

KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 Sept			9 months ended 30 Sept		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<u>CONTINUING OPERATIONS:-</u>						
Revenue	141,695	83,833	69%	338,968	274,711	23%
Cost of sales and services	(115,621)	(98,391)		(289,550)	(281,333)	
Gross profit	26,074	(14,558)	279%	49,418	(6,622)	846%
Selling and distribution costs	(97)	13,740		(190)	(282)	
	25,977	(818)		49,228	(6,904)	
Other income	(896)	9,570		4,616	12,114	
Administrative expenses	(2,823)	(5,816)		(10,507)	(12,965)	
Other expenses	(2,489)	(6,479)		(2,489)	(6,553)	
Profit/(loss) before interest and taxation	19,769	(3,543)	658%	40,848	(14,308)	385%
Finance income	33	81		101	322	
Finance costs	(478)	(1,363)		(1,778)	(3,332)	
Profit/(loss) before taxation	19,324	(4,825)	500%	39,171	(17,318)	326%
Taxation	(2,300)	645		(5,379)	3,010	
Profit/(loss) after taxation	17,024	(4,180)	507%	33,792	(14,308)	336%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	16,991	(2,271)	848%	33,671	(12,388)	372%
Non-Controlling Interests	33	(1,909)		121	(1,920)	
	17,024	(4,180)	507%	33,792	(14,308)	336%
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>						
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic EPS	0.73	(0.10)		1.45	(0.53)	
Diluted EPS	0.73	(0.10)		1.45	(0.53)	

B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 Sept			9 months ended 30 Sept		
	2020	2019	Changes	2020	2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	17,024	(4,180)	507%	33,792	(14,308)	336%
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)	17,024	(4,180)	507%	33,792	(14,308)	336%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	16,991	(2,271)	848%	33,671	(12,388)	372%
Non-Controlling Interests	33	(1,909)	102%	121	(1,920)	106%
	17,024	(4,180)	507%	33,792	(14,308)	336%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	540,773	548,516
Investment property	610	614
Biological assets	3,906	4,154
Intangible assets	42,777	42,777
Trade & other receivables	4,532	4,532
CURRENT ASSETS		
Biological assets	10,583	9,499
Inventories	110,168	97,274
Receivables	37,815	44,087
Tax refundable	8,640	21,096
Derivatives	6,169	104
Cash and bank balances	32,185	20,991
	205,560	193,051
Assets held for sale	0	0
	205,560	193,051
CURRENT LIABILITIES		
Payables	44,773	47,996
Loans and borrowings	34,630	59,068
Derivatives	891	904
Income tax payable	0	0
	80,294	107,968
Liabilities associated with disposal group	0	0
	80,294	107,968
NET CURRENT ASSETS	125,266	85,083
NON-CURRENT LIABILITIES		
Loans and borrowings	6,955	8,445
Deferred taxation	72,247	72,361
	638,662	604,870
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	746,467
Retained profits /(losses)	(107,152)	(140,823)
	639,315	605,644
Equity attributable to non-controlling interests	(653)	(774)
	638,662	604,870
NET ASSETS PER SHARE	<u>Sen</u>	<u>Sen</u>
	27.5	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	TOTAL RM'000	
	Share Capital RM'000	Reserves RM'000	Retained Profits 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	33,671	33,671	121	33,792
Dividend paid	0	0	0	0	0	0
Dividend paid to non-controlling interests	0	0	0	0	0	0
At 30 September 2020	746,467	0	(107,152)	639,315	(653)	638,662
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</u>						
At 1 January 2019, as restated	746,467	0	(138,743)	607,724	6,568	614,292
Effect on Adoption of MFRS 16: Leases	0	0	(1,412)	(1,412)	0	(1,412)
Total Comprehensive Income/(loss) for the period	0	0	(12,388)	(12,388)	(1,920)	(14,308)
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 September 2019	746,467	0	(152,543)	593,924	4,599	598,523

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 Sept	
	2020	2019
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	39,171	(17,318)
<u>Adjustments for:-</u>		
Depreciation and amortisation	35,098	34,785
Net fair value loss/ (gain) on biological assets	(712)	(1,821)
Interest income	(101)	(322)
Finance costs	1,778	3,332
Net loss / (gain) on disposal of assets	(64)	(21)
Unrealised loss/ (gain) on derivatives	(5,278)	(2,612)
Others	(10,826)	655
Changes in working capital	(8,039)	4,713
Income taxes paid, net of refunds	7,375	608
Interest received	100	322
Interest paid	(2,680)	(3,332)
	55,822	18,989
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,540)	(17,984)
Proceeds from disposal of property plant and equipment	150	22
Addition to Biological Assets	0	(1,324)
Withdrawal/(placement) of fixed deposits of longer-term tenure	(2,010)	2,830
Others	0	0
	(19,400)	(16,456)
Cash flows from financing activities		
Net drawdown/(repayment) of lease liabilities	(437)	(639)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	(25,912)	(498)
Payment of dividends to shareholders	0	0
Payment of dividends to non-controlling interests	0	(49)
	(26,349)	(1,186)
Increase/(decrease) in cash and cash equivalents	10,073	1,347
Cash and cash equivalents at the beginning of the year	19,858	16,981
Cash and cash equivalents at the end of the period	29,931	18,328
Cash and cash equivalents comprise the following:		
Cash and bank balances	32,185	18,572
less: Fixed deposits with maturity of more than 3 months	(2,254)	(244)
	29,931	18,328

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 September 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 9 MONTHS ENDED 30 SEPTEMBER 2020

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	102,201	236,767	0	338,968
Inter-segment revenue	101,169	0	(101,169)	0
	<u>203,370</u>	<u>236,767</u>	<u>(101,169)</u>	<u>338,968</u>
Segment results	<u>22,797</u>	<u>15,341</u>	<u>2,959</u>	41,097
Unallocated Items:-				
Other income				7
Corporate expenses				(1,933)
Finance costs				0
Profit/(loss) before taxation from continuing operations				39,171
Taxation				(5,379)
Profit/(loss) after taxation from continuing operations				<u>33,792</u>
<u>ASSETS:-</u>				
Segment assets	<u>566,246</u>	<u>223,614</u>		789,860
Unallocated assets/(liabilities)				8,298
Assets classified as held for sale				0
Total assets				<u>798,158</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 September 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 30.09.2020 RM'000
Approved and contracted for	20,077
Approved but not contracted for	<u>60,410</u>
	<u>80,487</u>

10. SUBSEQUENT EVENTS

On 7th October 2020, the Malaysian Government announced that the specific “red zone” areas such as Sandakan, Tawau and Lahad Datu region would be under the Conditional Movement Control Order (CMCO). As of the date of this report, CMCO has not been lifted as it has been extended to 6th December 2020.

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 first 9 months of 2020, the Group achieved a total revenue of RM 339.0 million (2019: RM274.7 million) and incurred a pre-tax gain of RM 39.2 million (2019: pre-tax loss of RM 17.3 million).

Commentary on the performance of the operating segments of the Group for Q3 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 203.4 million (2019: RM 179.7 million), and pre-tax gain of RM 22.8 million (2019: pre-tax loss of RM 16.6 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
July	2,499.00	1,865.50	1,362.50	1,040.00
August	2,781.50	2,068.50	1,443.50	1,131.50
September	2,938.50	2,091.50	1,504.00	1,135.00

Table B: Output indicators, and comparison with industrial average

	3rd Quarter			Year to Date		
	2020	2019	% change	2020	2019	% change
FFB Production (mt)	81,702	81,622	0.1%	230,479	240,909	-4.3%
FFB Yield (mt/hectare):						
The Group's estates	4.68	4.66	0.4%	13.20	13.76	-4.1%
MPOB* Sabah average	4.49	4.19	7.2%	12.62	13.13	-3.9%
CPO Closing Stock at Palm Oil Mills (mt)	7,850	5,843	34.3%	7,850	5,843	34.3%
Oil Extraction Rate:						
The Group's palm oil mills	20.41%	21.03%	-2.9%	20.19%	20.52%	-1.6%
MPOB* Sabah average	20.02%	21.53%	-7.0%	20.47%	20.98%	-2.4%

* - MPOB: Malaysian Palm Oil Board

The plantation division's Q3 2020 results are better than Q3 2019 mainly due to higher CPO prices. However, for the overall 9 months, FFB productions were lower when compared to first 9 months of 2019. The relative higher CPO prices have cushioned the impact of lower FFB production and further translated to better profit margin for the Group.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM 236.8 million (2019: RM 168.2 million) and generated a pre-tax gain of RM 15.3 million (2019: pre-tax gain of RM 1.6 million). The refinery's pre-tax gain had resulted from better margin generated through 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	141,695	102,998	38%
Cost of sales and services, including distribution	(115,718)	(85,705)	
	25,977	17,293	
Other income	(896)	2,377	
Administrative and other expenses	(5,312)	(3,068)	
Profit/(loss) before interest and taxation	19,769	16,602	19%
Interest income	33	38	
Interest costs	(478)	(596)	
Profit/(loss) before taxation	19,324	16,044	20%
Taxation	(2,300)	(1,791)	
Profit/(loss) after taxation	17,024	14,253	19%
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	16,991	14,208	20%
Non-Controlling Interests	33	45	
	17,024	14,253	19%

The higher pre-tax gain as compared to previous quarter was mainly due to higher commodity prices in Q3 2020 compared to Q2 2020 and the better margin generated by the refinery division.

15. CURRENT YEAR PROSPECTS

Year 2020 began 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 rallied and stayed above RM3,300 per mt in November 2020 due to demand increases from key importing countries and higher rival oils prices.

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 was back in full operation with new standard operating procedures (SOP) in place to counter the COVID-19 pandemic. Although Conditional Movement Control Order (CMCO) has been reintroduced in Sabah on 7th October 2020, the plantation sectors are being allowed to operate. Such disruption has minimal impact on the overall production of 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 the Recovery Movement Control Order (RMCO) in June 2020, the division has seen the uptake in biodiesel demand. The reintroduction of CMCO in October 2020 has minimal impact on the bio-diesel demand since most of the economic sector is being allowed to operate with strict SOP in place. As such, the Group is hopeful that the bio-diesel demand will remain stable for the rest of the year.

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

As at the date of this report, the management is optimistic that the high CPO commodity prices will continue throughout 2020 and this will provide a better outlook for the Company for 2020.

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>30.09.2020</u> RM'000	9 months ended <u>30.09.2020</u> RM'000
Provision in respect of results for the current quarter/period	2,513	5,081
Overprovision for taxation in respect of previous years	1	1
Deferred taxation	(214)	297
	2,300	5,379

The Group's tax credit on its Profit Before Tax for the current quarter was lower than the statutory tax rate mainly due to 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	Not yet agreed

	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	
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 Bulklers (as landowner and licensor) and the Offtaker (as licensee) agreeing to the form of the Land Licence Agreement for Sandakan Bulklers 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>30.09.2020</u> RM'000	<u>As at</u> <u>31.12.2019</u> RM'000
Short term secured:		
Bankers' acceptances	19,094	43,387
Revolving credit	13,000	14,000
Term loans	938	938
Lease	1,598	743
	34,630	59,068
Long term secured:		
Term loans	1,179	1,875
Lease	5,776	6,570
	6,955	8,445
TOTAL BORROWINGS	41,585	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 September 2020 are as follows:

	<u>Currency</u>	<u>Contract/ Notional Amount '000</u>	<u>Fair Value</u>	
			<u>Assets RM'000</u>	<u>Liabilities RM'000</u>
US Dollar forward contracts - less than 1 year	USD	2,500	57	0
Palm oil futures contracts - less than 1 year	MYR	8,735	0	4
Olein price swap contracts - less than 1 year	USD	3,420	0	887

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

For the period ended 30 September 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 23 NOVEMBER 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 30.09.2020</u>	<u>9 months ended 30.09.2020</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	17,024	33,792
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(33)	(121)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	16,991	33,671
EPS:	<u>Sen</u>	<u>Sen</u>
- Basic	0.73	1.45
- Diluted	0.73	1.45

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. 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 November 2020.

By Order of the Board,

DATUK LIM NYUK SANG @ FREDDY LIM
Chief Executive Officer

27th November 2020