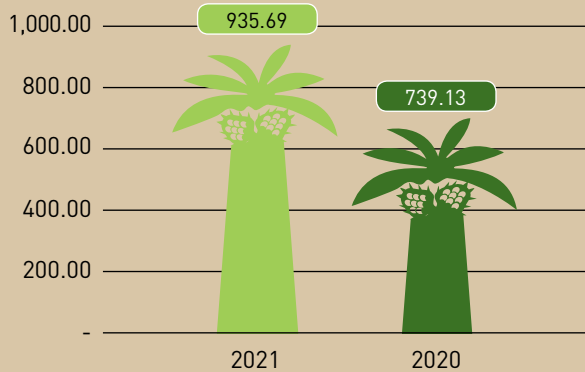


FINANCIAL REVIEW OF OPERATIONS

FINANCIAL HIGHLIGHTS

Revenue

(RM'Mil)

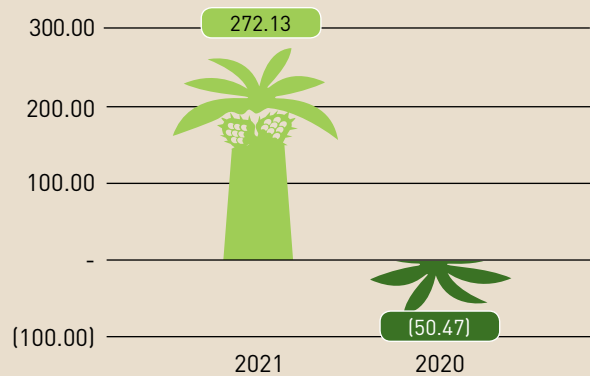


For the financial year 2021, the Group posted the highest ever revenue of RM935.69 million, which is an increase of 26.6% over RM739.13 million achieved in 2020.

This record revenue was attributable mainly to higher CPO prices and sales volume.

Profit/(Loss) Before Tax

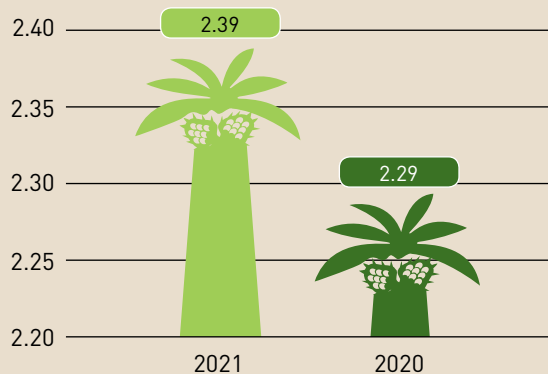
(RM'Mil)



The higher CPO prices coupled with the favorable currency movement of the Rupiah against the US Dollar and Japanese Yen had propelled the Group to achieve the highest ever profit before tax of RM272.13 million in FY2021.

Total Assets

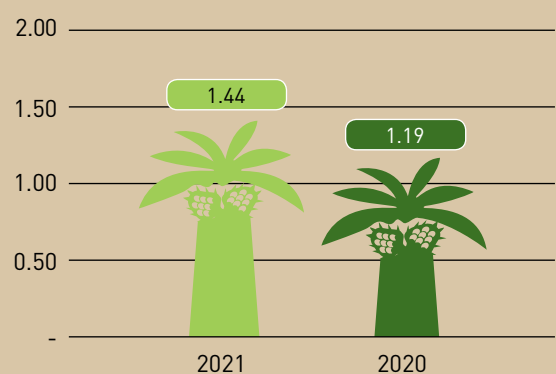
(RM'BiI)



The Group's total assets remained at above RM2 billion mark at the end of the financial year.

Shareholders' Fund

(RM'BiI)



The increase in shareholders' fund is a result of:

1. Current year net profit attributable to owners of the company of RM205.08 million; and
2. Strengthening of IDR against MYR that resulted in currency translation gain arising from the translation of the Group's net investments in Indonesian entities amounting to RM61.72 million.

MANAGEMENT DISCUSSION AND ANALYSIS

CPO PRICES REALISED

The uncertainties caused by the COVID-19 pandemic and lockdown measures introduced by governments across the world had caused jittery in the market resulted in a sharp decline in CPO price in first quarter of the financial year. CPO price was trading in the range of RM2,100 per mt in May 2020, a sharp decline from the RM3,100 per mt level seen in January 2020. Notwithstanding that Malaysian government designated oil palm as an essential sector and allowed to continue to operate with less operational disruptions, the border closures had severely impacted the supply of foreign workers, resulting in acute labour shortages in Malaysia, further impacted global production which was already dampened by the low biological crop cycle and capricious weather patterns. Whilst production was severely impacted, the returning of demand from key consuming countries to replenish their stockpiles in 2nd half of 2020, coupled with the push for the B30 Biodiesel programme by the Indonesian government set against the parallel gain in the other edible oils especially the soybean complex, the anticipated demand building up from post COVID-19 outbreak and forecast of *La Nina* weather, CPO prices had since staged a strong rally.

With the convergence of the above-mentioned price driver factors, the CPO price per metric tonne which was traded at around RM2,300 in April 2020 had moved up to RM3,600 by end of December 2020. It continued with the upward trajectory to above RM4,000 at the end of the financial year. This contributed to the higher average CPO price realised of RM2,648 per mt (FY2020: RM2,156 per mt). Average CPO price from its Malaysian operations increased to RM2,912 per mt (FY2020: RM2,269 per mt) whereas in its Indonesian operations, the CPO price increased to RM2,424 per mt (FY2020: RM2,052 per mt).

RETURNING TO SHAREHOLDERS

The Group is committed to the payment of annual dividends. The quantum of dividends will be determined after taking into account, inter alia, the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements. The adopted policy is deemed as a balanced approach between rewarding shareholders and maintaining reserves for future growth.

In respect of the financial year ended 31 March 2020, a single-tier interim dividend of 2 sen per share was paid on 18 August 2020 totaling RM 17.61 million.

For the financial year under review, the Directors declared a single tier interim dividend on 27 May 2021, amounting to 10 sen per share. The single tier interim dividend will be paid on 30 July 2021 to every member who was entitled to receive the dividend as at 5.00 p.m. on 14 July 2021. The Directors do not recommend the payment of any final dividend for the financial year ended 31 March 2021.

