OPERATIONS AND FINANCIAL REVIEW

	FY 2019	FY 2020	**FY 2021**
INCOME STATEMENT (US$'million)			
Revenue	2,817	3,446	**4,349**
Operating margin	105.4	240.5	**225.1**
Profit after tax	11.6	86.5	**80.2**
Earnings per share (US cents per share)	0.78	5.77	**5.34**
BALANCE SHEET (US$'million)			
Long-term investments	465	448	**449**
Working capital	396	368	**493**
Total investments	861	816	**942**
Equity	523	610	**684**
Gross debt	400	284	**430**
Cash	62	78	**172**
Net debt (Gross debt less Cash)	338	206	**258**
Total capital	861	816	**942**
Gross debt to equity	0.77	0.47	**0.63**
Net debt to equity	0.65	0.34	**0.38**
Net asset value per share (US cents per share)	34.80	40.73	**45.09**
SEGMENTAL PERFORMANCE			
Sales volume (MT'000)			
Bulk	3,455	3,825	**3,037**
Consumer Pack	1,111	996	**1,082**
Total	4,566	4,821	**4,119**
Operating margin (US$'million)			
Bulk	45.7	160.5	**150.4**
Consumer Pack	59.7	80.0	**74.7**
Total	105.4	240.5	**225.1**
Operating margin per MT (US$)			
Bulk	13.2	42.0	**49.5**
Consumer Pack	53.7	80.3	**69.0**
Total	23.1	49.9	**54.6**

Palm Oil Industry in 2021

The crude palm oil ("CPO") prices broke record-highs multiple times during the year 2021. It touched RM4,252 in March 2021, highest after 2008, and then subsequently in November 2021 spiraled to RM5,437. The average CPO prices in 2021 were higher by 64.1% averaging at RM4,407 per metric tonne compared to RM2,685 per metric tonne in 2020. The high CPO prices were driven primarily by (i) lower supplies due to labour shortages and adverse weather conditions (ii) steady consumption as biodiesel feedstock (iii) government policies such as the Indian import tax cut for palm oil, rising Indonesian palm oil export levies/taxes and (iv) the lower-than-expected supply of other competing vegetable oils.

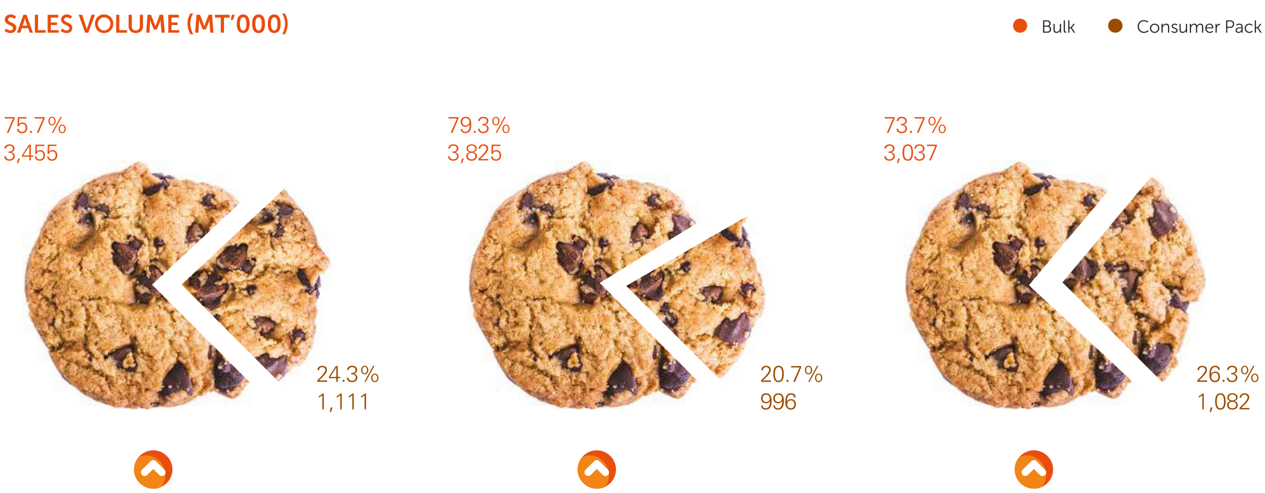
Group's Sales Volume

The Group sales volume again surpassed the 4 million MT mark by registering a volume of 4,119,500 MT this year. Impacted by the overall decrease of palm oil exports from Malaysia in 2021, our sales volume was 14.6% lower than 2020.

Bulk segment contributed 73.7% of total sales volume for the year at 3,037,400 MT, a 20.6% decrease from last year. However, Consumer Pack segment sales volume rebounded back by registering 8.7% increase at 1,082,100 MT contributing 26.3% of total sales volume for the year.

CPO PRICES (RINGGIT AND US DOLLAR)

SALES VOLUME (MT'000)



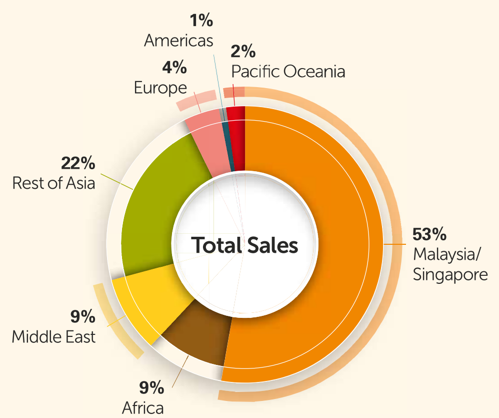
2019
Total: 4,566

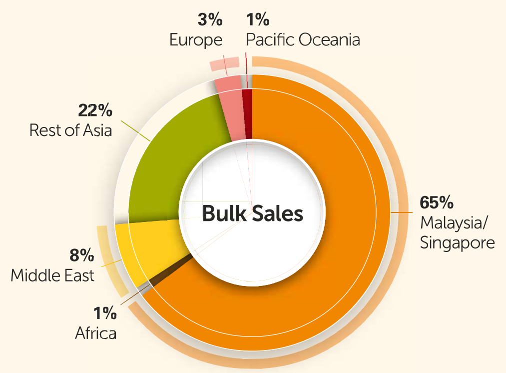
2020
Total: 4,821

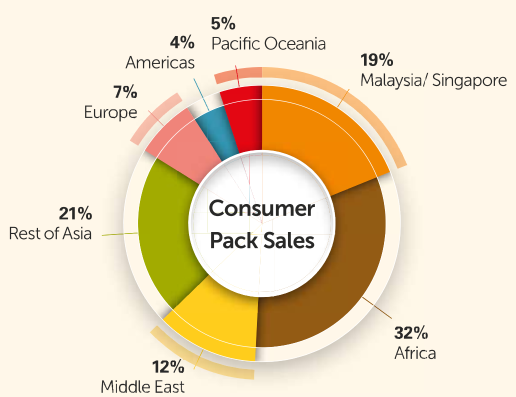
2021
Total: 4,119

OPERATIONS AND FINANCIAL REVIEW

GEOGRAPHICAL SPREAD*







* *Based on billing addresses of the customers*

Well diversified sales revenue

At 47.7% higher selling prices, the Group's sales revenue of US$4,348.8 million in 2021 is at all time high and more specifically 26.2% higher than last year.

Bulk segment recorded an increase of 23.2% in revenue and contributed 75.0% of total revenue. Consumer Pack segment registered an increase of 36.3% in revenue and contributed 25.0% of total revenue.

Our sales continue to remain diversified across the globe and in 2021 our products were sold in over 130 countries. A significant 47%* of total sales were made as destination sales to customers in countries other than Malaysia and Singapore. Our destination sales remained diversified with Rest of Asia, Africa, Middle East and Rest of World contributing 22%, 9%, 9%, and 7% of the total destination sales respectively.

For Bulk segment, 35% of total sales were made to destination markets with Rest of Asia, Middle East and Rest of World contributing 22%, 8% and 5% respectively. Destination sales for Consumer Pack segment was at 81% of the total sales. The destination sales for Consumer Pack segment were well diversified with Africa, Rest of Asia, Middle East, Europe and Rest of World contributing 32%, 21%, 12%, 7% and 9% respectively.

Operating Margins

The Group has developed a large integrated food and agri-business model over last seven decades by investing across the midstream and downstream segments of the value chain in the attractive vegetable oil industry. Our economies of scale give us inherent operational flexibility. Over these years we have developed sound risk management practices, built depth in our logistics and global distribution abilities and established our own consumer pack brands such as MOI and OKI. All these have helped us deliver robust operating margins during normal industry conditions and resilient margins during tough economic cycles.

This year the Group delivered second consecutive set of solid annual financial results. During the year, the CPO prices continued to remain bullish reaching a record high of RM5,437 per tonne in November 2021. Our teams remained focused on running our operations safely under the COVID-19 impacted working conditions while maximising the operating margins prevailing due to bullish prices and congested supply chains. The safety of our people and the communities we operate in remained our topmost priority during this period.

The Group measures and tracks the performance in terms of Operating Margin per MT of sales volume and resultant total operating margin (OM). OM is calculated by adjusting the depreciation in cost of sales, selling and distribution expenses, allowance for/(reversal of) expected credit losses and foreign exchange differences in other gains or losses to gross profit.

For the full year, the Group achieved higher operating margin of US$54.6 per MT compared to US$49.9 last year. The total operating margin at US$225.1 million continued to be impressive though it was lower by 6.4% from 2020 due to 14.6% lower sales volumes.

The processors and packers at destination markets continued having good demand which enabled the Bulk segment to deliver higher operating margins at US$49.5 per MT compared to US$42.0 last year. Due to 20.6% lower sales volume the total operating margin for the Bulk segment decreased 6.3% to US$150.4 million.

The historically high container freight rates, space shortages in cargo vessels and higher input costs led to our Consumer Pack segment operating margins being lower at US$69.0 per MT compared to US$80.3 per MT last year. However, with 8.7% higher sales volume the total operating margin for this segment decreased by only 6.6% to US$74.7 million.

Bulk and Consumer Pack segments contributed 66.8% and 33.2% of total operating margin respectively.

Total	FY 2020	**FY 2021**	Change %
Sales volume (MT'000)	4,821	**4,119**	-14.6%
OM per MT (US$)	49.9	**54.6**	9.4%
Operating margin (US$'million)	240.5	**225.1**	-6.4%

Bulk	FY 2020	**FY 2021**	Change %
Sales volume (MT'000)	3,825	**3,037**	-20.6%
OM per MT (US$)	42.0	**49.5**	17.9%
Operating margin (US$'million)	160.5	**150.4**	-6.3%

Consumer Pack	FY 2020	**FY 2021**	Change %
Sales volume (MT'000)	996	**1,082**	8.7%
OM per MT (US$)	80.3	**69.0**	-14.1%
Operating margin (US$'million)	80.0	**74.7**	-6.6%

OPERATIONS AND FINANCIAL REVIEW

Strong Balance Sheet

We manage our capital structure very actively by maintaining prudent debt to equity ratio. To fund our long-term investment and working capital, we maintain a healthy combination of (i) equity, (ii) long-term debt and (iii) short-term debt.

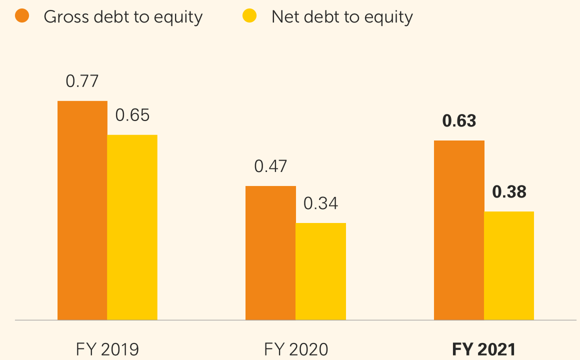
As at 31 Dec 2021, we had gross debt to equity ratio of 0.63 and net debt to equity ratio of 0.38. Our low net debt to equity ratio, well below our target limit of 1.5, gives us enough scope to raise more debt to support our growth plans or utilise incremental trade finance due to business requirements.

Our impressive financial performance for the year has further strengthened our Balance Sheet with total equity of US$683.6 million as on 31 Dec 2021. Our long-term investments of US$448.5 million have been very conservatively funded by equity and long-term debt of 84.1% and 15.9% respectively. Working capital of US$493.5 million was only 37.9% funded by current net-debt with the remaining 62.1% funded by equity. The operating cashflows generated in 2021 were utilised largely for working capital purposes majorly deployed in highly liquid inventories and short duration receivables. The Board of Directors regularly review the Group's capital structure and our long-term-short-term debt mix to ensure appropriateness in alignment with our long-term objectives.

We continue maintaining adequate working capital credit lines to support our business. As at year end, utilisation of our total such credit lines was at 67.8%.

In 2021, despite remarkably high agri-commodity prices the Group's cycle time of 51 days was only moderately higher compared to 48 days in 2020. This was achieved with our strong focus on working capital efficiency across our efficient, large scale, integrated production facilities and distribution network.

DEBT TO EQUITY AND NET DEBT TO EQUITY



BALANCE SHEET (US$'MIL)

31 Dec 2021