

GENTING PLANTATIONS REPORTS FIRST QUARTER FINANCIAL YEAR 2023 RESULTS

KUALA LUMPUR, May 24 – Genting Plantations Berhad reported its financial results for the first quarter ended 31 March 2023 (“1Q 2023”), registering higher year-on-year revenue underpinned by higher sales volume of the Downstream Manufacturing segment which more than compensated for the weaker year-on-year palm product prices.

Although FFB production in 1Q 2023 has shown some recovery compared to the previous year, the Group's operations in several regions were still adversely affected by the third consecutive year of La Nina, while replanting activities continued to be carried out extensively in Malaysia.

The Group achieved crude palm oil and palm kernel prices of RM3,585 per metric tonne (mt) and RM1,983 per mt respectively. Reflective of the lower palm products selling prices, 1Q 2023 EBITDA for the Plantation segment declined year-on-year.

EBITDA for the Property segment increased year-on-year in 1Q 2023, backed by higher sales and revenue.

The AgTech segment's losses widened in 1Q 2023 as its revenue declined year-on-year, along with higher operating expenses incurred.

The Downstream Manufacturing segment posted higher year-on-year EBITDA attributable to higher sales volume.

The Group's prospects for the rest of the year will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the Group's FFB production.

In the short run, the palm products prices are under pressure as prices of other edible oils namely sunflower and soya oil have been on a declining trend due to better harvest, compounded by downbeat economic prospects in several major economies. Nevertheless, palm products prices could still see some support by supply pressure from lower than anticipated cropping in Indonesia and Malaysia, while palm oil inventory levels in both countries have also declined considerably in recent months.

Following the year-on-year increase in FFB production, the Group expects the growth to extend into the remainder of the year, though at a moderate rate, driven by additional harvesting areas and progression of existing mature areas into higher yielding brackets in Indonesia, barring any weather anomalies. Meanwhile, the production growth may be constrained by on-going replanting activities in Malaysia.

The Property segment will continue to offer products which cater to a broader market segment including its upcoming maiden industrial development in Bandar Genting Pura Kencana, taking into consideration the prevailing market sentiments. Meanwhile, performance of the Premium Outlets® has since recovered from the effects of the COVID-19 outbreak, and is expected to continue its growth trajectory underpinned by its enhanced tenant portfolio.

The AgTech segment will continue to expand the application of biological solutions, superior planting material, automation, mechanisation and digitalisation solutions at the Group's estates with the goal of improving operating efficiency, enabling traceability and enhancing sustainability.

The Downstream Manufacturing segment is anticipated to face headwinds for its refined palm products with the declining prices of sunflower and soya oil, as well as increased competition with the Indonesian government relaxing its export restriction on palm oil. On the other hand, the segment's palm-based biodiesel will cater mainly for Malaysian biodiesel mandate, as biodiesel export remain challenging pursuant to the phasing out of palm oil in European Union's biofuel policies, in addition to the current premium pricing of palm oil.

A summary of the quarterly results is shown in Table 1.

TABLE 1:

RM' Million	1Q 2023	1Q 2022	%
Revenue			
Plantation	491.3	565.6	-13
Property	22.4	16.5	+36
AgTech	2.7	3.1	-13
Downstream Manufacturing	210.4	152.7	+38
	726.8	737.9	-2
Inter segment	(142.5)	(207.5)	+31
Revenue – external	584.3	530.4	+10
Adjusted EBITDA			
Plantation	118.8	249.9	-52
Property	9.8	1.6	>100
AgTech	(2.5)	(0.1)	>100
Downstream Manufacturing	10.9	3.7	>100
Others*	(2.7)	1.5	-
	134.3	256.6	-48
EBITDA	135.7	256.2	-47
Profit before tax	55.6	181.6	-69
Profit for the financial period	40.7	131.5	-69
Basic EPS (sen)	4.33	13.00	-67

**Changes in the "Others" category mainly reflect the impact from foreign currency translation position arising from foreign exchange movements*

About Genting Plantations Berhad

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 64,500 hectares in Malaysia and some 178,900 hectares (including the Plasma scheme) in Indonesia. It owns seven oil mills in Malaysia and six in Indonesia, with a total milling capacity of 705 metric tonnes per hour. In addition, the Group has ventured into the manufacturing of downstream palm-based products.

Genting Plantations has also diversified into property development to unlock the value of its strategically-located landbank and has invested significantly in agriculture technology to provide total solutions and services to the Group's core agri-business in optimising yield, improving operating efficiency, enabling traceability and enhancing sustainability.

For more information, visit www.gentingplantations.com.

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FIRST QUARTERLY REPORT

Quarterly report on consolidated results for the first quarter ended 31 March 2023. The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2023 RM'000	Preceding Year Corresponding Quarter 31/03/2022 RM'000	Current Year To-Date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
Revenue	584,251	530,432	584,251	530,432
Cost of sales	(454,789)	(296,404)	(454,789)	(296,404)
Gross profit	129,462	234,028	129,462	234,028
Other income	19,728	11,037	19,728	11,037
Other expenses	(72,222)	(52,378)	(72,222)	(52,378)
Other (losses)/gains	(4,278)	1,975	(4,278)	1,975
Profit from operations	72,690	194,662	72,690	194,662
Finance cost	(27,071)	(23,091)	(27,071)	(23,091)
Share of results in joint ventures and associates	9,963	10,034	9,963	10,034
Profit before taxation	55,582	181,605	55,582	181,605
Taxation	(14,873)	(50,105)	(14,873)	(50,105)
Profit for the financial period	40,709	131,500	40,709	131,500
Profit attributable to:				
Equity holders of the Company	38,809	116,644	38,809	116,644
Non-controlling interests	1,900	14,856	1,900	14,856
	40,709	131,500	40,709	131,500
Earnings per share (sen) for profit attributable to equity holders of the Company:				
- Basic	4.33	13.00	4.33	13.00
- Diluted	4.33	13.00	4.33	13.00

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2023 RM'000	Preceding Year Corresponding Quarter 31/03/2022 RM'000	Current Year To-Date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
Profit for the financial period	40,709	131,500	40,709	131,500
Other comprehensive income/(loss), net of tax:				
Items that will not be reclassified subsequently to profit or loss:				
Changes in the fair value of equity investments at fair value through other comprehensive income	<u>(813)</u>	<u>(2,775)</u>	<u>(813)</u>	<u>(2,775)</u>
	<u>(813)</u>	<u>(2,775)</u>	<u>(813)</u>	<u>(2,775)</u>
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedge				
- Fair value changes	<u>3,112</u>	<u>(20,883)</u>	<u>3,112</u>	<u>(20,883)</u>
- Reclassifications	<u>(7,492)</u>	<u>4,122</u>	<u>(7,492)</u>	<u>4,122</u>
	<u>(4,380)</u>	<u>(16,761)</u>	<u>(4,380)</u>	<u>(16,761)</u>
Share of other comprehensive income of joint venture	2,793	-	2,793	-
Foreign currency translation differences	<u>89,354</u>	<u>(3,852)</u>	<u>89,354</u>	<u>(3,852)</u>
	<u>87,767</u>	<u>(20,613)</u>	<u>87,767</u>	<u>(20,613)</u>
Other comprehensive income/(loss) for the financial period, net of tax	<u>86,954</u>	<u>(23,388)</u>	<u>86,954</u>	<u>(23,388)</u>
Total comprehensive income for the financial period	<u>127,663</u>	<u>108,112</u>	<u>127,663</u>	<u>108,112</u>
Total comprehensive income attributable to:				
Equity holders of the Company	114,656	93,125	114,656	93,125
Non-controlling interests	<u>13,007</u>	<u>14,987</u>	<u>13,007</u>	<u>14,987</u>
	<u>127,663</u>	<u>108,112</u>	<u>127,663</u>	<u>108,112</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



GENTING
PLANTATIONS

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	As at 31/03/2023 RM'000	Audited As at 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,484,446	4,389,625
Land held for property development	373,770	372,743
Investment properties	18,259	18,377
Right-of-use assets	978,437	960,279
Intangible assets	814	820
Joint ventures	332,400	320,395
Associates	12,272	11,521
Financial assets at fair value through profit or loss ("FVTPL")	598	4,167
Financial assets at fair value through other comprehensive income ("FVOCI")	13,158	11,461
Other non-current assets	173,472	172,082
Deferred tax assets	70,937	65,903
Derivative financial instruments	-	1,348
	<u>6,458,563</u>	<u>6,328,721</u>
Current assets		
Property development costs	11,273	8,060
Inventories	349,060	270,385
Produce growing on bearer plants	10,433	10,302
Tax recoverable	43,593	22,730
Trade and other receivables	468,798	541,508
Amounts due from joint ventures, associates and other related companies	2,851	1,731
Derivative financial instruments	7,151	8,948
Restricted cash	22,906	22,702
Cash and cash equivalents	1,151,615	1,575,771
	<u>2,067,680</u>	<u>2,462,137</u>
Assets classified as held for sale	269	956
	<u>2,067,949</u>	<u>2,463,093</u>
TOTAL ASSETS	<u>8,526,512</u>	<u>8,791,814</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023 *(Continued)*

	As at 31/03/2023 RM'000	Audited As at 31/12/2022 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,724,016	1,724,016
Treasury shares	(1,372)	(1,372)
Reserves	3,431,107	3,486,919
	<u>5,153,751</u>	<u>5,209,563</u>
Non-controlling interests	112,614	99,607
Total equity	<u>5,266,365</u>	<u>5,309,170</u>
Non-current liabilities		
Borrowings	1,775,849	1,831,603
Lease liabilities	11,996	6,537
Provisions	68,278	63,216
Deferred tax liabilities	454,482	435,192
Other non-current liabilities	1,597	1,626
	<u>2,312,202</u>	<u>2,338,174</u>
Current liabilities		
Trade and other payables	481,265	539,476
Amounts due to ultimate holding and other related companies	619	2,763
Borrowings	453,665	588,523
Lease liabilities	2,602	2,679
Derivative financial instruments	2,329	389
Taxation	7,465	10,640
	<u>947,945</u>	<u>1,144,470</u>
Total liabilities	<u>3,260,147</u>	<u>3,482,644</u>
TOTAL EQUITY AND LIABILITIES	<u>8,526,512</u>	<u>8,791,814</u>
NET ASSETS PER SHARE (RM)	5.74	5.81

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	<----- Attributable to equity holders of the Company ----->								
	Share Capital	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	1,724,016	(100,031)	(347,625)	5,531	(1,372)	3,929,044	5,209,563	99,607	5,309,170
Profit for the financial period	-	-	-	-	-	38,809	38,809	1,900	40,709
Other comprehensive income/(loss)	-	(813)	79,999	(3,339)	-	-	75,847	11,107	86,954
Total comprehensive income/(loss) for the financial period	-	(813)	79,999	(3,339)	-	38,809	114,656	13,007	127,663
Appropriation:									
- Special single-tier dividend paid for the financial year ended 31 December 2022 (15.0 sen)	-	-	-	-	-	(134,580)	(134,580)	-	(134,580)
- Final single-tier dividend paid for the financial year ended 31 December 2022 (4.0 sen)	-	-	-	-	-	(35,888)	(35,888)	-	(35,888)
	-	-	-	-	-	(170,468)	(170,468)	-	(170,468)
At 31 March 2023	1,724,016	(100,844)	(267,626)	2,192	(1,372)	3,797,385	5,153,751	112,614	5,266,365

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 *(Continued)*

	<----- Attributable to equity holders of the Company ----->								
	Share Capital	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total	Non- controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	1,724,016	(81,816)	(240,972)	(12,437)	(1,372)	3,761,686	5,149,105	146,635	5,295,740
Profit for the financial period	-	-	-	-	-	116,644	116,644	14,856	131,500
Other comprehensive income/(loss)	-	(2,775)	(1,697)	(19,047)	-	-	(23,519)	131	(23,388)
Total comprehensive income/(loss) for the financial period	-	(2,775)	(1,697)	(19,047)	-	116,644	93,125	14,987	108,112
Appropriation:									
- Special single-tier dividend paid for the financial year ended 31 December 2021 (15.0 sen)	-	-	-	-	-	(134,580)	(134,580)	-	(134,580)
At 31 March 2022	<u>1,724,016</u>	<u>(84,591)</u>	<u>(242,669)</u>	<u>(31,484)</u>	<u>(1,372)</u>	<u>3,743,750</u>	<u>5,107,650</u>	<u>161,622</u>	<u>5,269,272</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	Current Year To-Date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	55,582	181,605
Adjustments for:		
Depreciation and amortisation	73,052	69,560
Finance cost	27,071	23,091
Interest income	(10,044)	(8,020)
Net surplus arising from Government acquisition	(3,311)	-
Net unrealised foreign exchange differences	(677)	(1,919)
Share of results in joint ventures and associates	(9,963)	(10,034)
Fair value changes arising from produce growing on bearer plants	(10,433)	(19,808)
Provision for retirement gratuities/benefits	3,270	3,057
Net fair value loss on financial assets at FVTPL	1,157	-
Impairment losses	688	-
Gain on disposal of assets classified as held for sale	(4,850)	-
Other non-cash items and adjustments	68	740
	66,028	56,667
Operating profit before changes in working capital	121,610	238,272
Changes in working capital:		
Net change in current assets	(4,543)	59,051
Net change in current liabilities	(26,101)	10,145
	(30,644)	69,196
Cash generated from operations	90,966	307,468
Tax paid (<i>net of tax refund</i>)	(44,682)	(24,121)
Retirement gratuities/benefits paid	-	(16)
Net cash flows from operating activities	46,284	283,331
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(89,566)	(63,372)
Purchase of intangible assets	(2)	(2)
Purchase of right-of-use assets	(319)	(205)
Land held for property development	(1,721)	(6,208)
Interest received	10,021	7,964
Proceeds from disposal of property, plant and equipment	41	43
Proceeds from disposal of assets classified as held for sale	8,684	-
Financial assets at FVOCI	-	(2,969)
Proceeds received from Government acquisition	-	879
Acquisition of a subsidiary	-	(1,249)
Net cash flows from investing activities	(72,862)	(65,119)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 *(Continued)*

	Current Year To-Date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	210,134	179,949
Repayment of bank borrowings and transaction costs	(411,331)	(235,070)
Finance cost paid	(21,084)	(10,532)
Repayment of lease liabilities	(802)	(740)
Dividends paid	(170,468)	(134,580)
Dividends paid to non-controlling interests	(3,725)	-
Net cash flows from financing activities	(397,276)	(200,973)
Net change in cash and cash equivalents	(423,854)	17,239
Cash and cash equivalents at beginning of financial period	1,575,771	1,630,330
Effects of currency translation	(302)	1,716
Cash and cash equivalents at end of financial period	1,151,615	1,649,285
Analysis of cash and cash equivalents		
Bank balances and deposits	402,156	773,468
Money market instruments	749,459	875,817
	1,151,615	1,649,285

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)



GENTING PLANTATIONS BERHAD
NOTES TO THE INTERIM QUARTERLY FINANCIAL REPORT
- FIRST QUARTER ENDED 31 MARCH 2023

(I) Compliance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting

(a) Accounting Policies, Presentation and Methods of Computation

The interim quarterly financial report has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements.

The interim quarterly financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022. The accounting policies, presentation and methods of computation adopted for the interim quarterly financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2022 except for the adoption of amendments to published standards for the Group for the financial year beginning 1 January 2023:

- Amendments to MFRS 101 and MFRS Practice Statements 2 on disclosure of accounting policies
- Amendments to MFRS 108 on definition of accounting estimates
- Amendments to MFRS 112 on deferred tax related to assets and liabilities arising from a single transaction

The adoption of these amendments to published standard did not have any material impact on the interim quarterly financial report of the Group.

(b) Seasonal or Cyclical Factors

Fresh fruit bunches (“FFB”) production is seasonal in nature. Production of FFB normally peaks in the second half of the year but this cropping pattern can be affected by changes in weather conditions.

(c) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the three months ended 31 March 2023.

(d) Material Changes in Estimates

There were no significant changes made in estimates of amounts reported in the previous financial year.

(e) Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debts or equity securities for the three months ended 31 March 2023.

(f) Dividends Paid

Dividends paid during the three months ended 31 March 2023 are as follows:

	RM'Mil
(i) Special single-tier dividend paid on 28 March 2023 for the financial year ended 31 December 2022 - 15.0 sen per ordinary share	134.6
(ii) Final single-tier dividend paid on 28 March 2023 for the financial year ended 31 December 2022 - 4.0 sen per ordinary share	35.9

	170.5

(g) Segment Information

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker whereby the Group's business is considered based on the nature of the products and services, specific expertise and technology requirements of individual reportable segments. The performance of the operating segments is based on a measure of adjusted EBITDA. Items not forming part of the adjusted EBITDA include net fair value gain or loss on financial assets, gain or loss on disposal of property, plant and equipment, net surplus arising from Government acquisition, assets written off, impairment losses and reversal of previously recognised impairment losses.

(g) **Segment Information** (Continued)

Segment analysis for the three months ended 31 March 2023 is set out below:

	Plantation RM'000	Property RM'000	AgTech RM'000	Downstream Manufacturing RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
- External	350,601	22,362	876	210,412	-	-	584,251
- Inter segment	140,722	-	1,774	-	-	(142,496)	-
Total Revenue	<u>491,323</u>	<u>22,362</u>	<u>2,650</u>	<u>210,412</u>	<u>-</u>	<u>(142,496)</u>	<u>584,251</u>
Adjusted EBITDA	118,846	9,771	(2,468)	10,885	(2,740)	-	134,294
Net surplus arising from Government acquisition	3,311	-	-	-	-	-	3,311
Net impairment losses on plasma cooperatives receivables	(688)	-	-	-	-	-	(688)
Net fair value loss on financial assets at FVTPL	-	-	(1,157)	-	-	-	(1,157)
Assets written off & others	(62)	-	-	-	-	-	(62)
	<u>121,407</u>	<u>9,771</u>	<u>(3,625)</u>	<u>10,885</u>	<u>(2,740)</u>	<u>-</u>	<u>135,698</u>
Depreciation and amortisation	(69,203)	(216)	(509)	(3,124)	-	-	(73,052)
Share of results in joint ventures and associates	788	9,965	(760)	-	(30)	-	9,963
	<u>52,992</u>	<u>19,520</u>	<u>(4,894)</u>	<u>7,761</u>	<u>(2,770)</u>	<u>-</u>	<u>72,609</u>
Interest income							10,044
Finance cost							(27,071)
Profit before taxation							<u>55,582</u>
Main foreign currency exchange ratio of 100 units of foreign currency to RM	RM/IDR 0.02882	RM -	RM -	RM -	RM -		
Assets							
Segment assets	6,278,313	495,918	34,811	352,587	4,130	-	7,165,759
Joint ventures	-	288,805	43,595	-	-	-	332,400
Associates	12,590	11	-	-	(329)	-	12,272
Assets classified as held for sale	-	269	-	-	-	-	269
	<u>6,290,903</u>	<u>785,003</u>	<u>78,406</u>	<u>352,587</u>	<u>3,801</u>	<u>-</u>	<u>7,510,700</u>
Interest bearing instruments							901,282
Deferred tax assets							70,937
Tax recoverable							43,593
Total assets							<u>8,526,512</u>
Liabilities							
Segment liabilities	396,837	133,566	7,102	30,495	686	-	568,686
Interest bearing instruments							2,229,514
Deferred tax liabilities							454,482
Taxation							7,465
Total liabilities							<u>3,260,147</u>
Main foreign currency exchange ratio of 100 units of foreign currency to RM	RM/IDR 0.02919	RM -	RM -	RM -	RM -		

(h) Property, Plant and Equipment

During the three months ended 31 March 2023, acquisitions and disposals of property, plant and equipment by the Group were RM82 million and RM0.6 million respectively.

(i) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the three months ended 31 March 2023 that have not been reflected in this interim quarterly financial report.

(j) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the three months ended 31 March 2023.

(k) Changes in Contingent Liabilities or Contingent Assets

There were no significant changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2022.

(l) Capital Commitments

Authorised capital commitments not provided for in the interim condensed financial statements as at 31 March 2023 are as follows:

	RM'000
Contracted	134,486
Not contracted	1,052,735
	<u>1,187,221</u>
Analysed as follows:	
- Property, plant and equipment	1,049,158
- Right-of-use assets	138,016
- Intangible assets	47
	<u>1,187,221</u>

(m) Significant Related Party Transactions

Significant related party transactions which were entered into on agreed terms and prices for the three months ended 31 March 2023 are set out below. The relationship of the related parties are as disclosed in the annual audited financial statements for the financial year ended 31 December 2022 and the approved shareholders' mandates for recurrent related party transactions.

	Current Quarter 1Q 2023 RM'000
(i) Provision of shared services in relation to secretarial, tax, treasury and other services by Genting Berhad ("GENT").	<u>385</u>
(ii) Letting of office space and provision of related services by Oakwood Sdn Bhd.	<u>639</u>
(iii) Provision of information technology consultancy, development, implementation, support and maintenance service by Genting Malaysia Berhad ("GENM").	<u>517</u>
(iv) Purchase of air-tickets, hotel accommodation and other related services from GENM.	<u>5</u>
(v) Provision of management services to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd by Genting Awanpura Sdn Bhd.	<u>339</u>
(vi) Sale of refined palm oil products by Genting MusimMas Refinery Sdn Bhd to Inter-Continental Oils & Fats Pte Ltd.	<u>132,952</u>
(vii) Royalty fee charged by Genting Intellectual Property Sdn Bhd and Genting Intellectual Property Pte Ltd, both are subsidiaries of GENT, to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd.	<u>360</u>
(viii) Provision of electricity services by Genting Utilities & Services Sdn Bhd, a subsidiary of GENM, to Genting Highlands Premium Outlets Sdn Bhd.	<u>102</u>

(n) Fair Value of Financial Instruments

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at 31 March 2023, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

RM'000	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL	598	-	-	598
Financial assets at FVOCI	4,063	-	9,095	13,158
Derivative financial instruments	-	7,151	-	7,151
	<u>4,661</u>	<u>7,151</u>	<u>9,095</u>	<u>20,907</u>
Financial liabilities				
Derivative financial instruments	-	2,329	-	2,329

(n) Fair Value of Financial Instruments (Continued)

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the previous financial year ended 31 December 2022.

The following table presents the changes in financial instruments classified within Level 3:

	RM'000
As at 1 January 2023	10,753
Fair value loss	(1,233)
Transfer from fair value hierarchy Level 3 to Level 1	(569)
Interest income	23
Foreign exchange differences	121
	<hr/>
As at 31 March 2023	<u>9,095</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FIRST QUARTER ENDED 31 MARCH 2023

(II) Compliance with Appendix 9(B) of Bursa Securities Listing Requirements

(1) Performance Analysis

The results of the Group are tabulated below:

	CURRENT QUARTER		+/- RM'Mil	+/- %
	2023 RM'Mil	2022 RM'Mil		
Revenue				
Plantation	491.3	565.6	-74.3	-13
Property	22.4	16.5	+5.9	+36
AgTech	2.7	3.1	-0.4	-13
Downstream Manufacturing	210.4	152.7	+57.7	+38
	726.8	737.9	-11.1	-2
Inter segment	(142.5)	(207.5)	+65.0	+31
Revenue - external	584.3	530.4	+53.9	+10
Profit before tax				
Plantation	118.8	249.9	-131.1	-52
Property	9.8	1.6	+8.2	>100
AgTech	(2.5)	(0.1)	-2.4	>100
Downstream Manufacturing	10.9	3.7	+7.2	>100
Others	(2.7)	1.5	-4.2	-
Adjusted EBITDA	134.3	256.6	-122.3	-48
Impairment losses	(0.7)	-	-0.7	-
Net surplus arising from Government acquisition	3.3	-	+3.3	-
Net fair value loss on financial assets at FVTPL	(1.1)	-	-1.1	-
Assets written off and others	(0.1)	(0.4)	+0.3	+75
EBITDA	135.7	256.2	-120.5	-47
Depreciation and amortisation	(73.0)	(69.5)	-3.5	-5
Interest income	10.0	8.0	+2.0	+25
Finance cost	(27.1)	(23.1)	-4.0	-17
Share of results in joint ventures and associates	10.0	10.0	-	-
Profit before tax	55.6	181.6	-126.0	-69

(1) **Performance Analysis (Continued)**

The Group posted higher year-on-year revenue for the first quarter of 2023 ("1Q 2023"), underpinned by higher sales volume of the Downstream Manufacturing segment which more than compensated for the weaker year-on-year palm product prices.

Although FFB production in 1Q 2023 has shown some recovery compared to the previous year, the Group's operations in several regions were still adversely affected by the third consecutive year of La Nina, while replanting activities continued to be carried out extensively in Malaysia.

Crude palm oil ("CPO") prices remained supported at circa RM4,000 per metric tonne and trended rangebound during the quarter, buoyed by lower palm oil production, lower inventory levels in Indonesia and Malaysia, implementation of B35 biodiesel mandate in Indonesia, along with stricter export restriction in Indonesia. Nevertheless, CPO prices were lower in comparison to the historical highs achieved a year ago as a result of severe shortage of edible oils, coupled with the onset of the Russia-Ukraine conflict. Meanwhile, palm kernel ("PK") prices retreated in line with CPO prices, coupled with subdued demand for lauric oils as the pandemic eased. Accordingly, the Group's achieved CPO and PK prices declined year-on-year.

	Current Quarter		
	2023	2022	Change %
Average Selling Price/tonne (RM)			
o Crude Palm Oil	3,585	4,797	-25
o Palm Kernel	1,983	4,114	-52
Production (MT'000)			
o Fresh Fruit Bunches	457	437	+4

In 1Q 2023, the Plantation segment's EBITDA declined year-on-year owing to weaker palm product prices.

EBITDA for the Property segment increased year-on-year in 1Q 2023, backed by higher sales and revenue.

The AgTech segment's losses widened in 1Q 2023 as its revenue declined year-on-year, along with higher operating expenses incurred.

The Downstream Manufacturing segment posted higher year-on-year EBITDA attributable to higher sales volume.

The "Others" category reflect the impact of changes in foreign currency translation position of the Group's US Dollar denominated cash reserves and borrowings arising from foreign exchange fluctuations.

(2) **Material Changes in Profit before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter**

	1Q 2023 RM'Mil	4Q 2022 RM'Mil	+/- RM'Mil	+/- %
Revenue				
Plantation	491.3	560.3	-69.0	-12
Property	22.4	14.8	+7.6	+51
AgTech	2.7	3.3	-0.6	-18
Downstream manufacturing	210.4	419.5	-209.1	-50
	726.8	997.9	-271.1	-27
Inter segment	(142.5)	(206.7)	+64.2	+31
Revenue – external	584.3	791.2	-206.9	-26
Profit before tax				
Plantation	118.8	167.6	-48.8	-29
Property	9.8	12.3	-2.5	-20
AgTech	(2.5)	(1.6)	-0.9	-56
Downstream manufacturing	10.9	15.8	-4.9	-31
Others	(2.7)	(16.4)	+13.7	+84
Adjusted EBITDA	134.3	177.7	-43.4	-24
Impairment losses	(0.7)	(38.4)	+37.7	+98
Net surplus arising from Government acquisitions	3.3	-	+3.3	-
Net fair value loss on financial assets at FVTPL	(1.1)	-	-1.1	-
Assets written off and others	(0.1)	(0.8)	+0.7	+88
EBITDA	135.7	138.5	-2.8	-2
Depreciation and amortisation	(73.0)	(68.6)	-4.4	-6
Interest income	10.0	4.7	+5.3	>100
Finance cost	(27.1)	(12.6)	-14.5	>100
Share of results in joint ventures and associates	10.0	5.1	+4.9	+96
Profit before tax	55.6	67.1	-11.5	-17

Profit before tax for 1Q 2023 was lower quarter-on-quarter mainly due to lower FFB production amidst the cyclical low cropping season, partly mitigated by higher impairment losses featured in the immediate preceding quarter.

	1Q 2023	4Q 2022	Change %
Average Selling Price/tonne (RM)			
○ Crude Palm Oil	3,585	3,620	-1
○ Palm Kernel	1,983	2,019	-2
Production (MT'000)			
○ Fresh Fruit Bunches	457	530	-14

(3) **Prospects**

The Group's prospects for the rest of the year will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the Group's FFB production.

In the short run, the palm products prices are under pressure as prices of other edible oils namely sunflower and soya oil have been on a declining trend due to better harvest, compounded by downbeat economic prospects in several major economies. Nevertheless, palm products prices could still see some support by supply pressure from lower than anticipated cropping in Indonesia and Malaysia, while palm oil inventory levels in both countries have also declined considerably in recent months.

Following the year-on-year increase in FFB production, the Group expects the growth to extend into the remainder of the year, though at a moderate rate, driven by additional harvesting areas and progression of existing mature areas into higher yielding brackets in Indonesia, barring any weather anomalies. Meanwhile, the production growth may be constrained by on-going replanting activities in Malaysia.

The Property segment will continue to offer products which cater to a broader market segment including its upcoming maiden industrial development in Bandar Genting Pura Kencana, taking into consideration the prevailing market sentiments. Meanwhile, performance of the Premium Outlets® has since recovered from the effects of the COVID-19 outbreak, and is expected to continue its growth trajectory underpinned by its enhanced tenant portfolio.

The AgTech segment will continue to expand the application of biological solutions, superior planting material, automation, mechanisation and digitalisation solutions at the Group's estates with the goal of improving operating efficiency, enabling traceability and enhancing sustainability.

The Downstream Manufacturing segment is anticipated to face headwinds for its refined palm products with the declining prices of sunflower and soya oil, as well as increased competition with the Indonesian government relaxing its export restriction on palm oil. On the other hand, the segment's palm-based biodiesel will cater mainly for Malaysian biodiesel mandate, as biodiesel export remain challenging pursuant to the phasing out of palm oil in European Union's biofuel policies, in addition to the current premium pricing of palm oil.

(4) **Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee for the year.

(5) **Taxation**

Tax charge for the three months ended 31 March 2023 are set out below:

	Current Quarter 1Q 2023 RM'000
Current taxation:	
Malaysian income tax charge	17,001
Foreign income tax charge	3,808
	<hr/>
	20,809
Deferred tax credit	(5,936)
	<hr/>
	14,873

The effective tax rate for the three months ended 31 March 2023 was higher than the Malaysian statutory tax rate mainly due to expenses not deductible for tax purposes.

(6) Profit before taxation

Profit before taxation has been determined after inclusion of the following charges and credits:

	Current Quarter 1Q 2023 RM'000
Charges:	
Finance cost	27,071
Depreciation and amortisation	73,052
Property, plant and equipment written off	92
Net impairment losses on plasma cooperatives receivables	688
Receivables written off	35
Net fair value loss on financial assets at FVTPL	1,157
Net foreign exchange differences	3,121
Credits:	
Interest income	10,044
Deferred income recognised for Government grant	29
Net surplus arising from Government acquisition	3,311
Gain on disposal of property, plant and equipment	30
Gain on disposal of assets classified as held for sale	4,850

Other than the above, there were no gain or loss on disposal of quoted investments and gain or loss on derivatives for the three months ended 31 March 2023.

(7) Status of Corporate Proposals Announced

There was no corporate proposals announced but not completed as at 17 May 2023.

(8) Group Borrowings and Debt Securities

The details of the Group's borrowings and debts securities as at 31 March 2023 are set out below:

	As at 31/03/2023			As at 31/12/2022	
	Secured/ Unsecured	Foreign Currency 'million		RM Equivalent '000	RM Equivalent '000
Short term borrowings	Secured	USD	56.4	249,508	408,434
	Unsecured	USD	15.0	66,555	-
	Secured	RM		25,551	24,721
	Unsecured	RM		112,051	155,368
				453,665	588,523
Long term borrowings	Secured	USD	165.4	731,663	787,493
	Secured	RM		44,863	44,863
	Unsecured	RM		999,323	999,247
				1,775,849	1,831,603
Total borrowings	Secured	USD	221.8	981,171	1,195,927
	Unsecured	USD	15.0	66,555	-
	Secured	RM		70,414	69,584
	Unsecured	RM		1,111,374	1,154,615
				2,229,514	2,420,126

(9) Outstanding Derivatives

As at 31 March 2023, the maturity analysis of the outstanding derivatives of the Group are summarised as follows:

Types of Derivative	Contract/Notional Value RM'000	Fair Value Assets/(Liabilities) RM'000
<u>Interest Rate Swaps</u>		
USD		
- Less than 1 year	176,960	6,173
<u>Forward Foreign Currency Exchange Contracts</u>		
USD		
- Less than 1 year	36,536	(1,225)
- Less than 1 year	142,613	978
<u>Commodity Futures Contracts</u>		
RM		
- Less than 1 year	205,947	(1,104)

There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 December 2022:

- (a) the credit risk, market risk and liquidity risk associated with those financial derivatives;
- (b) the cash requirements of the financial derivatives; and
- (c) the policy in place for mitigating or controlling the risks associated with those financial derivatives.

(10) Fair Value Changes of Financial Liabilities

As at 31 March 2023, the Group does not have any financial liabilities measured at fair value through profit or loss.

(11) Changes in Material Litigation

There are no pending material litigations as at 17 May 2023.

(12) Dividend Proposed or Declared

No dividend has been proposed or declared for the three months ended 31 March 2023.

(13) Earnings per Share

	Current Quarter 1Q 2023
Basic and diluted earnings per share	
Profit for the financial period attributable to equity holders of the Company (RM'000)	38,809
Weighted average number of ordinary shares in issue ('000)	897,198
Basic earnings per share (<i>sen</i>)	4.33

The Group has no dilutive potential ordinary shares and therefore the diluted earnings per share is the same as the basic earnings per share.

(14) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the financial year ended 31 December 2022 did not contain any qualification.

(15) Approval of Interim Condensed Financial Statements

The interim condensed financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 24 May 2023.