

KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 30 Sept			9 months ended 30 Sept		
	2021	2020	Changes	2021	2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<u>CONTINUING OPERATIONS:-</u>						
Revenue	184,378	141,695	30%	502,454	338,968	48%
Cost of sales and services	(135,107)	(115,621)		(394,102)	(289,550)	
Gross profit	49,271	26,074	89%	108,352	49,418	119%
Selling and distribution costs	(46)	(97)		(130)	(190)	
	49,225	25,977		108,222	49,228	
Other income	8,822	(896)		16,650	4,616	
Administrative expenses	(3,242)	(2,823)		(10,241)	(10,507)	
Other expenses	(8,054)	(2,489)		(23,074)	(2,489)	
Profit/(loss) before interest and taxation	46,751	19,769	136%	91,557	40,848	124%
Finance income	152	33		352	101	
Finance costs	(571)	(478)		(1,467)	(1,778)	
Profit/(loss) before taxation	46,332	19,324	140%	90,442	39,171	131%
Taxation	(13,796)	(2,300)		(24,365)	(5,379)	
Profit/(loss) after taxation	32,536	17,024	91%	66,077	33,792	96%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	30,900	16,991	82%	64,335	33,671	91%
Non-Controlling Interests	1,636	33		1,742	121	
	32,536	17,024	91%	66,077	33,792	91%
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic EPS	1.33	0.73		2.76	1.45	
Diluted EPS	1.33	0.73		2.76	1.45	

B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 Sept			9 months ended 30 Sept		
	2021	2020	Changes	2021	2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	32,536	17,024	91%	66,077	33,792	96%
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)	32,536	17,024	91%	66,077	33,792	96%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	30,900	16,991	82%	64,335	33,671	91%
Non-Controlling Interests	1,636	33	4858%	1,742	121	1340%
	32,536	17,024	91%	66,077	33,792	96%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	512,452	524,263
Investment property	0	3,391
Biological assets	1,028	2,458
Intangible assets	42,777	42,777
Trade & other receivables	4,532	4,532
CURRENT ASSETS		
Biological assets	11,583	10,362
Inventories	150,842	117,264
Receivables	58,936	51,012
Tax refundable	2,708	11,710
Derivatives	1	197
Cash and bank balances	76,469	50,024
	300,539	240,569
Assets held for sale	2,760	0
	303,299	240,569
CURRENT LIABILITIES		
Payables	54,683	49,162
Loans and borrowings	45,651	34,390
Derivatives	4,213	3,103
Dividend payable	0	23,276
Income tax payable	6,209	0
	110,756	109,931
Liabilities associated with disposal group	0	0
	110,756	109,931
NET CURRENT ASSETS	192,543	130,638
NON-CURRENT LIABILITIES		
Loans and borrowings	6,131	7,126
Deferred taxation	72,419	68,854
	674,782	632,079
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	746,467
Retained profits /(losses)	(72,674)	(113,733)
	673,793	632,734
Equity attributable to non-controlling interests	989	(655)
	674,782	632,079
NET ASSETS PER SHARE	<u>Sen</u> 28.9	<u>Sen</u> 27.2

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 2021	746,467	0	(113,733)	632,734	(655)	632,079
Total Comprehensive Income/(loss) for the period	0	0	64,335	64,335	1,742	66,077
Dividend paid	0	0	(23,276)	(23,276)	0	(23,276)
Dividend paid to non-controlling interests	0	0	0	0	(98)	(98)
At 30 September 2021	746,467	0	(72,674)	673,793	989	674,782
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</u>						
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	33,671	33,671	121	33,792
Dividend paid						
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

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 Sept	
	2021	2020
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	90,442	39,171
<u>Adjustments for:-</u>		
Depreciation and amortisation	35,588	35,098
Net fair value loss/ (gain) on biological assets	956	(712)
Interest income	(352)	(101)
Finance costs	1,467	1,778
Net loss / (gain) on disposal of assets / subsidiary	(1,474)	(64)
Unrealised loss/ (gain) on derivatives	(1,306)	(5,278)
Fixed assets written off	13	(10,826)
Changes in working capital	(65,511)	(8,039)
Income taxes paid, net of refunds	(4,897)	7,375
Interest received	352	100
Interest paid	(1,136)	(2,680)
	54,142	55,822
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,593)	(17,540)
Proceeds from disposal of property plant and equipment	2,081	150
Addition of Biological Assets	(746)	0
Withdrawal/(placement) of fixed deposits of longer-term tenure	43	(2,010)
	(14,215)	(19,400)
Cash flows from financing activities		
Net drawdown/(repayment) of lease liabilities	(789)	(437)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	10,725	(25,912)
Payment of dividends to shareholders	(23,276)	0
Payment of dividends to non-controlling interests	(98)	0
	(13,438)	(26,349)
Increase/(decrease) in cash and cash equivalents	26,489	10,073
Cash and cash equivalents at the beginning of the year	49,099	19,858
Cash and cash equivalents at the end of the period	75,588	29,931
Cash and cash equivalents comprise the following:		
Cash and bank balances	76,469	32,185
less: Fixed deposits with maturity of more than 3 months	(881)	(2,254)
	75,588	29,931

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 30 September 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

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 which was paid on 25 June 2021.

No dividend has been paid in respect of the period under review.

7. SEGMENT REVENUE AND RESULTS FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2021

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	46,977	455,477	0	502,454
Inter-segment revenue	264,652	0	(264,652)	0
	<u>311,629</u>	<u>455,477</u>	<u>(264,652)</u>	<u>502,454</u>
Segment results	<u>81,886</u>	<u>10,661</u>	<u>(801)</u>	<u>91,746</u>
Unallocated Items:-				
Other income				70
Corporate expenses				(1,374)
Finance costs				0
Profit/(loss) before taxation from continuing operations				90,442
Taxation				(24,365)
Profit/(loss) after taxation from continuing operations				<u>66,077</u>
<u>ASSETS:-</u>				
Segment assets	<u>557,341</u>	<u>282,622</u>		839,963
Unallocated assets/(liabilities)				21,365
Assets classified as held for sale				2,760
Total assets				<u>864,088</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 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:

	As at 30.09.2021
	RM'000
Approved and contracted for	22,231
Approved but not contracted for	<u>48,055</u>
	<u>70,286</u>

10. SUBSEQUENT EVENTS

As at the date of this report, Malaysia is under the National Recovery Plan (NRP) which was announced on 16th June 2021. NRP is divided into 4 phases and Sabah was under Phase 2 of the NRP on 10th July 2021 and moved to Phase 3 on 18th October 2021. Subsequently, Sabah has moved to Phase 4 from 8th November 2021.

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 9 months of 2021, the Group achieved a total revenue of RM 502.5 million (2020: RM 339.0 million) and incurred a pre-tax gain of RM 90.4 million (2020: pre-tax gain of RM 39.2 million).

Commentary on the performance of the operating segments of the Group for Q3 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 311.6 million (2020: RM 203.4 million), and pre-tax gain of RM 81.9 million (2020: pre-tax gain of RM 22.8 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
April	4,205.50	2,230.00	2,531.50	1,390.50
May	4,545.50	2,092.00	2,642.50	1,186.00
June	3,706.50	2,400.00	2,469.50	1,365.00
July	4,098.50	2,499.00	NT*	1,362.50
August	4,492.00	2,781.50	2,478.00	1,443.50
September	4,551.50	2,938.50	2,546.50	1,504.00

*NT = Non-trade

Table B: Output indicators, and comparison with industrial average

	3rd Quarter			Year to Date		
	2021	2020	% change	2021	2020	% change
FFB Production (mt)	85,255	81,702	4.3%	213,792	230,479	-7.2%
FFB Yield (mt/hectare):						
The Group's estates	4.92	4.68	5.1%	12.33	13.20	-6.5%
MPOB* Sabah average	4.27	4.48	-4.7%	11.35	12.61	-10.0%
CPO Closing Stock at Palm Oil Mills (mt)	8,917	7,850	13.6%	8,917	7,850	13.6%
Oil Extraction Rate:						
The Group's palm oil mills	19.90%	20.41%	-2.5%	19.82%	20.19%	-1.8%
MPOB* Sabah average	20.80%	20.83%	-0.2%	20.45%	20.76%	-1.5%

* - MPOB: Malaysian Palm Oil Board

The plantation division's Q3 2021 results are better than Q3 2020 mainly due to higher average selling price for CPO. However, for the overall 9 months FFB productions were 7.2% lower when compared to 9 months of 2020. 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 455.5 million (2020: RM 236.8 million) and generated a pre-tax gain of RM 10.7 million (2020: pre-tax gain of RM 15.3 million). The refinery's lower pre-tax gain is mainly due to losses in future contracts hedges.

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	184,378	163,094	13%
Cost of sales and services, including distribution	(135,153)	(125,857)	
	49,225	37,237	
Other income	8,822	6,442	
Administrative and other expenses	(11,296)	(13,025)	
Profit/(loss) before interest and taxation	46,751	30,654	53%
Interest income	152	114	
Interest costs	(571)	(409)	
Profit/(loss) before taxation	46,332	30,359	53%
Taxation	(13,796)	(9,749)	
Profit/(loss) after taxation	32,536	20,610	58%
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	30,900	20,502	51%
Non-Controlling Interests	1,636	108	
	32,536	20,610	58%

The higher pre-tax gain as compared to previous quarter was mainly due to higher commodity prices and higher Q3 2021 crop production volume compare to Q2 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. Although the World economies are gradually recovering due to the rollout of COVID-19 vaccines, such recoveries might be hampered with the recent rise in COVID-19 cases in Europe.

It is expected the recovery will spur demand for the edible oil especially when sectors such as travel, tourism and food & beverages are allowed to resume operation.

While on price-wise, CPO price has remained strong throughout 2nd half of 2021 mainly due to high demand from China for edible oil, the increase in uptake of palm oil for biofuel and the prospect of lower production in 4th quarter 2021.

Apart from demand and price, the emergence of COVID-19 variants still remains the biggest risk in 4th quarter of 2021. The new variants of COVID-19 have seen spike in number of cases and this might have adverse consequences especially in procurement and demand of the palm oil products.

Despite the risks, the Group expects the overall performance will improve while cautiously monitoring the impending COVID-19 risks that may 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

	Quarter ended 30.09.2021 RM'000	9 months ended 30.09.2021 RM'000
Provision in respect of results for the current quarter/period	11,414	20,108
Over/ (Under) provision for taxation in respect of previous years	0	4
Deferred taxation	2,382	4,253
	13,796	24,365

The Group's tax credit on its Profit Before Tax for the current quarter was higher than the statutory tax rate mainly due to reversal of deferred tax assets previously recognised on 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.

(b) Proposed Acquisition of Oil Palm Agricultural Land from NPC Resources Berhad

On 30th September 2021, Syarikat Kretam Plantations Sdn Bhd ("SKPSB"), a wholly-owned subsidiary of Kretam Holdings Berhad ("KHB") has accepted letters of offer to acquire 4 parcels of agricultural land with a total area of 2,108.9 acres more or less and located in the District of Kinabatangan, Sabah, Malaysia from Bonus Indah Sdn Bhd ("BISB") and Seraya Plantation Sdn Bhd ("SPSB"), both subsidiaries of NPC Resources Berhad ("NPC"), for a total purchase consideration of RM52,722,500.00.

On 15th October 2021, SKPSB has entered into the following agreements:

- a conditional Sale and Purchase Agreement ("SPA") with SPSB to acquire 3 parcels of oil palm agricultural land ("Property 1") held under Country Lease Nos. 095311078, 095311256 and 095310464 measuring in total 1,184 acres more or less at a total purchase consideration of RM29,600,000.00;
- a conditional Sale and Purchase Agreement ("SPA") with BISB to acquire 1 parcel of oil palm agricultural land ("Property 2") held under Provisional Lease No. 096290363 measuring 924.90 acres more or less at a purchase consideration of RM23,122,500.00; and
- a supplemental Deed with SPSB and BISB to tie in the purchases of Property 1 and Property 2 as one transaction to be completed concurrently, collectively referred to as "Proposed Acquisitions" or "Properties".

20. GROUP BORROWINGS

	<u>As at</u> <u>30.09.2021</u> RM'000	<u>As at</u> <u>31.12.2020</u> RM'000
Short term secured:		
Bankers' acceptances	36,983	22,555
Revolving credit	7,000	10,000
Term loans	937	938
Lease	731	898
	<u>45,651</u>	<u>34,391</u>
Long term secured:		
Term loans	234	937
Lease	5,897	6,188
	<u>6,131</u>	<u>7,125</u>
TOTAL BORROWINGS	<u><u>51,782</u></u>	<u><u>41,516</u></u>

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 2021 are as follows:

	<u>Currency</u>	<u>Contract/ Notional Amount</u> '000	<u>Fair Value</u> <u>Assets</u> RM'000	<u>Liabilities</u> RM'000
US Dollar forward contracts - less than 1 year	USD	5,211	0	104
Palm oil futures contracts - less than 1 year	MYR	9,702	0	2,285
Olein price swap contracts - less than 1 year	USD	5,225	0	1,823

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

For the period ended 30 September 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 19 NOVEMBER 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.

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:

	Quarter ended <u>30.09.2021</u>	9 months ended <u>30.09.2021</u>
Weighted average number of shares in issue	2,327,627,135	2,327,627,135
Number of shares used in calculating diluted EPS	<u>2,327,627,135</u>	<u>2,327,627,135</u>
	<u>RM'000</u>	<u>RM'000</u>
Profit/(loss) after taxation from continuing operations	32,536	66,077
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	<u>(1,636)</u>	<u>(1,742)</u>
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	<u>30,900</u>	<u>64,335</u>
EPS:	<u>Sen</u>	<u>Sen</u>
- Basic	<u>1.33</u>	<u>2.76</u>
- Diluted	<u>1.33</u>	<u>2.76</u>

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 26th November 2021.

By Order of the Board,

LIM TSHUNG YU
Chief Operating Officer

26th November 2021