

KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

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 2023.

A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 31 Mar			3 months ended 31 Mar		
	2024	2023	Changes	2024	2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<u>CONTINUING OPERATIONS:-</u>						
Revenue	176,019	178,969	-2%	176,019	178,969	-2%
Cost of sales and services	(158,104)	(146,368)		(158,104)	(146,368)	
Gross profit	17,915	32,601	-45%	17,915	32,601	-45%
Selling and distribution costs	(95)	(107)		(95)	(107)	
	17,820	32,494		17,820	32,494	
Other income	10,723	5,185		10,723	5,185	
Administrative expenses	(4,325)	(3,589)		(4,325)	(3,589)	
Other expenses	(3,949)	(1,599)		(3,949)	(1,599)	
Profit/(loss) before interest and Taxation	20,269	32,491	-38%	20,269	32,491	-38%
Finance income	1,124	222		1,124	222	
Finance costs	(975)	(721)		(975)	(721)	
Profit/(loss) before taxation	20,418	31,992	-36%	20,418	31,992	-36%
Taxation	(3,997)	(7,431)		(3,997)	(7,431)	
Discontinued operation	0	0		0	0	
Profit/(loss) after taxation	16,421	24,561	-33%	16,421	24,561	-33%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	16,392	24,494	-33%	16,392	24,494	-33%
Non-Controlling Interests	29	67		29	67	
	16,421	24,561	-33%	16,421	24,561	-33%
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>						
	Sen	Sen		Sen	Sen	
Basic EPS	0.71	1.06		0.71	1.06	
Diluted EPS	0.71	1.06		0.71	1.06	

B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 31 Mar			3 months ended 31 Mar		
	2024	2023	Changes	2024	2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	16,421	24,561	-33%	16,421	24,561	-33%
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)	16,421	24,561	-33%	16,421	24,561	-33%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	16,392	24,494	-33%	16,392	24,494	-33%
Non-Controlling Interests	29	67	-57%	29	67	-57%
	16,421	24,561	-33%	16,421	24,561	-33%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	561,151	563,115
Biological assets	110	176
Intangible assets	42,777	42,777
Inventories	3,156	3,156
Trade & other receivables	4,532	4,532
Deferred tax assets	16,075	17,076
Investment - Quoted Securities	96,246	88,481
CURRENT ASSETS		
Biological assets	6,449	6,179
Inventories	141,007	150,948
Receivables	109,514	99,622
Tax refundable	27,969	23,992
Derivatives	0	904
Cash and bank balances	128,024	126,024
	412,963	407,669
Assets of disposal group classified as held for sale	0	0
	412,963	407,669
CURRENT LIABILITIES		
Payables	61,357	56,085
Loans and borrowings	58,183	59,266
Derivatives	1,966	0
Dividend payable	0	0
Income tax payable	0	0
	121,506	115,351
Liabilities directly associated with disposal group classified as held for sale	0	0
	121,506	115,351
NET CURRENT ASSETS	291,457	292,318
NON-CURRENT LIABILITIES		
Loans and borrowings	33,832	34,814
Deferred taxation	80,292	80,335
	901,380	896,482
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	746,467
Reserves	(13,124)	(13,124)
Retained profits /(losses)	168,165	163,296
Reserve of disposal group classified as held for sale	0	0
	901,508	896,639
Equity attributable to non-controlling interests	(128)	(157)
	901,380	896,482
NET ASSETS PER SHARE	39.1	38.9

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 2024	746,467	(13,124)	163,296	896,639	(157)	896,482
Purchase of Treasury shares	0	0	0	0	0	0
Total Comprehensive Income/(loss) for the period	0	0	16,392	16,392	29	16,421
Dividend declared/paid	0	0	(11,523)	(11,523)	0	(11,523)
Dividend paid to non-controlling interests	0	0	0	0	0	0
At 31 March 2024	746,467	(13,124)	168,165	901,508	(128)	901,380
<u>PREVIOUS YEAR CORRESPONDING PERIOD:</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 declared/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

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31 Mar	
	2024	2023
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	20,418	31,992
Loss before tax from discontinued operation	0	0
<u>Adjustments for:-</u>		
Depreciation and amortisation	11,606	11,422
Net fair value loss/ (gain) on biological assets	(204)	59
Interest income	(1,124)	(222)
Finance costs	975	721
Net loss / (gain) on disposal of assets	(118)	(65)
Unrealised loss/ (gain) on derivatives	2,871	(242)
Unrealised loss/ (gain) on foreign exchange	3	(5)
Provision for and write-off / (reversal) of inventories	(1,135)	(4,135)
Fixed assets written off	54	103
Fair value (gain)/loss on investment securities	(3,629)	(269)
Loss/(gain) on disposal of investment securities	0	0
Net loss / (gain) on disposal of subsidiary	0	0
Net (gain)/loss on impairment of financial instruments	0	0
Reversal of allowance for impairment of receivables	(2)	(14)
Impairment loss on property, plant and equipment	0	0
Changes in working capital	6,455	(23,916)
Income taxes paid, net of refunds	(7,017)	(8,541)
Interest received	1,124	222
Interest paid	(975)	(721)
	29,302	6,389
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,696)	(9,339)
Proceeds from disposal of property plant and equipment	118	65
Purchase of Quoted shares	(4,137)	(5,358)
Proceeds from disposal of Quoted shares	0	0
Withdrawal/(placement) of fixed deposits of longer-term tenure	0	(4,000)
Proceeds from disposal of subsidiary	0	0
	(13,715)	(18,632)
Cash flows from financing activities		
Net drawdown/(repayment) of lease liabilities	(69)	(64)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	(1,995)	(9,281)
Repurchase of own share	0	(84)
Payment of dividends to shareholders	(11,523)	0
Payment of dividends to non-controlling interests	0	0
	(13,587)	(9,429)
Increase/(decrease) in cash and cash equivalents	2,000	(21,672)
Cash and cash equivalents at the beginning of the year	126,024	122,983
Cash and cash equivalents at the end of the period	128,024	101,311
Cash and cash equivalents comprise the following:		
Cash and bank balances	128,024	106,617
less: Fixed deposits with maturity of more than 3 months	0	(5,306)
	128,024	101,311

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 2023.

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

The interim financial statements of the Group for the financial period ended 31 March 2024 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 121 – Lack of exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 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

As at 31 March 2024, the number of treasury shares held was 23,071,700 shares as there were no share buy-back nor any cancellation, re-sale or distribution of treasury shares in the current quarter.

6. PAYMENT OF DIVIDENDS

On 4 January 2024, the Company proposed a second interim dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2023 amounting to RM 11,522,776.97 which was paid on 5 February 2024.

7. SEGMENT REVENUE AND RESULTS FOR THE 3 MONTHS ENDED 31 MARCH 2024

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	15,818	160,201	0	176,019
Inter-segment revenue	90,416	0	(90,416)	0
	<u>106,234</u>	<u>160,201</u>	<u>(90,416)</u>	<u>176,019</u>
Segment results	<u>14,142</u>	<u>4,239</u>	<u>(916)</u>	<u>17,465</u>
Unallocated Items:-				
Other income				3,670
Other expenses				0
Corporate expenses				(717)
Finance costs				0
Profit/(loss) before taxation from continuing operations				20,418
Taxation				(3,997)
Profit/(loss) after taxation from continuing operations				<u>16,421</u>
<u>ASSETS:-</u>				
Segment assets	<u>674,562</u>	<u>360,018</u>		1,034,580
Unallocated assets/(liabilities)				102,430
Assets classified as held for sale				0
Total assets				<u>1,137,010</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 March 2024, 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 31.03.2024
	RM'000
Approved and contracted for	34,045
Approved but not contracted for	<u>63,325</u>
	<u>97,370</u>

10. SUBSEQUENT EVENTS

Subsequent to the end of the period under review, the investment in quoted securities have increased in the share market. The total investment in quoted securities are fair valued as RM 117,482,085 at 24 May 2024.

11. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

During the period under review, there were no significant changes in the composition of the Group including acquisitions or disposal of subsidiaries and 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 2023.

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 2024, the Group achieved a total revenue of RM 176.0 million (2023: RM 179.0 million) and a pre-tax gain of RM 20.4 million (2023: pre-tax gain of RM 32.0 million).

Commentary on the performance of the operating segments of the Group for Q1 2024 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 106.2 million (2023: RM 89.8 million), and pre-tax gain of RM 14.1 million (2023: pre-tax gain of RM 24.0 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	
	2024	2023	2024	2023
January	3,772.00	3,883.50	1,848.00	1,890.00
February	3,921.00	3,899.00	2,053.00	NT
March	4,197.50	4,137.50	2,107.50	1,978.00
April	4,255.00	4,116.50	2,390.00	1,939.50
May	-	3,755.00	-	1,921.00
June	-	3,510.00	-	1,823.00
July	-	3,871.50	-	1,876.50
August	-	3,796.00	-	1,980.00
September	-	3,706.50	-	1,866.00
October	-	3,629.00	-	1,823.50
November	-	3,675.50	-	1,857.00
December	-	3,604.00	-	1,815.00

*NT = No trade

Table B: Output indicators, and comparison with industrial average

	1st Quarter			Year to Date		
	2024	2023	% change	2024	2023	% change
FFB Production (mt)	75,917	95,674	-20.7%	75,917	95,674	-20.7%
FFB Yield (mt/hectare):						
The Group's estates	4.26	5.60	-23.9%	4.26	5.60	-23.9%
MPOB* Sabah average	3.55	3.86	-8.0%	3.55	3.86	-8.0%
CPO Closing Stock at Palm Oil Mills (mt)	5,848	11,795	-50.4%	5,848	11,795	-50.4%
Oil Extraction Rate:						
The Group's palm oil mills	20.02%	19.32%	3.6%	20.02%	19.32%	3.6%
MPOB* Sabah average	20.31%	20.08%	1.1%	20.31%	20.08%	1.1%

* - MPOB: Malaysian Palm Oil Board

The operating revenue in the current quarter was higher when compared to the corresponding quarter last year due to higher CPO sales. This was observed in the significant decline in the closing stock at the end of the quarter by 50% when comparing the two quarters. The plantation division's pre-tax gain has declined in the current quarter when compared to

the last corresponding quarter due to decrease in margin resulted from the overall decline in FFB production volume by 20%.

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM 160.2 million (2023: RM 156.0 million) and generated a pre-tax gain of RM 4.2 million (2023: pre-tax gain of RM 7.0 million).

The refinery division's pre-tax gain for the FY 2024 was lower when compared with FY 2023 is mainly due to 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	Previous Quarter	Changes
	RM'000	RM'000	%
<u>CONTINUING OPERATIONS:-</u>			
Revenue	176,019	237,027	-26%
Cost of sales and services, including distribution	(158,199)	(200,401)	
	17,820	36,626	
Other income	10,723	33,151	
Administrative and other expenses	(8,274)	(4,895)	
Profit/(loss) before interest and taxation	20,269	64,882	-69%
Interest income	1,124	871	
Interest costs	(975)	(959)	
Profit/(loss) before taxation	20,418	64,794	-68%
Taxation	(3,997)	(8,736)	
Profit from continuing operations, net of tax	16,421	56,058	-71%
Discontinued operation	0	0	
Profit/(loss) after taxation	16,421	56,058	-71%
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	16,392	56,081	-71%
Non-Controlling Interests	29	(23)	
	16,421	56,058	-71%

In Q1 2024, the profit before taxation was lower compared to previous quarter mainly attributable to the lower production volume. In additions, the fair value gain on investment securities for the quarter is RM 3.6 million as compared to RM 33.5 million in the previous corresponding quarter.

15. CURRENT YEAR PROSPECTS AND OUTLOOK

The CPO prices fluctuated in Q1 2024, ranging from RM3,622/MT to RM4,376/MT correspond with the change in palm oil inventories in Malaysia from 2,290,793 MT in December 2023 to 1,712,719 MT in March 2024. The CPO experienced increase in price during the quarter due to lower-than-expected production in Malaysia and Indonesia.

However, with the anticipated recovery in the production from the next quarter onwards, the CPO price is expected to be subdued below the RM4,000/MT. As of 17th May 2024, the CPO prices were traded around RM 3,888/MT. Going forward, CPO prices is expected to continue fluctuating throughout 2024 following the impact from the dry season this May to September, speculation on potential US interest rate cuts and the development in the Chinese economy which will influence the equity and commodity prices.

Based on the current palm oil price and Management's efforts to improve the Group performance, 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 <u>31.03.2024</u> RM'000	3 months ended <u>31.03.2024</u> RM'000
Provision in respect of results for the current quarter/period	(3,040)	(3,040)
(Under) / Over provision for taxation in respect of previous years	0	0
Deferred tax (expense) / benefit	(957)	(957)
	<u>(3,997)</u>	<u>(3,997)</u>

The Group's Q1 tax expense on its Profit Before Tax is lower than the statutory tax rate due to fair value gain in quoted investments of RM3.6 million which is non-taxable.

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-	Done

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

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

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

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

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

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

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

20. GROUP BORROWINGS

	<u>As at</u> <u>31.03.2024</u> RM'000	<u>As at</u> <u>31.12.2023</u> RM'000
Short term secured:		
Bankers' acceptances	42,388	52,522
Revolving credit	12,000	3,000
Term loans	3,486	3,444
Lease	309	300
	58,183	59,266
Long term secured:		
Term loans	30,615	31,519
Lease	3,217	3,295
	33,832	34,814
TOTAL BORROWINGS	92,015	94,080

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 2024 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	2,516	0	60
Palm oil futures contracts - less than 1 year	MYR	18,397	0	1,906
Olein price swap contracts - less than 1 year	USD	0	0	0

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

For the period ended 31 March 2024, 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 27 May 2024.

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

23. DIVIDENDS DECLARED

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.

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

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

	<u>Quarter ended 31.03.2024</u>	<u>3 months ended 31.03.2024</u>
Weighted average number of shares in issue	2,304,555,435	2,304,555,435
Number of shares used in calculating diluted EPS	2,304,555,435	2,304,555,435
	<u>RM'000</u>	<u>RM'000</u>
Profit/(loss) after taxation from continuing operations	16,421	16,421
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(29)	(29)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	16,392	16,392
EPS:	<u>Sen</u>	<u>Sen</u>
- Basic	0.71	0.71
- Diluted	0.71	0.71

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 2023 was not qualified.

26. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:

	Quarter ended <u>31.03.2024</u> RM'000	3 months Ended <u>31.03.2024</u> RM'000
Interest income	(1,124)	(1,124)
Other income, including investment income	(3,987)	(3,987)
Interest expense	975	975
Depreciation and amortization	11,606	11,606
Realised foreign exchange loss/(gain)	(2,067)	(2,067)
Net provision/(reversal) of allowance for impairment of receivables	(2)	(2)
Provision for and write-off/(reversal) of inventories	(1,135)	(1,135)
Fair value loss/(gain) on investment securities	(3,629)	(3,629)
Loss/(gain) on disposal of quoted or unquoted investments or properties	0	0
Impairment of assets	0	0
Loss/ (gain) on disposal of subsidiary	0	0
Realised loss/(gain) on derivatives	2,570	2,570
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 27 May 2024.

By Order of the Board,

LIM TSHUNG YU
Chief Operating Officer

27 May 2024