

**Condensed consolidated statement of comprehensive income**  
**For the Six-months period ended 30 June 2021**

	Current quarter		Cumulative quarter	
	3 months ended 30.06.2021 (Unaudited) RM'000	3 months ended 30.06.2020 (Restated) RM'000	6 months ended 30.06.2021 (Unaudited) RM'000	6 months ended 30.06.2020 (Restated) RM'000
Revenue	81,386	56,088	131,977	104,399
Cost of sales	(65,414)	(46,690)	(106,529)	(93,039)
<b>Gross profit</b>	<b>15,972</b>	<b>9,398</b>	<b>25,448</b>	<b>11,360</b>
Other operating income	324	48	540	692
Administrative expenses	(1,796)	(1,837)	(3,869)	(4,101)
Other operating expenses	-	-	-	-
<b>Operating profit</b>	<b>14,500</b>	<b>7,608</b>	<b>22,119</b>	<b>7,951</b>
Interest income	79	99	167	241
Finance costs	(823)	(1,288)	(1,606)	(2,504)
<b>Net finance costs</b>	<b>(744)</b>	<b>(1,190)</b>	<b>(1,439)</b>	<b>(2,263)</b>
<b>Profit before tax</b>	<b>13,756</b>	<b>6,418</b>	<b>20,680</b>	<b>5,688</b>
Income tax expense	(3,418)	(1,741)	(4,202)	(1,678)
<b>Profit net of tax</b>	<b>10,338</b>	<b>4,677</b>	<b>16,478</b>	<b>4,010</b>
<b>Other comprehensive income</b>				
<b>Item that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translation of foreign operations	(116)	393	(43)	77
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(116)</b>	<b>393</b>	<b>(43)</b>	<b>77</b>
<b>Total comprehensive income for the period</b>	<b>10,222</b>	<b>5,070</b>	<b>16,435</b>	<b>4,087</b>
<b>Profit/(loss) attributable to:</b>				
Owners of the parent	9,475	4,759	15,082	4,057
Non-controlling interests	863	(82)	1,396	(47)
	<b>10,338</b>	<b>4,677</b>	<b>16,478</b>	<b>4,010</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	9,403	5,006	15,055	4,138
Non-controlling interests	819	64	1,380	(51)
	<b>10,222</b>	<b>5,070</b>	<b>16,435</b>	<b>4,087</b>
<b>Earnings per share (EPS) attributable to owners of the parent (sen per share)</b>				
Basic	3.07	1.54	4.88	1.31

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**CEPATWAWASAN GROUP BERHAD**  
Registration No. 200101000743 (536499-K)

**Condensed consolidated statement of financial position as at 30 June 2021**

	<b>30.06.2021</b>	<b>31.12.2020</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	334,898	342,434
Investment properties	43,340	43,340
Intangible assets	17,358	17,358
Deferred tax assets	6,597	6,777
Trade and other receivables	-	-
<b>Total non-current assets</b>	<u>402,193</u>	<u>409,909</u>
Biological assets	2,181	2,180
Inventories	17,718	16,482
Trade and other receivables	10,363	12,831
Tax recoverable	1,030	832
Short term investments	13,311	13,883
Deposits placed with licensed banks	10,799	7,272
Cash and bank balances	21,425	18,278
<b>Total current assets</b>	<u>76,827</u>	<u>71,758</u>
<b>TOTAL ASSETS</b>	<u>479,020</u>	<u>481,667</u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	318,446	318,446
Treasury shares	(11,097)	(11,097)
Retained earnings	115,051	107,693
Other reserve	(80,635)	(80,635)
Foreign currency translation reserve	(266)	(239)
<b>Total equity attributable to owners of the parent</b>	<u>341,499</u>	<u>334,168</u>
Non-controlling interests	7,164	7,384
<b>Total equity</b>	<u>348,663</u>	<u>341,552</u>
<b>LIABILITIES</b>		
Lease liabilities	2,805	3,186
Loans and Borrowings	35,059	44,751
Deferred tax liabilities	25,735	24,889
<b>Total non-current liabilities</b>	<u>63,599</u>	<u>72,826</u>
Trade and other payables	20,250	19,064
Loans and Borrowings	43,150	46,295
Lease liabilities	781	851
Income tax payables	2,577	1,079
<b>Total current liabilities</b>	<u>66,758</u>	<u>67,289</u>
<b>Total liabilities</b>	<u>130,357</u>	<u>140,115</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>479,020</u>	<u>481,667</u>
<b>Net assets per share attributable to owner of the parent (RM)</b>	1.11	1.08

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**Condensed consolidated statement of cash flows for the Period ended 30 June 2021**

	<b>6 months ended 30.06.2021 (Unaudited) RM'000</b>	<b>6 months ended 30.06.2020 (Restated) RM'000</b>
<b>Operating activities</b>		
Profit before tax	20,680	5,688
Adjustments for:		
Depreciation and amortisation	10,604	10,767
Interest expenses	1,606	2,504
Impairment on inventories	686	-
Property, plant and equipment written off	-	28
Interest income	(167)	(241)
<b>Operating profit before working capital changes</b>	<b>33,409</b>	<b>18,746</b>
(Increase)/decrease in inventories	(1,921)	1,049
Decrease in receivables	2,471	240
Increase/(decrease) in payables	1,107	(5,069)
<b>Cash generated from operations</b>	<b>35,066</b>	<b>14,966</b>
Interest received	167	286
Interest paid	(1,605)	(2,504)
Income taxes refund	-	435
Income taxes paid	(1,873)	(739)
<b>Net cash flows generated from operating activities</b>	<b>31,755</b>	<b>12,444</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(3,070)	(5,994)
Net investment in short term money market funds	572	1,181
<b>Net cash flows used in investing activities</b>	<b>(2,498)</b>	<b>(4,813)</b>
<b>Financing activities</b>		
Drawdown of loans and borrowings	5,000	16,050
Dividend paid to non-controlling interests	(1,600)	(1,600)
Dividend paid to equity holders of the Company	(7,725)	(4,635)
Repayment of loans and borrowings	(17,838)	(7,500)
Repayment of obligations under finance leases	(422)	(222)
<b>Net cash flows (used in)/from financing activities</b>	<b>(22,585)</b>	<b>2,093</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>6,672</b>	<b>9,724</b>
<b>Net foreign exchange difference</b>	<b>2</b>	<b>58</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>21,453</b>	<b>12,844</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>28,127</b>	<b>22,626</b>
<b>Cash and cash equivalents at the end of the financial year comprise the following:</b>		
Deposits placed with licensed banks	10,799	7,175
Cash and bank balances	21,425	18,267
	<b>32,224</b>	<b>25,442</b>
Deposits pledged with licensed banks	(4,097)	(2,816)
Cash and cash equivalents at end of financial period	<b>28,127</b>	<b>22,626</b>

These condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.



**CEPATWAWASAN GROUP BERHAD**  
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**Notes to the condensed consolidated interim financial statements**

1. Basis of preparation

These condensed consolidated interim financial statements for the period ended 30 June 2021 have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020 except for the adoption of new MFRS, amendments to published standards and IC Interpretations for the Group for the financial year beginning 1 January 2021:

<b>Amendments to MFRSs</b>	<b>Effective Date</b>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2	1 Jan 2021
Amendments to MFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021	1 Apr 2021

The adoption of above amendment to MFRS did not have a material impact on the financial statements of the Group.

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

<b>Amendments to MFRSs</b>	<b>Effective Date</b>
Amendments to MFRS 3: Business Combinations	1 Jan 2022
Amendments to MFRS 116: Property, Plant and Equipment	1 Apr 2021
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 Jan 2022
Amendments to MFRS1 First-time Adoption of Malaysian Financial Reporting Standards	1 Jan 2022
Amendments to MFRS 9 Financial Instruments Arrangements	1 Jan 2022
Amendments to MFRS 16 Leases – Illustrative Examples	1 Jan 2022
Amendments to MFRS 141 Agriculture	1 Jan 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 Jan 2023
MFRS 17 Insurance Contracts	1 Jan 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

## 2. Significant accounting policies

### Change in Accounting Policy

On the third quarter of previous financial year ended 31 September 2020, the Group has undertaken a detailed reassessment of facts and information with regards to the Renewable Energy Power Purchase Agreements (“REPPAs”) entered into by its subsidiaries, Cash Horse Sdn Bhd. (“CHSB”) and Mistral Engineering Sdn Bhd (“MESB”) with Sabah Electricity Sdn Bhd (“SESB”) for their biomass and biogas power plants respectively.

Based on the above reassessment of the terms and conditions of the REPPAs and recoverability of the biomass and biogas power plants at the end of the term of the REPPAs, the Group has determined that residual interest in the infrastructure at the end of the term of the arrangement is significant and which SESB has no control over.

Consequently, the Group restated the biomass and biogas power plants initially recognised under IC 12 Service Concession Agreements (“IC 12”) under financial assets to plant and equipment under MFRS 116 Property, plant and equipment as required conditions pursuant to IC 12 is not met.

The above restatement has been affected retrospectively. This involved reclassification of Service concession receivables to Plant and equipment and adjustment for the recomputed depreciation to date, net of the resulting deferred taxation impact.

Due to the restatement of the account balances mentioned in the above paragraph, the corresponding comparative figures which conform with the current presentation are as summarised below:

Condensed consolidated statement of comprehensive income	As Previously reported RM'000	Adjustment RM'000	Restated RM'000
<b>3 months ended 31 March 2020</b>			
Revenue	44,186	4,125	48,311
Cost of sales	(44,090)	(2,259)	(46,349)
Gross Profit	96	1,866	1,962
Interest Income	1,921	(1,779)	142
Profit before tax	(817)	87	(730)
Income tax expense	84	(21)	63
<b>Loss, net of tax</b>	<b>(733)</b>	<b>66</b>	<b>(667)</b>
<b>Total comprehensive loss for the period</b>	<b>(1,049)</b>	<b>66</b>	<b>(983)</b>
<b>(Loss)/profit attributable to:</b>			
Owners of the parent	(798)	96	(702)
Non-controlling interests	65	(30)	35
<b>Total comprehensive (loss)/ income</b>			
Owners of the parent	(964)	96	(868)
Non-controlling interests	(85)	(30)	(115)
<b>Basic Earnings per share (sen)</b>	<b>(0.26)</b>	<b>0.03</b>	<b>(0.23)</b>

## 2. Significant accounting policies

### Change in Accounting Policy

<b>Condensed consolidated statement of comprehensive income</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>3 months ended 30 June 2020</b>			
Revenue	51,782	4,306	56,088
Cost of sales	(44,695)	(1,995)	(46,690)
Gross Profit	7,087	2,311	9,398
Interest Income	2,059	(1,960)	99
Profit before tax	6,067	351	6,418
Income tax expense	(1,657)	(84)	(1,741)
<b>Profit, net of tax</b>	<b>4,410</b>	<b>267</b>	<b>4,677</b>
<b>Total comprehensive loss for the period</b>	<b>4,803</b>	<b>267</b>	<b>5,070</b>
<b>Profit/ (loss) attributable to:</b>			
Owners of the parent	4,462	297	4,759
Non-controlling interests	(52)	(30)	(82)
<b>Total comprehensive (loss)/ income</b>			
Owners of the parent	4,709	297	5,006
Non-controlling interests	94	(30)	64
<b>Basic Earnings per share (sen)</b>	<b>1.44</b>	<b>0.10</b>	<b>1.54</b>
<b>6 months ended 30 June 2020</b>			
Revenue	95,968	8,431	104,399
Cost of sales	(88,785)	(4,254)	(93,039)
Gross Profit	7,183	4,177	11,360
Interest Income	3,980	(3,739)	241
Profit before tax	5,250	438	5,688
Income tax expense	(1,573)	(105)	(1,678)
<b>Profit, net of tax</b>	<b>3,677</b>	<b>333</b>	<b>4,010</b>
<b>Total comprehensive loss for the period</b>	<b>3,754</b>	<b>333</b>	<b>4,087</b>
<b>Profit/ (loss) attributable to:</b>			
Owners of the parent	3,664	393	4,057
Non-controlling interests	13	(60)	(47)
<b>Total comprehensive (loss)/ income</b>			
Owners of the parent	3,745	393	4,138
Non-controlling interests	9	(60)	(51)
<b>Basic Earnings per share (sen)</b>	<b>1.19</b>	<b>0.12</b>	<b>1.31</b>
<b>Condensed consolidated statement of cash flows</b>			
<b>6 months ended 30 June 2020</b>			
Profit before tax	5,250	438	5,688
Depreciation and amortization	6,513	4,254	10,767
Finance income	(3,980)	3,739	(241)
Operating profit before working capital changes	10,315	8,431	18,746
Decrease in receivables	8,671	(8,431)	240

3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Group for the year ended 31 December 2020 was not qualified.

4. Segment information

The Group has three reportable segments, as described below, which are the Group's strategies business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products
- c. Power Plant - Power generation and sales of biomass by-products

**Information about reportable segments**

	Results for the 3 months ended 30 June							
	Plantation		Oil Mill		Power Plant		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue</b>	10,497	5,861	61,484	40,558	9,322	9,501	81,303	55,920
<b>Inter-segment revenue</b>	10,506	5,212	-	-	-	-	10,506	5,212
<b>Segment profit</b>	11,007	1,960	2,235	3,298	1,699	1,652	14,941	6,910

	3 months ended 30.06.2021 (Unaudited) RM'000	3 months ended 30.06.2020 (Unaudited) RM'000
<b>Segment profit is reconciled to consolidated loss before tax as follows:</b>		
Segment profit	14,941	6,910
Other non-reportable segments	(690)	(1)
Elimination of inter-segment profits	10	(9)
Unallocated corporate expenses	(505)	(482)
<b>Consolidated loss/profit before tax</b>	<b>13,756</b>	<b>6,418</b>



4. Segment information (cont'd)

	Results for the 6 months ended 30 June							
	Plantation		Oil Mill		Power Plant		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue</b>	18,052	10,144	91,748	76,391	21,693	17,282	131,493	103,817
<b>Inter-segment revenue</b>	17,245	11,608	-	-	-	-	17,245	11,608
<b>Segment profit</b>	15,651	1,391	371	3,883	6,238	1,466	22,260	6,740
<b>Segment Assets</b>	224,773	226,047	45,518	41,077	138,885	150,942	409,176	418,066
<b>Segment Liabilities</b>	28,897	25,858	26,481	30,327	13,773	25,393	69,151	81,578
<b>Segment profit is reconciled to consolidated loss before tax as follows:</b>					<b>6 months ended 30.06.2021 (Unaudited) RM'000</b>	<b>6 months ended 30.06.2020 (Unaudited) RM'000</b>		
Segment profit					22,260	6,740		
Other non-reportable segments					(577)	44		
Elimination of inter-segment profits					12	(20)		
Unallocated corporate expenses					(1,015)	(1,076)		
Consolidated profit before tax					<u>20,680</u>	<u>5,688</u>		

5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6. Changes in estimates

There was no estimation of amount used in the preceding reporting quarter having a material impact in the current reporting quarter.

7. Comments about seasonal or cyclical factors

The Group considers the seasonal or cyclical factors affecting the results of the operations of the Group comprising the cultivation of oil palm and processing of fresh fruit bunches to include general climatic conditions, age profile of oil palms, the cyclical nature of annual production and the movements in commodity prices.

8. Dividend paid

A Single-tier ordinary dividend of 1.5 sen per ordinary shares and a Single-tier special dividend of 1.0 sen per ordinary shares on 308,967,010 ordinary shares amounting to RM4,634,505 and RM3,089,670 respectively that was approved by the directors on 6 April 2021 was paid on 12 May 2021.

9. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

10. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter ended 30 June 2021.

11. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 30 June 2021 is as follows:

	<b>RM'000</b>
Approved and contracted for	253
Approved but not contracted for	<u>8,571</u>
	<u><u>8,824</u></u>

12. Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2020.

13. Subsequent events

There were no material subsequent events to the end of the current quarter.

**CEPATWAWASAN GROUP BERHAD**  
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**Information required by Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

1. Review of performance

The performance of the Group is tabulated below:-

	Current Quarter		%	Preceding Quarter	%	Cumulative Quarter		%
	2 <sup>nd</sup> Qtr21 RM'000	2 <sup>nd</sup> Qtr20 RM'000				1 <sup>st</sup> Qtr21 RM'000	2 <sup>nd</sup> Qtr21 RM'000	
<b>Financial Performances :-</b>								
Revenue	81,386	56,088	45%	50,591	61%	131,977	104,399	26%
Operating profit	14,500	7,608	91%	7,619	90%	22,119	7,951	>100%
Profit before tax	13,756	6,418	>100%	6,924	99%	20,680	5,688	>100%
Profit after tax	10,338	4,677	>100%	6,140	68%	16,478	4,010	>100%
Profit attributable to Owners of the parent	9,475	4,759	99%	5,607	69%	15,082	4,057	>100%
<b>Non Financial Performances :-</b>								
Own FFB Production (mt)	26,193	27,668	-5%	19,696	33%	45,889	49,830	-8%
CPO Production (mt)	12,837	15,701	-18%	7,015	83%	19,853	27,375	-27%
PK Production (mt)	2,931	3,747	-22%	1,794	63%	4,725	6,597	-28%
CPO sales (mt)	12,893	15,721	-18%	7,062	83%	19,955	27,340	-27%
PK sales (mt)	2,998	3,667	-18%	1,686	78%	4,683	6,624	-29%
CPO Price per mt (RM)	4,167	2,278	83%	3,707	12%	4,005	2,438	64%
PK Price per mt (RM)	2,587	1,295	100%	2,421	7%	2,527	1,469	72%
Mill OER	20.22%	19.76%	0.46%	17.87%	2.35%	19.32%	19.54%	-0.22%
Electricity Export(MWh)	8,371	14,622	-43%	15,548	-46%	23,919	28,126	-15%

\* Less than +/- 1%

1. Review of performance (Cont'd)

**Current Quarter vs. Previous Year Corresponding Quarter**

For this quarter under review, the Group recorded increases in revenue of RM25.30 million (45%) and Profit before tax of RM7.34 million (>100%), from RM56.09 million and RM6.42 million in the preceding year corresponding quarter to RM81.39 million and RM13.76 million respectively. The achievement was mainly due to higher average selling price of CPO by 83% and higher average selling prices of PK, FFB and EFB Oil by about two-fold. Productions of CPO, PK, FFB and EFB Oil were however lower by 18%, 22%, 5% and 31% respectively.

Performance of the respective operating business segments for this quarter under review as compared to the preceding year corresponding quarter is analyzed as follows:

- i) Plantation – Segment profit increased by RM9.05 million(>100%) from Segment profit of RM1.96 million to Segment profit of RM11.01 million mainly due to a substantial increase in average FFB selling price by about two-fold. FFB production was however lower by 5%.
- ii) Oil Mill – Segment Profit decreased by RM1.06 million (32%) from Segment profit of RM3.30 million to Segment profit RM2.23 million mainly due to poorer FFB production in the Sandakan region. As a result, FFB processed by the mill decreased by 20% and the processing margin was also squeezed due to stiff competition for FFB.
- iii) Power Plant – Segment profit increased only marginally by RM0.05 million (3%) from Segment profit of RM1.65 million to Segment profit of RM1.69 million. Despite a substantial increase in the average selling price of EFB Oil by 100%, the gain was offset by a decrease in EFB oil Sales (26%) and the substantial drop in power export to SESB (43%) mainly due to the shutdown maintenance of the Biomass Power plant since May 2021. The shutdown maintenance was extended and is expected to be completed by 1st week of August 2021. It was extended as the delivery of essential spare parts and provision of engineering support services were delayed due to the MCO border controls.

**Current Year-to-date vs. Previous Year-to-date**

For this financial period under review, the Group recorded increases in revenue of RM27.58 million (26%) and Profit before tax RM14.99 million (>100%), from RM104.40 million and RM5.69 million in the preceding year corresponding period to RM131.98 million and RM20.68 million respectively. The achievement was mainly due to higher average selling prices of CPO, PK, FFB and EFB Oil by 64%, 72%, 82% and 80% respectively. Productions of CPO, PK, FFB, EFB Oil were however lower by 27%, 28%, 8% and 7% respectively.

Performance of the respective operating business segments for this financial period under review as compared to the preceding year corresponding period is analyzed as follows:

- i) Plantation – Segment profit increased by RM14.26 million(>100%) from Segment profit of RM1.39 million to Segment profit of RM15.65 million mainly due to an increase in average FFB selling price by 76%. FFB production was however lower by 8%.
- ii) Oil Mill – Segment Profit decreased by RM3.51 million (90%) from Segment profit RM3.88 million to Segment profit RM0.37 million mainly due to poorer FFB production in the Sandakan region and also a decrease in average Mill OER by 0.22%. As a result, FFB processed by the mill decreased by 27% and the processing margin was also squeezed due to stiff competition for FFB.

1. Review of performance (Cont'd)

iii) Power Plant – Segment profit increased by RM4.77 million (>100%) from Segment profit of RM1.47 million to a Segment profit of RM6.24 million. Despite a drop in Power Export to SESB by 15% mainly due to the shutdown maintenance of the Biomass Plant and its delay caused by the MCO border controls, the effect of the increase in the average EFB Oil selling price by 80% outweighs this negative impact from the reduction in Power Export.

2. Comment on material change in profit before tax against immediate preceding quarter

The Group recorded a profit before tax of RM13.76 million in the quarter under review as compared to a profit before tax RM6.92 million in the immediate preceding quarter, an increase in profit of RM6.84 million (98%) mainly due to increase in CPO, PK and FFB Production by 83%, 63% and 33% respectively and an increase in CPO, PK and FFB average selling price by 12%, 7% and 11% respectively.

3. Commentary on prospects

The rapid spread of COVID-19 throughout the country and the world has a significant adverse impact on the overall economy including the palm oil sector. Malaysia Government has imposed various movement control measures but allowed essential economic activities to continue with strict compliance to SOP.

The Group is allowed to operate during the various MCOs as oil palm cultivation and power generation are essential economic activities. However, the lockdowns and the ensuing foreign workers' recruitment restrictions are causing severe labour shortages in the oil palm industry and have also adversely affected the performance of our power segment due to late delivery of essential spare parts and provision of engineering support services during the MCO period.

The prices of CPO started high in January 2021 and hit a 13-year high of close to RM5,000 per MT in May 2021. Prices have retracted since then but rebounded to the current level of above RM4,000 per MT. As CPO prices are expected to hover above RM3,000 during the remainder of this year, the Group's operating results, cash flow and financial condition for the current financial year ending 2021 are not expected to be significantly affected by the COVID-19 pandemic. Nevertheless, the Group will continue to monitor and assess the impact and at the same time adhere to all preventive and control measures to curb the spread of COVID-19.

4. Profit forecast or profit guarantee

Not applicable as there was no profit forecast or guarantee published.

5. Profit for the period

	Current quarter		Cumulative quarter	
	3 months ended 30.06.2021 (Unaudited) RM'000	3 months ended 30.06.2020 (Restated) RM'000	6 months ended 30.06.2021 (Unaudited) RM'000	6 months ended 30.06.2020 (Restated) RM'000
Profit for the period is arrived at after charging:				
Depreciation and amortization	5,318	5,257	10,604	10,767
Impairment on Inventories	686	-	686	-
Plant and equipment written off	-	8	-	28

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

6. Income tax expense

	Current quarter		Cumulative quarter	
	3 months ended 30.06.2021 (Unaudited) RM'000	3 months ended 30.06.2020 (Restated) RM'000	6 months ended 30.06.2021 (Unaudited) RM'000	6 months ended 30.06.2020 (Restated) RM'000
Income tax				
- Current provision	(1,990)	(1,218)	(2,965)	(1,811)
- Under-provision of tax in prior years	-	-	(213)	-
	(1,990)	(1,218)	(3,178)	(1,811)
Deferred tax				
- Relating to origination and reversal of temporary differences	(1,367)	(523)	(1,240)	123
- Under-provision of deferred tax in prior years	(61)	-	216	10
	(1,428)	(523)	(1,024)	133
Total income tax expense	(3,418)	(1,741)	(4,202)	(1,678)

The Group's effective tax rate for current quarter is lower than the statutory tax rate of 24% due to the recognition of deferred tax asset not recognised in previous financial year.

7. Borrowings

	<b>As at 30.06.2021 (Unaudited) RM'000</b>	<b>As at 31.12.2020 (Audited) RM'000</b>
<b>Short term borrowings – Secured</b>		
Revolving credit	28,900	33,300
Term loans	14,250	12,995
	<u>43,150</u>	<u>46,295</u>
<b>Long term borrowings – Secured</b>		
Term loans	35,059	44,751
	<u>35,059</u>	<u>44,751</u>
<b>Total borrowings</b>	<u><u>78,209</u></u>	<u><u>91,046</u></u>

The Group's total borrowings include a loan amount of RM5.75 million (31.12.2020: RM9.44 million) under the Green Technology Financing Scheme for the renewable power plants.

8. Trade Receivables and other receivables

	<b>As at 30.06.2021 (Unaudited) RM'000</b>	<b>As at 31.12.2020 (Audited) RM'000</b>
<b>Current</b>		
Third parties	6,596	9,730
Less : Allowance for impairment	(278)	(278)
	<u>6,318</u>	<u>9,452</u>
Other receivables, net	4,045	3,379
	<u>10,363</u>	<u>12,831</u>
<b>Ageing analysis of Current trade receivables :-</b>		
Neither past due nor impaired	6,416	8,908
1 to 30 days	-	466
31 to 60 days	-	10
61 to 90 days	27	21
More than 91 days	153	325
	<u>6,596</u>	<u>9,730</u>
Less : Allowance for impairment	(278)	(278)
	<u>6,318</u>	<u>9,452</u>

Trade receivables are non-interest bearing and generally on 7 to 30 days terms.

9. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 June 2021.

10. Material litigation

There are no pending material litigations as at 10 August 2021.

## 11. Dividend payable

A Single-tier ordinary dividend of 1.5 sen per ordinary shares and a Single-tier special dividend of 1.0 sen per ordinary shares on 308,967,010 ordinary shares amounting to RM4,634,505 and RM3,089,670 respectively that was approved by the directors on 6 April 2021 was paid on 12 May 2021.

## 12. Earnings per share

### (a) Basic

Basic earnings per share amounts are calculated by dividing the Group's Profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period excluding treasury shares held by the Company.

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>	<b>3 months ended</b>	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>	<b>(Unaudited)</b>	<b>(Restated)</b>
Profit for the period attributable to owners of the parent used in computation of earnings per share (RM'000)	9,475	4,759	15,082	4,057
Weighted average number of ordinary shares in issue ('000)	308,967	308,967	308,967	308,967
Basic Profit earnings per share (sen per share)	3.07	1.54	4.88	1.31

### (b) Diluted

The Group has no dilutive potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been presented.

## 13. Authorisation for issue

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 11 August 2021.