



**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022**  
**Condensed Consolidated Statement of Financial Position as at 30 June 2022**  
(The figures have not been audited)

	Note	30 June 2022 RM'000	31 December 2021 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,073,915	1,074,314
Bearer plants		892,435	921,245
Inventories		57,664	57,525
Right-of-use assets		508,300	512,986
Investment in a joint venture		21,121	22,163
Intangible assets		168,259	168,264
Deferred tax assets		7,668	19,573
		2,729,362	2,776,070
<b>Current assets</b>			
Inventories		453,532	476,475
Biological assets		41,377	34,169
Trade and other receivables		376,968	323,052
Current tax recoverable		7,407	7,427
Derivatives	B9	1,198	8,697
Other investments		208,996	234,269
Cash and bank balances		1,162,549	796,693
		2,252,027	1,880,782
<b>TOTAL ASSETS</b>		4,981,389	4,656,852
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		914,390	823,162
Employee share option reserve		14,066	26,481
Other reserves		3,247	(793)
Retained earnings		2,302,720	1,953,269
		3,234,423	2,802,119
<b>Non-controlling interests</b>		148,037	136,592
<b>Total equity</b>		3,382,460	2,938,711

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Financial Position as at 30 June 2022 (Continued)**

(The figures have not been audited)

	Note	30 June 2022 RM'000	31 December 2021 RM'000
<b>Non-current liabilities</b>			
Loans and borrowings	B8	488,067	522,110
Deferred tax liabilities		394,434	377,620
Government grants		13,806	14,338
Derivatives	B9	-	408
Lease liabilities		724	114
		897,031	914,590
<b>Current liabilities</b>			
Loans and borrowings	B8	430,442	495,679
Trade and other payables		240,700	288,830
Current tax payable		28,184	14,938
Government grants		1,064	1,064
Derivatives	B9	1,019	1,505
Lease liabilities		489	1,535
		701,898	803,551
<b>Total liabilities</b>		1,598,929	1,718,141
<b>TOTAL EQUITY AND LIABILITIES</b>		4,981,389	4,656,852
Net assets per share attributable to owners of the Company (RM)		3.63	3.27 <sup>#</sup>
No. of share ('000)		890,142	857,541 <sup>#</sup>

# For comparative purpose, the net assets per share as at 31 December 2021 had been adjusted to reflect the bonus issue of 1 bonus share for every 2 existing ordinary shares which was completed on 19 July 2022.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Comprehensive Income**  
**For the Six-Months Period ended 30 June 2022**  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 6 months ended 30 June	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Continuing Operations</b>					
<b>Revenue</b>		1,399,466	949,046	2,834,042	1,737,368
Cost of sales		(1,185,679)	(761,142)	(2,376,795)	(1,406,694)
<b>Gross profit</b>		213,787	187,904	457,247	330,674
Administrative expenses		(3,332)	(8,510)	(11,117)	(16,445)
Other operating income/(expense)		332	(29,329)	37,071	(44,383)
<b>Operating profit</b>		210,787	150,065	483,201	269,846
Finance income		5,828	5,682	10,585	8,145
Finance costs		(7,397)	(8,760)	(14,834)	(17,451)
Share of result of equity- accounted joint venture, net of tax		87	(367)	(1,042)	(887)
<b>Profit before tax</b>	B5	209,305	146,620	477,910	259,653
Taxation	B6	(46,151)	(38,702)	(109,019)	(65,125)
<b>Profit after tax for the period</b>		163,154	107,918	368,891	194,528
<b>Other comprehensive income/(loss):</b>					
Foreign exchange translation differences for foreign operations		1,801	(113)	2,110	499
Fair value adjustment on cash flow hedge		2,106	3,494	2,540	2,830
Income tax relating to components of other comprehensive income		(506)	(838)	(610)	(679)
<b>Other comprehensive income for the period, net of tax</b>		3,401	2,543	4,040	2,650
<b>Total comprehensive income for the period</b>		166,555	110,461	372,931	197,178
<b>Profit attributable to:</b>					
Owners of the Company		154,460	98,320	349,451	177,377
Non-controlling interests		8,694	9,598	19,440	17,151
		163,154	107,918	368,891	194,528

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Comprehensive Income  
For the Six-Months Period ended 30 June 2022 (Continued)**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 6 months ended 30 June	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		157,861	100,863	353,491	180,027
Non-controlling interests		8,694	9,598	19,440	17,151
		<u>166,555</u>	<u>110,461</u>	<u>372,931</u>	<u>197,178</u>
<b>Earnings per share attributable to owners of the Company (Sen):</b>					
Basic	B12	<u>17.48</u>	<u>11.32<sup>#</sup></u>	<u>40.01</u>	<u>20.43<sup>#</sup></u>
Diluted	B12	<u>17.46</u>	<u>11.29<sup>#</sup></u>	<u>39.91</u>	<u>20.37<sup>#</sup></u>

# For comparative purpose, the earnings per share for the quarter and period ended 30 June 2021 had been adjusted to reflect the bonus issue of 1 bonus share for every 2 existing ordinary shares which was completed on 19 July 2022.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity**  
**For the Six-Months Period ended 30 June 2022**  
(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 2022</b>	2,938,711	2,802,119	823,162	26,481	(793)	1,953,269	136,592
<b>Total comprehensive income for the period</b>	372,931	353,491	-	-	4,040	349,451	19,440
<b>Transactions with owners</b>							
Dividends paid to non-controlling interests in subsidiaries	(7,995)	-	-	-	-	-	(7,995)
Issuance of ordinary shares:							
Pursuant to exercise of ESOS	77,330	77,330	77,330	-	-	-	-
Share options granted under ESOS	1,483	1,483	-	1,483	-	-	-
Share options exercised under ESOS	-	-	13,898	(13,898)	-	-	-
<b>At 30 June 2022</b>	<u>3,382,460</u>	<u>3,234,423</u>	<u>914,390</u>	<u>14,066</u>	<u>3,247</u>	<u>2,302,720</u>	<u>148,037</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 2021 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity  
For the Six-Months Period ended 30 June 2022 (Continued)**

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 year</b>	547,249	515,646	-	-	5,750	509,896	31,603
<b>Transactions with owners</b>							
Dividends to owners of the Company	(57,168)	(57,168)	-	-	-	(57,168)	-
Dividends paid to non-controlling interests	(7,261)	-	-	-	-	-	(7,261)
Change in ownership interest in subsidiary	(51,795)	(39,773)	-	-	-	(39,773)	(12,022)
Issuance of ordinary shares:							
Pursuant to exercise of ESOS	1,848	1,848	1,848	-	-	-	-
Share options granted under ESOS	2,943	2,943	-	2,943	-	-	-
Share options exercised under ESOS	-	-	332	(332)	-	-	-
<b>At 31 December 2021</b>	<u>2,938,711</u>	<u>2,802,119</u>	<u>823,162</u>	<u>26,481</u>	<u>(793)</u>	<u>1,953,269</u>	<u>136,592</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 2021 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Cash Flows**  
**For the Six-Months Period ended 30 June 2022**  
(The figures have not been audited)

	<b>30 June 2022 RM'000</b>	<b>30 June 2021 RM'000</b>
<b>Operating activities</b>		
<b>Profit before tax</b>	477,910	259,653
Adjustments for non-cash items:		
Depreciation and amortisation	85,667	76,434
Amortisation of government grant	(532)	(516)
Share options granted under ESOS	1,483	1,424
(Gain)/Loss on disposal of property, plant and equipment	(436)	3
Property, plant and equipment written off	198	83
Bearer plants written off	128	256
Finance income	(10,585)	(8,145)
Finance costs	14,834	17,451
Fair value gain on biological assets	(7,208)	(12,693)
Unrealised (gain)/loss on foreign exchange	(600)	716
Fair value loss on derivatives	9,145	1,712
Share of results of a joint venture	1,042	887
<b>Operating cash flows before working capital changes</b>	571,046	337,265
Decrease/(Increase) in inventories	22,804	(205,715)
(Increase)/Decrease in trade and other receivables	(43,574)	14,989
(Decrease)/Increase in trade and other payables	(53,875)	1,208
<b>Cash flows from operations</b>	496,401	147,747
Net income tax paid	(67,638)	(39,044)
<b>Net cash flows from operating activities</b>	428,763	108,703

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Cash Flows**  
**For the Six-Months Period ended 30 June 2022 (Continued)**  
(The figures have not been audited)

	<b>30 June 2022 RM'000</b>	<b>30 June 2021 RM'000</b>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(44,539)	(55,042)
Acquisition of right-of-use assets	(252)	(11,948)
Increase in bearer plants	(7,950)	(7,481)
Investment in a joint venture	-	(1,757)
Proceeds from disposal of property, plant and equipment	1,606	441
Interest received	10,585	8,145
Upliftment of fixed deposits with tenor maturities exceeding three months	27,533	134,331
<b>Net cash flows (used in)/from investing activities</b>	<b>(13,017)</b>	<b>66,689</b>
<b>Financing activities</b>		
Net movements in trade financing	51,373	36,401
Proceeds from issuance of shares	77,330	1,804
Proceeds from government grant	-	370
Repayment of obligations under hire purchase	(2,291)	(3,291)
Repayment of loans and borrowings	(149,033)	(83,707)
Repayment of lease liabilities	(436)	(325)
Dividend paid to non-controlling interests	(7,995)	(6,646)
Interest paid	(15,058)	(17,797)
<b>Net cash flows used in financing activities</b>	<b>(46,110)</b>	<b>(73,191)</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this report)





**Condensed Consolidated Statement of Cash Flows**  
**For the Six-Months Period ended 30 June 2022 (Continued)**  
(The figures have not been audited)

	<b>30 June 2022 RM'000</b>	<b>30 June 2021 RM'000</b>
<b>Net increase in cash and cash equivalents</b>	369,636	102,201
<b>Cash and cash equivalents at beginning of the financial period</b>	794,332	642,309
Effect of exchange rate changes	(1,519)	661
<b>Cash and cash equivalents at end of the financial period</b>	<u>1,162,449</u>	<u>745,171</u>
 Cash and cash equivalents at the end of the financial period comprised the following:		
Short term deposits with licensed banks	645,759	418,662
Cash in hand and at banks	516,790	326,609
Cash and bank balances	<u>1,162,549</u>	<u>745,271</u>
Less: Short term deposit pledged as security	(100)	(100)
	<u>1,162,449</u>	<u>745,171</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this report)



## **Explanatory Notes To The Interim Report – 30 June 2022**

### **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 2021. 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 2021.

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 2021.

On 1 January 2022, the Group adopted the following new and amended Malaysian Financial Reporting Standards (“MFRSs”) mandatory for annual financial periods beginning on or after 1 April 2021 and 1 January 2022.

- *Amendments to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*
- *Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements to MFRS Standards 2018-2020*
- *Amendments to MFRS 3 Business Combination - Reference to the Conceptual Framework*
- *Amendments to MFRS 9, Financial Instruments - Annual Improvements to MFRS Standards 2018-2020*
- *Amendments to MFRS 116, Property, Plant and Equipment - Property, Plant and Equipment – Proceeds before Intended Use*
- *Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract*
- *Amendments to Illustrative Examples accompanying MFRS 16, Leases - Annual Improvements to MFRS Standards 2018-2020*
- *Amendments to MFRS 141, Agriculture - Annual Improvements to MFRS Standards 2018-2020*

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



## Explanatory Notes To The Interim Report – 30 June 2022

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

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, IC Interpretation and Amendments to IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
• MFRS 17, Insurance Contracts	01 January 2023
• Amendments to MFRS 17, Insurance Contracts	01 January 2023
• Initial Application of <i>MFRS 17</i> and MFRS 9 – <i>Comparative Information</i> (Amendment to MFRS 17 <i>Insurance Contracts</i> )	01 January 2023
• Amendments to MFRS 101, Presentation of Financial Statements - <i>Classification of Liabilities as Current or Non-current</i>	01 January 2023
• Amendments to MFRS 108, Accounting Policies Changes in Accounting Estimates and Errors - <i>Definition of Accounting Estimates</i>	01 January 2023
• Amendments to MFRS 112, Income Tax. <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	01 January 2023
• 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>	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.



**Explanatory Notes To The Interim Report – 30 June 2022**

**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 20,628,300 shares exercised under the Employees' Share Option Scheme.

**A7. Dividends Paid**

The Company has paid RM35,605,659 on 15 July 2022, being the final single tier dividend of 6 sen per ordinary share declared for the financial year ended 31 December 2021 and which was duly approved during the Annual General Meeting held on 23 June 2022.

**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 June 2022**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	2,832,044	1,998	-	2,834,042
Revenue from external customers	2,832,044	1,998	-	2,834,042
Finance income	14,321	41	(3,777)	10,585
Finance costs	(18,239)	(393)	3,798	(14,834)
Depreciation and amortisation	(80,771)	(132)	(4,764)	(85,667)
Profit before taxation for financial period	478,175	596	(861)	477,910

**Year to date ended 30 June 2021**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	1,734,145	3,223	-	1,737,368
Revenue from external customers	1,734,145	3,223	-	1,737,368
Finance income	12,247	16	(4,118)	8,145
Finance costs	(21,214)	(317)	4,080	(17,451)
Depreciation and amortisation	(73,133)	(139)	(3,162)	(76,434)
Profit before taxation for financial period	330,947	(198)	(71,096)	259,653



## **Explanatory Notes To The Interim Report – 30 June 2022**

### **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**

On 19 July 2022, 296,721,158 Bonus Shares were listed and quoted on the Main Market of Bursa Securities. Following the above, the issued share capital of the Group is RM914,473,848 comprising 890,163,804 of ordinary shares.

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.

### **A12. Changes In Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at 30 June 2022 except corporate guarantees of RM1,071.5 million favouring the banks in respect of banking facilities granted to the subsidiaries. The contingent liabilities of RM230.1 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 June 2022 is as follows:-

	<b>30 June 2022</b>
	<b>RM'000</b>
Property, plant and equipment	
Authorised but not contracted for	151,720
Contracted but not provided in the financial statements	58,000
	-----
	209,720
	=====
 Bearer plants	
Authorised but not contracted for	36,048
Contracted but not provided in the financial statements	2,294
	-----
	38,342
	=====



**Explanatory Notes To The Interim Report – 30 June 2022**

**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	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021		
<b>Revenue</b>	1,399,466	949,046	47%	2,834,042	1,737,368	63%
<b>Gross Profit</b>	213,787	187,904	14%	457,247	330,674	38%
<b>Operating Profit</b>	210,787	150,065	40%	483,201	269,846	79%
<b>Profit Before Tax</b>	209,305	146,620	43%	477,910	259,653	84%
<b>Profit After Tax</b>	163,154	107,918	51%	368,891	194,528	90%
<b>Profit Attributable to Owners of the Company</b>	154,460	98,320	57%	349,451	177,377	97%

**2<sup>nd</sup> Quarter FY2022 (“Q2FY2022”) vs 2<sup>nd</sup> Quarter FY2021 (“Q2FY2021”)**

The Group registered a total revenue of RM1,399.5 million for Q2FY2022 compared with RM949.0 million reported in Q2FY2021.

The Group's profit before tax for the current quarter was RM209.3 million compared with RM146.6 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 (“2QFY2022”) vs Preceding Year To Date (“2QFY2021”)**

The Group registered a total revenue of RM2,834.0 million for the six months ended 30 June 2022 against RM1,737.4 million reported in the corresponding period year 2021.

Group profit before tax for the period ended 30 June 2022 was RM477.9 million against RM259.7 million achieved during the corresponding period year 2021. The increase in profit before tax was mainly attributed to increase in average realised prices of palm products. This was in spite of FFB production for the Group dropped by 12% due to labour shortage since Covid-19 pandemic.



**Explanatory Notes To The Interim Report – 30 June 2022**

**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	
	30/06/2022	31/03/2022	
<b>Revenue</b>	1,399,466	1,434,576	-2%
<b>Gross Profit</b>	213,787	243,460	-12%
<b>Operating Profit</b>	210,787	272,414	-23%
<b>Profit Before Tax</b>	209,305	268,605	-22%
<b>Profit After Tax</b>	163,154	205,737	-21%
<b>Profit Attributable to Owners of the Company</b>	154,460	194,991	-21%

**2<sup>nd</sup> Quarter FY2022 (“Q2FY2022”) vs 1<sup>st</sup> Quarter FY2022 (“Q1FY2022”)**

The Group registered a total revenue of RM1,399.5 million for Q2FY2022 compared with RM1,434.6 million reported in Q1FY2022.

The Group reported a profit before tax of RM209.3 million compared with RM268.6 million reported in Q1FY2022. The decrease in profit before tax was mainly due to the rapid decline of palm oil products prices towards the end of second quarter 2022 which affects the carrying value of inventories at the end of the reporting period.

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

	Q2FY2022	Q1FY2022
Palm Oil Products (RM/mt)	6,469	6,308
Palm Kernel Products (RM/mt)	3,992	5,128

**B3. Prospect**

The performance of the Group would continue to be driven by the FFB production which is affected by labour shortage and global world edible oil prices movement. This is further exacerbated by the effect of supply chain on fertilizers and chemicals and fuel prices which will affect the costs of production.

Going forward, the movement of foreign currency exchange against Ringgit Malaysia and the labour shortages will continue to pose challenges to the Group.

**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 June 2022**

**B5. Profit Before Tax**

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

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30 June		30 June	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	44,208	38,252	85,667	76,434
(Gain)/Loss on disposal of property, plant and equipment	(118)	513	(436)	3
Property, plant and equipment written off	63	52	198	83
Bearer plant written off	128	256	128	256
Finance income	(5,828)	(5,682)	(10,585)	(8,145)
Finance costs	7,397	8,760	14,834	17,451
Fair value gain on biological assets	(2,213)	(5,294)	(7,208)	(12,693)
Unrealised loss/(gain) on foreign exchange	78	(247)	(600)	716
Fair value loss on derivatives	9,912	4,450	9,145	1,712

**B6. Taxation**

Current tax expenses	29,745	35,411	80,910	58,460
Deferred tax	16,406	3,291	28,109	6,665
	<u>46,151</u>	<u>38,702</u>	<u>109,019</u>	<u>65,125</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	506	838	610	679

**B7. Status of Corporate Proposal Announced**

On 7 March 2022, the Group has announced its proposed bonus issue up to 303,136,773 new ordinary shares on the basis of 1 bonus share for every 2 existing shares held on the entitlement date to be determined and announced later.

The Group has obtained approval from Bursa Securities for the listing and quotation of up to 303,136,773 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities on 20 April 2022.

Upon fulfillment of the prescribed conditions from Bursa Securities and approval from shareholders at the Extraordinary General Meeting held on 23 June 2022, the corporate proposal was completed upon listing of 296,721,158 bonus shares on the Main Market of Bursa Securities on 19 July 2022.

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 June 2022**

**B8. Loans and Borrowings**

	As at 2 <sup>nd</sup> quarter ended 2022							
	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	-	1,134	-	-	2,518	-	-	3,652
Sukuk Murabahah	-	19,498	-	-	-	-	-	19,498
Term loans	2,145	465,290	1,430	-	65,400	3,575	-	530,690
<b><u>Unsecured</u></b>								
Trade loans	-	-	-	119,015	242,079	-	119,015	242,079
	2,145	485,922	1,430	119,015	309,997	3,575 <sup>^</sup>	119,015 <sup>*</sup>	795,919

*\*USD27.00 million equivalent*

*<sup>^</sup>SGD1.13 million equivalent*

	As at 2 <sup>nd</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	-	5,253	-	-	3,846	-	-	9,099
Revolving credits	-	-	-	-	37,000	-	-	37,000
Sukuk Murabahah	-	19,384	-	-	-	-	-	19,384
Term loans	4,179	331,939	696	-	397,900	4,875	-	729,839
<b><u>Unsecured</u></b>								
Trade loans	-	-	-	84,286	170,432	-	84,286	170,432
Term loans	-	-	-	-	5,729	-	-	5,729
	4,179	356,576	696	84,286	614,907	4,875 <sup>^</sup>	84,286 <sup>*</sup>	971,483

*\*USD20.30 million equivalent*

*<sup>^</sup>SGD1.58 million equivalent*



**Explanatory Notes To The Interim Report – 30 June 2022**

**B9. Derivatives**

(a) The outstanding interest rate swap (IRS) contracts as at 30 June 2022 are as follows:-

(i) Interest rate swap - designated as hedging

	Contract/Notional Value (RM'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	626	-	-	626

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 June 2022 are as follows:-

	Contract/Notional Value (RM'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	50	-	-	50	226	-	-	226
Commodity forward contracts	USD	6	-	-	6	346	-	-	346
Forward currency contracts	USD	365	-	-	365	(1,019)	-	-	(1,019)

The Group uses commodity forward contracts 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 June 2022**

**B11. Dividends**

Final single-tier dividend in respect of the financial year ended 31 December 2021, of 6 sen per ordinary share amounting to RM35,605,659 has been approved by shareholders during the Annual General Meeting held on 23 June 2022 and the payment was subsequently made on 15 July 2022.

On 25 August 2022, the Board of Directors has approved an interim single-tier dividend of 4 sen per share, on 890,163,804 ordinary shares for the financial year ending 31 December 2022 amounting to RM35,606,552.

**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		6 months ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	154,460	98,320	349,451	177,377
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	586,793	571,674	576,710	571,409
Bonus issue in subsequent period	296,721	296,721	296,721	296,721
Adjusted weighted average number of ordinary shares in issue	883,514	868,395	873,431	868,130
	Sen	Sen	Sen	Sen
Basic earnings per share				
- Before issuance of bonus shares	26.32	17.20	60.59	31.04
- After issuance of bonus shares	17.48	11.32 <sup>#</sup>	40.01	20.43 <sup>#</sup>

# For comparative purposes, the earnings per share of the quarter and period ended 30 June 2021 had been adjusted to reflect the bonus issue of 1 bonus share for every 2 existing ordinary shares which was completed on 19 July 2022



**Explanatory Notes To The Interim Report – 30 June 2022**

**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.

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30/06/2022	30/06/2021	30/06/2022	30/06/2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	154,460	98,320	349,451	177,377
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	587,827	574,296	578,813	574,031
Bonus issue in subsequent period	296,721	296,721	296,721	296,721
Adjusted weighted average number of ordinary shares in issue	884,548	871,017 <sup>#</sup>	875,534	870,752 <sup>#</sup>
	Sen	Sen	Sen	Sen
Diluted earnings per share				
- Before issuance of bonus shares	26.28	17.12	60.37	30.90
- After issuance of bonus shares	17.46	11.29 <sup>#</sup>	39.91	20.37 <sup>#</sup>

# For comparative purposes, the earnings per share of the quarter and period ended 30 June 2021 had been adjusted to reflect the bonus issue of 1 bonus share for every 2 existing ordinary shares which was completed on 19 July 2022

**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 August 2022.

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

Miri  
**25 August 2022**