage part of its exposure to interest rate movements on its bank borrowings by swapping a proportion of its borrowings from floating rates to fixed rates and is designated as cash flow hedges. The fair value of IRS is measured at the present value of future cash flows estimated and discounted based on quoted interest rates. The IRS would reduce the group's cash flow exposure resulting from interest rate fluctuation. It satisfies the criteria for cash flow hedges and accordingly hedge accounting is applied.

(b) The outstanding commodity forward contracts, commodity swaps and forward currency contracts as at 31 March 2021 are as follows:-

	Contract/Notional Value (Million)					Fair Value assets/(liabilities) (RM'000)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Commodity forward contracts	RM	81	-	-	81	2,846	-	-	2,846
Commodity forward contracts	USD	70	-	-	70	(4,052)	-	-	(4,052)
Forward currency contracts	USD	262	-	-	262	(4,374)	-	-	(4,374)
Commodity swaps	RM	152	-	-	152	(26,380)	-	-	(26,380)

The Group uses commodity forward contracts, commodity swaps and forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group's sales and purchases denominated in USD for which firm commitments existed at the reporting date.

**B10. Changes in material litigation**

There was no new material litigation during the interim period under review.



**Explanatory Notes To The Interim Report – 31 March 2021**

**B11. Dividends**

There was no dividend declared in the current quarter.

**B12. Earnings per share**

***Basic earnings per share***

The calculation of basic earnings per share is based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the period.

	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31/03/2021</b>	<b>31/03/2020</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	79,057	71,202	79,057	71,202
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue	571,285	570,904	571,285	570,904
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic earnings per share	13.84	12.47	13.84	12.47

***Diluted earnings per share***

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	<b>Individual Quarter</b>		<b>Cummulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31/03/2021</b>	<b>31/03/2020</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	79,057	71,202	79,057	71,202
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue	574,545	571,083	574,545	571,083
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Diluted earnings per share	13.76	12.46	13.76	12.46



**SARAWAK OIL PALMS BERHAD**  
(Incorporated in Malaysia – 7949-M)

**Explanatory Notes To The Interim Report – 31 March 2021**

**B13. Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 May 2021.

*By Order of the Board*  
Eric Kiu Kwong Seng  
Company Secretary

Miri  
**24 May 2021**