

KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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 2021.

A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 Sept			9 months ended 30 Sept		
	2022	2021	Changes	2022	2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
CONTINUING OPERATIONS:-						
Revenue	159,596	184,378	-13%	674,417	502,454	34%
Cost of sales and services	(174,626)	(135,107)		(572,984)	(394,102)	
Gross profit	(15,030)	49,271	-131%	101,433	108,352	-6%
Selling and distribution costs	(15)	(46)		(77)	(130)	
	(15,045)	49,225		101,356	108,222	
Other income	8,129	8,822		26,441	16,650	
Administrative expenses	(3,839)	(3,242)		(11,446)	(10,241)	
Other expenses	3,477	(8,054)		(962)	(23,074)	
Profit/(loss) before interest and Taxation	(7,278)	46,751	-116%	115,389	91,557	26%
Finance income	502	152		915	352	
Finance costs	(910)	(571)		(2,873)	(1,467)	
Profit/(loss) before taxation	(7,686)	46,332	-117%	113,431	90,442	25%
Taxation	1,339	(13,796)		(31,296)	(24,365)	
Profit/(loss) after taxation	(6,347)	32,536	-120%	82,135	66,077	24%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	(6,368)	30,900	-121%	81,912	64,335	27%
Non-Controlling Interests	21	1,636		223	1,742	
	(6,347)	32,536	-120%	82,135	66,077	24%
EARNINGS/(LOSS) PER SHARE (EPS):-						
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic EPS	(0.28)	1.33		3.53	2.76	
Diluted EPS	(0.28)	1.33		3.53	2.76	

B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 Sept			9 months ended 30 Sept		
	2022	2021	Changes	2022	2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	(6,347)	32,536	-120%	82,135	66,077	24%
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)	(6,347)	32,536	-120%	82,135	66,077	24%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	(6,368)	30,900	-121%	81,912	64,335	27%
Non-Controlling Interests	21	1,636	-99%	223	1,742	-87%
	(6,347)	32,536	-120%	82,135	66,077	24%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	556,103	564,492
Investment property	-	-
Biological assets	351	1,500
Intangible assets	42,777	42,777
Trade & other receivables	4,532	4,532
Deferred tax assets	17,772	25,881
CURRENT ASSETS		
Biological assets	8,407	10,660
Inventories	139,925	180,030
Receivables	66,496	89,014
Tax refundable	3,629	6,453
Derivatives	3,947	60
Cash and bank balances	173,951	99,532
	396,355	385,749
Assets of disposal group classified as held for sale	0	1,436
	396,355	387,185
CURRENT LIABILITIES		
Payables	49,248	89,226
Loans and borrowings	39,977	96,201
Derivatives	0	2,414
Dividend payable	0	0
Income tax payable	1,413	2,684
	90,638	190,525
Liabilities directly associated with disposal group classified as held for sale	0	4
	90,638	190,529
NET CURRENT ASSETS	305,717	196,656
NON-CURRENT LIABILITIES		
Loans and borrowings	39,477	19,063
Deferred taxation	77,733	78,239
	810,042	738,536
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	746,467
Reserves	(11,052)	(619)
Retained profits /(losses)	74,915	(6,536)
Reserve of disposal group classified as held for sale	0	(461)
	810,330	738,851
Equity attributable to non-controlling interests	(288)	(315)
	810,042	738,536
NET ASSETS PER SHARE	Sen 34.9	Sen 31.7

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	Treasury Shares RM'000	Retained Profits RM'000			
<u>CURRENT YEAR TO DATE:</u>						
At 1 January 2022	746,467	(619)	(6,997)	738,851	(315)	738,536
Purchase of treasury shares	0	(10,433)	0	(10,433)	0	(10,433)
Total Comprehensive Income/(loss) for the period	0	0	81,912	81,912	223	82,135
Dividend paid	0	0	0	0	0	0
Dividend paid to non-controlling interests	0	0	0	0	(196)	(196)
At 30 September 2022	746,467	(11,052)	74,915	810,330	(288)	810,042
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</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

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 Sept	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	113,431	90,442
<u>Adjustments for:-</u>		
Depreciation and amortisation	36,102	35,588
Net fair value loss/ (gain) on biological assets	3,403	956
Interest income	(915)	(352)
Finance costs	2,873	1,467
Net loss / (gain) on disposal of assets	(22)	(1,474)
Unrealised loss/ (gain) on derivatives	(6,301)	(1,306)
Unrealised loss/ (gain) on foreign exchange	(90)	0
Fixed assets written off	21	13
Impairment losses on plant and equipment written back	0	0
Net loss / (gain) on disposal of subsidiary	(1,334)	0
Changes in working capital	45,951	(65,511)
Income taxes paid, net of refunds	(22,153)	(4,897)
Interest received	915	352
Interest paid	(2,873)	(1,136)
	169,008	54,142
Cash flows from investing activities		
Purchase of property, plant and equipment	(27,874)	(15,593)
Proceeds from disposal of property plant and equipment	161	2,081
Addition of Biological Assets	0	(746)
Withdrawal/(placement) of fixed deposits of longer-term tenure	75	43
Proceed from disposal of subsidiary	2,826	0
	(24,812)	(14,215)
Cash flows from financing activities		
Net drawdown/(repayment) of lease liabilities	(470)	(789)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	(35,340)	10,725
Purchase of treasury shares	(10,434)	0
Payment of dividends to shareholders	(23,263)	(23,276)
Payment of dividends to non-controlling interests	(196)	(98)
	(69,703)	(13,438)
Increase/(decrease) in cash and cash equivalents	74,493	26,489
Cash and cash equivalents at the beginning of the year	98,108	49,099
Cash and cash equivalents at the end of the period	172,601	75,588
Cash and cash equivalents comprise the following:		
Cash and bank balances	173,951	76,469
less: Fixed deposits with maturity of more than 3 months	(1,350)	(881)
	172,601	75,588

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 2021.

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

The interim financial statements of the Group for the financial period ended 30 September 2022 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
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Initial application of MFRS 17 and MFRS 9: Amendments to MFRS 17 Insurance Contract	1 January 2023
Amendments to MFRS 101: Disclosures of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax Related to Assets and Liabilities Arising from a Single Transactions	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

There were no items or events which arose, which affected assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

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

During the current financial year to date, the Company repurchased 18,316,200 ordinary shares from the open market for a total consideration of RM 10,433,613. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2022, the number of treasury shares held was 19,445,900 ordinary shares.

6. PAYMENT OF DIVIDENDS

On 21 December 2021, the Company proposed an interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2021 amounting to RM 23,263,317.35 which was paid on 21 January 2022.

7. SEGMENT REVENUE AND RESULTS FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2022

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	70,913	603,504	0	674,417
Inter-segment revenue	355,214	0	(355,214)	0
	<u>426,127</u>	<u>603,504</u>	<u>(355,214)</u>	<u>674,417</u>
Segment results	<u>87,403</u>	<u>26,747</u>	<u>(642)</u>	<u>113,508</u>
Unallocated Items:-				
Other income				1,351
Corporate expenses				(1,428)
Finance costs				0
Profit/(loss) before taxation from continuing operations				<u>113,431</u>
Taxation				<u>(31,296)</u>
Profit/(loss) after taxation from continuing operations				<u>82,135</u>
<u>ASSETS:-</u>				
Segment assets	<u>652,076</u>	<u>349,122</u>		<u>1,001,198</u>
Unallocated assets/(liabilities)				16,692
Assets classified as held for sale				0
Total assets				<u>1,017,890</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 2022, 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 30.09.2022
	RM'000
Approved and contracted for	31,948
Approved but not contracted for	<u>45,170</u>
	<u>77,118</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.

11. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

On 28 October 2021, a wholly-owned subsidiary, Syarikat Capakaya Sdn Bhd has entered into a Sales and Purchase of Shares Agreement (“SPSA”) to dispose its entire shareholdings in its wholly-owned subsidiary Pupuk Borneo Sdn Bhd for a cash consideration of RM2,800,000.00.

On 1 March 2022, the SPSA is deemed duly completed upon the full receipt of the total sale price in accordance with the terms.

There were no discontinued operations during the period under review.

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 2021.

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 2022, the Group achieved a total revenue of RM 674.4 million (2021: RM 502.5 million) and a pre-tax gain of RM 113.4 million (2021: pre-tax gain of RM 90.4 million).

Commentary on the performance of the operating segments of the Group for Q3 2022 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 426.1 million (2021: RM 311.6 million), and pre-tax gain of RM 87.4 million (2021: pre-tax gain of RM 81.9 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	
	2022	2021	2022	2021
January	5,342.00	3,731.00	4,384.50	2,565.00
February	5,716.00	3,876.00	4,487.50	NT*
March	6,726.00	4,025.00	4,650.00	2,607.00
April	6,581.00	4,205.50	3,778.50	2,531.50
May	6,748.00	4,545.50	3,535.00	2,642.50
June	5,902.50	3,706.50	2,260.00	2,469.50
July	3,901.50	4,098.50	2,304.00	NT*
August	4,108.00	4,492.00	2,274.50	2,478.00
September	3,676.00	4,551.50	2,365.00	2,546.50

*NT = Non-trade

Table B: Output indicators, and comparison with industrial average

	3rd Quarter			Year to Date		
	2022	2021	% change	2022	2021	% change
FFB Production (mt)	87,521	85,255	2.7%	234,163	213,792	9.5%
FFB Yield (mt/hectare):						
The Group’s estates	4.71	4.92	-4.1%	12.61	12.33	2.3%
MPOB* Sabah average	3.96	4.27	-7.3%	10.81	11.35	-4.8%
CPO Closing Stock at Palm Oil Mills (mt)	6,903	8,917	-22.6%	6,903	8,917	-22.6%
Oil Extraction Rate:						
The Group’s palm oil mills	20.07%	19.90%	0.9%	19.70%	19.82%	-0.6%
MPOB* Sabah average	20.31%	20.80%	-2.4%	20.23%	20.46%	-1.1%

* - MPOB: Malaysian Palm Oil Board

The plantation division's Q3 2022 results are less favourable than Q3 2021 mainly due to falling average selling price in current quarter. Although the CPO prices are falling, the overall higher CPO prices throughout the year have cushioned the impact for the Group.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM 603.5 million (2021: RM 455.5 million) and generated a pre-tax gain of RM 26.7 million (2021: pre-tax gain of RM 10.7 million).

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	159,596	268,317	-41%
Cost of sales and services, including distribution	(174,641)	(211,446)	
	(15,045)	56,871	
Other income	8,129	10,126	
Administrative and other expenses	(362)	(5,770)	
Profit/(loss) before interest and taxation	(7,278)	61,227	-112%
Interest income	502	295	
Interest costs	(910)	(938)	
Profit/(loss) before taxation	(7,686)	60,584	-113%
Taxation	1,339	(17,935)	
Profit/(loss) after taxation	(6,347)	42,649	-115%
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	(6,368)	42,582	-115%
Non-Controlling Interests	21	67	
	(6,347)	42,649	-115%

Further deterioration of the CPO commodity prices and stock impairment in Q3 2022 has translated into pre-tax loss in the current quarter when compared to Q2 2022.

15. CURRENT YEAR PROSPECTS

Coming into Q3 2022, the edible oil market is still dealing with high CPO stockpiles. As such, it has triggered the fall in CPO prices which started in mid-June 2022 and subsequently continue into Q3 2022. With Malaysia stock level at 2.4 million tonnes in October 2022, the market saw the CPO commodity prices fall from its peak of RM8,076.50 on 2 Mar 2022 to RM 3,658.00 on 15 July 2022.

While on the local front, the shortage of labour and rise in production costs have been the prolonged challenge for Malaysian planters. With the new minimum wage of RM1,500 being implemented in the previous quarter, coupled with continuous hike in interest rates rise, the soaring diesel and raw material prices, the cost of production is expected to rise for the Group.

The Group acknowledges the operating environment in the final quarter 2022 will be a challenge with the falling CPO commodity prices, higher operational costs and seasonal monsoon period. Nevertheless, the Group is hopeful that the demand in vegetable oils globally and supply disruption during the monsoon season will stabilize the CPO commodity prices in the following quarters. Whilst expecting the Group's overall performance to maintain, the Group will take further steps in mitigating the sector related risks by controlling the costs, boosting the yield and productivity of the Group in the coming quarters.

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 30.09.2022 RM'000	9 months ended 30.09.2022 RM'000
Provision in respect of results for the current quarter/period	3,751	24,014
(Under) / Over provision for taxation in respect of previous years	(309)	(309)
Deferred tax (expense) / benefit	(4,781)	7,591
	(1,339)	31,296

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	Issued

	Department	
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>30.09.2022</u> RM'000	<u>As at</u> <u>31.12.2021</u> RM'000
Short term secured:		
Bankers' acceptances	31,040	75,000
Revolving credit	5,000	18,000
Term loans	3,640	2,627
Lease	297	574
	39,977	96,201
Long term secured:		
Term loans	35,817	15,210
Lease	3,660	3,853
	39,477	19,063
TOTAL BORROWINGS	79,454	115,264

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 2022 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	0	0	0
Palm oil futures contracts - less than 1 year	MYR	2,892	478	0
Olein price swap contracts - less than 1 year	USD	17,870	3,469	0

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

For the period ended 30 September 2022, 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 17 November 2022.

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

23. DIVIDENDS DECLARED

On 18 October 2022, the Company proposed an interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2022.

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

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

	<u>Quarter ended 30.09.2022</u>	<u>9 months ended 30.09.2022</u>
Weighted average number of shares in issue	2,312,025,064	2,318,758,660
Number of shares used in calculating diluted EPS	2,312,025,064	2,318,758,660
	<u>RM'000</u>	<u>RM'000</u>
Profit/(loss) after taxation from continuing operations	(6,347)	82,135
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(21)	(223)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	<u>(6,368)</u>	<u>81,912</u>
EPS:	<u>Sen</u>	<u>Sen</u>
- Basic	(0.28)	3.53
- Diluted	<u>(0.28)</u>	<u>3.53</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 2021 was not qualified.

26. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:

	Quarter ended <u>30.09.2022</u> RM'000	9 months Ended <u>30.09.2022</u> RM'000
Interest income	502	915
Other income, including investment income	6,670	21,064
Interest expense	910	2,873
Depreciation and amortization	11,925	36,102
Provision for and write-off of receivables	0	0
Realised foreign exchange gain/(loss)	1,426	4,034
Provision for and write-off of inventories	0	0
Gain/(loss) on disposal of quoted or unquoted investments or properties	0	0
Impairment of assets	0	0
Gain on disposal of subsidiary	27	1,334
Realised gain/(loss) on derivatives	4,420	0
Exceptional items	0	0

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 24 November 2022.

By Order of the Board,

LIM TSHUNG YU
Chief Operating Officer

24 November 2022