



**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022**  
**Condensed Consolidated Statement of Financial Position as at 31 December 2022**  
(The figures have not been audited)

	Note	31 December 2022 RM'000	31 December 2021 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,091,828	1,074,314
Bearer plants		864,727	921,245
Inventories		58,191	57,525
Right-of-use assets		504,174	512,986
Investment in a joint venture		19,632	22,163
Intangible assets		168,254	168,264
Deferred tax assets		5,113	19,573
		2,711,919	2,776,070
<b>Current assets</b>			
Inventories		470,637	476,475
Biological assets		21,892	34,169
Trade and other receivables		288,759	323,052
Current tax recoverable		17,360	7,427
Derivatives	B9	1,605	8,697
Other investments		141,767	234,269
Cash and bank balances		1,236,181	796,693
		2,178,201	1,880,782
<b>TOTAL ASSETS</b>		4,890,120	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		16,006	26,481
Other reserves		2,176	(793)
Retained earnings		2,362,507	1,953,269
		3,295,163	2,802,119
<b>Non-controlling interests</b>		152,205	136,592
<b>Total equity</b>		3,447,368	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 31 December 2022 (Continued)**  
(The figures have not been audited)

	Note	31 December 2022 RM'000	31 December 2021 RM'000
<b>Non-current liabilities</b>			
Loans and borrowings	B8	446,125	522,110
Deferred tax liabilities		389,154	377,620
Government grants		13,274	14,338
Derivatives	B9	-	408
Lease liabilities		552	114
		849,105	914,590
<b>Current liabilities</b>			
Loans and borrowings	B8	315,414	495,679
Trade and other payables		266,393	288,830
Current tax payable		10,314	14,938
Government grants		1,064	1,064
Derivatives	B9	48	1,505
Lease liabilities		414	1,535
		593,647	803,551
<b>Total liabilities</b>		1,442,752	1,718,141
<b>TOTAL EQUITY AND LIABILITIES</b>		4,890,120	4,656,852
Net assets per share attributable to owners of the Company (RM)		3.70	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 Quarter and Year ended 31 December 2022**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 31 December		CUMULATIVE QUARTER 12 months ended 31 December	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Continuing Operations</b>					
<b>Revenue</b>		1,207,661	1,392,148	5,365,474	4,431,026
Costs of sales		(1,128,401)	(1,089,743)	(4,680,902)	(3,582,122)
<b>Gross profit</b>		79,260	302,405	684,572	848,904
Administrative expenses		(7,082)	(5,236)	(25,268)	(31,081)
Other operating income/(expense)		6,258	(15,001)	15,117	(84,908)
<b>Operating profit</b>		78,436	282,168	674,421	732,915
Finance income		7,935	4,142	26,891	16,279
Finance costs		(6,608)	(7,142)	(29,277)	(33,324)
Share of result of equity- accounted joint venture, net of tax		(1,942)	(1,267)	(2,531)	(2,881)
<b>Profit before tax</b>	B5	77,821	277,901	669,504	712,989
Taxation	B6	(26,859)	(63,018)	(164,455)	(171,490)
<b>Profit after tax</b>		50,962	214,883	505,049	541,499
<b>Other comprehensive income/(loss):</b>					
Foreign exchange translation differences for foreign operations		(3,027)	47	1,229	732
Fair value adjustment on cash flow hedge		317	3,518	2,289	6,603
Income tax relating to components of other comprehensive income		(76)	(845)	(549)	(1,585)
<b>Other comprehensive income, net of tax</b>		(2,786)	2,720	2,969	5,750
<b>Total comprehensive income</b>		48,176	217,603	508,018	547,249
<b>Profit attributable to:</b>					
Owners of the Company		48,665	207,030	480,450	509,896
Non-controlling interests		2,297	7,853	24,599	31,603
		50,962	214,883	505,049	541,499

(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 Quarter and Year ended 31 December 2022 (Continued)**  
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		12 months ended	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		45,879	209,750	483,419	515,646
Non-controlling interests		2,297	7,853	24,599	31,603
		<u>48,176</u>	<u>217,603</u>	<u>508,018</u>	<u>547,249</u>
<b>Earnings per share attributable to owners of the Company (Sen):</b>					
Basic	B12	<u>5.47</u>	<u>24.14<sup>#</sup></u>	<u>54.48</u>	<u>59.48<sup>#</sup></u>
Diluted	B12	<u>5.45</u>	<u>24.08<sup>#</sup></u>	<u>54.56</u>	<u>59.32<sup>#</sup></u>

# For comparative purpose, the earnings per share for the quarter and year ended 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 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 Year ended 31 December 2022**  
(The figures have not been audited)

Equity attributable to owners of the Company

	Equity attributable to owners of the Company						
	Equity, total	Equity attributable to owners of the Company total	Share capital	Non-distributable		Distributable	
				Employee share option reserve	Other reserves	Retained earnings	Non- controlling interests
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 year</b>	508,018	483,419	-	-	2,969	480,450	24,599
<b>Transactions with owners</b>							
Dividends paid to owners of the Company	(71,212)	(71,212)	-	-	-	(71,212)	-
Dividends paid to non-controlling interests in subsidiaries	(8,986)	-	-	-	-	-	(8,986)
Issuance of ordinary shares:							
Pursuant to exercise of ESOS	77,376	77,376	77,376	-	-	-	-
Share options granted under ESOS	3,461	3,461	-	3,461	-	-	-
Share options exercised under ESOS	-	-	13,936	(13,936)	-	-	-
<b>At 31 December 2022</b>	<u>3,447,368</u>	<u>3,295,163</u>	<u>914,474</u>	<u>16,006</u>	<u>2,176</u>	<u>2,362,507</u>	<u>152,205</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 Year ended 31 December 2022 (Continued)**

Equity attributable to owners of the Company

	Equity attributable to owners of the Company						
	Equity, total	Equity attributable to owners of the Company total	Share capital	Non-distributable		Distributable	
				Employee share option reserve	Other reserves	Retained earnings	Non- controlling interests
RM'000	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 Year ended 31 December 2022**  
(The figures have not been audited)

	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
<b>Profit before tax</b>	669,504	712,989
Adjustments for non-cash items:		
Depreciation and amortisation	173,514	169,452
Amortisation of government grant	(1,064)	(1,048)
Share options granted under ESOS	3,461	2,943
Gain on disposal of property, plant and equipment	(569)	(474)
Property, plant and equipment written off	447	760
Bearer plants written off	2,875	5,992
Inventories written off	54	136
Inventories written down	-	634
Impairment loss on financial instruments	-	936
Finance income	(26,891)	(16,279)
Finance costs	29,277	33,324
Fair value loss/(gain) on biological assets	12,277	(8,887)
Unrealised loss on foreign exchange	313	712
Fair value loss/(gain) on derivatives	7,516	(43,484)
Share of results of a joint venture	2,531	2,881
<b>Operating cash flows before working capital changes</b>	<b>873,245</b>	<b>860,587</b>
Decrease/(Increase) in inventories	5,242	(242,520)
Decrease/(Increase) in trade and other receivables	42,956	(106,012)
(Decrease)/Increase in trade and other payables	(27,757)	75,540
<b>Cash flows from operations</b>	<b>893,686</b>	<b>587,595</b>
Net income tax paid	(153,567)	(125,234)
<b>Net cash flows from operating activities</b>	<b>740,119</b>	<b>462,361</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 Year ended 31 December 2022 (Continued)**  
(The figures have not been audited)

	<b>31 December 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(109,507)	(123,577)
Acquisition of right-of-use assets	(252)	(12,024)
Acquisition of non-controlling interests	-	(51,795)
Increase in bearer plants	(19,708)	(16,575)
Additions to intangible assets	(2)	(14)
Investment in a joint venture	-	(1,757)
Proceeds from disposal of property, plant and equipment	2,635	1,866
Interest received	26,891	16,279
Upliftment of fixed deposits with tenor maturities exceeding three months	92,502	70,567
<b>Net cash flows used in investing activities</b>	<u>(7,441)</u>	<u>(117,030)</u>
<b>Financing activities</b>		
Net movements in trade financing	(79,150)	91,783
Proceeds from issuance of shares	77,376	1,848
Proceeds from revolving credit	5,000	-
Proceeds from government grant	-	370
Repayment of obligations under hire purchase	(3,484)	(6,645)
Repayment of loans and borrowings	(182,495)	(177,882)
Repayment of lease liabilities	(1,456)	(720)
Dividend paid to owners of the Company	(71,212)	(57,168)
Dividend paid to non-controlling interests	(8,986)	(7,261)
Interest paid	(29,371)	(36,110)
<b>Net cash flows used in financing activities</b>	<u>(293,778)</u>	<u>(191,785)</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)



**SARAWAK OIL PALMS BERHAD**

(Incorporated in Malaysia – 7949-M)

**Condensed Consolidated Statement of Cash Flows**  
**For the Year ended 31 December 2022 (Continued)**  
(The figures have not been audited)

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net increase in cash and cash equivalents</b>	438,900	153,546
<b>Cash and cash equivalents at beginning of the financial year</b>	796,693	642,409
Effect of exchange rate changes	588	738
<b>Cash and cash equivalents at end of the financial year</b>	<u>1,236,181</u>	<u>796,693</u>
 Cash and cash equivalents at the end of the financial year comprised the following:		
Short term deposits with licensed banks	932,068	521,299
Cash in hand and at banks	304,113	275,394
Cash and bank balances	<u>1,236,181</u>	<u>796,693</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 – 31 December 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 – 31 December 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 16, Leases – <i>Lease liability in a sale and leaseback</i>	01 January 2024
• Amendments to MFRS 101, <i>Non-current liabilities with Covenants</i>	01 January 2024
• 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 – 31 December 2022**

**A6. Debt and Equity Securities**

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

**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 ended 31 December 2022**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	5,353,482	11,992	-	5,365,474
Revenue from external customers	5,353,482	11,992	-	5,365,474
Finance income	33,398	79	(6,586)	26,891
Finance costs	(35,192)	(647)	6,562	(29,277)
Depreciation and amortisation	(173,250)	(264)	-	(173,514)
Profit before taxation for financial year	668,724	2,897	(2,117)	669,504

**Year ended 31 December 2021**

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	4,420,219	16,757	(5,950)	4,431,026
Revenue from external customers	4,420,219	16,757	(5,950)	4,431,026
Finance income	25,613	53	(9,387)	16,279
Finance costs	(41,831)	(952)	9,459	(33,324)
Depreciation and amortisation	(169,179)	(273)	-	(169,452)
Profit before taxation for financial year	714,957	1,005	(2,973)	712,989



**Explanatory Notes To The Interim Report – 31 December 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 31 December 2022 except corporate guarantees of RM1,069.40 million favouring the banks in respect of banking facilities granted to the subsidiaries. The contingent liabilities of RM163.20 million represents the outstanding banking facilities of the subsidiaries with corporate guarantee at the end of the reporting period.

**A13. Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment and for bearer plants not provided for in the financial statements as at 31 December 2022 is as follows:-

	<b>31 December 2022</b>
	<b>RM'000</b>
Property, plant and equipment	
Authorised but not contracted for	92,375
Contracted but not provided in the financial statements	48,743
	-----
	141,118
	=====
 Bearer plants	
Authorised but not contracted for	22,167
Contracted but not provided in the financial statements	4,821
	-----
	26,988
	=====



**Explanatory Notes To The Interim Report – 31 December 2022**

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

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

**Financial review for current quarter and financial year**

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (%)	Current Year	Preceding Year	Changes (%)
	RM'000 31/12/2022	RM'000 31/12/2021	(%)	RM'000 31/12/2022	RM'000 31/12/2021	(%)
<b>Revenue</b>	1,207,661	1,392,148	-13%	5,365,474	4,431,026	21%
<b>Gross Profit</b>	79,260	302,405	-74%	684,572	848,904	-19%
<b>Operating Profit</b>	78,436	282,168	-72%	674,421	732,915	-8%
<b>Profit Before Tax</b>	77,821	277,901	-72%	669,504	712,989	-6%
<b>Profit After Tax</b>	50,962	214,883	-76%	505,049	541,499	-7%
<b>Profit Attributable to Owners of the Company</b>	48,665	207,030	-76%	480,450	509,896	-6%

**4<sup>th</sup> Quarter FY2022 (“Q4FY2022”) vs 4<sup>th</sup> Quarter FY2021 (“Q4FY2021”)**

The Group registered a total revenue of RM1,207.7 million for Q4FY2022 compared with RM1,392.1 million reported in Q4FY2021.

The Group's profit before tax for the current quarter was RM77.8 million compared with RM277.9 million reported in corresponding quarter last year. The decrease in profit before tax was mainly attributed to lower FFB production, higher production costs and lower realised prices of palm products when compared to Q4FY2021.

**Current Year (“4QFY2022”) vs Preceding Year (“4QFY2021”)**

The Group registered a total revenue of RM5,365.5 million for the financial year ended 31 December 2022 against RM4,431.0 million reported in the last financial year 2021.

Group profit before tax for the financial year ended 31 December 2022 was RM669.5 million against RM712.9 million achieved during year 2021. The decrease in profit before tax was mainly attributed to increase in costs of production and 4% drop in FFB production in spite of comparable selling prices realised.



**Explanatory Notes To The Interim Report – 31 December 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	
	31/12/2022	30/09/2022	
<b>Revenue</b>	1,207,661	1,323,771	-9%
<b>Gross Profit</b>	79,260	148,065	-46%
<b>Operating Profit</b>	78,436	112,783	-31%
<b>Profit Before Tax</b>	77,821	113,775	-32%
<b>Profit After Tax</b>	50,962	85,198	-41%
<b>Profit Attributable to Owners of the Company</b>	48,361	82,336	-41%

**4<sup>th</sup> Quarter FY2022 (“Q4FY2022”) vs 3<sup>rd</sup> Quarter FY2022 (“Q3FY2022”)**

The Group registered a total revenue of RM1,207.7 million for Q4FY2022 compared with RM1,323.8 million reported in Q3FY2022.

The Group reported a profit before tax of RM77.8 million compared with RM113.8 million reported in Q3FY2022. The decrease in profit before tax was mainly due to the further decline of palm oil products prices and higher costs of production during the fourth quarter.

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

	Q4FY2022	Q3FY2022
Palm Oil Products (RM/mt)	3,833	4,191
Palm Kernel Products (RM/mt)	2,351	2,784

**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. The Group expects to recover its production following improvement in labour situation. Notwithstanding this, industry will continue to face challenges in view of global economic conditions and softening of commodity prices.

**B4. Variance of Actual Profit From Forecast Profit**

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



**Explanatory Notes To The Interim Report – 31 December 2022**

**B5. Profit Before Tax**

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

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31 December		31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	44,180	42,777	173,514	169,452
(Gain)/Loss on disposal of property, plant and equipment	(58)	(506)	(569)	(474)
Property, plant and equipment written off	141	444	447	760
Bearer plant written off	1,312	5,579	2,875	5,992
Finance income	(7,935)	(4,142)	(26,891)	(16,279)
Finance costs	6,608	7,142	29,277	33,324
Fair value loss/(gain) on biological assets	5,095	10,426	12,277	(8,887)
Unrealised loss/(gain) on foreign exchange	789	20	313	712
Fair value (gain)/loss on derivatives	<u>(4,581)</u>	<u>(40,722)</u>	<u>7,516</u>	<u>(43,484)</u>

**B6. Taxation**

Current tax	41,344	38,155	139,010	127,084
Deferred tax (decrease)/increase	<u>(14,485)</u>	<u>24,863</u>	<u>25,445</u>	<u>44,406</u>
	<u>26,859</u>	<u>63,018</u>	<u>164,455</u>	<u>171,490</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	<u>76</u>	<u>845</u>	<u>549</u>	<u>1,585</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 – 31 December 2022**

**B8. Loans and Borrowings**

**As at 4<sup>th</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	-	23	-	-	2,436	-	-	2,459
Sukuk Murabahah	-	19,535	-	-	-	-	-	19,535
Term loans	1,477	425,090	1,477	-	72,900	2,954	-	497,990
<b><u>Unsecured</u></b>								
Trade loans	-	-	-	-	233,601	-	-	233,601
Revolving Credit	-	-	-	-	5,000	-	-	5,000
	<u>1,477</u>	<u>444,648</u>	<u>1,477</u>	<u>-</u>	<u>313,937</u>	<u>2,954<sup>^</sup></u>	<u>-</u>	<u>758,585</u>

<sup>^</sup>SGD0.90 million equivalent

**As at 4<sup>th</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	-	1,876	-	-	4,067	-	-	5,943
Revolving credits	-	-	-	-	-	-	-	-
Sukuk Murabahah	-	19,461	-	-	-	-	-	19,461
Term loans	2,784	497,989	1,392	-	180,650	4,176	-	678,639
<b><u>Unsecured</u></b>								
Trade loans	-	-	-	49,564	198,120	-	49,564	198,120
Trust receipts	-	-	-	61,518	-	-	61,518	-
Term loans	-	-	-	-	368	-	-	368
	<u>2,784</u>	<u>519,326</u>	<u>1,392</u>	<u>111,082</u>	<u>383,205</u>	<u>4,176<sup>^</sup></u>	<u>111,082<sup>*</sup></u>	<u>902,532</u>

<sup>\*</sup>USD26.67 million equivalent

<sup>^</sup>SGD1.35 million equivalent



**Explanatory Notes To The Interim Report – 31 December 2022**

**B9. Derivatives**

(a) The outstanding interest rate swap (IRS) contracts as at 31 December 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	150	-	-	150	376	-	-	376

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 and forward currency contracts as at 31 December 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	54	-	-	54	44	-	-	44
Commodity forward contracts	USD	2	-	-	2	(48)	-	-	(48)
Forward currency contracts	USD	272	-	-	272	1,185	-	-	1,185

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 – 31 December 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 ended 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		12 months ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	48,665	207,030	480,450	509,896
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	890,164	857,541	881,866	857,318
	Sen	Sen	Sen	Sen
Basic earnings per share	5.45	24.14#	54.46	59.48#

# For comparative purposes, the earnings per share of the quarter and period ended 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.



**Explanatory Notes To The Interim Report – 31 December 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		12 months ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	48,665	207,030	480,450	509,896
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	892,345	859,751#	880,643	859,527#
	Sen	Sen	Sen	Sen
Diluted earnings per share	5.47	24.08#	54.48	59.32#

# For comparative purposes, the earnings per share of the quarter and period ended 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.

**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 28 February 2023.

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

Miri  
**28 February 2023**