

KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 Dec			12 months ended 31 Dec		
	2023	2022	Changes	2023	2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<u>CONTINUING OPERATIONS:-</u>						
Revenue	237,027	176,673	34%	784,290	851,090	-8%
Cost of sales and services	(200,500)	(142,936)		(674,827)	(715,920)	
Gross profit	36,527	33,737	8%	109,463	135,170	-19%
Selling and distribution costs	(100)	(152)		(336)	(229)	
	36,427	33,585		109,127	134,941	
Other income	34,974	7,882		52,835	34,323	
Administrative expenses	(6,715)	(7,520)		(17,596)	(18,966)	
Other expenses	196	(6,619)		(10,369)	(7,581)	
Profit/(loss) before interest and Taxation	64,882	27,328	137%	133,997	142,717	-6%
Finance income	871	263		2,239	1,178	
Finance costs	(959)	(805)		(3,475)	(3,678)	
Profit/(loss) before taxation	64,794	26,786	142%	132,761	140,217	-5%
Taxation	(8,736)	(580)		(24,306)	(31,876)	
Discontinued operation	0	4		0	4	
Profit/(loss) after taxation	56,058	26,210	114%	108,455	108,345	0%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	56,081	26,146	114%	108,339	108,058	0%
Non-Controlling Interests	(23)	64		116	287	
	56,058	26,210	114%	108,455	108,345	0%
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>						
	Sen	Sen		Sen	Sen	
Basic EPS	2.43	1.14		4.70	4.67	
Diluted EPS	2.43	1.14		4.70	4.67	

B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 31 Dec			12 months ended 31 Dec		
	2023	2022	Changes	2023	2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	56,058	26,210	114%	108,455	108,345	0%
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)	56,058	26,210	114%	108,455	108,345	0%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	56,081	26,146	114%	108,339	108,058	0%
Non-Controlling Interests	(23)	64	-136%	116	287	-60%
	56,058	26,210	114%	108,455	108,345	0%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	563,115	553,211
Biological assets	176	273
Intangible assets	42,777	42,777
Trade & other receivables	4,532	4,532
Deferred tax assets	17,076	20,470
Investment - Quoted Securities	88,481	4,622
CURRENT ASSETS		
Biological assets	6,179	7,766
Inventories	151,305	168,512
Receivables	102,544	85,502
Tax refundable	23,992	11,532
Derivatives	905	1,371
Cash and bank balances	126,023	124,283
	410,948	398,966
Assets of disposal group classified as held for sale	0	0
	410,948	398,966
CURRENT LIABILITIES		
Payables	56,208	60,275
Loans and borrowings	59,266	38,724
Derivatives	0	0
Dividend payable	0	0
Income tax payable	0	693
	115,474	99,692
Liabilities directly associated with disposal group classified as held for sale	0	0
	115,474	99,692
NET CURRENT ASSETS	295,474	299,274
NON-CURRENT LIABILITIES		
Loans and borrowings	34,814	38,553
Deferred taxation	80,335	75,254
	896,482	811,352
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	746,467
Reserves	(13,124)	(12,894)
Retained profits /(losses)	163,296	78,003
Reserve of disposal group classified as held for sale	0	0
	896,639	811,576
Equity attributable to non-controlling interests	(157)	(224)
	896,482	811,352
NET ASSETS PER SHARE	38.9	34.9

D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	EQUITY ATTRIBUTABLE TO:-					TOTAL EQUITY RM'000
	Shareholders of the Company			TOTAL RM'000	Non- controlling Interests 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	(230)	0	(230)	0	(230)
Total Comprehensive Income/(loss) for the period	0	0	108,339	108,339	116	108,455
Dividend declared/paid	0	0	(23,046)	(23,046)	0	(23,046)
Dividend paid to non-controlling interests	0	0	0	0	(49)	(49)
At 31 December 2023	746,467	(13,124)	163,296	896,639	(157)	896,482
<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	(12,275)	0	(12,275)	0	(12,275)
Total Comprehensive Income/(loss) for the period	0	0	108,058	108,058	287	108,345
Dividend declared/paid	0	0	(23,058)	(23,058)	0	(23,058)
Dividend paid to non-controlling interests	0	0	0	0	(196)	(196)
At 31 December 2022	746,467	(12,894)	78,003	811,576	(224)	811,352

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 31 Dec	
	2023	2022
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	132,761	140,217
Loss before tax from discontinued operation	0	(8)
<u>Adjustments for:-</u>		
Depreciation and amortisation	45,792	48,193
Net fair value loss/ (gain) on biological assets	1,684	4,121
Interest income	(2,239)	(1,178)
Finance costs	3,475	3,678
Net loss / (gain) on disposal of assets	(73)	(55)
Unrealised loss/ (gain) on derivatives	467	(3,725)
Unrealised loss/ (gain) on foreign exchange	(8)	(85)
Provision for and write-off /(reversal) of inventories	(8,713)	8,750
Fixed assets written off	946	114
Fair value (gain)/loss on investment securities	(37,214)	0
Loss/(gain) on disposal of investment securities	1,479	0
Net loss / (gain) on disposal of subsidiary	0	(1,334)
Net (gain)/loss on impairment of financial instruments	1,080	(8)
Reversal of allowance for impairment of receivables	(8)	0
Impairment loss on property, plant and equipment	1,538	0
Changes in working capital	3,739	637
Income taxes paid, net of refunds	(28,985)	(36,520)
Interest received	2,239	1,178
Interest paid	(3,475)	(3,678)
	114,485	160,297
Cash flows from investing activities		
Purchase of property, plant and equipment	(58,437)	(37,165)
Proceeds from disposal of property plant and equipment	331	194
Purchase of Quoted shares	(49,458)	(4,622)
Proceeds from disposal of Quoted shares	1,335	0
Withdrawal/(placement) of fixed deposits of longer-term tenure	1,306	125
Proceeds from disposal of subsidiary	0	2,826
	(104,923)	(38,642)
Cash flows from financing activities		
Net drawdown/(repayment) of lease liabilities	(258)	(574)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	17,061	(37,413)
Repurchase of own share	(230)	(12,275)
Payment of dividends to shareholders	(23,046)	(46,321)
Payment of dividends to non-controlling interests	(49)	(196)
	(6,522)	(96,779)
Increase/(decrease) in cash and cash equivalents	3,040	24,876
Cash and cash equivalents at the beginning of the year	122,983	98,107
Cash and cash equivalents at the end of the period	126,023	122,983
Cash and cash equivalents comprise the following:		
Cash and bank balances	126,023	124,283
less: Fixed deposits with maturity of more than 3 months	0	(1,300)
	126,023	122,983

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 December 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 except for the increase in quoted investments of RM46.7 million and the fair value gain arising from this investment of RM37.2 million as shown in Note 26.

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 379,400 ordinary shares from the open market for a total consideration of RM 230,367. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 31 December 2023, the number of treasury shares held was 23,071,700 ordinary shares.

6. PAYMENT OF DIVIDENDS

On 19 June 2023, the Company proposed an interim dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 December 2023 amounting to RM 23,045,554.35 which was paid on 21 July 2023.

7. SEGMENT REVENUE AND RESULTS FOR THE 12 MONTHS ENDED 31 DECEMBER 2023

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	89,075	695,215	0	784,290
Inter-segment revenue	381,339	0	(381,339)	0
	<u>470,414</u>	<u>695,215</u>	<u>(381,339)</u>	<u>784,290</u>
Segment results	<u>84,484</u>	<u>12,048</u>	<u>3,639</u>	<u>100,171</u>
Unallocated Items:-				
Other income				37,438
Other expenses				(1,479)
Corporate expenses				(3,369)
Finance costs				0
Profit/(loss) before taxation from continuing operations				<u>132,761</u>
Taxation				<u>(24,306)</u>
Profit/(loss) after taxation from continuing operations				<u>108,455</u>
<u>ASSETS:-</u>				
Segment assets	<u>655,664</u>	<u>367,071</u>		1,022,735
Unallocated assets/(liabilities)				104,370
Assets classified as held for sale				0
Total assets				<u>1,127,105</u>

The Group is organized into business units based on their products and services, and has two reportable operating segments as follows:

- The plantation and mill segment is in the business of cultivation and sales of oil palm products. This reportable segment has been formed by aggregating the fertilizer operating segment, which is regarded by management to be an integral part of the Group's plantation operations by reason of the quantity of the fertilizer segment's operating output that is used in the plantation operations.
- The refinery segment is in the business of refining and sales of crude palm oil and producing palm methyl ester.

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 December 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 31.12.2023
	RM'000
Approved and contracted for	85,763
Approved but not contracted for	<u>26,258</u>
	<u>112,021</u>

10. SUBSEQUENT EVENTS

Subsequent to the end of the period under review, the investment in quoted securities have dropped in the share market. The total investment in quoted securities are fair valued as RM 81,585,071 at 27 February 2024.

On 4 January 2024, the Company proposed a second interim dividend of 0.5 sen per ordinary share in respect of the financial year ending 31 December 2023 amounting to RM 11,522,776.97.

11. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

The Final Meeting to dissolve the following dormant companies of the Group was initiated on 5 November 2022:

- 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 12 months of 2023, the Group achieved a total revenue of RM 784.3 million (2022: RM 851.1 million) and a pre-tax gain of RM 132.8 million (2022: pre-tax gain of RM 140.2 million).

Commentary on the performance of the operating segments of the Group for Q4 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 470.4 million (2022: RM 562.7 million), and pre-tax gain of RM 84.5 million (2022: pre-tax gain of RM 113.7 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
April	4,116.50	6,581.00	1,939.50	3,778.50
May	3,755.00	6,748.00	1,921.00	3,535.00
June	3,510.00	5,902.50	1,823.00	2,260.00
July	3,871.50	3,901.50	1,876.50	2,238.00
August	3,796.00	4,108.00	1,980.00	2,274.50
September	3,706.50	3,676.00	1,866.00	2,365.00
October	3,629.00	3,679.00	1,823.50	2,058.50
November	3,675.50	4,049.50	1,857.00	1,986.50
December	3,604.00	3,928.00	1,815.00	1,981.00

*NT = No trade

Table B: Output indicators, and comparison with industrial average

	4th Quarter			Year to Date		
	2023	2022	% change	2023	2022	% change
FFB Production (mt)	101,809	107,789	-5.5%	381,346	341,952	11.5%
FFB Yield (mt/hectare):						
The Group's estates	5.53	5.81	-4.8%	20.71	18.42	12.4%
MPOB* Sabah average	4.59	4.60	-0.2%	16.39	15.40	6.4%
CPO Closing Stock at Palm Oil Mills (mt)	8,366	6,782	23.4%	8,366	6,782	23.4%
Oil Extraction Rate:						
The Group's palm oil mills	20.06%	20.18%	-0.6%	19.90%	19.84%	0.3%
MPOB* Sabah average	20.54%	20.31%	1.1%	20.40%	20.25%	0.7%

* - MPOB: Malaysian Palm Oil Board

Lower commodity prices are the primary cause of the plantation division's FY 2023 performance, which resulted in lower operating revenue and pre-tax gain as compared to FY 2022 performance.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM 695.2 million (2022: RM 751.2 million) and generated a pre-tax gain of RM 12.0 million (2022: pre-tax gain of RM 30.1 million).

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

Note: Compared to the first half of 2022, when commodity prices were unusually high and managed to create additional profit margin, the first half of 2023 has seen a gradual normalization of commodity prices and a significant decrease in the margin earned.

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	237,027	170,785	39%
Cost of sales and services, including distribution	(200,600)	(144,157)	
	36,427	26,628	
Other income	34,974	8,484	
Administrative and other expenses	(6,519)	(4,683)	
Profit/(loss) before interest and taxation	64,882	30,429	113%
Interest income	871	682	
Interest costs	(959)	(943)	
Profit/(loss) before taxation	64,794	30,168	115%
Taxation	(8,736)	(5,325)	
Profit from continuing operations, net of tax	56,058	24,843	126%
Discontinued operation	0	0	
Profit/(loss) after taxation	56,058	24,843	126%
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	56,081	24,813	126%
Non-Controlling Interests	(23)	30	
	56,058	24,843	126%

The significant improvement in Q4 2023 result is mainly due to fair value gain on investment securities of RM33.5 million.

15. CURRENT YEAR PROSPECTS AND OUTLOOK

The CPO prices fluctuated in Q4 2023, ranging from RM3,548/MT to RM3,846/MT, they were nevertheless under pressure from higher palm oil inventories in Malaysia as of December 2023 which is 2,290,793 mt. This has dimmed the outlook for commodity prices, along with the economy's bleak prognosis for Q4 2023.

However, the coming festive period and monsoon season in South East Asia in Q1 2024 will see a drawdown in palm oil stockpile. With such expectation of inventory drawdown, the market expects the CPO prices will strengthen in the near future. As of 16th February 2024, the CPO prices were traded around RM3,932.

While the costs of fertilizers, supplies, and spare parts have fallen from their peak, the cost of production in 2023 remains elevated and will take some time to normalize. The Management has worked to increase overall productivity and yield in order to offset increased production costs.

With CPO prices rebounded in Q1 2024, accompanied by Management efforts to produce higher yield results, the Group is optimistic and expects the Group's coming 2024 outlook will remain healthy. The Group will take additional steps in mitigating sector-related risks through prudent cost management, boosting yield and productivity in 2024.

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 31.12.2023 RM'000	12 months ended 31.12.2023 RM'000
Provision in respect of results for the current quarter/period	(4,245)	(16,388)
(Under) / Over provision for taxation in respect of previous years	283	557
Deferred tax (expense) / benefit	(4,774)	(8,475)
	<u>(8,736)</u>	<u>(24,306)</u>

The Group's Q4 tax expense on its Profit Before Tax is lower than the statutory tax rate due to fair value gain in quoted investments of RM33.5 million which is non-taxable. While for the 12 months' tax rate, it is lower due to net gain of RM37.2 million on quoted investments which is non-taxable as per page 13 note 26.

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 lessor) 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 <u>31.12.2023</u> RM'000	As at <u>31.12.2022</u> RM'000
Short term secured:		
Bankers' acceptances	52,522	20,050
Revolving credit	3,000	15,000
Term loans	3,444	3,416
Lease	300	258
	59,266	38,724
Long term secured:		
Term loans	31,519	34,958
Lease	3,295	3,595
	34,814	38,553
TOTAL BORROWINGS	94,080	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 December 2023 are as follows:

	<u>Currency</u>	Contract/ Notional <u>Amount</u> '000	Fair Value <u>Assets</u> RM'000	<u>Liabilities</u> RM'000
US Dollar forward contracts - less than 1 year	USD	0	0	0
Palm oil futures contracts - less than 1 year	MYR	25,521	325	0
Olein price swap contracts - less than 1 year	USD	6,994	580	0

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

For the period ended 31 December 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 FEBRUARY 2024.

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

23. DIVIDENDS DECLARED

On 19 June 2023, the Company proposed an interim dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 December 2023 amounting to RM 23,045,554.35.

24. EARNINGS/(LOSS) PER SHARE (“EPS”)

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

	Quarter ended <u>31.12.2023</u>	12 months ended <u>31.12.2023</u>
Weighted average number of shares in issue	2,304,555,435	2,304,675,761
Number of shares used in calculating diluted EPS	2,304,555,435	2,304,675,761
	<u>RM'000</u>	<u>RM'000</u>
Profit/(loss) after taxation from continuing operations	56,058	108,455
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	23	(116)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	<u>56,081</u>	<u>108,339</u>
EPS:	<u>Sen</u>	<u>Sen</u>
- Basic	2.43	4.70
- Diluted	<u>2.43</u>	<u>4.70</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 2022 was not qualified.

26. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:

	Quarter ended <u>31.12.2023</u>	12 months Ended <u>31.12.2023</u>
	<u>RM'000</u>	<u>RM'000</u>
Interest income	(871)	(2,239)
Other income, including investment income	(1,719)	(11,880)
Interest expense	959	3,475
Depreciation and amortization	11,608	45,792
Realised foreign exchange loss/(gain)	1,969	2,206
Net provision/(reversal) of allowance for impairment of receivables	(3,961)	1,072
Provision for and write-off/(reversal) of inventories	1,063	(8,713)
Fair value loss/(gain) on investment securities	(33,504)	(37,214)
Loss/(gain) on disposal of quoted or unquoted investments or properties	0	1,479
Impairment of assets	1,538	1,538
Loss/ (gain) on disposal of subsidiary	0	0
Realised loss/(gain) on derivatives	(1,017)	(2,607)
Exceptional items	<u>0</u>	<u>0</u>

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 28 February 2024.

By Order of the Board,

DATUK LIM NYUK SANG @ FREDDY LIM
Chief Executive Officer

28 February 2024