



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

	Note	30 September 2022 RM'000	31 December 2021 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,082,265	1,074,314
Bearer plants		878,321	921,245
Inventories		57,787	57,525
Right-of-use assets		506,516	512,986
Investment in a joint venture		21,575	22,163
Intangible assets		168,258	168,264
Deferred tax assets		5,067	19,573
		2,719,789	2,776,070
<b>Current assets</b>			
Inventories		411,775	476,475
Biological assets		27,479	34,169
Trade and other receivables		267,083	323,052
Current tax recoverable		19,833	7,427
Derivatives	B9	59	8,697
Other investments		178,182	234,269
Cash and bank balances		1,332,455	796,693
		2,236,866	1,880,782
<b>TOTAL ASSETS</b>		4,956,655	4,656,852
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		914,474	823,162
Employee share option reserve		15,018	26,481
Other reserves		4,962	(793)
Retained earnings		2,313,842	1,953,269
		3,248,296	2,802,119
<b>Non-controlling interests</b>		150,404	136,592
<b>Total equity</b>		3,398,700	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 September 2022 (Continued)**  
(The figures have not been audited)

	Note	30 September 2022 RM'000	31 December 2021 RM'000
<b>Non-current liabilities</b>			
Loans and borrowings	B8	465,564	522,110
Deferred tax liabilities		403,517	377,620
Government grants		13,540	14,338
Derivatives	B9	-	408
Lease liabilities		1,225	114
		883,846	914,590
<b>Current liabilities</b>			
Loans and borrowings	B8	380,148	495,679
Trade and other payables		263,164	288,830
Current tax payable		25,873	14,938
Government grants		1,064	1,064
Derivatives	B9	3,400	1,505
Lease liabilities		460	1,535
		674,109	803,551
<b>Total liabilities</b>		1,557,955	1,718,141
<b>TOTAL EQUITY AND LIABILITIES</b>		4,956,655	4,656,852
Net assets per share attributable to owners of the Company (RM)		3.65	3.27 <sup>#</sup>
No. of share ('000)		890,164	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 Nine-Months Period ended 30 September 2022**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 9 months ended 30 September	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Continuing Operations</b>					
<b>Revenue</b>		1,323,771	1,301,510	4,157,813	3,038,878
Costs of sales		(1,175,706)	(1,085,685)	(3,552,501)	(2,492,379)
<b>Gross profit</b>		148,065	215,825	605,312	546,499
Administrative expenses		(8,566)	(9,400)	(18,186)	(25,845)
Other operating (expense)/income		(26,716)	(25,524)	8,859	(69,907)
<b>Operating profit</b>		112,783	180,901	595,985	450,747
Finance income		8,372	3,992	18,956	12,137
Finance costs		(7,834)	(8,731)	(22,669)	(26,182)
Share of result of equity- accounted joint venture, net of tax		454	(727)	(589)	(1,614)
<b>Profit before tax</b>	B5	113,775	175,435	591,683	435,088
Taxation	B6	(28,577)	(43,347)	(137,596)	(108,472)
<b>Profit after tax for the period</b>		85,198	132,088	454,087	326,616
<b>Other comprehensive income/(loss):</b>					
Foreign exchange translation differences for foreign operations		2,148	186	4,256	685
Fair value adjustment on cash flow hedge		(567)	255	1,972	3,085
Income tax relating to components of other comprehensive income		137	(61)	(473)	(740)
<b>Other comprehensive income for the period, net of tax</b>		1,718	380	5,755	3,030
<b>Total comprehensive income for the period</b>		86,916	132,468	459,842	329,646
<b>Profit attributable to:</b>					
Owners of the Company		82,336	125,489	431,785	302,866
Non-controlling interests		2,862	6,599	22,302	23,750
		85,198	132,088	454,087	326,616

(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 Nine-Months Period ended 30 September 2022 (Continued)**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 9 months ended 30 September	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		84,054	125,869	437,540	305,896
Non-controlling interests		2,862	6,599	22,302	23,750
		<u>86,916</u>	<u>132,468</u>	<u>459,842</u>	<u>329,646</u>
<b>Earnings per share attributable to owners of the Company (Sen):</b>					
Basic	B12	<u>9.25</u>	<u>14.63<sup>#</sup></u>	<u>49.43</u>	<u>35.33<sup>#</sup></u>
Diluted	B12	<u>9.23</u>	<u>14.59<sup>#</sup></u>	<u>49.24</u>	<u>35.22<sup>#</sup></u>

# For comparative purpose, the earnings per share for the quarter and period ended 30 September 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 Nine-Months Period ended 30 September 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		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 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>	459,842	437,540	-	-	5,755	431,785	22,302	
<b>Transactions with owners</b>								
Dividends paid to owners of the Company	(35,605)	(35,605)	-	-	-	(35,605)	-	
Dividends payable to owners of the Company	(35,607)	(35,607)	-	-	-	(35,607)	-	
Dividends paid to non-controlling interests in subsidiaries	(8,490)	-	-	-	-	-	(8,490)	
Issuance of ordinary shares:								
Pursuant to exercise of ESOS	77,376	77,376	77,376	-	-	-	-	
Share options granted under ESOS	2,473	2,473	-	2,473	-	-	-	
Share options exercised under ESOS	-	-	13,936	(13,936)	-	-	-	
<b>At 30 September 2022</b>	<u>3,398,700</u>	<u>3,248,296</u>	<u>914,474</u>	<u>15,018</u>	<u>4,962</u>	<u>2,313,842</u>	<u>150,404</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 2021 and the accompanying explanatory notes attached to this report)

**Condensed Consolidated Statement of Changes in Equity  
For the Nine-Months Period ended 30 September 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 Nine-Months Period ended 30 September 2022**  
(The figures have not been audited)

	<b>30 September 2022 RM'000</b>	<b>30 September 2021 RM'000</b>
<b>Operating activities</b>		
<b>Profit before tax</b>	591,683	435,088
Adjustments for non-cash items:		
Depreciation and amortisation	129,334	126,675
Amortisation of government grant	(798)	(782)
Share options granted under ESOS	2,473	2,182
(Gain)/Loss on disposal of property, plant and equipment	(511)	32
Property, plant and equipment written off	306	316
Bearer plants written off	1,563	413
Inventories written off	336	-
Finance income	(18,956)	(12,137)
Finance costs	22,669	26,182
Fair value loss/(gain) on biological assets	6,690	(19,313)
Unrealised (gain)/loss on foreign exchange	(476)	692
Fair value loss/(gain) on derivatives	12,097	(2,762)
Share of results of a joint venture	589	1,614
<b>Operating cash flows before working capital changes</b>	<b>746,999</b>	<b>558,200</b>
Decrease/(Increase) in inventories	64,193	(119,087)
Decrease/(Increase) in trade and other receivables	76,386	(126,223)
(Decrease)/Increase in trade and other payables	(72,351)	30,920
<b>Cash flows from operations</b>	<b>815,227</b>	<b>343,810</b>
Net income tax paid	(99,137)	(52,982)
<b>Net cash flows from operating activities</b>	<b>716,090</b>	<b>290,828</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 Nine-Months Period ended 30 September 2022 (Continued)**  
(The figures have not been audited)

	<b>30 September 2022 RM'000</b>	<b>30 September 2021 RM'000</b>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(75,321)	(83,881)
Acquisition of right-of-use assets	(252)	(12,101)
Acquisition of non-controlling interests	-	(51,795)
Increase in bearer plants	(13,522)	(12,137)
Investment in a joint venture	-	(1,757)
Proceeds from disposal of property, plant and equipment	1,328	2,486
Interest received	18,956	12,137
Upliftment of fixed deposits with tenor maturities exceeding three months	56,087	112,814
<b>Net cash flows used in investing activities</b>	<u>(12,724)</u>	<u>(34,234)</u>
<b>Financing activities</b>		
Net movements in trade financing	(13,499)	34,957
Proceeds from issuance of shares	77,376	1,808
Proceeds from government grant	-	370
Repayment of obligations under hire purchase	(3,220)	(5,102)
Repayment of loans and borrowings	(165,764)	(100,201)
Repayment of lease liabilities	(469)	(309)
Dividend paid to owners of the Company	(35,605)	(34,300)
Dividend paid to non-controlling interests	(8,490)	(6,766)
Interest paid	(23,001)	(26,698)
<b>Net cash flows used in financing activities</b>	<u>(172,672)</u>	<u>(136,241)</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)





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

	<b>30 September 2022</b>	<b>30 September 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net increase in cash and cash equivalents</b>	530,694	120,353
<b>Cash and cash equivalents at beginning of the financial period</b>	796,693	642,409
Effect of exchange rate changes	5,068	87
<b>Cash and cash equivalents at end of the financial period</b>	<u>1,332,455</u>	<u>762,849</u>
 Cash and cash equivalents at the end of the financial period comprised the following:		
Short term deposits with licensed banks	753,072	424,782
Cash in hand and at banks	579,383	338,067
Cash and bank balances	<u>1,332,455</u>	<u>762,849</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 September 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 September 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 September 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:

MFRS, IC Interpretation and Amendments to IC Interpretations	Effective for annual periods beginning on or after
• MFRS 17, Insurance Contracts	01 January 2023
• Amendments to MFRS 17, Insurance Contracts	01 January 2023
• Initial Application of <i>MFRS 17</i> and <i>MFRS 9 – Comparative Information</i> (Amendment to <i>MFRS 17 Insurance Contracts</i> )	01 January 2023
• Amendments to <i>MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current</i>	01 January 2023
• Amendments to <i>MFRS 108, Accounting Policies Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	01 January 2023
• Amendments to <i>MFRS 112, Income Tax. Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	01 January 2023
• Amendments to <i>MFRS 16, Leases – Lease liability in a sale and leaseback</i>	01 January 2024
• Amendments to <i>MFRS 10, Consolidated Financial Statements</i> and <i>MFRS 128, Investments in Associates and Joint Ventures – 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 September 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 15,000 shares exercised under the Employees' Share Option Scheme.

**A7. Dividends Paid**

Since the end of the previous financial year, the Company has paid the following dividends:

- (i) In respect of the financial year ended 31 December 2021, a final single tier dividend of 6 sen per ordinary shares totaling RM35,605,659 was paid on 15 July 2022; and
- (ii) In respect of the financial year ending 31 December 2022, a first interim single tier dividend of 4 sen per ordinary shares totaling RM35,605,552 was paid on 6 October 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 September 2022**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	4,148,732	9,081	-	4,157,813
Revenue from external customers	4,148,732	9,081	-	4,157,813
Finance income	24,078	60	(5,182)	18,956
Finance costs	(27,424)	(523)	5,278	(22,669)
Depreciation and amortisation	(121,992)	(198)	(7,144)	(129,334)
Profit before taxation for financial period	589,761	2,279	(357)	591,683

**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



## Explanatory Notes To The Interim Report – 30 September 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

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 September 2022 except corporate guarantees of RM1,099.4 million favouring the banks in respect of banking facilities granted to the subsidiaries. The contingent liabilities of RM233.9 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 2022 is as follows:-

	<b>30 September 2022</b> <b>RM'000</b>
Property, plant and equipment	
Authorised but not contracted for	132,913
Contracted but not provided in the financial statements	51,347
	-----
	184,260
	-----
 Bearer plants	
Authorised but not contracted for	29,470
Contracted but not provided in the financial statements	4,020
	-----
	33,490
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**Explanatory Notes To The Interim Report – 30 September 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	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021		
<b>Revenue</b>	1,323,771	1,301,510	2%	4,157,813	3,038,878	37%
<b>Gross Profit</b>	148,065	215,825	-31%	605,312	546,499	11%
<b>Operating Profit</b>	112,783	180,901	-38%	595,985	450,747	32%
<b>Profit Before Tax</b>	113,775	175,435	-35%	591,683	435,088	36%
<b>Profit After Tax</b>	85,198	132,088	-35%	454,087	326,616	39%
<b>Profit Attributable to Owners of the Company</b>	82,336	125,489	-34%	431,785	302,866	43%

**3<sup>rd</sup> Quarter FY2022 (“Q3FY2022”) vs 3<sup>rd</sup> Quarter FY2021 (“Q3FY2021”)**

The Group registered a total revenue of RM1,323.8 million for Q3FY2022 compared with RM1,301.5 million reported in Q3FY2021.

The Group's profit before tax for the current quarter was RM113.8 million compared with RM175.4 million reported in corresponding quarter last year. The decrease in profit before tax was mainly attributed to higher production costs due to increase in fertiliser and labour costs incurred when compared to Q3FY2021.

**Current Year To Date (“3QFY2022”) vs Preceding Year To Date (“3QFY2021”)**

The Group registered a total revenue of RM4,157.8 million for the nine months ended 30 September 2022 against RM3,038.9 million reported in the corresponding period year 2021.

Group profit before tax for the period ended 30 September 2022 was RM591.7 million against RM435.1 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 7% due to labour shortage and also the increase in costs of production.



**Explanatory Notes To The Interim Report – 30 September 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	
	30/09/2022	30/06/2022	
<b>Revenue</b>	1,323,771	1,399,466	-5%
<b>Gross Profit</b>	148,065	213,787	-31%
<b>Operating Profit</b>	112,783	210,787	-46%
<b>Profit Before Tax</b>	113,775	209,305	-46%
<b>Profit After Tax</b>	85,198	163,154	-48%
<b>Profit Attributable to Owners of the Company</b>	82,336	154,460	-47%

**3<sup>rd</sup> Quarter FY2022 (“Q3FY2022”) vs 2<sup>nd</sup> Quarter FY2022 (“Q2FY2022”)**

The Group registered a total revenue of RM1,323.8 million for Q3FY2022 compared with RM1,399.5 million reported in Q2FY2022.

The Group reported a profit before tax of RM113.8 million compared with RM209.3 million reported in Q2FY2022. The decrease in profit before tax was mainly due to the decline of palm oil products prices in third quarter 2022.

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

	Q3FY2022	Q2FY2022
Palm Oil Products (RM/mt)	4,191	6,469
Palm Kernel Products (RM/mt)	2,784	3,992

**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 price movement. This is further exacerbated by the effect of supply chain on fertilisers, chemicals and fuel prices which will affect the costs of production. If the present commodity price sustain, the Group is expected to maintain a favourable financial performance.

**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 2022**

**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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	43,669	50,241	129,334	126,675
(Gain)/Loss on disposal of property, plant and equipment	(75)	29	(511)	32
Property, plant and equipment written off	108	233	306	316
Bearer plant written off	1,435	157	1,563	413
Finance income	(8,372)	(3,992)	(18,956)	(12,137)
Finance costs	7,834	8,731	22,669	26,182
Fair value loss/(gain) on biological assets	13,898	(6,620)	6,690	(19,313)
Unrealised loss/(gain) on foreign exchange	124	(24)	(476)	692
Fair value loss/(gain) on derivatives	2,952	(4,474)	12,097	(2,762)

**B6. Taxation**

Current tax expenses	16,756	30,703	97,666	88,929
Deferred tax	11,821	12,644	39,930	19,543
	<u>28,577</u>	<u>43,347</u>	<u>137,596</u>	<u>108,472</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	<u>(137)</u>	<u>295</u>	<u>473</u>	<u>740</u>

**B7. Status of Corporate Proposal Announced**

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 2022**

**B8. Loans and Borrowings**

	As at 3 <sup>rd</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	-	282	-	-	2,442	-	-	2,724
Sukuk Murabahah	-	19,517	-	-	-	-	-	19,517
Term loans	1,827	443,938	1,461	-	70,400	3,288	-	514,338
<b><u>Unsecured</u></b>								
Trade loans	-	-	-	102,665	203,180	-	102,665	203,180
	1,827	463,737	1,461	102,665	276,022	3,288 <sup>^</sup>	102,665 <sup>*</sup>	739,759

*\*USD22.80 million equivalent*

*<sup>^</sup>SGD1.02 million equivalent*

	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
	4,165	340,599	347	74,947	620,275	4,512 <sup>^</sup>	74,947 <sup>*</sup>	960,874

*\*USD17.90 million equivalent*

*<sup>^</sup>SGD1.47 million equivalent*



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

**B9. Derivatives**

(a) The outstanding interest rate swap (IRS) contracts as at 30 September 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	59	-	-	59

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 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	7	-	-	7	(899)	-	-	(899)
Forward currency contracts	USD	192	-	-	192	(2,500)	-	-	(2,500)

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 September 2022**

**B11. Dividends**

On 6 October 2022, the Company has paid RM35,606,552, being the interim dividend of 4 sen per ordinary share on 890,163,804 ordinary shares for the financial year ending 31 December 2022, which was duly approved by the Board of Directors on 25 August 2022.

**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	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	82,336	125,489	431,785	302,866
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	890,164	868,396	879,069	868,219
	Sen	Sen	Sen	Sen
Basic earnings per share	9.25	14.63#	49.43	35.33#

# For comparative purposes, the earnings per share of the quarter and period ended 30 September 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 September 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		9 months ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	82,336	125,489	431,785	302,866
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	892,443	860,132#	876,980	859,866#
	Sen	Sen	Sen	Sen
Diluted earnings per share	9.23	14.59#	49.24	35.22#

# For comparative purposes, the earnings per share of the quarter and period ended 30 September 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 November 2022.

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

Miri  
**25 November 2022**