

# KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

## INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2021

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 2020.

### A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 31 March			3 months ended 31 March		
	2021	2020	Changes	2021	2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>CONTINUING OPERATIONS:-</b>						
Revenue	154,982	94,274	64%	154,982	94,274	64%
Cost of sales and services	(133,180)	(88,286)		(133,180)	(88,286)	
Gross profit	21,802	5,988	264%	21,802	5,988	264%
Selling and distribution costs	(42)	(33)		(42)	(33)	
	21,760	5,955		21,760	5,955	
Other income	1,387	3,136		1,387	3,136	
Administrative expenses	(3,430)	(3,640)		(3,430)	(3,640)	
Other expenses	(5,562)	(975)		(5,562)	(975)	
<b>Profit/(loss) before interest and taxation</b>	<b>14,155</b>	<b>4,476</b>	<b>216%</b>	<b>14,155</b>	<b>4,476</b>	<b>216%</b>
Finance income	85	30		85	30	
Finance costs	(487)	(704)		(487)	(704)	
<b>Profit/(loss) before taxation</b>	<b>13,753</b>	<b>3,802</b>	<b>262%</b>	<b>13,753</b>	<b>3,802</b>	<b>262%</b>
Taxation	(821)	(1,287)		(821)	(1,287)	
<b>Profit/(loss) after taxation</b>	<b>12,932</b>	<b>2,515</b>	<b>414%</b>	<b>12,932</b>	<b>2,515</b>	<b>414%</b>
<b>Profit/(loss) after taxation attributable to:-</b>						
Shareholders of the Company	12,934	2,472	423%	12,934	2,472	423%
Non-Controlling Interests	(2)	43		(2)	43	
	<b>12,932</b>	<b>2,515</b>	<b>414%</b>	<b>12,932</b>	<b>2,515</b>	<b>414%</b>
<b>EARNINGS/(LOSS) PER SHARE (EPS):-</b>						
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic EPS	0.56	0.11		0.56	0.11	
Diluted EPS	0.56	0.11		0.56	0.11	

**B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 31 March			3 months ended 31 March		
	2021	2020	Changes	2021	2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit/(loss) after taxation</b>	<b>12,932</b>	<b>2,515</b>	<b>414%</b>	<b>12,932</b>	<b>2,515</b>	<b>414%</b>
Other Comprehensive Income (OCI)	0	0		0	0	
Income tax relating to components of OCI	0	0		0	0	
<b>Other Comprehensive Income net of tax</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	
<b>Total Comprehensive Income/(loss)</b>	<b>23,932</b>	<b>2,515</b>	<b>414%</b>	<b>12,932</b>	<b>2,515</b>	<b>414%</b>
<b>Total Comprehensive Income/(loss) attributable to:-</b>						
Shareholders of the Company	12,934	2,472	423%	12,934	2,472	423%
Non-Controlling Interests	(2)	43	-105%	(2)	43	-105%
	<b>12,932</b>	<b>2,515</b>	<b>414%</b>	<b>12,932</b>	<b>2,515</b>	<b>414%</b>

**C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 31.03.2021 RM'000</b>	<b>As at 31.12.2020 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	525,146	524,263
Investment property	3,367	3,391
Biological assets	2,706	2,458
Intangible assets	42,777	42,777
Trade & other receivables	4,532	4,532
<b>CURRENT ASSETS</b>		
Biological assets	10,013	10,362
Inventories	82,555	117,264
Receivables	46,798	51,012
Tax refundable	14,503	11,710
Derivatives	0	197
Cash and bank balances	60,195	50,024
	214,064	240,569
Assets held for sale	0	0
	214,064	240,569
<b>CURRENT LIABILITIES</b>		
Payables	36,140	49,162
Loans and borrowings	33,791	34,390
Derivatives	3,703	3,103
Dividend payable	0	23,276
	73,634	109,931
Liabilities associated with disposal group	0	0
	73,634	109,931
<b>NET CURRENT ASSETS</b>	140,430	130,638
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	6,333	7,126
Deferred taxation	67,614	68,854
	645,011	632,079
<b>EQUITY</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	746,467	746,467
Retained profits /(losses)	(100,799)	(113,733)
	645,668	632,734
<b>Equity attributable to non-controlling interests</b>	(657)	(655)
	645,011	632,079
<b>NET ASSETS PER SHARE</b>	<b><u>Sen</u></b>	<b><u>Sen</u></b>
	<b>27.7</b>	<b>27.2</b>

**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			
<b><u>CURRENT YEAR TO DATE:</u></b>						
At 1 January 2021	746,467	0	(113,733)	632,734	(655)	632,079
Total Comprehensive Income/(loss) for the period	0	0	12,934	12,934	(2)	12,932
Dividend paid	0	0	0	0	0	0
Dividend paid to non-controlling interests	0	0	0	0	0	0
At 31 March 2021	746,467	0	(100,799)	645,668	(657)	645,011
<b><u>PREVIOUS YEAR CORRESPONDING PERIOD:</u></b>						
At 1 January 2020, as restated	746,467	0	(140,823)	605,644	(774)	604,870
Effect on Adoption of MFRS 16: Leases	0	0	0	0	0	0
Total Comprehensive Income/(loss) for the period	0	0	2,472	2,472	43	2,515
Dividend paid	0	0	0	0	0	0
Dividend paid to non-controlling interests	0	0	0	0	0	0
At 31 March 2020	746,467	0	(138,351)	608,116	(731)	607,385

**E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 months ended 31 Mar</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation from continuing operations	13,752	3,802
<u>Adjustments for:-</u>		
Depreciation and amortisation	11,839	11,808
Net fair value loss/ (gain) on biological assets	439	510
Interest income	(85)	(30)
Finance costs	487	704
Net loss / (gain) on disposal of assets / subsidiary	0	(20)
Unrealised loss/ (gain) on derivatives	3,703	(29)
Others	(323)	0
Changes in working capital	15,765	(3,935)
Income taxes paid, net of refunds	(4,208)	(1,467)
Interest received	85	30
Interest paid	(1,184)	(704)
	<b>40,270</b>	<b>10,669</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,360)	(5,903)
Proceeds from disposal of property plant and equipment	3	73
Addition to Biological Assets	0	0
Withdrawal/(placement) of fixed deposits of longer-term tenure	(967)	(7)
	<b>(5,324)</b>	<b>(5,837)</b>
<b>Cash flows from financing activities</b>		
Net drawdown/(repayment) of lease liabilities	(516)	(185)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	(1,025)	(12,310)
Payment of dividends to shareholders	(23,276)	0
Payment of dividends to non-controlling interests	0	0
	<b>(24,817)</b>	<b>(12,495)</b>
Increase/(decrease) in cash and cash equivalents	10,129	(7,663)
Cash and cash equivalents at the beginning of the year	49,099	19,858
Cash and cash equivalents at the end of the period	<b>59,228</b>	<b>12,195</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	60,195	13,335
less: Fixed deposits with maturity of more than 3 months	(967)	(1,140)
	<b>59,228</b>	<b>12,195</b>

## 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 2020.

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

The interim financial statements of the Group for the financial period ended 31 March 2021 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
Amendments to MFRS 1: First-time Adoption of MFRS	
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
Amendments to MFRS 9: Financial Instruments Arrangements	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 MFRS 141: Agriculture	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
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

During the period under review, the Company paid an interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2020 amounting to RM 23,276,271.35. The dividend was declared on 30 December 2020 and paid on 29 January 2021.

## 7. SEGMENT REVENUE AND RESULTS FOR THE 3 MONTHS ENDED 31 MARCH 2021

	<b>Plantation &amp; Mill</b>	<b>Refinery</b>	<b>Elimination</b>	<b>TOTAL</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>REVENUES AND RESULTS:-</u></b>				
Segment Revenue – external	9,273	145,709	0	154,982
Inter-segment revenue	54,627	0	(54,627)	0
	<u>63,900</u>	<u>145,709</u>	<u>(54,627)</u>	<u>154,982</u>
Segment results	<u>6,608</u>	<u>9,586</u>	<u>(645)</u>	<u>15,549</u>
Unallocated Items:-				
Other income				17
Corporate expenses				(1,813)
Finance costs				0
Profit/(loss) before taxation from continuing operations				<u>13,753</u>
Taxation				<u>(821)</u>
Profit/(loss) after taxation from continuing operations				<u>12,932</u>
<b><u>ASSETS:-</u></b>				
Segment assets	<u>574,981</u>	<u>212,187</u>		<u>787,168</u>
Unallocated assets/(liabilities)				5,424
Assets classified as held for sale				0
Total assets				<u>792,592</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 31 March 2021, 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:

	<b>As at 31.03.2021</b>
	<b>RM'000</b>
Approved and contracted for	12,001
Approved but not contracted for	<u>58,103</u>
	<u><b>70,104</b></u>

## 10. SUBSEQUENT EVENTS

As of the date of this report, a stricter Movement Control Order (MCO) throughout Malaysia has been in place from 25<sup>th</sup> May 2021 onward. While for Sabah, it will use a modified form of Movement Control Order which allows most of the businesses to operate.

## 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 2020.

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

## 13. REVIEW OF PERFORMANCE

For the 3 months of 2021, the Group achieved a total revenue of RM 155.0 million (2020: RM94.3 million) and incurred a pre-tax gain of RM 13.8 million (2020: pre-tax gain of RM 3.8 million).

Commentary on the performance of the operating segments of the Group for Q1 2021 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 63.9 million (2020: RM 52.7 million), and pre-tax gain of RM 6.6 million (2020: pre-tax loss of RM 2.4 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	
	2021	2020	2021	2020
January	3,731.00	3,000.00	2,565.00	1,860.50
February	3,876.00	2,689.00	NT*	1,601.00
March	4,025.00	2,348.00	2,607.00	1,430.00

\*NT = Non-trade

Table B: Output indicators, and comparison with industrial average

	1st Quarter			Year to Date		
	2021	2020	% change	2021	2020	% change
<b>FFB Production (mt)</b>	50,532	62,062	-18.6%	50,532	62,062	-18.6%
<b>FFB Yield (mt/hectare):</b>						
The Group's estates	2.91	3.55	-18.0%	2.91	3.55	-18.0%
MPOB* Sabah average	3.00	3.51	-14.5%	3.00	3.51	-14.5%
<b>CPO Closing Stock at Palm Oil Mills (mt)</b>	5,465	4,403	24.1%	5,465	4,403	24.1%
<b>Oil Extraction Rate:</b>						
The Group's palm oil mills	19.32%	20.04%	-3.6%	19.32%	20.04%	-3.6%
MPOB* Sabah average	19.84%	20.69%	-4.1%	19.84%	20.69%	-4.1%

\* - MPOB: Malaysian Palm Oil Board

The plantation division's Q1 2021 results are better than Q1 2020 mainly due to higher average selling price for CPO. However, for the overall 3 months, FFB productions were 18.6% lower when compared to Q1 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 145.7 million (2020: RM 67.5 million) and generated a pre-tax gain of RM 9.6 million (2020: pre-tax gain of RM 7.5 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:

	<b>Current Quarter RM'000</b>	<b>Previous Quarter RM'000</b>	<b>Changes %</b>
<b><u>CONTINUING OPERATIONS:-</u></b>			
Revenue	154,982	131,725	18%
Cost of sales and services, including distribution	(133,222)	(111,409)	
	21,760	20,316	
Other income	1,387	4,929	
Administrative and other expenses	(8,992)	(9,169)	
<b>Profit/(loss) before interest and taxation</b>	<b>14,155</b>	<b>16,076</b>	<b>-12%</b>
Interest income	85	82	
Interest costs	(487)	(390)	
<b>Profit/(loss) before taxation</b>	<b>13,753</b>	<b>15,768</b>	<b>-13%</b>
Taxation	(821)	925	
<b>Profit/(loss) after taxation</b>	<b>12,932</b>	<b>16,693</b>	<b>-23%</b>
<b>Profit/(loss) after taxation attributable to:</b>			
Shareholders of the Company	12,934	16,695	-23%
Non-Controlling Interests	(2)	(2)	
	<b>12,932</b>	<b>16,693</b>	<b>-23%</b>

The lower pre-tax gain as compared to previous quarter was mainly due to unrealized losses incurred on the crude palm oil futures contracts. While for Q1 2021 crops production which is lower than Q4 2020 production, it was well compensated with the higher average selling price for FFB and CPO in Q1 2021 which has translated to higher revenue for the quarter.

#### 15. CURRENT YEAR PROSPECTS

In 2021, COVID-19 pandemic will still play an important part in determining the overall impact on the market sentiments especially in the supply chain of palm oil products. With the World economies on the verge of gradual recovery and the rollout of COVID-19 vaccines, it is expected such recovery will spur demand for the edible oil especially when sectors such as travel, tourism and food & beverages are allowed to resume operation.

Apart from gradual opening of the World economies, higher rival vegetable oils prices also provide further support on higher CPO prices as buyers seeks for cheaper alternatives. While in North America, unfavourable weather condition has delayed the soybean planting season and this has greatly impacted on the soybean oil supply in the coming months. In Indonesia, higher domestic palm oil consumption spur by their B30 biodiesel mandate has provide a floor for the current price level which is hovering around RM 4,300 to RM 4,700 in May 2021.

Although COVID-19 vaccines have been rollout, it is viewed that the COVID-19 pandemic is still remain the biggest risk in 2021 and it must not be taken lightly. Any sudden spike in COVID-19 cases might have adverse consequences to the procurement and demand of the palm oil products.

Despite of the COVID-19 risks, the Group expects the overall performance will improve while cautiously monitor the impending COVID-19 risks that might impact the Group's overall 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

	<b>Quarter ended <u>31.03.2021</u> RM'000</b>	<b>3 months ended <u>31.03.2021</u> RM'000</b>
Provision in respect of results for the current quarter/period	1,416	1,416
Over/ (Under) provision for taxation in respect of previous years	(42)	(42)
Deferred taxation	(553)	(553)
	<u>821</u>	<u>821</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 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 Bulkiers (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 Bulkiers (as landowner and licensor) and the Offtaker (as licensee) agreeing to the form of the Land Licence Agreement for Sandakan Bulkiers 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>31.03.2021</u> RM'000	<u>As at</u> <u>31.12.2020</u> RM'000
<b>Short term secured:</b>		
Bankers' acceptances	23,689	22,555
Revolving credit	8,000	10,000
Term loans	937	938
Lease	1,165	898
	33,791	34,391
<b>Long term secured:</b>		
Term loans	703	937
Lease	5,630	6,188
	6,333	7,125
<b>TOTAL BORROWINGS</b>	<b>40,124</b>	<b>41,516</b>

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 31 March 2021 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	4,041	0	337
Palm oil futures contracts - less than 1 year	MYR	43,431	0	2,449
Olein price swap contracts - less than 1 year	USD	4,853	0	1,254

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

For the period ended 31 March 2021, 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 21 MAY 2021

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

## 23. DIVIDENDS DECLARED

On 7 May 2021, the Company proposed a second interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2020 amounting to RM 23,276,271.35.

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

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

	<u>Quarter ended 31.03.2021</u>	<u>3 months ended 31.03.2021</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	12,932	12,932
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	2	2
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	12,934	12,934
<b>EPS:</b>	<u>Sen</u>	<u>Sen</u>
- Basic	0.56	0.56
- Diluted	0.56	0.56

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 2020 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 28<sup>th</sup> May 2021.

**By Order of the Board,**

**TEO GIM SUAN**  
**Chairman of Audit Committee**

**28<sup>th</sup> May 2021**