



PLS PLANTATIONS BERHAD

Registration No: 198701001365 (160032-K)

(Incorporated in Malaysia)

Notes to the Condensed Consolidated Interim Financial Statements

Second Quarter – 31 December 2023

(These figures have not been audited)

1. Basis of preparation

The condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Bhd. It should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 30 June 2023.

The significant accounting policies and methods of computation adopted are consistent with those of the most recent audited financial statements for the financial year ended 30 June 2023 except for the adoption of new and amended MFRSs as well as IC Interpretations, where are relevant to its operations and effective for the financial periods beginning on or after 1 July 2023. The adoption of these accounting policies and methods of computations are not expected to have any effect to the financial statements of the Group and the Company upon initial applications.

2. Qualification of audit report of the preceding annual financial statements

There was no qualification in the audited financial statements for the year ended 30 June 2023.

3. Seasonal or cyclical factors

The business operations of the Group are not mainly affected by any significant seasonal or cyclical factors.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence during the quarter.

5. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no significant changes of estimates reported in the prior interim periods of the current financial year or in prior financial years.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the Group during the current quarter and financial year-to-date.

7. Dividend paid

There was no dividend declared or paid for the current quarter ended 31 December 2023.

8. Segment information

	3 months ended 31 December		6 months ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Construction	4,794	4,016	7,955	8,449
Plantation	19,240	20,132	37,859	41,906
Manufacturing and Trading	6,530	10,891	16,567	22,676
	<u>30,564</u>	<u>35,039</u>	<u>62,381</u>	<u>73,031</u>
Elimination of inter-segment revenue	(278)	(1,388)	(356)	(1,628)
Total	<u>30,286</u>	<u>33,651</u>	<u>62,025</u>	<u>71,403</u>
Segment Results				
Construction	665	829	1,100	1,802
Plantation	5,131	7,624	10,626	14,499
Manufacturing and Trading	(1,511)	(2,482)	(4,588)	(2,534)
Investment Holding	(1,362)	(1,033)	(2,881)	(2,590)
Other	(2)	(15)	(2)	(15)
Elimination	136	302	240	278
Operating profit	<u>3,057</u>	<u>5,225</u>	<u>4,495</u>	<u>11,440</u>
Interest income	12	21	28	110
Finance costs	(1,624)	(1,528)	(2,981)	(2,590)
Share of results of associate, net of tax	(1,567)	-	232	-
Profit before tax	<u>(122)</u>	<u>3,718</u>	<u>1,774</u>	<u>8,960</u>

9. Valuation of property, plant and equipment and bearer plant

There were no amendments in the valuations of land and buildings brought forward to current quarter as compared to the previous year annual report.

10. Material Events not reflected in the Financial Statements

No transaction or event of a material or unusual nature had occurred between 31 December 2023 and the date of this announcement.

11. Changes in the Composition of the Company

There were no changes in the composition of the Group during the current quarter under review.

12. Changes in contingent liabilities

Contingent liabilities of the Group as at 31 December 2023 comprise of :

	Company	Group
	RM'000	RM'000
Bank Guarantees to third parties in respect of utilities security deposit	24	24
Corporate guarantee to bank in respect of trade working capital facilities held by a subsidiary	22,840	-
Corporate guarantee to bank in respect of purchasing plants and machineries by a subsidiary	2,828	-
Corporate guarantee to bank in respect of term loans and financing facilities held by subsidiaries	60,734	-
	86,426	24

13. Capital commitments

The Group has the following commitments during the current quarter as follow :-

	Group
	RM'000
Capital expenditures for new planting of bearer plants and biological assets	
- Approved but contracted for	3,855
- Approved but not contracted for	15,091
	18,946

Additional Information as Required by Appendix 9B of Bursa Malaysia’s Listing Requirements
Second Quarter – 31 December 2023

(These figures have not been audited)

1(a). Review of performance for financial year todate

	Current Year Cumulative Quarter	Preceding Year Cumulative Quarter	Changes	
			Amount	%
	31.12.2023	31.12.2022		
	RM'000	RM'000	RM'000	
Revenue	62,025	71,403	(9,378)	-13%
Fair value change in biological assets	(25)	(1,010)	985	-98%
Gross Profit	13,357	20,719	(7,362)	-36%
Profit/(Loss) Before Interest and Tax	4,495	11,440	(6,945)	-61%
Profit/(Loss) Before Tax	1,774	8,960	(7,186)	-80%
Profit/(Loss) After Tax	(1,081)	4,748	(5,829)	-123%
Profit/(Loss) Attributable to Owner of the parent	(43)	3,642	(3,685)	-101%

Current Year Cumulative Quarter vs. Preceding Year Cumulative Quarter

Revenue for the Current Year Cumulative Quarter was RM62.0 million (as compared to RM71.4 million for the Preceding Year Corresponding Quarter) with a profit before tax of RM1.8 million (vs. a profit before tax of RM8.9 million registered in the Preceding Year Corresponding Quarter).

The decrease in operational revenue and earnings were mainly due to lower yield of oil palm estates and crude palm oil price, weaker margin for offtake of downstream durian products and lower earnings contribution from forestry activities as compared to the Preceding Year Corresponding Quarter.

Fresh Fruit Bunch ('FFB')

	Current Year Cumulative Quarter	Preceding Year Corresponding Quarter	Changes	
			Amount	%
	31.12.2023	31.12.2022		
Sales Volume (in metric tonnes (MT))	47,241	49,217	(1,976)	-4%
Average Selling Prices realised (in RM per MT)	768	838	(70)	-8%

During the period under review, the Group's oil palm plantation recorded a marginal decrease in FFB sales volume by 4% to 47,241 metric tonnes (MT) (2023 Q2 : 49,217 MT) and the average selling prices realised for FFB decreases about 8% to RM768 per MT (2023 Q2 : RM838 per MT) as compared to the previous corresponding year.

1(b). Review of performance for financial year to date

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
			Amount	%
	31.12.2023	31.12.2022		
	RM'000	RM'000	RM'000	
Revenue	30,286	33,651	(3,365)	-10%
Fair value change in biological assets	(651)	(284)	(367)	129%
Gross Profit/ (Loss)	6,884	9,486	(2,602)	-27%
Profit/(Loss) Before Interest and Tax	3,057	5,225	(2,168)	-41%
Profit/(Loss) Before Tax	(122)	3,718	(3,840)	-103%
Profit/(Loss) After Tax	(1,604)	1,908	(3,512)	-184%
Profit/(Loss) Attributable to Owner of the parent	(1,521)	1,649	(3,170)	-192%

Current Year Quarter vs. Preceding Year Corresponding Quarter.

For the Current Year Quarter, the Group recorded a revenue of RM30.3 million with a marginal loss before tax of RM0.1 million in comparison to a profit before tax of RM3.7 million (on the back of a RM33.7 million revenue) for the Preceding Year Corresponding Quarter.

Comparatively, earnings were adversely affected following lower crude palm oil price (as compared to the Preceding Year Corresponding Quarter) and share of after tax loss registered by the Group's associate (i.e. PLS LESB Sdn Bhd) during the Current Year Quarter.

2. Comparison with preceding quarter results

	Current Year Quarter	Immediate Preceding Quarter	Changes	
			Amount	%
	31.12.2023	30.9.2023		
	RM'000	RM'000	RM'000	
Revenue	30,286	31,739	(1,453)	-5%
Fair value change in biological assets	(651)	626	(1,277)	-204%
Gross Profit/(Loss)	6,884	6,473	411	6%
Profit/(Loss) Before Interest and Tax	3,057	1,438	1,619	113%
Profit/(Loss) Before Tax	(122)	1,896	(2,018)	-106%
Profit/(Loss) After Tax	(1,604)	523	(2,127)	-407%
Profit/(Loss) Attributable to Owner of the parent	(1,521)	1,477	(2,998)	-203%

Current Year Quarter vs. Immediate Preceding Quarter

Revenue of the Current Year Quarter was at RM30.3 million as compared to RM31.8 million for the Immediate Preceding Quarter. For the Current Year Quarter, the Group booked a marginal loss before tax of RM0.1 million as compared to a profit before tax of RM1.9 million during the Immediate Preceding Quarter principally due to share of after tax loss of its associate (i.e. PLS LESB Sdn Bhd).

3. Current year prospects

The Group will continue its current rehabilitation and sanitation works with emphasis on recommended plantation practices to improve the production yield of its oil palm estates, matured durian plantation and contract farm.

In addition, the Group will continue to work closely with its current and prospective business associates to improve the retail offtake rate of downstream durian products to offshore wholesalers and end consumers.

Concurrently, upstream investment in durian plantation will continue to be a mainstay of the Group to complement its existing downstream business.

4. Profit forecast

Not applicable as no profit forecast was published.

5. Tax expense

	3 months ended 31 December		6 months ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
The tax expense comprises the following:				
Current tax	1,728	1,824	3,097	4,653
Deferred tax	(246)	(14)	(242)	(441)
	1,482	1,810	2,855	4,212

The Group's effective tax rates for the current quarter and cumulative quarter ended 31 December 2023 were higher than the statutory income tax rate mainly due to higher non-tax deductible expenses.

6. Status of corporate proposal announced

There is no corporate exercise which our Group has announced but is pending completion as at the date of this report. The total gross proceeds raised from the Placement Shares was fully utilised during this quarter.

7. Borrowing and debt securities

Total group borrowings are as follows:

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
(a) Short term borrowings		
<u>Amount repayable within one year</u>		
Bank overdraft cum other banking facilities - secured	22,986	8,696
Bank term loan - secured	10,640	10,092
	33,626	18,788
(b) Long term borrowings		
Bank term loan - secured	53,538	63,938
	53,538	63,938
Total borrowings	87,164	82,726

The above borrowings are denominated in Ringgit Malaysia .

8. Changes in material litigation

There are no changes with regards to the material litigation since the last June 2023 quarter ended reported.

9. Basic earnings per share

	Current Year Quarter 31.12.23 RM'000	Preceding Year Quarter 31.12.2022 RM'000	Current Year To Date 31.12.23 RM'000	Preceding Year To Date 31.12.2022 RM'000
a) Basic earnings per share				
Net profit/(loss) for the period	(1,521)	1,649	(43)	3,642
<u>Weighted average number of ordinary shares in issue</u>	'000	'000	'000	'000
Ordinary shares issued at 1 July	439,622	399,656	439,622	399,656
Weighted average number of ordinary shares in issue	-	-	-	-
Ordinary shares issued at 31 December	439,622	399,656	439,622	399,656
Basic earnings/(losses) per share (sen)	(0.35)	0.41	(0.01)	0.91
b) Diluted earnings per share				
Net profit/(loss) for the period	(1,521)	1,649	(43)	3,642
<u>Weighted average number of ordinary shares in issue</u>	'000	'000	'000	'000
Weighted average number of ordinary shares for basis earnings per share in a) above	439,622	399,656	439,622	399,656
Potential dilution ordinary shares for weighted average number of unexercised warrants issued	20,962	13,384	17,945	14,511
	460,584	413,040	457,567	414,167
Diluted earnings per share (sen)	(0.33)	0.40	(0.01)	0.88

10. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the director on 23 February 2024.

PLS PLANTATIONS BERHAD
BY ORDER OF THE BOARD

Date : 23rd February 2024