

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statement of Comprehensive Income (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2020**

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2020 (Unaudited) RM' 000	31.12.2019 (Restated) RM'000	31.12.2020 (Unaudited) RM' 000	31.12.2019 (Restated) RM' 000
Revenue	103,687	83,774	354,474	308,003
Cost of sales	(86,454)	(75,618)	(302,054)	(276,524)
Gross profit	17,233	8,156	52,420	31,479
Other income	1,188	1,960	4,011	4,716
Administrative expenses	(4,475)	(4,043)	(13,861)	(13,324)
Other operating expenses	(1,327)	(1,671)	(5,299)	(6,424)
Operating profit	12,619	4,402	37,271	16,447
Finance costs	(175)	(1,755)	(4,771)	(7,047)
Profit/(Loss) before tax	12,444	2,647	32,500	9,400
Income tax expense	(4,428)	(3,458)	(9,679)	(5,725)
Profit/(Loss) after tax	8,016	(811)	22,821	3,675
Other comprehensive income				
Available-for-sale financial assets:				
- (Loss)/Gain on fair value changes	(27)	7	(27)	7
Exchange difference on translation of foreign operations	164	56	280	(87)
Total comprehensive income for the period	8,153	(748)	23,074	3,595
Profit/(Loss) attributable to:				
Owners of the parent	4,221	7	13,438	2,501
Non-controlling interests	3,795	(818)	9,383	1,174
	8,016	(811)	22,821	3,675
Total comprehensive income attributable to:				
Owners of the parent	4,263	106	13,586	2,453
Non-controlling interests	3,890	(854)	9,488	1,142
	8,153	(748)	23,074	3,595
Weighted average number of shares in issue	196,544	196,544	196,544	196,544
Earnings per share in sen				
- Basic	2.15	0.00	6.84	1.27

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2019.**

**MHC Plantations Bhd (4060-V)**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position**  
**as at 31 December 2020**

	As at 31.12.2020 (Unaudited) RM'000	As at 31.12.2019 (Restated) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	507,424	518,050
Investment properties	45,264	49,924
Deferred tax assets	6,777	11,903
Investment in securities	338	394
Trade and other receivables	-	-
Goodwill on consolidation	43,867	43,867
	603,670	624,138
<b>Current assets</b>		
Inventories	19,716	25,355
Biological assets	3,264	2,738
Trade and other receivables	23,193	20,125
Tax recoverable	849	1,503
Short term investments	17,573	16,320
Fixed deposits with licensed banks	7,796	7,624
Cash and bank balances	24,811	13,141
	97,202	86,806
<b>TOTAL ASSETS</b>	<b>700,872</b>	<b>710,944</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	196,544	196,544
Reserves	54,226	43,362
	250,770	239,906
<b>Non-controlling interests</b>	254,015	249,235
<b>Total equity</b>	<b>504,785</b>	<b>489,141</b>

**Condensed Consolidated Statement of Financial Position  
as at 31 December 2020 (Contd.)**

	<b>As at 31.12.2020 (Unaudited) RM'000</b>	<b>As at 31.12.2019 (Restated) RM'000</b>
<b>EQUITY AND LIABILITIES (CONTD.)</b>		
<b>Non-current liabilities</b>		
Borrowings	45,705	55,163
Deferred tax liabilities	49,516	53,000
Lease liabilities	3,938	3,689
	<u>99,159</u>	<u>111,852</u>
<b>Current liabilities</b>		
Payables	26,381	31,799
Borrowings	66,400	76,100
Lease liabilities	1,250	1,143
Taxation	2,897	909
	<u>96,928</u>	<u>109,951</u>
<b>Total liabilities</b>	<u>196,087</u>	<u>221,803</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>700,872</u>	<u>710,944</u>
<b>Net Tangible Asset Per Share (RM)</b>	<u>1.05</u>	<u>1.00</u>
<b>Net Asset Per Share (RM)</b>	<u>1.28</u>	<u>1.22</u>

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2019.**

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statements of Changes in Equity (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2020**

	Non-distributable						Distributable			Non-controlling	Total
	Share Capital RM' 000	Capital Reserve RM' 000	Other Reserve RM' 000	Revaluation Reserve RM' 000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Capital Reserve RM' 000	Retained Profits RM' 000	Total RM' 000	Interests RM' 000	Equity RM' 000
<b>Opening balance at 1 Jan 2019</b>	196,544	5,737	(32,100)	789	45	(289)	8	77,313	248,047	266,956	515,003
Effect of changes in accounting policies	-	-	-	-	-	-	-	(7,481)	(7,481)	(15,305)	(22,786)
<b>Opening balance at 1 Jan 2019 (Restated)</b>	196,544	5,737	(32,100)	789	45	(289)	8	69,832	240,566	251,651	492,217
Total comprehensive income for the period	-	-	-	-	7	(54)	-	2,501	2,454	1,142	3,596
Dividends	-	-	-	-	-	-	-	(2,948)	(2,948)	-	(2,948)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,454)	(3,454)
Effect of subsidiary's treasury share transaction	-	-	(166)	-	-	-	-	-	(166)	(104)	(270)
<b>Closing balance at 31 December 2019</b>	196,544	5,737	(32,266)	789	52	(343)	8	69,385	239,906	249,235	489,141
<b>Opening balance at 1 Jan 2020</b>	196,544	5,737	(32,266)	789	52	(343)	8	76,874	247,395	264,798	512,193
Effect of changes in accounting policies	-	-	-	-	-	-	-	(7,489)	(7,489)	(15,563)	(23,052)
<b>Opening balance at 1 Jan 2020 (Restated)</b>	196,544	5,737	(32,266)	789	52	(343)	8	69,385	239,906	249,235	489,141
Total comprehensive income for the period	-	-	-	-	-	176	-	13,438	13,614	9,488	23,102
Dividends	-	-	-	-	-	-	-	(2,948)	(2,948)	-	(2,948)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(3,650)	(3,650)
Effect of subsidiaries treasury transaction	-	-	(116)	-	-	-	-	-	(116)	(68)	(184)
Fair Value Adjustment	-	-	-	-	(27)	-	-	-	(27)	-	(27)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	341	341	(990)	(649)
<b>Closing balance at 31 December 2020</b>	196,544	5,737	(32,382)	789	25	(167)	8	80,216	250,770	254,015	504,785

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2019.**

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2020**

	12 months ended	
	31.12.2020 (Unaudited) RM' 000	31.12.2019 (Restated) RM' 000
<b>Operating activities</b>		
Profit before taxation	32,500	9,400
Adjustments for:		
Allowance for expected credit losses	-	72
Bad debts written off	-	119
Depreciation and amortisation	29,812	29,500
Fair value gain/(loss) on biological assets	(526)	(1,351)
Inventory written off	2,165	-
Interest expense	4,771	7,047
(Gain)/Loss on disposal of property, plant and equipment	4	(272)
(Gain)/Loss on disposal of investment properties	260	-
(Gain)/Loss on fair value of investment security	29	-
Property, plant and equipment written off	539	65
Reversal of expected credit losses	(46)	(162)
Unrealised loss/(gain) on foreign exchange	-	(19)
Interest income	(620)	(759)
Dividend income	(30)	(9)
Total adjustments	36,358	34,231
<b>Operating cash flows before changes in working capital</b>	68,858	43,631
Changes in working capital:		
Inventories	3,474	5,336
Receivables	(2,776)	(2,856)
Payables	(5,551)	1,624
Total changes in working capital	(4,853)	4,104
Cash generated from operations	64,005	47,735
Interest received	620	759
Interest paid	(5,828)	(7,040)
Tax paid	(5,390)	(822)
<b>Net cash flows from/(used in) operating activities</b>	53,407	40,632
<b>Investing activities</b>		
Dividend received	30	9
Proceeds from disposal of property, plant and equipment	6	365
Proceeds from disposal of investment properties	4,400	-
Additional placement of pledged fixed deposits	-	(106)
Purchase of property, plant and equipment	(17,432)	(27,124)
Purchase of investment property	-	(673)
Acquisition of subsidiary companies net of cash and cash equivalents	-	-
Acquisition from non-controlling interests	(39)	-
Net redemption/(investment in) of short term investments	(1,253)	(1,899)
<b>Net cash flows (used in)/from investing activities</b>	(14,288)	(29,428)
<b>Financing activities</b>		
Drawdown of revolving credit	9,550	10,500
Drawdown of term loan	-	16,400
Repayment of revolving credit	(12,000)	(10,300)
Repayment of term loan	(16,709)	(22,479)
Repayment of lease liabilities	(920)	(1,303)
Acquisition of subsidiary's interest from Minority	(610)	-
Dividends paid to shareholders	(2,948)	(2,948)
Dividends paid to non-controlling interests	(3,652)	(3,454)
Purchase of treasury shares in a subsidiary company	(184)	(270)
<b>Net cash flows from/(used in) financing activities</b>	(27,473)	(13,854)
<b>Net increase/(decrease) in cash and cash equivalents</b>	11,646	(2,650)
Effect on exchange rate changes on cash and cash equivalents	196	(83)
<b>Cash and cash equivalents as at 1 January</b>	17,432	20,165
<b>Cash and cash equivalents as at 31 December</b>	29,274	17,432
<b>Cash and cash equivalents :</b>		
Fixed deposits with licensed banks	7,796	7,624
Cash and bank balances	24,811	13,141
	32,607	20,765
Less : Fixed deposits pledged	(3,333)	(3,333)
	29,274	17,432

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2019.

## Notes to the condensed consolidated interim financial statements

### 1. Basis of preparation

The condensed consolidated interim financial statements for the financial year ended 31 December 2020 have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 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 financial year ended 31 December 2019.

The accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

### 2. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following new/revised MFRSs and amendments to MFRSs and the change in accounting policy as disclosed below:

Effective for financial periods beginning on or after 1 January 2020:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 "Definition of a Business"
- Amendments to MFRS 101 "Presentation of Financial Statements" and MERS 108 "Accounting Policies, Changes in Accounting Estimates and Errors"
- Amendments to MFRS 7 "Financial Instruments: Disclosures", MERS 9 "Financial Instruments" and MFRS 139 "Financial Instruments: Recognition and Measurement"

The adoption of the above new/revised MFRSs and Amendments do not have any significant financial impact on the Group.

## 2. Significant accounting policies (Cont'd)

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

MFRS, IC Interpretation and Amendments to IC Interpretations	Effective for annual periods beginning on or after
MFRS 17 : Insurance Contracts	1 Jan 2021
Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101 : Presentation of Financial Statements)	1 Jan 2022
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

### **Change in Accounting Policy**

During the financial year of 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:

2. Significant accounting policies (Cont'd)

**Change in Accounting Policy (Cont'd)**

<b>Condensed Consolidated Statement of Comprehensive Income</b>					
			<b>As Previously reported RM'000</b>	<b>Adjustments RM'000</b>	<b>Restated RM'000</b>
<b>3 months ended 31 December 2019</b>					
Revenue			85,744	(1,970)	83,774
Cost of sales			(73,359)	(2,259)	(75,618)
Other income			3,824	(1,864)	1,960
Other operating expenses			(7,418)	5,747	(1,671)
Profit before tax			2,993	(346)	2,647
Income tax expense			(3,541)	83	(3,458)
Profit after tax			(548)	(263)	(811)
Total comprehensive income for the period			(485)	(263)	(748)
Profit attributable to :-					
Owners of the Parent			55	(48)	7
Non-Controlling interest			(603)	(215)	(818)
Total comprehensive income attributable to:					
Owners of the Parent			116	(10)	106
Non-Controlling interest			(601)	(253)	(854)
Basic Earnings per share (sen)			0.03		0.00
<b>12 months ended 31 December 2019</b>					
Revenue			301,368	6,635	308,003
Cost of sales			(271,136)	(5,388)	(276,524)
Other income			12,060	(7,344)	4,716
Other operating expenses			(12,171)	5,747	(6,424)
Profit before tax			9,750	(350)	9,400
Income tax expense			(5,809)	84	(5,725)
Profit after tax			3,941	(266)	3,675
Total comprehensive income for the period			3,861	(266)	3,595
Profit attributable to :-					
Owners of the Parent			2,509	(8)	2,501
Non-Controlling interest			1,432	(258)	1,174
Total comprehensive income attributable to:					
Owners of the Parent			2,461	(8)	2,453
Non-Controlling interest			1,400	(258)	1,142
Basic Earnings per share (sen)			1.28		1.27



2. Significant accounting policies (Cont'd)

**Change in Accounting Policy (Cont'd)**

<b>Condensed Consolidated Statement of Financial Position</b>					
			<b>As Previously</b>		
			<b>reported</b>	<b>Adjustments</b>	<b>Restated</b>
			<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 December 2019</b>					
<b>Non-current assets</b>					
Property, plant and equipment			404,149	113,901	518,050
Deferred tax assets			4,623	7,280	11,903
Trade and other receivables			134,849	(134,849)	-
<b>Current assets</b>					
Trade and other receivables			29,509	(9,384)	20,125
<b>Equity</b>					
Retained earnings			76,874	(7,489)	69,385
Total equity attributable to owners					
of the parent			247,395	(7,489)	239,906
Non-Controlling interest			264,798	(15,563)	249,235
<b>As at 1 January 2019</b>					
<b>Non-current assets</b>					
Property, plant and equipment			397,058	119,289	516,347
Deferred tax assets			3,031	7,196	10,227
Trade and other receivables			140,836	(140,836)	-
<b>Current assets</b>					
Trade and other receivables			24,989	(8,436)	16,553
<b>Equity</b>					
Retained earnings			77,313	(7,481)	69,832
Total equity attributable to owners					
of the parent			248,047	(7,481)	240,566
Non-Controlling interest			266,956	(15,305)	251,651
<b>Condensed Consolidated Statement of Cash Flows</b>					
<b>12 months ended 31 December 2019</b>					
Profit before tax			9,750	(350)	9,400
Depreciation and amortisation			20,899	8,601	29,500
Interest income			(8,103)	7,344	(759)
Operating profit before capital changes			28,036	15,595	43,631
Receivables			9,526	(12,382)	(2,856)
Cash generated from operations			44,522	3,213	47,735
Net cash flows generated from operating activities			37,419	3,213	40,632
Purchase of property, plant and equipment			(23,911)	(3,213)	(27,124)
Net cash flows used in investing activities			(26,215)	(3,213)	(29,428)

3. Auditors' report

The auditor's report on the preceding annual financial statements was not qualified.

4. Seasonal and cyclical factors

The business of the Group is cyclical in nature and the third quarter is normally the peak production season.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year ended 31 December 2020.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Equity and debt securities

There were no issuance, cancellation, resale, repurchase and repayment of equity or debt securities during the financial year ended 31 December 2020.

8. Dividend paid

A Single tier dividend of 1.5 sen on 196,543,970 ordinary shares amounting to RM2,948,160 that was approved by the directors on 14 May 2020 was paid on 12 June 2020.

No interim dividend has been paid during the current quarter ended 31 December 2020.

9. Segment information

The Group has three reportable segments, as described below, which are the Group's strategic 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

9. Segment information (Contd.)

Information about reportable segments

	Results for 3 months ended 31 December								
	Plantation		Oil Mill		Power Plant		Total		
	2020	2019	2020	2019	2020	2019	2020	2019	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	8,730	5,531	79,570	69,151	19,148	17,127	107,448	91,809	
Inter-segment revenue	9,053	12,401	-	-	-	-	9,053	12,401	
Segment profit/(loss)	8,591	2,666	2,353	1,494	4,680	(78)	15,624	4,082	

	<b>3 months ended 31.12.2020 (Unaudited) RM'000</b>	<b>3 months ended 31.12.2019 (Restated) RM'000</b>
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	15,624	4,082
Other non-reportable segments	(1,854)	(355)
Amortisation of group land cost	(631)	(631)
Elimination of inter-segment profits	(5)	(51)
Unallocated corporate (expenses)/income	(690)	(398)
Consolidated profit/(loss) before tax	<u>12,444</u>	<u>2,647</u>

	Results for 12 months ended 31 December								
	Plantation		Oil Mill		Power Plant		Total		
	2020	2019	2020	2019	2020	2019	2020	2019	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	31,930	16,135	274,922	252,948	45,706	36,679	352,558	305,762	
Inter-segment revenue	37,458	43,857	-	-	-	-	37,458	43,857	
Segment profit/(loss)	19,031	2,520	10,557	9,027	10,418	2,376	40,006	13,923	

9. Segment information (Contd.)

<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>	<b>12 months ended 31.12.2020 (Unaudited) RM'000</b>	<b>12 months ended 31.12.2019 (Restated) RM'000</b>
Segment profit	40,006	13,923
Other non-reportable segments	(2,320)	(102)
Amortisation of group land cost	(2,523)	(2,523)
Elimination of inter-segment profits	(33)	(193)
Unallocated corporate (expenses)/income	(2,630)	(1,705)
Consolidated profit/(loss) before tax	<u>32,500</u>	<u>9,400</u>

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial year ended 31 December 2020 except for an internal restructuring exercise to increase its effective interest in a subsidiary, Mistral Engineering Sdn. Bhd. from 62.71% to 81.73% as disclosed in Note 7, Part B of this report.

This internal restructuring does not have any material impact on the consolidated earnings of the Group for the financial year ended 31 December 2020 and have been included in the nine month's Condensed Consolidated Statement of Changes in Equity.

11. Contingent Assets and Liabilities

There were no contingent assets and contingent liabilities at the end of this quarter and as at the date of this report.

12. Capital commitments

	RM'000
Capital expenditure	
Approved and contracted for	8,022
Approved but not contracted for	<u>16,350</u>
	<u>24,372</u>

### 13. Significant event

The rapid spread of the ongoing COVID-19 pandemic throughout the country and the world has a significant impact on the overall economy including the palm oil sector. On 16 March 2020, the Malaysian Government issued the Movement Control Order ("MCO") from 18 to 31 March 2020 as a preventive measure against the spread of COVID-19 which requires the closure of all government and private premises except for those involved in the provision of essential services and those industries given special permission to operate. As the Group's principal activities comprise mainly oil palm milling, operation of plantations, where special permission has been granted and power plants, which fall under the essential services category, there was no major disruption to the Group's operations. However, on 24 March 2020, the Kinabatangan District Council in Sabah issued a notice to cease the operations of mills, plantation estates and collection centres from 27 to 31 March 2020 in selected areas of Lahad Datu, Tawau and Kinabatangan. Hence, certain plantation subsidiaries operating in Kinabatangan were affected as a result of the closure notice. Following the successful appeal made by industry associations and major oil palm players operating in the affected areas, the entities were permitted to resume operations on 12 April 2020.

These temporary shutdowns had minimal disruption to the Group for approximately half a month and pose no significant impact to the Group's operating results, cash flow and financial condition of the Group's plantation segment. However, it has affected the performance of our power segment . during the year:

- 1) Lower processing activity of our oil mill during the MCO period has reduced the supply of feedstock for our Biogas Power Plant in Sandakan; and
- 2) Late delivery of essential spare parts and provision of engineering support during the MCO period has significantly delayed some of the maintenance and repair of our Biomass and Biogas Plants in Sandakan.

Due to these factors, the Biogas Plant only generated and exported 21,267 MWh of renewable energy during the year. This was 14% lower than the preceding year 2019 (24,670 MWh). The Biomass Plant only generated and exported 41,589 MWh of renewable energy during the year compared to 43,706 MWh in 2019.

Palm oil is headed towards recovery in the second half of the year in view of improving global demand as the lockdowns from the Global COVID-19 outbreak begin to ease. The management expects CPO prices could be traded above RM2,800 per MT in the near term in view of rising demand from India and China as well as the anticipation of lower FFB production. However, the Group is facing challenges from the shortage of foreign labour in the Malaysian palm oil industry resulting from the international travel restriction that was implemented to prevent the spread of COVID-19. Hence, the Group expects a threat to its FFB production for the financial year 2021.

The Group will continue to monitor and assess the impacts and at the same time adhering to all preventive and control measures to curb the spread of COVID-19.

### 14. Subsequent event

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

## Information required by BMSB Listing Requirements

### 1. Review of performance

#### Financial review for current quarter and financial year to date

		Individual Period (4th Quarter)			Cumulative Period (12 months ended)		
		Current year Quarter	Preceding Year Corresponding Quarter	Changes (%)	Current Year To- date	Preceding Year Corresponding Period	Changes (%)
		31.12.2020 (Unaudited)	31.12.2019 (Unaudited)		31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	
		RM'000	RM'000		RM'000	RM'000	
Revenue		103,687	83,774	24%	354,474	308,003	15%
Operating profit		12,619	4,402	> 100%	37,271	16,447	> 100%
Profit before tax		12,444	2,647	> 100%	32,500	9,400	> 100%
Profit after tax		8,016	(811)	> 100%	22,821	3,675	> 100%
Profit attributable to ordinary equity holders of the Parent		4,221	7	> 100%	13,438	2,501	> 100%
<b>Operational Statistics</b>							
Production:							
FFB	(mt)	38,781	40,832	-5%	149,702	161,181	-7%
CPO	(mt)	20,811	24,821	-16%	87,349	104,001	-16%
PK	(mt)	5,538	6,394	-13%	22,966	26,883	-15%
Average selling price:							
FFB	(RM/mt)	601	430	40%	494	374	32%
CPO	(RM/mt)	3,249	2,421	34%	2,712	2,071	31%
PK	(RM/mt)	1,964	1,420	38%	1,597	1,231	30%
Quantity sold:							
CPO	(mt)	20,990	24,778	-15%	87,753	106,116	-17%
PK	(mt)	5,792	6,456	-10%	23,098	26,923	-14%
Oil Extraction Rate (%)		19.86	19.61	1%	19.50	19.59	0%
Electricity Export(MWh)		22,373	14,486	54%	69,444	71,593	-3%

1. Review of performance (Cont'd)

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

The Group recorded a revenue of RM103.69 million and profit before tax of RM12.44 million for the current quarter ended 31 December 2020 as compared to a revenue of RM83.78 million and profit before tax of RM2.65 million in the preceding year quarter ended 31 December 2019. Despite an inventory written off of RM2.16 million, the significant increases in revenue and profit before tax were mainly due to:

- a) Increases in selling prices of CPO, PK and FFB by 34%, 38% and 40% respectively; and
- b) Increase in segment contribution by Power Plant as a result of higher sales of electricity by 54% and higher sales and average selling price of EFB oil by 54% and 61% respectively.

Performance of the respective operating business segments for this quarter under review as compared to the previous corresponding quarter was analysed as follows:

- (i) Plantation – The increase in Segment profit by RM5.92 million (>100%) from RM2.67 million to RM8.59 million was mainly due to an increase in average FFB selling price by 39% despite a decrease in FFB production by 5%.
- (ii) Oil Mill – The increase in Segment profit by RM0.86 million (70%) from RM1.49 million to RM2.35 million was mainly due to a higher milling margin and lower mill maintenance cost for the quarter under review.
- (iii) Power Plant – The increase in Segment profit by RM4.76 million (>100%) from a segment loss of RM0.08 million to a segment profit of RM4.68 million was mainly due to higher sales of electricity by 54% and higher sales and average selling price of EFB oil by 54% and 61% respectively.

1. Review of performance (Cont'd)

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

The Group recorded a revenue of RM354.47 million and a profit (before tax) of RM32.50 million for the financial year ended 31 December 2020 ("FY2020"). This was a significant increase compared to the revenue and profit of RM308.00 million and RM9.40 million respectively for the financial year ended 31 December 2019 ("FY2019"). Despite an inventory written off of RM2.16 million, the increases in revenue and profit before tax were mainly due to:

- a) Increases in selling prices of CPO, PK and FFB by 31%, 30% and 32% respectively; and
- b) Increase in segment contribution by Power Plant as a result of higher sales and higher average selling price of EFB oil by 11% and 62% respectively.

Performance of the respective operating business segments for this financial period under review as compared to the previous financial corresponding period was analysed as follows:

- (i) Plantation – The increase in Segment profit by RM16.51 million (>100%) from RM2.52 million to RM19.03 million was mainly due to an increase in average FFB selling price by 32% despite a decrease in FFB production by 7%.
- (ii) Oil Mill – The increase in Segment profit by RM1.53 million (17%) from RM9.03 million to RM10.56 million was mainly due to a higher milling margin and lower mill maintenance cost.
- (iii) Power Plant – The increase in Segment profit by RM8.04 million (>100%) from RM2.38 million to RM10.42 million was mainly due to higher sales and higher average selling price of EFB oil by 11% and 62% respectively.



2. Financial review for current quarter compared with immediate preceding quarter

			<b>Current quarter 31.12.2020 (Unaudited) RM'000</b>	<b>Immediate Preceding Quarter 30.9.2020 (Unaudited) RM'000</b>	<b>Changes (%)</b>
Revenue			103,687	95,604	8.5%
Operating profit			12,619	13,129	-4%
Profit before tax			12,444	11,667	7%
Profit after tax			8,016	8,786	-9%
Profit attributable to ordinary equity holders of the Parent			4,221	5,243	-19%
<b>Operational Statistics</b>					
Production:					
FFB	(mt)		38,781	41,270	-6%
CPO	(mt)		20,811	23,865	-13%
PK	(mt)		5,538	6,311	-12%
Average selling price:					
FFB	(RM/mt)		601	496	21%
CPO	(RM/mt)		3,249	2,706	20%
PK	(RM/mt)		1,964	1,454	35%
Quantity sold:					
CPO	(mt)		20,990	23,973	-12%
PK	(mt)		5,792	6,305	-8%
Oil Extraction Rate (%)			19.86	19.77	0%
Electricity Export(MWh)			22,373	16,383	37%

The Group recorded a profit before tax of RM12.44 million in the quarter under review as compared to a profit before tax of RM11.67 million in the immediate preceding quarter. Despite an inventory written off of RM2.16 million, the increase in profit before tax was mainly due to:

- a) Increases in selling prices of CPO, PK and FFB by 20%, 35% and 21% respectively; and
- b) Increase in sales of electricity by 37% and higher sales and higher average selling price of FFB oil by 19% and 17% respectively.

3. Commentary on prospects

The Group expects CPO prices to remain firm in 2021 in view of supply tightness on a low inventory level and the expected recovery in export demand.

The international travel restriction that was implemented as part of COVID-19 measures has led to a shortage of foreign labour in the Malaysian palm oil industry. The Group is working to overcome this issue and will also continue to focus on the maturity profile of its oil palm trees. For the past few years, we have undertaken an accelerated replanting programme to accomplish this aim.

On the whole, the Board is confident that, barring any unforeseen circumstances, the Group will continue to perform satisfactorily for the financial year 2021.

4. Profit forecast

Not applicable as there was no profit forecast published.

5. Profit/(Loss) before taxation

This is arrived at after crediting/ (charging):

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	RM'000	RM'000	RM'000	RM'000
Allowance for expected credit losses	-	(72)	-	(72)
Bad debts written off	-	(119)	-	(119)
Gain/(Loss) on disposal of plant and equipment	-	-	(4)	273
Loss on disposal of investment properties	-	-	(260)	-
Fair value gain/(loss) on biological assets	526	1,351	526	1,351
Interest income	147	211	620	759
Interest expense	(175)	(1,755)	(4,771)	(7,047)
Depreciation and amortisation	(7,163)	(8,714)	(29,812)	(29,500)
Dividend	8	8	30	9
Inventory written off	2,165	-	2,165	-
Property, plant and equipment written off	(503)	(58)	(539)	(65)
Reversal of expected credit losses	46	24	46	162
Unrealised (loss)/gain on foreign exchange	-	-	53	19

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

## 6. Income tax expense

Taxation is provided at the prevailing statutory rate based on the operating profit for the quarter as follows.

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	RM'000	RM'000	RM'000	RM'000
Current tax:				
-Malaysian income tax	2,595	2,164	7,704	3,414
-Under/(over) provision of tax	41	(34)	82	156
	2,636	2,130	7,786	3,570
Deferred tax				
- relating to origination and reversal of temporary differences	1,406	423	1,527	739
- under/(over) provision of tax	386	905	366	1,416
	1,792	1,328	1,893	2,155
Total income tax expense	4,428	3,458	9,679	5,725

The Group's effective tax rate for the current quarter and cumulative quarter was higher than the statutory tax rate of 24% principally due to certain deferred tax assets was not recognised on business loss and certain expenses was disallowed for tax purposes.

## 7. Corporate proposal

The Company has an indirect subsidiary, Cash Nexus (M) Sdn. Bhd. ("Cash Nexus") which holds 62.71% equity interest in Timah Resources Ltd. ("TML"), a company listed on the Australia Securities Exchange Ltd. ("ASX"). In turn, TML holds 100% equity interest in Mistral Engineering Sdn. Bhd. ("Mistral").

Mistral is principally engaged in power generation to supply electricity under the Feed-in Approval to participate in the Feed-in Tariff scheme granted by the Sustainable Energy Development Authority Malaysia ("SEDA") in February 2015, while it was still a wholly-owned subsidiary of Cash Nexus. In July 2015, Cash Nexus undertook a corporate exercise involving a reverse take-over of TML by way of disposal of the entire equity interest in Mistral to TML, resulting in current corporate structure.

On 20 August 2019, Mistral received a written notice from SEDA requesting Mistral to provide written submission as to why Mistral's Feed-in Approval to participate in the Feed-in Tariff scheme should not be revoked. Mistral is alleged to have failed to comply with Rule 15 of the Renewable Energy (Feed-in Approval and Feed-in Tariff Rate) Rules 2011 ("2011 Rules") in failing to notify SEDA in writing, as soon as possible, of any change in the particulars of information submitted to SEDA under Rule 10 and Rule 13(1)(a) for failure to comply with the eligibility criteria under Rule 3 (c)(i) of the 2011 Rules. Rule 3 (c)(i), stipulates the following:

"3. An eligible producer shall be as follows:

(c) a company incorporated in Malaysia other than-

(i) a company in which a foreign person holds, directly or indirectly, more than forty-nine per centum of the voting power or issued share capital (excluding preference shares)".

7. Corporate proposal (Cont'd)

Mistral had replied in writing to SEDA's notice on 12 September 2019 explaining that the effective equity interest of Cash Nexus in Mistral is 62.71% held through TML and had on 15 October 2019 also sought indulgence from SEDA to grant Mistral 12 months to complete the restructuring of its shares.

On 8 January 2020, Mistral received an official letter from SEDA dated 24 December 2019 informing Mistral that SEDA had decided at its committee meeting on 14 November 2019 not to revoke Mistral's Feed-in Approval, subject to Mistral complying with Rule 3(c)(i) of the 2011 Rules within six months from 24 December 2019. Mistral has also written to SEDA on 25 March 2020 seeking an extension of another 6 months to complete the Proposed Restructuring.

To fully comply with SEDA's requirement of Mistral being a Malaysian majority-owned entity, CGB Group has proposed to undertake a restructuring of its shareholdings by converting a part of Mistral's existing debt owed to CGB into new ordinary shares of Mistral to be subscribed by Cash Nexus where Mistral has proposed to issue 9,627,552 new ordinary shares at an issue price of RM1.60 by reducing the amount owing to CGB by RM15,421,108. ("Proposed Restructuring"). The Proposed Restructuring will result in Cash Nexus holding directly 51% of the equity interest in Mistral.

The Proposed Restructuring was approved by the shareholders of TML at the Extraordinary General Meeting ("EGM") held on 15 July 2020 and completed on 7 August 2020.

Mistral has also written to SEDA on 26 Aug 2020 on the completion of the restructuring exercise in compliance with Rule 3 (c)(i) of the Renewable Energy (Feed-in Approval and Feed-in Tariff rate) Rules 2011.

8. Borrowings

The total borrowings incurred by the Group and outstanding as at end of the current quarter are as follows:

	<b>Current quarter 12 months ended</b>	
	<b>31.12.2020 (Unaudited) RM'000</b>	<b>31.12.2019 (Audited) RM'000</b>
<b>Short term borrowings</b>		
Secured:		
Term loans	18,000	22,750
Short term revolving credits	47,300	52,250
Unsecured:		
Short term revolving credits	1,100	1,100
	<b>66,400</b>	<b>76,100</b>
<b>Long term borrowings</b>		
Secured:		
Term loans	45,705	55,163
<b>Total borrowings</b>		
Secured:		
Term loans	63,705	77,913
Short term revolving credits	47,300	52,250
Unsecured:		
Short term revolving credits	1,100	1,100
	<b>112,105</b>	<b>131,263</b>

9. Trade and Other Receivables

		As at	
		31.12.2020	31.12.2019
		(Unaudited)	(Restated)
		RM'000	RM'000
<b>Current</b>			
Trade receivables:			
- Non-related parties		15,200	15,286
Less: Allowance for doubtful debts		(279)	(325)
		14,921	14,961
Other receivables, net		8,272	5,164
		23,193	20,125

The credit period of trade receivables is generally for a period of one month.

The ageing analysis of trade receivables is as follows:

		As at	
		31.12.2020	31.12.2019
		(Unaudited)	(Restated)
		RM'000	RM'000
Ageing analysis of Current trade receivables :-			
Neither past due nor impaired			
1 - 30 days		14,522	14,900
31 - 60 days		450	20
61- 90 days		45	23
More than 90 days		183	343
		15,200	15,286
Impaired		(279)	(325)
		14,921	14,961

10. 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 31 December 2020.

11. Changes in material litigation

There are no pending material litigations as at the date of this report.

## 12. Dividend payable

No interim ordinary dividend has been declared for the current quarter ended 31 December 2020 (31 December 2019: Nil).

## 13. Earnings per share

### a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 196,543,970 (2019 – 196,543,970) in issue during the financial period.

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to the owners of the Company	4,221	7	13,438	2,501
Weighted average number of ordinary shares in issue	196,544	196,544	196,544	196,544
Basic earnings per share (sen)	2.15	0.00	6.84	1.27

### b) Diluted

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

## 14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 23 February 2021.