



**INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**  
**Condensed Consolidated Statement of Financial Position as at 30 September 2021**  
(The figures have not been audited)

	Note	30 September 2021 RM'000	31 December 2020 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		1,056,635	1,040,132
Bearer plants		937,499	979,964
Inventories		54,856	40,618
Right-of-use assets		515,419	510,461
Investment in a joint venture		23,430	23,287
Intangible assets		168,256	168,266
Deferred tax assets		28,818	44,942
		2,784,913	2,807,670
<b>Current Assets</b>			
Inventories		356,409	251,561
Biological assets		44,596	25,282
Trade and other receivables		345,674	213,377
Current tax recoverable		1,279	5,808
Derivatives	B9	5,295	7,144
Other investments		192,021	304,836
Cash and bank balances		762,849	642,409
		1,708,123	1,450,417
<b>TOTAL ASSETS</b>		4,493,036	4,258,087
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		823,110	820,982
Employee share option reserve		25,732	23,870
Other reserves		(3,513)	(6,543)
Retained earnings		1,769,107	1,540,314
		2,614,436	2,378,623
<b>Non-controlling interests</b>		129,234	124,272
<b>Total equity</b>		2,743,670	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 30 September 2021 (Continued)**  
(The figures have not been audited)

	Note	30 September 2021 RM'000	31 December 2020 RM'000
<b>Non-current liabilities</b>			
Loans and borrowings	B8	344,764	715,164
Deferred tax liabilities		361,157	356,998
Government grants		14,800	15,212
Derivatives	B9	4,476	4,828
Lease liabilities		1,090	584
		726,287	1,092,786
<b>Current liabilities</b>			
Loans and borrowings	B8	695,569	393,848
Trade and other payables		244,607	209,330
Current tax payable		42,887	11,469
Government grants		868	868
Derivatives	B9	38,332	45,311
Lease liabilities		816	1,580
		1,023,079	662,406
<b>Total liabilities</b>		1,749,366	1,755,192
<b>TOTAL EQUITY AND LIABILITIES</b>		4,493,036	4,258,087
Net assets per share attributable to owners of the Company (RM)		4.57	4.16
No. of share ('000)		571,675	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 Nine-Months Period ended 30 September 2021**  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Continuing Operations</b>					
<b>Revenue</b>		1,301,510	794,884	3,038,878	1,939,028
Cost of sales		(1,085,685)	(669,142)	(2,492,379)	(1,678,723)
<b>Gross profit</b>		215,825	125,742	546,499	260,305
Administrative expenses		(9,400)	(13,904)	(25,845)	(30,092)
Other operating (expense)/income		(25,524)	2,311	(69,907)	45,387
<b>Operating profit</b>		180,901	114,149	450,747	275,600
Finance income		3,992	4,528	12,137	16,325
Finance costs		(8,731)	(10,388)	(26,182)	(34,751)
Share of result of equity- accounted joint venture, net of tax		(727)	(1,371)	(1,614)	(2,434)
<b>Profit before tax</b>	B5	175,435	106,918	435,088	254,740
Taxation	B6	(43,347)	(29,925)	(108,472)	(62,411)
<b>Profit after tax for the period</b>		132,088	76,993	326,616	192,329
<b>Other comprehensive income/(loss):</b>					
Foreign exchange translation differences for foreign operations		186	(737)	685	(203)
Fair value adjustment on cash flow hedge		255	(1,583)	3,085	(5,745)
Income tax relating to components of other comprehensive income		(61)	380	(740)	1,379
<b>Other comprehensive income/(loss) for the period, net of tax</b>		380	(1,940)	3,030	(4,569)
<b>Total comprehensive income for the period</b>		132,468	75,053	329,646	187,760
<b>Profit attributable to:</b>					
Owners of the Company		125,489	73,836	302,866	183,380
Non-controlling interests		6,599	3,157	23,750	8,949
		132,088	76,993	326,616	192,329

(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 Nine-Months Period ended 30 September 2021 (Continued)**  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 9 months ended 30 September	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		125,869	71,896	305,896	178,811
Non-controlling interests		6,599	3,157	23,750	8,949
		<u>132,468</u>	<u>75,053</u>	<u>329,646</u>	<u>187,760</u>
<b>Earnings per share attributable to owners of the Company (Sen):</b>					
Basic	B12	<u>21.95</u>	<u>12.93</u>	<u>53.00</u>	<u>32.12</u>
Diluted	B12	<u>21.88</u>	<u>12.93</u>	<u>52.83</u>	<u>32.11</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 Nine-Months Period ended 30 September 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>	329,646	305,896	-	-	3,030	302,866	23,750
<b>Transactions with owners</b>							
Dividends to owners of the Company	(34,300)	(34,300)	-	-	-	(34,300)	-
Dividends paid to non-controlling interests in subsidiaries	(6,766)	-	-	-	-	-	(6,766)
Issuance of ordinary shares:							
Pursuant to exercise of ESOS	1,808	1,808	1,808	-	-	-	-
Share options granted under ESOS	2,182	2,182	-	2,182	-	-	-
Share options exercised under ESOS	-	-	320	(320)	-	-	-
Change in ownership in subsidiaries	(51,795)	(39,773)	-	-	-	(39,773)	(12,022)
<b>At 30 September 2021</b>	<u>2,743,670</u>	<u>2,614,436</u>	<u>823,110</u>	<u>25,732</u>	<u>(3,513)</u>	<u>1,769,107</u>	<u>129,234</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 Nine-Months Period ended 30 September 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 to owners of the Company	(28,546)	(28,546)	-	-	-	(28,546)	-	
Dividends paid to non-controlling interests in subsidiaries	(3,530)	-	-	-	-	-	(3,530)	
Change in ownership interest in a subsidiary	-	(20)	-	-	-	(20)	20	
Issuance of ordinary shares:								
Pursuant to exercise of ESOS	749	749	749	-	-	-	-	
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 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 Nine-Months Period ended 30 September 2021**  
(The figures have not been audited)

	<b>30 September</b>	<b>30 September</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
<b>Profit before tax</b>	435,088	254,740
Adjustments for non-cash items:		
Depreciation and amortisation	126,675	115,511
Amortisation of government grant	(782)	(699)
Share options granted under ESOS	2,182	2,689
Loss/(Gain) on disposal of property, plant and equipment	32	(258)
Property, plant and equipment written off	316	768
Bearer plants written off	413	-
Impairment loss on bearer plants	-	2,820
Impairment loss on other receivables	-	7
Finance income	(12,137)	(16,325)
Finance costs	26,182	34,751
Fair value gain on biological assets	(19,313)	(6,945)
Unrealised loss on foreign exchange	692	985
Fair value gain on derivatives	(2,762)	(27,080)
Share of results of a joint venture	1,614	2,434
<b>Operating cash flows before working capital changes</b>	<u>558,200</u>	<u>363,398</u>
Increase in inventories	(119,087)	(41,617)
Increase in trade and other receivables	(126,223)	(25,379)
Increase in trade and other payables	30,920	22,003
<b>Cash flows from operations</b>	<u>343,810</u>	<u>318,405</u>
Net income tax paid	(52,982)	(9,194)
<b>Net cash flows from operating activities</b>	<u>290,828</u>	<u>309,211</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 Nine-Months Period ended 30 September 2021 (Continued)**  
(The figures have not been audited)

	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(83,881)	(54,095)
Acquisition of right-of-use assets	(12,101)	-
Acquisition of non-controlling interests	(51,795)	-
Increase in bearer plants	(12,137)	(20,821)
Increase in intangible assets	-	(3)
Investment in a joint venture	(1,757)	(842)
Proceeds from disposal of property, plant and equipment	2,486	478
Interest received	12,137	16,325
Upliftment of fixed deposits with tenor maturities exceeding three months	112,814	-
<b>Net cash flows used in investing activities</b>	<b>(34,234)</b>	<b>(58,958)</b>
<b>Financing activities</b>		
Net movements in trade financing	34,957	(19,777)
Proceeds from loans and borrowings	-	29,588
Proceeds from issuance of shares	1,808	114
Proceeds from government grant	370	77
Repayment of obligations under hire purchase	(5,102)	(7,780)
Repayment of loans and borrowings	(100,201)	(89,564)
Repayment of lease liabilities	(309)	(1,145)
Dividend paid to owners of the Company	(34,300)	(28,545)
Dividend paid to non-controlling interests	(6,766)	(3,530)
Interest paid	(26,698)	(35,792)
<b>Net cash flows used in financing activities</b>	<b>(136,241)</b>	<b>(156,354)</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 Nine-Months Period ended 30 September 2021 (Continued)**  
(The figures have not been audited)

	<b>30 September</b>	<b>30 September</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net increase in cash and cash equivalents</b>	120,353	93,899
<b>Cash and cash equivalents at beginning of the financial period</b>	642,309	822,416
Effect of exchange rate changes	87	(1,342)
<b>Cash and cash equivalents at end of the financial period</b>	<u>762,749</u>	<u>914,973</u>
 Cash and cash equivalents at the end of the financial period comprised the following:		
Short term deposits with licensed banks	424,782	677,209
Cash in hand and at banks	338,067	239,195
Cash and bank balances	<u>762,849</u>	<u>916,404</u>
Less: Bank overdraft	-	(1,331)
Less: Short term deposit pledged as security	(100)	(100)
	<u>762,749</u>	<u>914,973</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 – 30 September 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*

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

At the date of authorisation 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 16, <i>Leases – Covid-19-Related Rent Concessions beyond 30 June 2021</i>	01 April 2021
• 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 Business Combination - <i>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 – 30 September 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> <li>• Amendments to MFRS 141, Agriculture - <i>Annual Improvements to MFRS Standards 2018-2020</i></li> <li>• MFRS 17, Insurance Contracts</li> <li>• Amendments to MFRS 17, Insurance Contracts</li> <li>• Amendments to MFRS 101, Presentation of Financial Statements - <i>Classification of Liabilities as Current or Non-current</i></li> <li>• Amendments to MFRS 108, Accounting Policies Changes in Accounting Estimates and Errors - <i>Definition of Accounting Estimates</i></li> <li>• Amendments to MFRS 112, Income Tax. <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i></li> <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>	<p>01 January 2022</p> <p>01 January 2022</p> <p>01 January 2023</p> <p>01 January 2023</p> <p>01 January 2023</p> <p>01 January 2023</p> <p>01 January 2023</p> <p>To be determined</p>

**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 listing and quotation of 1,200 shares exercised under the Employees' Share Option Scheme.



**Explanatory Notes To The Interim Report – 30 September 2021**

**A7. Dividends paid**

The Company has paid RM34,300,436 on 16 July 2021, being the first and final single tier dividend of 6 sen per ordinary share declared for the financial year ended 31 December 2020 and which was duly approved during the Annual General Meeting held on 25 June 2021.

**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 30 September 2021**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	3,033,291	5,587	-	3,038,878
Revenue from external customers	3,033,291	5,587	-	3,038,878
Finance income	19,346	37	(7,246)	12,137
Finance costs	(32,814)	(621)	7,253	(26,182)
Depreciation and amortisation	(119,840)	(207)	(6,628)	(126,675)
Profit before taxation for financial period	470,054	278	(35,244)	435,088

**Year to date ended 30 September 2020**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	1,928,575	10,453	-	1,939,028
Revenue from external customers	1,928,575	10,453	-	1,939,028
Finance income	22,507	74	(6,256)	16,325
Finance costs	(40,276)	(697)	6,222	(34,751)
Depreciation and amortisation	(109,459)	(232)	(5,820)	(115,511)
Profit before taxation for financial period	277,526	3,400	(26,186)	254,740



**Explanatory Notes To The Interim Report – 30 September 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 other than those disclosed as follows:

(i) The proposed acquisition of remaining 40% equity interest in SOP Plantations (Sabaju) Sdn. Bhd. ("SOP Sabaju") by the Group was completed on 16 July 2021 and thereafter, SOP Sabaju is a wholly-owned subsidiary of the Group; and

(ii) The acquisition of the remaining 49% equity interest in Wawasan Asiamaju Sdn. Bhd. ("Wawasan"), by SOP Properties Sdn. Bhd., a wholly-owned subsidiary of the Group was completed on 13 September 2021. After this acquisition, Wawasan is now 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 30 September 2021 except corporate guarantees of RM1,049.0 million favouring the banks in respect of banking facilities granted to the subsidiaries. The contingent liabilities of RM201.0 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 30 September 2021 is as follows:-

	<b>30 September 2021</b>
	<b>RM'000</b>
Property, plant and equipment	
Authorised but not contracted for	162,814
Contracted but not provided in the financial statements	41,574
	-----
	<b>204,388</b>
	=====
 Bearer plants	
Authorised but not contracted for	19,309
Contracted but not provided in the financial statements	3,428
	-----
	<b>22,737</b>
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**Explanatory Notes To The Interim Report – 30 September 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	
	30/09/2021	30/09/2020		30/09/2021	30/09/2020	
<b>Revenue</b>	1,301,510	794,884	64%	3,038,878	1,939,028	57%
<b>Gross Profit</b>	215,825	125,742	72%	546,499	260,305	110%
<b>Operating profit</b>	180,901	114,149	58%	450,747	275,600	64%
<b>Profit Before Tax</b>	175,435	106,918	64%	435,088	254,740	71%
<b>Profit After Tax</b>	132,088	76,993	72%	326,616	192,329	70%
<b>Profit Attributable to Owners of the Company</b>	125,489	73,836	70%	302,866	183,380	65%

**3<sup>rd</sup> Quarter FY2021 (“Q3FY2021”) vs 3<sup>rd</sup> Quarter FY2020 (“Q3FY2020”)**

The Group registered a total revenue of RM1,301.5 million for Q3FY2021 compared with RM794.9 million reported in Q3FY2020.

The Group's profit before tax for the current quarter was RM175.4 million compared with RM106.9 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.

**Current Year To Date (“3QFY2021”) vs Preceding Year To Date (“3QFY2020”)**

The Group registered a total revenue of RM3,038.9 million for the nine months ended 30 September 2021 against RM1,939.0 million reported in the corresponding period year 2020.

Group profit before tax for the period ended 30 September 2021 was RM435.1 million against RM254.7 million achieved during the corresponding period year 2020. The increase in profit before tax was mainly attributed to increase in palm products average realised prices despite FFB production for the Group dropped by about 10% due to labour shortage during this Covid-19 pandemic period.



**Explanatory Notes To The Interim Report – 30 September 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	
	30/09/2021	30/06/2021	
<b>Revenue</b>	1,301,510	949,046	37%
<b>Gross Profit</b>	215,825	187,904	15%
<b>Operating profit</b>	180,901	150,065	21%
<b>Profit Before Tax</b>	175,435	146,620	20%
<b>Profit After Tax</b>	132,088	107,918	22%
<b>Profit Attributable to owners of the Company</b>	125,489	98,320	28%

**3<sup>rd</sup> Quarter FY2021 (“Q3FY2021”) vs 2<sup>nd</sup> Quarter FY2021 (“Q2FY2021”)**

The Group registered a total revenue of RM1,301.5 million for Q3FY2021 compared with RM949.0 million reported in Q2FY2021.

The Group reported a profit before tax of RM175.4 million compared with RM146.6 million reported in Q2FY2021. This was due principally to increase in sales volume of palm products whilst palm products average realised prices in current quarter was comparable to preceding quarter.

For the quarter under review, simple average palm products' realised prices against last quarter were as below:-

	Q3FY 2021	Q2FY 2021
Palm Oil Products (RM/mt)	4,490	4,414
Palm Kernel Products (RM/mt)	2,919	3,106

**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 – 30 September 2021**

**B5. Profit before tax**

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

	Individual quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	50,241	42,267	126,675	115,511
Loss/(Gain) on disposal of property, plant and equipment	29	(19)	32	(258)
Property, plant and equipment written off	233	272	316	768
Bearer plant written off	157	-	413	-
Impairment loss on bearer plants	-	2,819	-	2,820
Impairment loss on other receivables	-	7	-	7
Finance income	(3,992)	(4,528)	(12,137)	(16,325)
Finance costs	8,731	10,388	26,182	34,751
Fair value gain on biological assets	(6,620)	(8,591)	(19,313)	(6,945)
Unrealised (gain)/loss on foreign exchange	(24)	(94)	692	985
Fair value (gain)/loss on derivatives	(4,474)	3,392	(2,762)	(27,080)

**B6. Taxation**

Current tax expenses	30,703	19,891	88,929	44,871
Deferred tax	12,644	10,034	19,543	17,540
	<u>43,347</u>	<u>29,925</u>	<u>108,472</u>	<u>62,411</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	<u>295</u>	<u>(380)</u>	<u>740</u>	<u>(1,379)</u>

**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 40.0% equity interest not already held by the Group, from Shin Yang Holding Sdn. Bhd. for a total consideration of RM45.88 million. The acquisition was duly completed on 16 July 2021.

On 4 June 2021, the Group has announced its proposed acquisition of four (4) parcels of land for a total consideration of RM14.0 million from Shin Yang Construction Sdn. Bhd. (“SYCSB”) by Wawasan Asiamaju Sdn Bhd, a subsidiary of the Group. At the same time, the Group via SOP Properties Sdn Bhd acquires additional 539,000 ordinary shares of Wawasan Asiamaju Sdn Bhd (“Wawasan”) for the a consideration of RM449,750 from SYCSB. After this shares acquisition, Wawasan become a wholly-owned subsidiary of the Group. The acquisition was duly completed on 13 September 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 – 30 September 2021**

**B8. Loans and borrowings**

	As at 3 <sup>rd</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	-	4,316	-	-	3,184	-	-	7,500
Revolving credits	-	-	-	-	25,000	-	-	25,000
Sukuk Murabahah	-	19,444	-	-	-	-	-	19,444
Term loans	4,165	316,839	347	-	387,401	4,512	-	704,240
<b><u>Unsecured</u></b>								
Trade loans	-	-	-	74,947	202,510	-	74,947	202,510
Term loans	-	-	-	-	2,180	-	-	2,180
	<u>4,165</u>	<u>340,599</u>	<u>347</u>	<u>74,947</u>	<u>620,275</u>	<u>4,512</u>	<u>74,947</u>	<u>960,874</u>

\*USD17.90 million equivalent

^SGD1.47 million equivalent



**Explanatory Notes To The Interim Report – 30 September 2021**

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

	As at 3 <sup>rd</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	-	5,230	-	-	6,420	-	-	11,650
Revolving credits	-	-	-	-	69,500	-	-	69,500
Term loans	4,448	716,431	1,369	-	116,904	5,817	-	833,335
<b><u>Unsecured</u></b>								
Trade loans	-	-	-	74,051	138,893	-	74,051	138,893
Bank overdraft	-	-	-	-	1,331	-	-	1,331
Term loans	-	2,127	-	-	14,150	-	-	16,277
	<u>4,448</u>	<u>723,788</u>	<u>1,369</u>	<u>74,051</u>	<u>347,198</u>	<u>5,817<sup>^</sup></u>	<u>74,051<sup>*</sup></u>	<u>1,070,986</u>

*\*USD17.82 million equivalent*

*<sup>^</sup>SGD1.92 million equivalent*



**Explanatory Notes To The Interim Report – 30 September 2021**

**B9. Derivatives**

(a) The outstanding interest rate swap (IRS) contracts as at 30 September 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	(955)	(4,476)	-	(5,431)

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 30 September 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	96	-	-	96	9,325	-	-	9,325
Commodity forward contracts	USD	50	-	-	50	(8,175)	-	-	(8,175)
Forward currency contracts	USD	418	-	-	418	261	-	-	261
Commodity swaps	RM	74	-	-	74	(33,493)	-	-	(33,493)

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 material litigation during the interim period under review.



**Explanatory Notes To The Interim Report – 30 September 2021**

**B11. Dividends**

First and final single-tier dividend in respect of the financial year ended 31 December 2020, of 6 sen per ordinary share amounting to RM34,300,436 has been approved by shareholders during the Annual General Meeting held on 25 June 2021 and the payment was subsequently made on 16 July 2021.

On 25 November 2021, the Board of Directors has approved an interim single-tier dividend of 4 sen per share, on 571,691,646 ordinary shares for the financial year ending 31 December 2021 amounting to RM22,867,666.

The books closure and payment dates will be announced in due course.

**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.

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	125,489	73,836	302,866	183,380
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	571,675	570,943	571,498	570,910
	Sen	Sen	Sen	Sen
Basic earnings per share	21.95	12.93	53.00	32.12



**Explanatory Notes To The Interim Report – 30 September 2021**

**B12. Earnings per share (Continued)**

*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>9 months ended</b>	
	<b>30/09/2021</b>	<b>30/09/2020</b>	<b>30/09/2021</b>	<b>30/09/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	125,489	73,836	302,866	183,380
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue	573,421	571,110	573,244	571,077
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Diluted earnings per share	21.88	12.93	52.83	32.11

**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 25 November 2021.

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

Miri  
**26 November 2021**