

KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

This interim financial report is unaudited and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2019.

A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 June			6 months ended 30 June		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
CONTINUING OPERATIONS:-						
Revenue	102,998	86,387	19%	197,272	190,878	3%
Cost of sales and services	(85,645)	(82,310)		(173,931)	(182,942)	
Gross profit	17,353	4,077	326%	23,341	7,936	194%
Selling and distribution costs	(60)	(12,527)		(93)	(14,022)	
	17,293	(8,450)		23,248	(6,086)	
Other income	2,377	341		5,513	2,544	
Administrative expenses	(3,203)	(3,356)		(6,843)	(7,149)	
Other expenses	135	(0)		(840)	(74)	
Profit/(loss) before interest and Taxation	16,602	(11,465)	245%	21,078	(10,765)	296%
Finance income	38	201		68	241	
Finance costs	(596)	(1,142)		(1,300)	(1,969)	
Profit/(loss) before taxation	16,044	(12,406)	229%	19,846	(12,493)	259%
Taxation	(1,791)	1,719		(3,078)	2,365	
Profit/(loss) after taxation	14,253	(10,687)	233%	16,768	(10,128)	266%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	14,208	(10,654)	233%	16,680	(10,117)	265%
Non-Controlling Interests	45	(33)		88	(11)	
	14,253	(10,687)	233%	16,768	(10,128)	266%
EARNINGS/(LOSS) PER SHARE (EPS):-						
	Sen	Sen		Sen	Sen	
Basic EPS	0.61	(0.46)		0.72	(0.43)	
Diluted EPS	0.61	(0.46)		0.72	(0.43)	

B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 June			6 months ended 30 June		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	14,253	(10,687)	233%	16,768	(10,128)	266%
Other Comprehensive Income (OCI)	0	0		0	0	
Income tax relating to components of OCI	0	0		0	0	
Other Comprehensive Income net of tax	0	0		0	0	
Total Comprehensive Income/(loss)	14,253	(10,687)	233%	16,768	(10,128)	266%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	14,208	(10,654)	233%	16,680	(10,117)	265%
Non-Controlling Interests	45	(33)		88	(11)	
	14,253	(10,687)	233%	16,768	(10,128)	266%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	534,390	548,516
Investment property	611	614
Biological assets	3,906	4,154
Intangible assets	42,777	42,777
Trade & other receivables	4,532	4,532
CURRENT ASSETS		
Biological assets	9,990	9,499
Inventories	109,820	97,274
Receivables	52,874	44,087
Tax refundable	21,509	21,096
Derivatives	270	104
Cash and bank balances	23,622	20,991
	218,085	193,051
Assets held for sale	0	0
	218,085	193,051
CURRENT LIABILITIES		
Payables	54,488	47,996
Loans and borrowings	48,076	59,068
Derivatives	137	904
Income tax payable	0	0
	102,701	107,968
Liabilities associated with disposal group	0	0
	102,701	107,968
NET CURRENT ASSETS	115,384	85,083
NON-CURRENT LIABILITIES		
Loans and borrowings	7,090	8,445
Deferred taxation	72,872	72,361
	621,638	604,870
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	746,467
Retained profits /(losses)	(124,143)	(140,823)
	622,324	605,644
Equity attributable to non-controlling interests	(686)	(774)
	621,638	604,870
NET ASSETS PER SHARE	<u>Sen</u>	<u>Sen</u>
	26.7	26.0

D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	EQUITY ATTRIBUTABLE TO:-					TOTAL EQUITY RM'000
	Shareholders of the Company				Non- controlling Interests RM'000	
	Share Capital RM'000	Reserves RM'000	Retained Profits RM'000	TOTAL RM'000		
<u>CURRENT YEAR TO DATE:</u>						
At 1 January 2020	746,467	0	(140,823)	605,644	(774)	604,870
Total Comprehensive Income/(loss) for the period	0	0	16,680	16,680	88	16,768
Dividend paid	0	0	0	0	0	0
Dividend paid to non-controlling interests	0	0	0	0	0	0
At 30 June 2020	746,467	0	(124,143)	622,324	(686)	621,638
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</u>						
At 1 January 2019, as restated	746,467	0	(138,743)	607,724	6,568	614,292
Total Comprehensive Income/(loss) for the period	0	0	(10,117)	(10,117)	(11)	(10,128)
Non-controlling interests on acquisition of a subsidiary	0	0	0	0	0	0
Dividend paid	0	0	0	0	0	0
Dividend paid to non-controlling interests	0	0	0	0	(49)	(49)
At 30 June 2019	746,467	0	(148,860)	597,607	6,508	604,115

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June	
	2020	2019
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	19,846	(12,493)
<u>Adjustments for:-</u>		
Depreciation and amortisation	23,553	23,460
Net fair value loss/ (gain) on biological assets	(243)	17
Interest income	(68)	(241)
Finance costs	1,300	1,969
Net loss / (gain) on disposal of assets	(21)	(21)
Unrealised loss/ (gain) on derivatives	(933)	591
Others	0	2,836
Changes in working capital	(14,841)	11,077
Income taxes paid, net of refunds	(2,980)	3,208
Interest received	68	240
Interest paid	(1,300)	(2,574)
	24,381	28,069
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,512)	(12,214)
Proceeds from disposal of property plant and equipment	109	34
Addition to Biological Assets	0	0
Withdrawal/(placement) of fixed deposits of longer-term tenure	(12)	300
Others	0	0
	(9,415)	(11,880)
Cash flows from financing activities		
Net drawdown/(repayment) of lease liabilities	(348)	272
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	(11,999)	(1,051)
Payment of dividends to shareholders	0	0
Payment of dividends to non-controlling interests	0	0
	(12,347)	(779)
Increase/(decrease) in cash and cash equivalents	2,619	15,410
Cash and cash equivalents at the beginning of the year	19,858	16,981
Cash and cash equivalents at the end of the period	22,477	32,391
Cash and cash equivalents comprise the following:		
Cash and bank balances	23,622	32,635
less: Fixed deposits with maturity of more than 3 months	(1,145)	(244)
	22,477	32,391

1. ACCOUNTING POLICIES

The interim financial statements are prepared as required by Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements and comply with Malaysian Financial Reporting Standard (MFRS 134) *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (MASB).

(a) Changes to Accounting Policies

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 December 2019.

(b) Malaysian Financial Reporting Standards (“MFRS”) and MFRS Framework

The interim financial statements of the Group for the financial period ended 30 June 2020 was prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework.

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
Amednments to MFRS 16: COVID-19 – Related Rent Concessions	1 June 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to FRS 10 and FRS 128 Sale and Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

2. SEASONAL OR CYCLICAL FACTORS

The Group’s production from its plantations generally experiences an "up-down" cycle once a year, with low production usually in the early part of the year, and peak production in the second half of the year but such cyclical crop pattern can be affected by the changes in weather conditions.

The prices for the Group’s products are not within the control of the Group and it is mainly determined by the global supply and demand situation for edible oils, and somewhat related to the price of crude oil.

3. SIGNIFICANT ITEMS/EVENTS

Apart from the ongoing Movement Control Order (MCO) initiated by the Government to tackle the COVID-19 outbreak, there were no other material events which arose during the period under review which affected assets, liabilities, equity, net income or cash flows.

4. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

During the period under review, there were no:

- (i) material changes in estimates of amounts reported in the previous interim periods of the current financial year; and
- (ii) material changes in estimates of amounts reported in prior financial years.

5. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resale and repayments of debt and equity securities during the period under review.

6. PAYMENT OF DIVIDENDS

The Company did not pay any dividends during the period under review.

7. SEGMENT REVENUE AND RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2020

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	58,967	138,305	0	197,272
Inter-segment revenue	65,113	0	(65,113)	0
	<u>124,080</u>	<u>138,305</u>	<u>(65,113)</u>	<u>197,272</u>
Segment results	<u>12,952</u>	<u>10,339</u>	<u>(2,611)</u>	<u>20,680</u>
Unallocated Items:-				
Other income				22
Corporate expenses				(856)
Finance costs				0
Profit/(loss) before taxation from continuing operations				<u>19,846</u>
Taxation				<u>(3,078)</u>
Profit/(loss) after taxation from continuing operations				<u>16,768</u>
<u>ASSETS:-</u>				
Segment assets	<u>624,686</u>	<u>219,495</u>		844,181
Unallocated assets/(liabilities)				(39,880)
Assets classified as held for sale				0
Total assets				<u>804,301</u>

8. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment for the current quarter.

9. CAPITAL COMMITMENTS

As at 30 June 2020, there were no material capital commitments for capital expenditure, contracted for or known to be contracted for by the Group which might have a material impact on the financial position or business of the Group, except as disclosed below:

	As at 30.06.2020
	RM'000
Approved and contracted for	16,444
Approved but not contracted for	<u>64,025</u>
	<u>80,469</u>

10. SUBSEQUENT EVENTS

As at the date of this report, there were no other material events which arose subsequent to the end of the period under review other than the Movement Control Order (MCO) which is ongoing but gradually being relaxed. Currently it is under the recovery stage which is known as Recovery Movement Control Order (RMCO).

11. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

During the period under review there were no:

- (a) acquisitions or disposals of subsidiaries; and
- (b) discontinued operations.

12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS SINCE THE LAST FINANCIAL YEAR

There were no changes in contingent liabilities or contingent assets since 31 December 2019.

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

13. REVIEW OF PERFORMANCE

For the 6 months of 2020, the Group achieved a total revenue of RM 197.2 million (2019: RM190.9 million) and incurred a pre-tax gain of RM 19.8 million (2019: pre-tax loss of RM 12.5 million).

Commentary on the performance of the operating segments of the Group for Q2 2020 is as follows:

(a) Plantations and Mills

As shown in Note 7, the Group's plantation and mill operations achieved revenue (including inter-segment revenue) of RM 124.1 million (2019: RM 123.3 million), and pre-tax gain of RM 13.0 million (2019: pre-tax loss of RM 10.1 million). These should be seen in the context of information presented in the tables below:

Table A: Crude palm oil (CPO) and palm kernel (PK) prices – Sabah MPOB* average

	CPO		PK	
	2020	2019	2020	2019
January	3,000.00	2,007.50	1,860.50	1,405.00
February	2,689.00	2,085.00	1,601.00	1,259.00
March	2,348.00	1,928.50	1,430.00	1,103.50
April	2,230.00	2,004.50	1,390.50	1,133.00
May	2,092.00	1,936.00	1,186.00	1,056.00
June	2,400.00	1,962.50	1,365.00	1,073.00

Table B: Output indicators, and comparison with industrial average

	2nd Quarter			Year to Date		
	2020	2019	% change	2020	2019	% change
FFB Production (mt)	86,715	77,191	12.3%	148,777	159,287	-6.6%
FFB Yield (mt/hectare):						
The Group's estates	4.96	4.41	12.6%	8.52	9.10	-6.3%
MPOB* Sabah average	4.62	4.14	11.6%	8.12	8.94	-9.2%
CPO Closing Stock at Palm Oil Mills (mt)	5,861	6,657	-12.0%	5,861	6,657	-12.0%
Oil Extraction Rate:						
The Group's palm oil mills	20.05%	20.66%	-2.9%	20.05%	20.29%	-1.2%
MPOB* Sabah average	20.73%	20.83%	-0.5%	20.72%	20.73%	-0.1%

* - MPOB: Malaysian Palm Oil Board

The plantation division Q2 2020 results are better than Q2 2019 mainly due to higher FFB production compared to Q2 2019. Although the overall 6 months FFB productions are lower when compared to 1st half 2019, the relative higher CPO prices has garnered better profit margin for the Group.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM 138.3 million (2019: RM 117.0 million) and generated a pre-tax gain of RM 10.3 million (2019: pre-tax loss of RM 0.79 million). Refinery's pre-tax gain was generated mainly due to better margin generated from the sales of its products.

14. COMPARISON WITH THE PREVIOUS QUARTER'S RESULTS

The following is a summary based on the two respective quarters' condensed consolidated income statements:

	Current Quarter RM'000	Previous Quarter RM'000	Changes %
<u>CONTINUING OPERATIONS:-</u>			
Revenue	102,998	94,274	9%
Cost of sales and services, including distribution	(85,705)	(88,319)	
	17,293	5,955	
Other income	2,377	3,136	
Administrative and other expenses	(3,068)	(4,615)	
Profit/(loss) before interest and taxation	16,602	4,476	271%
Interest income	38	30	
Interest costs	(596)	(704)	
Profit/(loss) before taxation	16,044	3,802	322%
Taxation	(1,791)	(1,287)	
Profit/(loss) after taxation	14,253	2,515	467%
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	14,208	2,472	475%
Non-Controlling Interests	45	43	
	14,253	2,515	467%

The higher pre-tax gain as compared to previous quarter was mainly due to higher FFB production in Q2 2020 compared to Q1 2020 and the better margin generated by the refinery division.

15. CURRENT YEAR PROSPECTS

Year 2020 has begun with great optimism of commodity prices reaching the height of RM3,000 per mt in January 2020 and started to fizzle out with the emergence of COVID-19 pandemic. By mid of March 2020, the commodity prices have dropped significantly mainly due to the pandemic which dampened the demand for edible oil. However, the palm oil commodity price has since recovered and currently hovering above RM2,800 per mt in August 2020 due to demand increases from key importing countries in replenishing their dwindling inventory.

In the plantation division, the coronavirus outbreak has caused disruption in the operational flow and its supply chain. Nevertheless, the disruption was temporary and by mid-April 2020, the plantation division has been back in full operation with new standard operating procedures (SOP) in place to counter the COVID-19 pandemic. In view of the expected cyclical increase in oil palm production during second half of the year, it is hopeful that such increase in production coupled with higher commodity price will provide a better outlook for the plantation division.

As for the refinery division, the low demand of bio-diesel during the MCO period has been offset with better than expected margin from the sales of certified products. Since the introduction of Recovery Movement Control Order (RMCO) in June 2020, the division has seen the uptake in the biodiesel demand and the Group is hopeful it will provide a better prospect for the division.

The Group is aware that the COVID-19 pandemic has brought in a lot of uncertainty and unexpected impact on Malaysia and the World economies. At this juncture, the Group experienced minimal impact on the Group's overall performance up to the date of this announcement but given the evolving nature of COVID-19 pandemic, the Group notes that there are still impending COVID-19 risks that may impact the Group performance.

16. ACHIEVEMENT OF REVENUE/PROFIT ESTIMATES, FORECASTS AND/OR INTERNAL TARGETS

Not applicable as the Company did not provide any revenue or profit estimate, forecast or projection, and did not publish any internal targets, in any public document.

17. EXPLANATION OF VARIANCES FROM PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Company did not provide any profit forecast or guarantee, in any public document.

18. TAXATION

	Quarter ended <u>30.06.2020</u> RM'000	6 months ended <u>30.06.2020</u> RM'000
Provision in respect of results for the current quarter/period	2,247	2,567
Overprovision for taxation in respect of previous years	-	-
Deferred taxation	(456)	511
	<u>1,791</u>	<u>3,078</u>

The Group's tax credit on its Profit Before Tax for the current quarter was lower than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes and deferred tax assets previously not recognised on business losses in certain subsidiaries.

19. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

(a) Bulking Joint Venture Agreement ("BJVA")

On 7 July 2014, Usaha Dimega Sdn Bhd ("UDSB"), a wholly-owned subsidiary of the Group, entered into a conditional Bulking Joint Venture Agreement ("BJVA") with Rikaworth Sdn Bhd ("RSB") and Sawit Bulkers Sdn Bhd ("SBSB") to venture into the business of palm oil common bulking installations for palm oil and related products together with a system of pipe racks to facilitate the transfer of liquid products between the bulking facilities and users of such facilities and the conveyance of the same to and from the jetty facilities of the Sabah Ports Authority in Sandakan, subject to the terms and conditions of the BJVA.

The BJVA is subject to the fulfilment (unless waived by mutual written consent of UDSB and RSB) of certain Conditions Precedent, after which UDSB and RSB are to subscribe for shares at par in the JV Company in cash on a date to be decided by the Board of Directors of the JV Company within 10 days after the Conditions Precedent are fulfilled or waived. Following the subscription of shares, the equity interest held by the respective parties shall be as follows:

	<u>No. of Shares</u>	<u>Percentage</u>
UDSB	12,750,000	60%
RSB	8,500,000 (including the existing 100,000 issued shares)	40%

The status of the Conditions Precedent are as follows:

Conditions Precedent		Status
1	The approvals of RSB and UDSB for the rolling business plan for the JV Company relating to the then current financial year and three succeeding financial years	Obtained
2	RSB and UDSB obtaining the approvals of their respective shareholders to the terms and conditions of the BJVA	Obtained
3	Obtaining the licence/consent from the Malaysian Palm Oil Board to commence construction of the bulking installation	Obtained
4	Increasing the authorised capital of the JV Company to RM50,000,000 consisting of 50,000,000 shares of RM1.00 each	Done
5	RSB and UDSB agreeing to the form and substance of the Land Sale and Purchase Agreement relating to the purchase of the Land and price relating thereto	Not yet agreed
6	RSB and UDSB agreeing to the terms and conditions of the Bulking Facilities User Agreement relating to the use of the JV Company's bulking facilities by Green Edible Oil Sdn Bhd ("GEOSB") (a wholly-owned subsidiary of the Group) operating a refinery in the vicinity of the Sawit POIC Area to produce refined palm oil products	Done

7	The JV Company (as sublessee) and Sandakan Bulkers (as sublessor) agreeing to the terms and conditions of the Pipe Rack Land Sublease relating to the sublease of a strip of land on which the JV Company's pipe racks would be erected	Not yet agreed
8	Issuance of the letter of offer in respect of the alienation of the Land by the Lands and Surveys Department	Issued
9	The JV Company obtaining such other authorizations, consents and permits as shall be necessary for commencing its business according to written laws	In progress
10	Sandakan Bulkers (as landowner and licensor) and the Offtaker (as licensee) agreeing to the form of the Land Licence Agreement for Sandakan Bulkers to grant a licence for the Offtaker to use a stretch of land for the purpose of building a pipe rack to carry pipes for liquid goods and water pipe	Not yet agreed
11	RSB issuing a letter to the JV Company promising to insert into all future sale and purchase agreements in respect of the sale of various lots within the Sawit POIC Area, words to restrict the use of the said lots for conducting bulking business	Done
12	The execution and delivery of KHB's Guarantee issued in favour of RSB to guarantee the performance, liabilities and obligations of UDSB under the BJVA	Done
13	RSB and UDSB agreeing to the rate of charges payable to the JV Company for each metric ton of goods loaded onto any barge or vessel at the mini jetty located adjacent to GEOSB's land	In progress

On 5 May 2016, UDSB received from RSB a draft Deed of Variation proposing the following major changes to the BJVA:

- the respective proportions in which UDSB and RSB will hold the issued ordinary share capital of the JV Company from time to time shall be as follows:

<u>Party</u>	<u>Percentage</u>
UDSB	40%
RSB	60%

- the BJVA shall be inserted with a new Condition Precedent as follows:

"The relevant authority shall have issued separate land titles in respect of the lands which are the subject matter of the Pipe Rack Land Sublease."

The draft Deed of Variation is under consideration by the Board of Directors and an announcement will be made once a decision has been made.

20. GROUP BORROWINGS

	<u>As at</u> <u>30.06.2020</u> RM'000	<u>As at</u> <u>31.12.2019</u> RM'000
Short term secured:		
Bankers' acceptances	31,857	43,387
Revolving credit	14,000	14,000
Term loans	938	938
Lease	1,281	743
	48,076	59,068
Long term secured:		
Term loans	1,406	1,875
Lease	5,684	6,570
	7,090	8,445
TOTAL BORROWINGS	55,166	67,513

The above borrowings are denominated in Malaysian Ringgit except where otherwise indicated.

21. ADDITIONAL DISCLOSURES

(a) Financial Derivatives

Outstanding financial derivatives held by the Group as at 30 June 2020 are as follows:

	<u>Currency</u>	<u>Contract/ Notional Amount '000</u>	<u>Fair Value</u> <u>Assets</u> <u>RM'000</u>	<u>Liabilities</u> <u>RM'000</u>
US Dollar forward contracts - less than 1 year	USD	3,000	30	0
Palm oil futures contracts - less than 1 year	MYR	7,005	0	137
Olein price swap contracts - less than 1 year	USD	11,750	240	0

(b) Gains/(Losses) Arising from Fair Value Changes of Financial Liabilities

For the period ended 30 June 2020, there were no gains or losses arising from changes to fair values of the Group's financial liabilities.

22. CHANGES IN STATUS OF MATERIAL LITIGATION UP TO 19 AUGUST 2020

Not applicable as the Group is not involved in any material litigation.

23. DIVIDENDS DECLARED

No dividend has been declared or recommended in respect of the period under review.

24. EARNINGS/(LOSS) PER SHARE ("EPS")

Basic and diluted EPS for the period under review is calculated based on the following:

	<u>Quarter ended 30.06.2020</u>	<u>6 months ended 30.06.2020</u>
Weighted average number of shares in issue	2,327,627,135	2,327,627,135
Number of shares used in calculating diluted EPS	2,327,627,135	2,327,627,135
	<u>RM'000</u>	<u>RM'000</u>
Profit/(loss) after taxation from continuing operations	14,253	16,768
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(45)	(88)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	<u>14,208</u>	<u>16,680</u>
EPS:	<u>Sen</u>	<u>Sen</u>
- Basic	0.61	0.72
- Diluted	0.61	0.72

Basic EPS is calculated by dividing "Profit/(loss) after taxation attributable to shareholders of the Company" by the "Weighted average number of shares in issue".

Diluted EPS is calculated by dividing "Adjusted profit/(loss) after taxation" by the "Number of shares used in calculating diluted EPS".

25. AUDITOR’S REPORT ON THE PREVIOUS YEAR’S FINANCIAL STATEMENTS

The auditors’ report on the Group’s consolidated financial statements for the year ended 31 December 2019 was not qualified.

26. AUDITOR’S LIMITED REVIEW ON INTERIM FINANCIAL STATEMENTS

The auditor has performed a limited review on the interim financial for the period ending 30 June 2020.

27. AUTHORISED FOR ISSUE

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 27 August 2020.

By Order of the Board,

DATUK LIM NYUK SANG @ FREDDY LIM
Chief Executive Officer

27th August 2020