

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

	Individual Quarter 3 Months Ended 31 October		Cumulative Quarter 6 Months Ended 31 October	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue	143,854	97,949	258,722	184,735
Cost of sales	(94,386)	(79,874)	(177,586)	(160,341)
Gross profit	49,468	18,075	81,136	24,394
Other income	5,992	2,215	9,040	5,269
Administrative expenses	(5,668)	(7,110)	(11,724)	(13,979)
Other expenses	(17)	(1,536)	(33)	(73)
Operating profit	49,775	11,644	78,419	15,611
Interest expense	(1,432)	(1,742)	(2,822)	(3,803)
Profit before tax	48,343	9,902	75,597	11,808
Taxation	(11,772)	(3,576)	(17,745)	(2,744)
Profit for the period	36,571	6,326	57,852	9,064
Other comprehensive income:				
Item that will be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	(17)	(5,658)	6,276	(3,925)
	(17)	(5,658)	6,276	(3,925)
Total comprehensive income for the period	36,554	668	64,128	5,139
Profit/(loss) for the period attributable to:				
Owners of the Company	36,096	7,433	56,941	10,987
Non-controlling interests	475	(1,107)	911	(1,923)
	36,571	6,326	57,852	9,064
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	36,080	2,692	62,200	7,697
Non-controlling interests	474	(2,024)	1,928	(2,558)
	36,554	668	64,128	5,139
Earnings per share attributable to owners of the Company:				
Basic (sen)	17.21	3.54	27.14	5.24
Diluted (sen)	17.21	3.54	27.14	5.24

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2021 and the accompanying explanatory notes attached to the interim financial statements.

UNITED MALACCA BERHAD 191001000010 (1319 - V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at End of Current Quarter 31 October 2021	As at Preceding Financial Year End 30 April 2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	665,596	665,066
Right-of-use assets	791,510	796,067
Goodwill on consolidation	82,474	82,474
Intangible asset	12,300	12,562
Other asset	3,638	3,538
	<u>1,555,518</u>	<u>1,559,707</u>
Current Assets		
Inventories	43,713	28,101
Biological assets	16,374	12,429
Trade and other receivables	91,887	85,774
Tax recoverable	-	3,029
Short term funds	44,253	10,337
Cash and bank balances	44,138	33,204
	<u>240,365</u>	<u>172,874</u>
TOTAL ASSETS	<u>1,795,883</u>	<u>1,732,581</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	255,375	255,375
Other reserves	(11,128)	(16,387)
Retained earnings	1,111,971	1,069,714
Equity attributable to owners of the Company	<u>1,356,218</u>	<u>1,308,702</u>
Non-controlling interests	34,651	32,723
Total equity	<u>1,390,869</u>	<u>1,341,425</u>
Non-Current Liabilities		
Bank borrowings	47,207	49,357
Lease liabilities	6,385	6,754
Retirement benefit obligation	952	805
Other payable	-	179
Deferred tax liabilities	199,149	198,983
	<u>253,693</u>	<u>256,078</u>
Current Liabilities		
Bank borrowings	77,504	75,397
Lease liabilities	726	705
Trade and other payables	64,664	58,976
Tax payable	8,427	-
	<u>151,321</u>	<u>135,078</u>
Total liabilities	<u>405,014</u>	<u>391,156</u>
TOTAL EQUITY AND LIABILITIES	<u>1,795,883</u>	<u>1,732,581</u>
Net assets per share attributable to owners of the Company (RM)	<u>6.47</u>	<u>6.24</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable Other Reserves	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Period Ended 31 October 2021</u>						
Balance at 1 May 2021	255,375	(16,387)	1,069,714	1,308,702	32,723	1,341,425
Total comprehensive income for the period	-	5,259	56,941	62,200	1,928	64,128
Transaction with owners:						
Dividend	-	-	(14,684)	(14,684)	-	(14,684)
	-	-	(14,684)	(14,684)	-	(14,684)
Balance at 31 October 2021	255,375	(11,128)	1,111,971	1,356,218	34,651	1,390,869

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2021 - CONT'D**

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Non-distributable Other Reserves	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Period Ended 31 October 2020						
Balance at 1 May 2020	255,375	(11,748)	1,074,135	1,317,762	36,163	1,353,925
Total comprehensive (loss)/income for the period	-	(3,290)	10,987	7,697	(2,558)	5,139
Transactions with owners:						
Employee share options expired	-	(1,332)	1,332	-	-	-
Dividend	-	-	(12,586)	(12,586)	-	(12,586)
	-	(1,332)	(11,254)	(12,586)	-	(12,586)
Balance at 31 October 2020	255,375	(16,370)	1,073,868	1,312,873	33,605	1,346,478

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2021**

	Period Ended 31 October 2021	Period Ended 31 October 2020
	RM'000	RM'000
Operating Activities		
Profit before tax	75,597	11,808
Adjustments for:		
Depreciation of property, plant and equipment	23,880	23,116
Depreciation of right-of-use assets	7,294	7,146
Fair value changes on biological assets (net)	(3,909)	(3,111)
Gain on disposal of property, plant and equipment	(13)	(31)
Interest expense	2,822	3,803
Interest income	(268)	(234)
Property, plant and equipment written off	33	52
Realised fair value gains on short term funds	(176)	(243)
Unrealised foreign exchange gain	(3,730)	(676)
Operating cash flows before changes in working capital	101,530	41,630
<u>Changes in working capital:</u>		
Inventories	(15,208)	58
Trade and other receivables	(4,454)	(12,876)
Trade and other payables	4,776	(7,332)
Cash flows from operations	86,644	21,480
Interest received	266	244
Interest paid	(2,795)	(3,847)
Taxes refunded	603	-
Taxes paid	(6,974)	(1,794)
Net cash flows from operating activities	77,744	16,083
Investing Activities		
Proceeds from disposal of property, plant and equipment	81	118
Purchase of property, plant and equipment	(16,036)	(15,951)
Additions of right-of-use assets	-	(127)
Net (placements)/withdrawals of short term funds	(33,740)	5,750
Net cash flows used in investing activities	(49,695)	(10,210)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2021 - CONT'D**

	Period Ended 31 October 2021	Period Ended 31 October 2020
	RM'000	RM'000
Financing Activities		
Dividend paid	(14,684)	(12,586)
Repayment of term loan	(2,353)	-
Payment of principal portion of lease liabilities	(347)	(263)
Net cash flows used in financing activities	(17,384)	(12,849)
Net change in cash and bank balances	10,665	(6,976)
Effect of foreign exchange rate changes	269	(100)
Cash and bank balances at beginning of year	33,204	35,121
Cash and bank balances at end of year	44,138	28,045
Cash and bank balances comprise:		
Cash on hand and at banks	15,336	8,441
Short-term deposits with licensed financial institutions	28,802	19,604
	44,138	28,045

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2021 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING AND BURSA LISTING REQUIREMENTS

A1. 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 Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 April 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 30 April 2021.

A2. Changes in Accounting Policies

The accounting policies and methods of computation applied by the Group in the interim financial statements are consistent with those applied in the latest audited financial statements for the financial year ended 30 April 2021 except for the adoption of the following amended standards effective for the financial year beginning 1 May 2021:

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 16: <i>Covid-19 - Related Rent Concessions</i>	1 June 2020
• Amendments to MFRS 4: <i>Extension of the Temporary Exemption from Applying MFRS 9</i>	1 August 2020
• Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139: <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
• Amendments to MFRS 16: <i>Covid - 19 - Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

The adoption of the above amended standards do not have any material impact on the financial statements of the Group.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A3. Seasonal or Cyclical Nature of Operations

Production of oil palm fresh fruits bunches ("FFB") is influenced by weather.

The FFB production of the Group for the six months ended 31 October 2021 was marginally higher than that of the corresponding period in the preceding year by 1% or 2,604 tonnes.

For Malaysian operations, FFB production for the six months ended 31 October 2021 declined marginally by 1% or 2,376 tonnes from the corresponding period in the preceding year mainly due to the seasonal downtrend of FFB production in Peninsular estates.

For Indonesian operations, FFB production for the six months ended 31 October 2021 grew by 17% or 4,980 tonnes from the corresponding period in the preceding year mainly due to increase in mature area and the changes in production trend of oil palm estates in Kalimantan.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period ended 31 October 2021.

A5. Material Changes in Estimates

There were no material changes in estimates that have a material effect against results in the current quarter and current financial year-to-date ended 31 October 2021.

A6. Changes in Debt and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities during the period ended 31 October 2021.

A7. Dividend Paid

The dividend paid during the period ended 31 October 2021 was as follow:

In respect of financial year ended 30 April 2021

Second interim single-tier dividend of 7 sen per share, on 209,769,201
ordinary shares, paid on 16 August 2021

RM'000

14,684

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A8. Segmental Information

(a) Business Segments

	Current Quarter Ended 31 October 2021 RM'000	Cumulative 6 Months Ended 31 October 2021 RM'000
Segment Revenue		
Plantation revenue	159,143	288,374
Elimination of inter-companies' sales	(15,289)	(29,652)
External sales	<u>143,854</u>	<u>258,722</u>
Segment Profit/(Loss)		
Plantations:		
- Malaysian operations	43,156	67,301
- Indonesian operations (Kalimantan)	4,014	4,920
- Indonesian operations (Sulawesi)	(66)	(139)
Investment holding	1,239	3,515
Profit before tax	<u>48,343</u>	<u>75,597</u>
Taxation	(11,772)	(17,745)
Profit for the period	<u>36,571</u>	<u>57,852</u>
		As at End of Current Quarter 31 October 2021 RM'000
Segment Assets		
Plantations		1,707,485
Investment holding		88,398
Consolidated total assets		<u>1,795,883</u>
Segment Liabilities		
Plantations		280,258
Investment holding		124,756
Consolidated total liabilities		<u>405,014</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A8. Segmental Information - Cont'd

(b) Geographical Segments

	Current Quarter Ended 31 October 2021 RM'000	Cumulative 6 Months Ended 31 October 2021 RM'000
Segment Revenue		
Malaysia	109,492	202,898
Indonesia	34,362	55,824
Consolidated total revenue	<u>143,854</u>	<u>258,722</u>
Segment Profit		
Malaysia	44,345	66,920
Indonesia	3,998	8,677
Profit before tax	<u>48,343</u>	<u>75,597</u>
Taxation	(11,772)	(17,745)
Profit for the period	<u>36,571</u>	<u>57,852</u>
		As at End of Current Quarter 31 October 2021 RM'000
Segment Assets		
Malaysia		1,234,317
Indonesia		561,566
Consolidated total assets		<u>1,795,883</u>
Segment Liabilities		
Malaysia		307,251
Indonesia		97,763
Consolidated total liabilities		<u>405,014</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A9. Material Events Subsequent to the End of the Interim Period

There were no material events from the current quarter ended 31 October 2021 to the date of this announcement that had not been reflected in this interim financial statements.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 31 October 2021.

A11. Changes in Contingent Liabilities and Contingent Assets

At the date of this report, no contingent liabilities and contingent assets had arisen since the end of preceding financial year 30 April 2021.

A12. Capital Commitments

At the end of the current quarter, the Group has the following capital commitments:

	RM'000
Capital expenditure approved and contracted for:	
Additions of bearer plants	468
Purchase of other property, plant and equipment	24,408
	<u>24,876</u>
Capital expenditure approved but not contracted for:	
Additions of bearer plants	21,303
Purchase of other property, plant and equipment	28,829
	<u>50,132</u>
	<u>75,008</u>

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

A13. Related Party Disclosures

In addition to the inter-companies' sales as disclosed in Note A8(a), the Group had the following transactions and balance with related parties during the current quarter and current financial year-to-date ended 31 October 2021:

(a) Transactions with Related Parties

	Current Quarter Ended 31 October 2021	Cumulative 6 Months Ended 31 October 2021
	RM'000	RM'000
Companies in which certain directors of the Company are directors		
- Purchase of FFB	1,400	1,640
- Purchase of fertiliser	813	1,095
	<hr/>	<hr/>

(b) Balance with Related Party

	As at End of Current Quarter 31 October 2021
	RM'000
Company in which certain director of the Company is director	
- Trade payable	
	<hr/>
	684

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

B1. Review of Performance

(a) Current Quarter vs. Preceding Year Corresponding Quarter

	Individual Quarter		
	Current Quarter Ended 31 October 2021	Preceding Year Corresponding Quarter Ended 31 October 2020	Variance
	RM'000	RM'000	%
Revenue	143,854	97,949	47%
Operating profit	49,775	11,644	327%
Profit before tax	48,343	9,902	388%
Profit after tax	36,571	6,326	478%
Profit attributable to owners of the Company	36,096	7,433	386%
Additional information: Segmental results (RM'000)			
Plantations:			
- Malaysian operations	43,156	13,624	217%
- Indonesian operations (Kalimantan)	4,014	(1,679)	339%
- Indonesian operations (Sulawesi)	(66)	(214)	69%
Investment holding	1,239	(1,829)	168%
Profit before tax	48,343	9,902	388%
Breakdown of profit before tax (RM'000)			
Plantations:			
- Malaysian operations	50,277	23,280	116%
- Indonesian operations (Kalimantan)	9,664	3,160	206%
- Indonesian operations (Sulawesi)	(37)	(186)	80%
EBITDA	59,904	26,254	128%
Depreciation	(15,643)	(14,990)	-4%
Fair value changes on biological assets (net)	3,909	1,695	131%
Investment income	266	169	57%
Net foreign exchange gain	1,339	(1,484)	190%
Interest expense	(1,432)	(1,742)	18%
Profit before tax	48,343	9,902	388%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(a) Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd

	Individual Quarter		
	Current Quarter Ended 31 October 2021	Preceding Year Corresponding Quarter Ended 31 October 2020	Variance
Additional information (cont'd):			
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,176	18,268	-1%
- Indonesia	5,827	5,582	4%
Total mature area	24,003	23,850	1%
Immature area:			
- Malaysia	703	733	-4%
- Indonesia	2,027	2,157	-6%
Total immature area	2,730	2,890	-6%
Total planted area	26,733	26,740	0%
<u>FFB production (tonne)</u>			
- Malaysia	87,441	85,753	2%
- Indonesia	16,331	16,795	-3%
Total FFB production	103,772	102,548	1%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.81	4.68	3%
- Indonesia	2.80	3.01	-7%
Group FFB yield	4.32	4.29	1%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	4,327	2,745	58%
Average PK price/tonne	2,719	1,559	74%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	3,459	2,414	43%
Average PK price/tonne	1,956	1,252	56%

During the current quarter ended 31 October 2021, the Group recorded a pretax profit of RM48.3 million which was 388% higher than RM9.9 million in the corresponding quarter of the preceding year.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(a) Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 October 2021, the Malaysian operations recorded a plantation profit of RM43.2 million which was 217% higher than RM13.6 million in the corresponding quarter of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM50.3 million which was 116% higher than RM23.3 million in the corresponding quarter of the preceding year.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM4,327/tonne (preceding year: RM2,745/tonne) and PK price of RM2,719/tonne (preceding year: RM1,559/tonne) as well as higher FFB production by 2% or 1,688 tonnes.

Indonesian operations (Kalimantan)

During the current quarter ended 31 October 2021, the Indonesian operations (Kalimantan) recorded a plantation profit of RM4.0 million compared with a plantation loss of RM1.7 million in the corresponding quarter of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Indonesian operations (Kalimantan) recorded an EBITDA of RM9.7 million which was 206% higher than RM3.2 million in the corresponding quarter of the preceding year.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM3,459/tonne (preceding year: RM2,414/tonne) and PK price of RM1,956/tonne (preceding year: RM1,252/tonne) as well as lower unit cost of production incurred even though FFB production declined by 3% or 464 tonnes.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(a) Current Quarter vs. Preceding Year Corresponding Quarter - Cont'd

Investment Income

Detailed breakdown of investment income is as follows:

	Individual Quarter		
	Current Quarter Ended 31 October 2021	Preceding Year Corresponding Quarter Ended 31 October 2020	Variance
	RM'000	RM'000	%
Interest income	157	88	78%
Fair value gains on short term funds	109	81	35%
	266	169	57%

Investment income of current quarter and corresponding quarter of the preceding year consist of interest income and fair value gains on short term funds. Higher investment income in the current quarter compared with that in the corresponding quarter of the preceding year was mainly due to higher funds placement which generated from plantations segment.

(b) Current Year-to-date vs. Preceding Year-to-date

	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2021	Preceding Year-to-date Ended 31 October 2020	Variance
	RM'000	RM'000	%
Revenue	258,722	184,735	40%
Operating profit	78,419	15,611	402%
Profit before tax	75,597	11,808	540%
Profit after tax	57,852	9,064	538%
Profit attributable to owners of the Company	56,941	10,987	418%
Additional information: Segmental results (RM'000)			
Plantations:			
- Malaysian operations	67,301	19,442	246%
- Indonesian operations (Kalimantan)	4,920	(7,147)	169%
- Indonesian operations (Sulawesi)	(139)	(451)	69%
Investment holding	3,515	(36)	9864%
Profit before tax	75,597	11,808	540%

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 OCTOBER 2021**

NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(b) Current Year-to-date vs. Preceding Year-to-date - Cont'd

	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2021	Preceding Year-to-date Ended 31 October 2020	Variance
Additional information (cont'd):			
<u>Breakdown of profit before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	84,971	38,182	123%
- Indonesian operations (Kalimantan)	16,620	3,847	332%
- Indonesian operations (Sulawesi)	(81)	(399)	80%
EBITDA	101,510	41,630	144%
Depreciation	(31,174)	(30,262)	-3%
Fair value changes on biological assets (net)	3,909	3,111	26%
Investment income	444	477	-7%
Net foreign exchange gain	3,730	655	469%
Interest expense	(2,822)	(3,803)	26%
Profit before tax	75,597	11,808	540%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,176	18,268	-1%
- Indonesia	5,827	5,582	4%
Total mature area	24,003	23,850	1%
Immature area:			
- Malaysia	703	733	-4%
- Indonesia	2,027	2,157	-6%
Total immature area	2,730	2,890	-6%
Total planted area	26,733	26,740	0%
<u>FFB production (tonne)</u>			
- Malaysia	169,149	171,525	-1%
- Indonesia	33,644	28,664	17%
Total FFB production	202,793	200,189	1%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	9.30	9.36	-1%
- Indonesia	5.77	5.13	12%
Group FFB yield	8.44	8.37	1%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(b) Current Year-to-date vs. Preceding Year-to-date - Cont'd

	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2021	Preceding Year-to-date Ended 31 October 2020	Variance
Additional information (cont'd):			
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	4,063	2,530	61%
Average PK price/tonne	2,624	1,446	81%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	3,307	2,252	47%
Average PK price/tonne	1,972	1,160	70%

During the current six months ended 31 October 2021, the Group recorded a pretax profit of RM75.6 million which was 540% higher than RM11.8 million in the corresponding period of the preceding year.

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current six months ended 31 October 2021, the Malaysian operations recorded a plantation profit of RM67.3 million which was 246% higher than RM19.4 million in the corresponding period of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an EBITDA of RM85.0 million which was 123% higher than RM38.2 million in the corresponding period of the preceding year.

Higher EBITDA in the current six months was mainly due to higher average CPO price of RM4,063/tonne (preceding year: RM2,530/tonne) and PK price of RM2,624/tonne (preceding year: RM1,446/tonne) even though FFB production declined marginally by 1% or 2,376 tonnes.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B1. Review of Performance - Cont'd

(b) Current Year-to-date vs. Preceding Year-to-date - Cont'd

Plantations - Cont'd

Indonesian operations (Kalimantan)

During the current six months ended 31 October 2021, the Indonesian operations (Kalimantan) recorded a plantation profit of RM4.9 million compared with a plantation loss of RM7.1 million in the corresponding period of the preceding year. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Indonesian operations (Kalimantan) recorded an EBITDA of RM16.6 million which was 332% higher than RM3.8 million in the corresponding period of the preceding year.

Higher EBITDA in the current six months was mainly due to higher average CPO price of RM3,307/tonne (preceding year: RM2,252/tonne) and PK price of RM1,972/tonne (preceding year: RM1,160/tonne), higher FFB production by 17% or 4,980 tonnes as well as lower unit cost of production incurred.

Investment Income

Detailed breakdown of investment income is as follows:

	Cumulative Quarter		
	Current Year-to-date Ended 31 October 2021	Preceding Year-to-date Ended 31 October 2020	Variance
	RM'000	RM'000	%
Interest income	268	234	15%
Fair value gains on short term funds	176	243	-28%
	444	477	-7%

Investment income of current six months and corresponding period of the preceding year consist of interest income and fair value gains on short term funds. Slightly lower investment income in the current six months compared with that in the corresponding period of the preceding year was mainly due to lower funds placement after repayment of term loan and revolving credit as well as lower interest rate.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B2. Comparison with Preceding Quarter's Results

	Individual Quarter		
	Current Quarter Ended 31 October 2021	Preceding Quarter Ended 31 July 2021	Variance
	RM'000	RM'000	%
Revenue	143,854	114,868	25%
Operating profit	49,775	28,644	74%
Profit before tax	48,343	27,254	77%
Profit after tax	36,571	21,281	72%
Profit attributable to owners of the Company	36,096	20,845	73%
Additional information: <u>Segmental results (RM'000)</u>			
Plantations:			
- Malaysian operations	43,156	24,145	79%
- Indonesian operations (Kalimantan)	4,014	906	343%
- Indonesian operations (Sulawesi)	(66)	(73)	10%
Investment holding	1,239	2,276	-46%
Profit before tax	48,343	27,254	77%
<u>Breakdown of profit before tax (RM'000)</u>			
Plantations:			
- Malaysian operations	50,277	34,694	45%
- Indonesian operations (Kalimantan)	9,664	6,956	39%
- Indonesian operations (Sulawesi)	(37)	(44)	16%
EBITDA	59,904	41,606	44%
Depreciation	(15,643)	(15,531)	-1%
Fair value changes on biological assets (net) *	3,909	-	100%
Investment income	266	178	49%
Net foreign exchange gain	1,339	2,391	-44%
Interest expense	(1,432)	(1,390)	-3%
Profit before tax	48,343	27,254	77%
<u>Planted area (hectare)</u>			
Mature area:			
- Malaysia	18,176	18,176	0%
- Indonesia	5,827	5,827	0%
Total mature area	24,003	24,003	0%
Immature area:			
- Malaysia	703	703	0%
- Indonesia	2,027	2,027	0%
Total immature area	2,730	2,730	0%
Total planted area	26,733	26,733	0%

* No fair value changes on biological assets (net) provided in the preceding quarter as the amount involved was immaterial.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B2. Comparison with Preceding Quarter's Results - Cont'd

	Individual Quarter		
	Current Quarter Ended 31 October 2021	Preceding Quarter Ended 31 July 2021	Variance
Additional information (cont'd):			
<u>FFB production (tonne)</u>			
- Malaysia	87,441	81,708	7%
- Indonesia	16,331	17,313	-6%
Total FFB production	103,772	99,021	5%
<u>FFB yield (tonne/hectare)</u>			
- Malaysia	4.81	4.49	7%
- Indonesia	2.80	2.97	-6%
Group FFB yield	4.32	4.12	5%
<u>Average price for Malaysian operations (RM)</u>			
Average CPO price/tonne	4,327	3,776	15%
Average PK price/tonne	2,719	2,542	7%
<u>Average price for Indonesian operations (RM)</u>			
Average CPO price/tonne	3,459	3,075	12%
Average PK price/tonne	1,956	1,985	-1%

During the current quarter ended 31 October 2021, the Group recorded a pretax profit of RM48.3 million which was 77% higher than RM27.3 million in the preceding quarter.

Comments on the business segments are as follows:

Plantations

Malaysian operations

During the current quarter ended 31 October 2021, the Malaysian operations recorded a plantation profit of RM43.2 million which was 79% higher than RM24.1 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Malaysian operations recorded an EBITDA of RM50.3 million which was 45% higher than RM34.7 million in the preceding quarter.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM4,327/tonne (preceding quarter: RM3,776/tonne) and PK price of RM2,719/tonne (preceding quarter: RM2,542/tonne) as well as higher FFB production by 7% or 5,733 tonnes.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B2. Comparison with Preceding Quarter's Results - Cont'd

Plantations - Cont'd

Indonesian operations (Kalimantan)

During the current quarter ended 31 October 2021, the Indonesian operations (Kalimantan) recorded a plantation profit of RM4.0 million which was 343% higher than RM0.9 million in the preceding quarter. Excluding depreciation, fair value changes on biological assets (net) and interest expense, the Indonesian operations (Kalimantan) recorded an EBITDA of RM9.7 million which was 39% higher than RM7.0 million in the preceding quarter.

Higher EBITDA in the current quarter was mainly due to higher average CPO price of RM3,459/tonne (preceding quarter: RM3,075/tonne) and lower unit cost of production incurred even though FFB production declined by 6% or 982 tonnes.

Investment Income

Detailed breakdown of investment income is as follows:

	Individual Quarter		
	Current Quarter Ended 31 October 2021	Preceding Quarter Ended 31 July 2021	Variance
	RM'000	RM'000	%
Interest income	157	111	41%
Fair value gains on short term funds	109	67	63%
	266	178	49%

Investment income of current and preceding quarters consist of interest income and fair value gains on short term funds. Higher investment income in the current quarter compared with that in the preceding quarter was mainly due to higher funds placement which generated from plantations segment.

**UNAUDITED INTERIM FINANCIAL STATEMENTS
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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B3. Current Year Prospects

The Group expects FFB production to increase during the financial year ending 30 April 2022 due to higher yields and better age profile.

However, the Group remains cautious in view of the volatility of CPO prices, increasing fertiliser costs and shortage of labour for Malaysian operations as a consequence of the restriction of foreign labour recruitment.

Management's priority remains focused on improving labour productivity, mechanisation initiatives and cost efficiency as well as increasing FFB yield.

B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee was issued by the Group during the period ended 31 October 2021.

B5. Profit Before Tax

The following items have been (credited)/charged in arriving at profit before tax:

	Current Quarter Ended 31 October 2021 RM'000	Cumulative 6 Months Ended 31 October 2021 RM'000
Fair value changes on biological assets (net)	(3,909)	(3,909)
Gain on disposal of property, plant and equipment	(1)	(13)
Interest income	(157)	(268)
Net foreign exchange loss/(gain):		
- realised	1	-
- unrealised	(1,340)	(3,730)
Realised fair value gains on short term funds	(109)	(176)
Depreciation of property, plant and equipment	11,995	23,880
Depreciation of right-of-use assets	3,648	7,294
Interest expense	1,432	2,822
Property, plant and equipment written off	17	33

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The other minimum disclosure items which are currently not applicable to the Group are as follows:

- Provision for and write off of receivables
- Provision for and write off of inventories
- Impairment of assets
- Gain or loss on derivatives
- Exceptional items

B6. Taxation

	Current Quarter Ended 31 October 2021 RM'000	Cumulative 6 Months Ended 31 October 2021 RM'000
Current tax expense	11,163	17,636
Withholding tax	242	479
Deferred tax expense	367	(370)
	<u>11,772</u>	<u>17,745</u>

The effective tax rate for the current quarter was approximately the statutory tax rate whilst the effective tax rate for the current financial year-to-date was slightly lower than the statutory tax rate due to certain income which is not taxable.

B7. Status of Corporate Proposals

There is no corporate proposal announced by the Group or pending completion as at 17 December 2021.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B8. Group Borrowings and Debt Securities

At the end of the current quarter and preceding year corresponding quarter, the Group's borrowings were as follows:

As at End of Current Quarter 31 October 2021

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	161,667	47,207
Short-term		
- Term loan (IDR million)	24,250	7,081
- Revolving credit (USD'000)	17,000	70,423
Total bank borrowings		124,711
Exchange rate used:	USD1	RM4.143
	IDR1,000	RM0.292

As at End of Preceding Year Corresponding Quarter 31 October 2020

	Foreign Currency	RM Equivalent RM'000
Secured:		
Long-term		
- Term loan (IDR million)	188,727	53,598
Short-term		
- Term loan (USD'000)	5,000	20,773
- Term loan (IDR million)	13,357	3,794
- Revolving credit (USD'000)	17,000	70,626
Total bank borrowings		148,791
Exchange rate used:	USD1	RM4.155
	IDR1,000	RM0.284

- (a) The USD term loan carries an interest rate based on the bank's cost of funds + 0.75% per annum.
- (b) The USD revolving credit carries an interest rate based on the bank's cost of funds + 0.75% per annum.
- (c) The IDR term loan carries an interest rate based on the 1-month Jakarta Interbank Offered Rate ("JIBOR") + 3.45% per annum.
- (d) The Group does not hedge the USD and IDR borrowings in Ringgit Malaysia ("RM").

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B8. Group Borrowings and Debt Securities - Cont'd

There was no debt security as at 31 October 2021.

B9. Material Litigation

There was no material litigation since the last reporting date as at 30 April 2021.

B10. Disclosure of Realised and Unrealised Profits/Losses

	As at End of Current Quarter 31 October 2021	As at Preceding Financial Year End 30 April 2021
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
- realised	676,950	635,165
- unrealised	456,460	453,991
	<u>1,133,410</u>	<u>1,089,156</u>
Less: Consolidation adjustments	(21,439)	(19,442)
Total Group's retained earnings as per consolidated statement of financial position	<u>1,111,971</u>	<u>1,069,714</u>

B11. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period as follows:

	Current Quarter Ended 31 October 2021	Cumulative 6 Months Ended 31 October 2021
Profit for the period attributable to owners of the Company (RM'000)	36,096	56,941
Weighted average number of ordinary shares in issue ('000 unit)	209,769	209,769
Basic earnings per share (sen)	<u>17.21</u>	<u>27.14</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B11. Earnings Per Share - Cont'd

(b) Diluted earnings per share

The diluted earnings per ordinary share for the current quarter and current financial year-to-date ended 31 October 2021 are the same as the basic earnings per ordinary share as the Company has no potential dilutive ordinary shares.

B12. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications in the auditors' report of the Group's latest annual financial statements ended 30 April 2021.

B13. Dividends

The directors declare a first interim single-tier dividend of 5 sen in respect of the financial year ending 30 April 2022 (previous year 2021: a first interim single-tier dividend of 3 sen).

The first interim single-tier dividend will be paid on 21 January 2022.

B14. Closure of Books

NOTICE IS HEREBY GIVEN that a first interim single-tier dividend of 5 sen per share, in respect of the financial year ending 30 April 2022 will be paid on 21 January 2022 to shareholders whose names appear in the Record of Depositors and the Register of Members at the close of business at 5.00 p.m. on 7 January 2022.

A shareholder shall qualify for dividend entitlement only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 7 January 2022 in respect of transfers;
- (b) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 5 January 2022 in respect of shares which are exempted from mandatory deposit;
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - CONT'D

B15. Authorised for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 17 December 2021.

By order of the Board,

Yong Yoke Hiong (SSM PC No. 201908001562) (MAICSA 7021707)

Pang Poh Chen (SSM PC No. 201908001514) (MAICSA 7069479)

Company Secretaries

Melaka, 17 December 2021