

KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 2022.

A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 31 March			3 months ended 31 March		
	2023	2022	Changes	2023	2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<u>CONTINUING OPERATIONS:-</u>						
Revenue	178,969	246,504	-27%	178,969	246,504	-27%
Cost of sales and services	(146,368)	(186,927)		(146,368)	(186,927)	
Gross profit	32,601	59,577	-45%	32,601	59,577	-45%
Selling and distribution costs	(107)	(47)		(107)	(47)	
	32,494	59,530		32,494	59,530	
Other income	5,185	8,185		5,185	8,185	
Administrative expenses	(3,589)	(3,697)		(3,589)	(3,697)	
Other expenses	(1,599)	(2,580)		(1,599)	(2,580)	
Profit/(loss) before interest and taxation	32,491	61,438	-47%	32,491	61,438	-47%
Finance income	222	119		222	119	
Finance costs	(721)	(1,024)		(721)	(1,024)	
Profit/(loss) before taxation	31,992	60,533	-47%	31,992	60,533	-47%
Taxation	(7,431)	(14,700)		(7,431)	(14,700)	
Profit/(loss) after taxation	24,561	45,833	-46%	24,561	45,833	-46%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	24,494	45,698	-46%	24,494	45,698	-46%
Non-Controlling Interests	67	135		67	135	
	24,561	45,833	-46%	24,561	45,833	-46%
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>						
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic EPS	1.06	1.97		1.06	1.97	
Diluted EPS	1.06	1.97		1.06	1.97	

B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 31 March			3 months ended 31 March		
	2023	2022	Changes	2023	2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	24,561	45,833	-46%	24,561	45,833	-46%
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)	24,561	45,833	-46%	24,561	45,833	-46%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	24,494	45,698	-46%	24,494	45,698	-46%
Non-Controlling Interests	67	135	-50%	67	135	-50%
	24,561	45,833	-46%	24,561	45,833	-46%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2023 RM'000	As at 31.12.2022 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	551,026	553,211
Biological assets	294	273
Intangible assets	42,777	42,777
Trade & other receivables	4,532	4,532
Deferred tax assets	17,716	20,470
Investment - Quoted Securities	10,249	4,622
CURRENT ASSETS		
Biological assets	7,686	7,766
Inventories	186,832	168,512
Receivables	95,470	85,502
Tax refundable	15,037	11,532
Derivatives	1,757	1,371
Cash and bank balances	106,617	124,283
	413,399	398,966
Assets of disposal group classified as held for sale	0	0
	413,399	398,966
CURRENT LIABILITIES		
Payables	60,498	60,275
Loans and borrowings	30,357	38,724
Derivatives	144	0
Dividend payable	0	0
Income tax payable	112	693
	91,111	99,692
Liabilities directly associated with disposal group classified as held for sale	0	0
	91,111	99,692
NET CURRENT ASSETS	322,288	299,274
NON-CURRENT LIABILITIES		
Loans and borrowings	37,575	38,553
Deferred taxation	75,478	75,254
	835,829	811,352
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	746,467
Reserves	(12,978)	(12,894)
Retained profits /(losses)	102,497	78,003
Reserve of disposal group classified as held for sale	0	0
	835,986	811,576
Equity attributable to non-controlling interests	(157)	(224)
	835,829	811,352
NET ASSETS PER SHARE	Sen 36.3	Sen 34.9

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 2023	746,467	(12,894)	78,003	811,576	(224)	811,352
Purchase of Treasury shares	0	(84)	0	(84)	0	(84)
Total Comprehensive Income/(loss) for the period	0	0	24,494	24,494	67	24,561
Dividend paid	0	0	0	0	0	0
Dividend paid to non-controlling interests	0	0	0	0	0	0
At 31 March 2023	746,467	(12,978)	102,497	835,986	(157)	835,829
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</u>						
At 1 January 2022	746,467	(619)	(6,997)	738,851	(315)	738,536
Purchase of treasury shares	0	(1,785)	0	(1,785)	0	(1,785)
Total Comprehensive Income/(loss) for the period	0	0	45,698	45,698	135	45,833
Dividend declared/paid	0	0	0	0	0	0
Dividend paid to non-controlling interests	0	0	0	0	0	0
At 31 March 2022	746,467	(2,404)	38,701	782,764	(180)	782,584

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 Mar	
	2023	2022
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	31,992	60,533
<u>Adjustments for:-</u>		
Depreciation and amortisation	11,422	11,934
Net fair value loss/ (gain) on biological assets	59	(207)
Interest income	(222)	(119)
Finance costs	721	1,024
Net loss / (gain) on disposal of assets	(65)	0
Unrealised loss/ (gain) on derivatives	(242)	(1,716)
Unrealised loss/ (gain) on foreign exchange	(5)	(90)
Provision for and write-off /(reversal) of inventories	(4,135)	0
Fixed assets written off	103	0
Fair value (gain)/loss on investment securities	(269)	0
Net loss / (gain) on disposal of subsidiary	0	(1,307)
Reversal of allowance for impairment of receivables	(14)	0
Changes in working capital	(23,916)	(7,696)
Income taxes paid, net of refunds	(8,541)	(7,862)
Interest received	222	119
Interest paid	(721)	(1,024)
	6,389	53,589
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,339)	(9,520)
Proceeds from disposal of property plant and equipment	65	139
Purchase of Quoted shares	(5,358)	0
Withdrawal/(placement) of fixed deposits of longer-term tenure	(4,000)	(4)
Proceeds from disposal of subsidiary	0	2,799
	(18,632)	(6,586)
Cash flows from financing activities		
Net drawdown/(repayment) of lease liabilities	(64)	(461)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	(9,281)	3,370
Repurchase of own share	(84)	(1,786)
Payment of dividends to shareholders	0	(23,263)
	(9,429)	(22,140)
Increase/(decrease) in cash and cash equivalents	(21,672)	24,863
Cash and cash equivalents at the beginning of the year	122,983	98,108
Cash and cash equivalents at the end of the period	101,311	122,971
Cash and cash equivalents comprise the following:		
Cash and bank balances	106,617	124,400
less: Fixed deposits with maturity of more than 3 months	(5,306)	(1,429)
	101,311	122,971

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 2022.

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

The interim financial statements of the Group for the financial period ended 31 March 2023 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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenant	1 January 2024
Amendments to FRS 10 and FRS 128: Sale or 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 140,000 ordinary shares from the open market for a total consideration of RM 84,236. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 31 March 2023, the number of treasury shares held was 22,832,300 ordinary shares.

6. PAYMENT OF DIVIDENDS

There were no dividends paid during the period under review.

7. SEGMENT REVENUE AND RESULTS FOR THE 3 MONTHS ENDED 31 MARCH 2023

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	22,974	155,995	0	178,969
Inter-segment revenue	66,839	0	(66,839)	0
	<u>89,813</u>	<u>155,995</u>	<u>(66,839)</u>	<u>178,969</u>
Segment results	<u>24,032</u>	<u>6,957</u>	<u>1,154</u>	<u>32,143</u>
Unallocated Items:-				
Other income				292
Corporate expenses				(443)
Finance costs				0
Profit/(loss) before taxation from continuing operations				<u>31,992</u>
Taxation				<u>(7,431)</u>
Profit/(loss) after taxation from continuing operations				<u>24,561</u>
<u>ASSETS:-</u>				
Segment assets	<u>672,720</u>	<u>341,633</u>		1,014,353
Unallocated assets/(liabilities)				25,640
Assets classified as held for sale				0
Total assets				<u>1,039,993</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 2023, 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 31.03.2023
	RM'000
Approved and contracted for	41,680
Approved but not contracted for	<u>54,115</u>
	<u>95,795</u>

10. SUBSEQUENT EVENTS

Subsequent to the end of the period under review, the investment in quoted securities have fallen due to volatility in the share market. The total investment in quoted securities are fair valued as RM7,560,652.50 at 26 May 2023.

11. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

On 5 November 2022, the Group initiated the final meeting to dissolve the following subsidiaries:

- a. KHB Development Sdn Bhd
- b. KHB Project Management Sdn Bhd
- c. KHB Properties Sdn Bhd

As of 20 February 2023, all these 3 entities have been dissolved.

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 2022.

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 2023, the Group achieved a total revenue of RM 179.0 million (2022: RM 246.5 million) and a pre-tax gain of RM 32.0 million (2022: pre-tax gain of RM 60.5 million).

Commentary on the performance of the operating segments of the Group for Q1 2023 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 89.8 million (2022: RM 150.7 million), and pre-tax gain of RM 24.0 million (2022: pre-tax gain of RM 45.0 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	
	2023	2022	2023	2022
January	3,883.50	5,342.00	1,890.00	4,384.50
February	3,899.00	5,716.00	NT	4,487.50
March	4,137.50	6,726.00	1,978.00	4,650.00

*NT = No trade

Table B: Output indicators, and comparison with industrial average

	1st Quarter			Year to Date		
	2023	2022	% change	2023	2022	% change
FFB Production (mt)	95,674	75,431	26.8%	95,674	75,431	26.8%
FFB Yield (mt/hectare):						
The Group's estates	5.60	4.18	34.0%	5.60	4.18	34.0%
MPOB* Sabah average	3.85	3.45	11.6%	3.85	3.45	11.6%
CPO Closing Stock at Palm Oil Mills (mt)	11,795	9,102	29.6%	11,795	9,102	29.6%
Oil Extraction Rate:						
The Group's palm oil mills	19.32%	19.12%	1.0%	19.32%	19.12%	1.0%
MPOB* Sabah average	20.08%	19.97%	0.6%	20.08%	19.97%	0.6%

* - MPOB: Malaysian Palm Oil Board

The plantation division's Q1 2023 results are mainly supported by higher FFB production. Such high FFB production has been able to reduce the impact of falling CPO prices during the start of the 2023.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM 156.0 million (2022: RM 216.5 million) and generated a pre-tax gain of RM 7.0 million (2022: pre-tax gain of RM 13.2 million).

The refinery division's Q1 2023 lower revenue and pre-tax gain when compared to Q1 2022 are mainly due to lower commodity prices and lower net margin generated from the sales of its products.

14. COMPARISON WITH THE PREVIOUS QUARTER'S RESULTS

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

	Current Quarter RM'000	Previous Quarter RM'000	Changes %
<u>CONTINUING OPERATIONS:-</u>			
Revenue	178,969	176,673	1%
Cost of sales and services, including distribution	(146,475)	(142,936)	
	32,494	33,737	
Other income	5,185	7,874	
Administrative and other expenses	(5,188)	(14,283)	
Profit/(loss) before interest and taxation	32,491	27,328	19%
Interest income	222	263	
Interest costs	(721)	(805)	
Profit/(loss) before taxation	31,992	26,786	19%
Taxation	(7,431)	(580)	
Profit from continuing operations, net of tax	24,561	26,206	-6%
Discontinued operation	0	4	
Profit/(loss) after taxation	24,561	26,210	-6%
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	24,494	26,146	-6%
Non-Controlling Interests	67	64	
	24,561	26,210	-6%

In Q4 2022, the profit before taxation was lower when compared to current quarter was mainly due to higher employee benefits expense, fair value loss on biological assets, realized loss in forward foreign exchange and palm oil future contracts. While for the lower taxation in Q4 2022, it was attributable to RM4.8 mil of deferred tax benefit relating to prior year unutilised losses being recognized in the period.

15. CURRENT YEAR PROSPECTS AND OUTLOOK

As the high commodity prices in 2021 and 2022 comes to an end, the World economy is facing another challenge of inflationary pressure. Monetary tightening by reserves banks around the world to curb inflation has subsequently slowed the global economy. The gloomy outlook of the economy exacerbated further by the recent Banking Crisis which has put further pressures on the commodity prices.

Apart from monetary tightening and Banking Crisis, other factors such as unpredictable policies from importing and exporting countries and increase demand of biodiesel from the energy sector will have an impact on global economies and commodity prices.

At the local front, labour shortage issue has been dealt with the introduction of more avenues in the recruitment of foreign workers. While for the rising production costs, it is hopeful that with the World market starts to regularize, the cost of the raw material will gradually fall in 2023 and subsequently will see lower production costs for the sector.

Despite all the uncertainties in the global economic outlook and volatility in commodity prices, the Group acknowledges 2023 will be a year of lower commodity prices, higher operating environment and unpredictable policy by government around the World.

Nevertheless, the Group is hopeful that with better yields, it can offset the falls in commodity prices in 2023. Whilst expecting the Group's overall performance in 2023 to remain healthy, the Group will take further steps in mitigating the sector related risks with prudent cost management, boosting 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 <u>31.03.2023</u> RM'000	3 months ended <u>31.03.2023</u> RM'000
Provision in respect of results for the current quarter/period	(4,453)	(4,453)
(Under) / Over provision for taxation in respect of previous years	0	0
Deferred tax (expense) / benefit	(2,978)	(2,978)
	<u>(7,431)</u>	<u>(7,431)</u>

19. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT YET COMPLETED

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

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

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

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

The status of the Conditions Precedent are as follows:

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

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

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

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

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

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

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

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

20. GROUP BORROWINGS

	As at 31.03.2023 RM'000	As at 31.12.2022 RM'000
Short term secured:		
Bankers' acceptances	26,622	20,050
Revolving credit	0	15,000
Term loans	3,472	3,416
Lease	263	258
	30,357	38,724
Long term secured:		
Term loans	34,049	34,958
Lease	3,526	3,595
	37,575	38,553
TOTAL BORROWINGS	67,932	77,277

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 2023 are as follows:

	<u>Currency</u>	<u>Contract/</u>	<u>Fair Value</u>	
		<u>Notional</u>	<u>Assets</u>	<u>Liabilities</u>
		<u>Amount</u>	<u>RM'000</u>	<u>RM'000</u>
		<u>'000</u>		
US Dollar forward contracts - less than 1 year	USD	0	0	0
Palm oil futures contracts - less than 1 year	MYR	7,052	285	0
Olein price swap contracts - less than 1 year	USD	6,461	334	0

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

For the period ended 31 March 2023, 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 22 May 2023.

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</u>	<u>3 months</u>
	<u>ended</u>	<u>ended</u>
	<u>31.03.2023</u>	<u>31.03.2023</u>
Weighted average number of shares in issue	2,304,839,946	2,304,839,946
Number of shares used in calculating diluted EPS	2,304,839,946	2,304,839,946
	<u>RM'000</u>	<u>RM'000</u>
Profit/(loss) after taxation from continuing operations	24,561	24,561
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(67)	(67)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	24,494	24,494
EPS:	<u>Sen</u>	<u>Sen</u>
- Basic	1.06	1.06
- Diluted	1.06	1.06

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 2022 was not qualified.

26. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:

	Quarter ended <u>31.03.2023</u> RM'000	3 months Ended <u>31.03.2023</u> RM'000
Interest income	(222)	(222)
Other income, including investment income	(2,909)	(2,909)
Interest expense	721	721
Depreciation and amortization	11,422	11,422
Realised foreign exchange loss/(gain)	594	594
Net provision/(reversal) of allowance for impairment of receivables	(14)	(14)
Provision for and write-off/(reversal) of inventories	(4,135)	(4,135)
Fair value loss/(gain) on investment securities	(269)	(269)
Loss/(gain) on disposal of quoted or unquoted investments or properties	0	0
Impairment of assets	0	0
Gain on disposal of subsidiary	0	0
Realised loss/(gain) on derivatives	(1,674)	(1,674)
Exceptional items	0	0

27. AUTHORISED FOR ISSUE

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Board on 29 May 2023.

By Order of the Board,

LIM TSHUNG YU
Chief Operating Officer

29 May 2023