

# KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

## INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 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 30 June			6 months ended 30 June		
	2024	2023	Changes	2024	2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b><u>CONTINUING OPERATIONS:-</u></b>						
Revenue	160,328	197,509	-19%	336,347	376,478	-11%
Cost of sales and services	(134,941)	(183,873)		(293,045)	(330,241)	
Gross profit	25,387	13,636	86%	43,302	46,237	-6%
Selling and distribution costs	(88)	(59)		(183)	(166)	
	25,299	13,577		43,119	46,071	
Other income	19,681	4,192		30,404	9,377	
Administrative expenses	(4,524)	(3,570)		(8,849)	(7,159)	
Other expenses	329	(8,003)		(3,620)	(9,602)	
<b>Profit/(loss) before interest and Taxation</b>	<b>40,785</b>	<b>6,196</b>	<b>558%</b>	<b>61,054</b>	<b>38,687</b>	<b>58%</b>
Finance income	1,163	464		2,287	686	
Finance costs	(965)	(853)		(1,940)	(1,574)	
<b>Profit/(loss) before taxation</b>	<b>40,983</b>	<b>5,807</b>	<b>606%</b>	<b>61,401</b>	<b>37,799</b>	<b>62%</b>
Taxation	(5,702)	(2,814)		(9,698)	(10,245)	
Discontinued operation	0	0		0	0	
<b>Profit/(loss) after taxation</b>	<b>35,281</b>	<b>2,993</b>	<b>1079%</b>	<b>51,703</b>	<b>27,554</b>	<b>88%</b>
<b>Profit/(loss) after taxation attributable to:-</b>						
Shareholders of the Company	35,234	2,951	1094%	51,627	27,445	88%
Non-Controlling Interests	47	42		76	109	
	<b>35,281</b>	<b>2,993</b>	<b>1079%</b>	<b>51,703</b>	<b>27,554</b>	<b>88%</b>
<b><u>EARNINGS/(LOSS) PER SHARE (EPS):-</u></b>						
	<b><u>Sen</u></b>	<b><u>Sen</u></b>		<b><u>Sen</u></b>	<b><u>Sen</u></b>	
Basic EPS	1.53	0.13		2.24	1.19	
Diluted EPS	1.53	0.13		2.24	1.19	

**B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 June			6 months ended 30 June		
	2024	2023	Changes	2024	2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Profit/(loss) after taxation</b>	<b>35,281</b>	<b>2,993</b>	<b>1079%</b>	<b>51,703</b>	<b>27,554</b>	<b>88%</b>
Other Comprehensive Income (OCI)	0	0		0	0	
Income tax relating to components of OCI	0	0		0	0	
<b>Other Comprehensive Income net of tax</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	
<b>Total Comprehensive Income/(loss)</b>	<b>35,281</b>	<b>2,993</b>	<b>1079%</b>	<b>51,703</b>	<b>27,554</b>	<b>88%</b>
<b>Total Comprehensive Income/(loss) attributable to:-</b>						
Shareholders of the Company	35,234	2,951	1094%	51,627	27,445	88%
Non-Controlling Interests	47	42	12%	76	109	-30%
	<b>35,281</b>	<b>2,993</b>	<b>1079%</b>	<b>51,703</b>	<b>27,554</b>	<b>88%</b>

**C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 30.06.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	565,403	563,115
Biological assets	65	176
Intangible assets	42,777	42,777
Inventories	3,252	3,156
Trade & other receivables	4,532	4,532
Deferred tax assets	14,183	17,076
Investment - Quoted Securities	113,102	88,481
<b>CURRENT ASSETS</b>		
Biological assets	5,814	6,179
Inventories	144,685	150,948
Receivables	76,890	99,622
Tax refundable	31,216	23,992
Derivatives	33	904
Cash and bank balances	150,435	126,024
	409,073	407,669
Assets of disposal group classified as held for sale	0	0
	409,073	407,669
<b>CURRENT LIABILITIES</b>		
Payables	49,631	56,085
Loans and borrowings	52,928	59,266
Derivatives	380	0
Dividend payable	0	0
Income tax payable	0	0
	102,939	115,351
Liabilities directly associated with disposal group classified as held for sale	0	0
	102,939	115,351
<b>NET CURRENT ASSETS</b>	306,134	292,318
<b>NON-CURRENT LIABILITIES</b>		
Loans and borrowings	32,890	34,814
Deferred taxation	80,553	80,335
	936,005	896,482
<b>EQUITY</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	746,467	746,467
Reserves	(13,781)	(13,124)
Retained profits /(losses)	203,400	163,296
Reserve of disposal group classified as held for sale	0	0
	936,086	896,639
<b>Equity attributable to non-controlling interests</b>	(81)	(157)
	936,005	896,482
<b>NET ASSETS PER SHARE</b>	<b>40.6</b>	<b>38.9</b>

**D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	EQUITY ATTRIBUTABLE TO:-					TOTAL EQUITY RM'000
	Shareholders of the Company			TOTAL	Non- controlling Interests	
	Share Capital	Treasury Shares	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b><u>CURRENT YEAR TO DATE:</u></b>						
At 1 January 2024	746,467	(13,124)	163,296	896,639	(157)	896,482
Purchase of Treasury shares	0	(657)	0	(657)	0	(657)
Total Comprehensive Income/(loss) for the period	0	0	51,627	51,627	76	51,703
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 30 June 2024	746,467	(13,781)	203,400	936,086	(81)	936,005
<b><u>PREVIOUS YEAR CORRESPONDING PERIOD:</u></b>						
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	27,445	27,445	109	27,554
Dividend declared/paid	0	0	(23,046)	(23,046)	0	(23,046)
Dividend paid to non-controlling interests	0	0	0	0	0	0
At 30 June 2023	746,467	(13,124)	82,402	815,745	(115)	815,630

**E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation from continuing operations	61,401	37,799
Loss before tax from discontinued operation	0	0
<u>Adjustments for:-</u>		
Depreciation and amortisation	23,285	22,598
Net fair value loss/ (gain) on biological assets	476	473
Interest income	(2,287)	(686)
Finance costs	1,940	1,574
Net loss / (gain) on disposal of assets	(118)	(65)
Unrealised loss/ (gain) on derivatives	1,252	1,938
Unrealised loss/ (gain) on foreign exchange	3	(5)
Provision for and write-off / (reversal) of inventories	(1,105)	(1,163)
Fixed assets written off	381	279
Fair value (gain)/loss on investment securities	(20,484)	4,551
Loss/(gain) on disposal of investment securities	0	1,479
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	(870)	(14)
Impairment loss on property, plant and equipment	0	0
Changes in working capital	24,413	5,319
Income taxes paid, net of refunds	(13,811)	(14,353)
Interest received	2,287	686
Interest paid	(1,940)	(1,574)
	<b>74,823</b>	<b>58,836</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(25,953)	(22,887)
Proceeds from disposal of property plant and equipment	118	65
Purchase of Quoted shares	(4,137)	(22,454)
Proceeds from disposal of Quoted shares	0	1,335
Withdrawal/(placement) of fixed deposits of longer-term tenure	0	(3,500)
Proceeds from disposal of subsidiary	0	0
	<b>(29,972)</b>	<b>(47,441)</b>
<b>Cash flows from financing activities</b>		
Net drawdown/(repayment) of lease liabilities	(145)	(128)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	(8,116)	27,078
Repurchase of own share	(656)	(230)
Payment of dividends to shareholders	(11,523)	0
Payment of dividends to non-controlling interests	0	0
	<b>(20,440)</b>	<b>26,720</b>
Increase/(decrease) in cash and cash equivalents	24,411	38,115
Cash and cash equivalents at the beginning of the year	126,024	122,983
Cash and cash equivalents at the end of the period	<b>150,435</b>	<b>161,098</b>
Cash and cash equivalents comprise the following:		
Cash and bank balances	150,435	165,904
less: Fixed deposits with maturity of more than 3 months	0	(4,806)
	<b>150,435</b>	<b>161,098</b>

**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 30 June 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:

<b>MFRS, IC Interpretation and Amendments to IC Interpretations</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 121 - Lack of exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
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**

During the current financial year to date, the Company repurchased 1,086,700 ordinary shares from the open market for a total consideration of RM 656,489. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 June 2024, the number of treasury shares held was 24,158,400 ordinary shares.

**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 6 MONTHS ENDED 30 JUNE 2024

	<b>Plantation &amp; Mill</b>	<b>Refinery</b>	<b>Elimination</b>	<b>TOTAL</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>REVENUES AND RESULTS:-</u></b>				
Segment Revenue – external	34,270	302,077	0	336,347
Inter-segment revenue	177,533	0	(177,533)	0
	<u>211,803</u>	<u>302,077</u>	<u>(177,533)</u>	<u>336,347</u>
Segment results	<u>31,626</u>	<u>12,631</u>	<u>(2,120)</u>	<u>42,137</u>
Unallocated Items:-				
Other income				20,904
Other expenses				0
Corporate expenses				(1,640)
Finance costs				0
Profit/(loss) before taxation from continuing operations				61,401
Taxation				(9,698)
Profit/(loss) after taxation from continuing operations				<u>51,703</u>
<b><u>ASSETS:-</u></b>				
Segment assets	<u>681,378</u>	<u>350,721</u>		1,032,099
Unallocated assets/(liabilities)				120,288
Assets classified as held for sale				0
Total assets				<u>1,152,387</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 30 June 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:

	<b>As at 30.06.2024</b>
	<b>RM'000</b>
Approved and contracted for	31,591
Approved but not contracted for	<u>54,478</u>
	<u><b>86,069</b></u>

During the Board of Directors' meeting in June 2024 and subsequently through board resolution, an additional investment in quoted securities has been approved for the amount of RM40.98 million.

## 10. SUBSEQUENT EVENTS

The Group increased its shareholdings in a quoted investment by exercising its warrants and converting to ordinary shares at the cost of RM40.98 million. The fair value of the quoted investments in securities including the additional investments is at RM 131,174,950 as at 28 August 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 6 months of 2024, the Group achieved a total revenue of RM 336.3 million (2023: RM 376.5 million) and a pre-tax gain of RM 61.4 million (2023: pre-tax gain of RM 37.8 million).

Commentary on the performance of the operating segments of the Group for Q2 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 211.8 million (2023: RM 214.8 million), and pre-tax gain of RM 31.6 million (2023: pre-tax gain of RM 41.9 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	
	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	3,905.50	3,755.00	NT	1,921.00
June	3,947.00	3,510.00	2,290.00	1,823.00
July	4,029.00	3,871.50	2,393.50	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

	2nd Quarter			Year to Date		
	2024	2023	% change	2024	2023	% change
<b>FFB Production (mt)</b>	76,025	85,306	-10.9%	151,943	180,980	-16.0%
<b>FFB Yield (mt/hectare):</b>						
The Group's estates	4.32	4.63	-6.6%	8.58	9.83	-12.7%
MPOB* Sabah average	3.72	3.75	-0.8%	7.28	7.61	-4.3%
<b>CPO Closing Stock at Palm Oil Mills (mt)</b>	4,817	10,256	-53.0%	4,817	10,256	-53.0%
<b>Oil Extraction Rate:</b>						
The Group's palm oil mills	20.47%	20.33%	0.7%	20.24%	19.84%	2.0%
MPOB* Sabah average	20.44%	20.51%	-0.3%	20.37%	20.29%	0.4%

\* - MPOB: Malaysian Palm Oil Board

The operating revenue in the current period is only slightly lower when compared to the corresponding period last year despite a 16% decline in FFB production volume. The decline is due to being offset by the following:

- Higher average selling prices of CPO and PK as shown in Table A.
- Reduction in CPO closing stock as observed in Table B showing decline by 53%.



The plantation division's pre-tax gain has declined in the current period when compared to the last corresponding period due to decline in margin resulting from the following:

- a) Decrease in FFB, CPO and PK production volume
- b) Operating and processing costs for this period only drop marginally

**(b) Refinery**

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM 302.1 million (2023: RM 330.6 million) and generated a pre-tax gain of RM 12.6 million (2023: pre-tax loss of RM 0.9 million).

The refinery division's operating revenue in the current period is lower when compared to the corresponding period mainly due to decline in the CPO sales volume.

The refinery division's pre-tax gain for the period is higher when compared with the corresponding period due to the following:

- a) Better margin generated from PME sales resulting from overall lower cost of sales.
- b) During FY2023 period, significant decline in the commodity prices have resulted in impairment on inventories being provided during the period.

**14. COMPARISON WITH THE PREVIOUS QUARTER'S RESULTS**

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

	<b>Current Quarter RM'000</b>	<b>Previous Quarter RM'000</b>	<b>Changes %</b>
<b><u>CONTINUING OPERATIONS:-</u></b>			
Revenue	160,328	176,019	-9%
Cost of sales and services, including distribution	(135,029)	(158,199)	
	25,299	17,820	
Other income	19,681	10,723	
Administrative and other expenses	(4,195)	(8,274)	
<b>Profit/(loss) before interest and taxation</b>	<b>40,785</b>	<b>20,269</b>	<b>101%</b>
Interest income	1,163	1,124	
Interest costs	(965)	(975)	
<b>Profit/(loss) before taxation</b>	<b>40,983</b>	<b>20,418</b>	<b>101%</b>
Taxation	(5,702)	(3,997)	
Profit from continuing operations, net of tax	35,281	16,421	115%
Discontinued operation	0	0	
<b>Profit/(loss) after taxation</b>	<b>35,281</b>	<b>16,421</b>	<b>115%</b>
<b>Profit/(loss) after taxation attributable to:</b>			
Shareholders of the Company	35,234	16,392	115%
Non-Controlling Interests	47	29	
	<b>35,281</b>	<b>16,421</b>	<b>115%</b>

In Q2 2024, the profit before taxation was higher compared to previous quarter mainly attributable to the higher net margin generated from the sales of its products resulting from the following:

- a) Higher average selling price for CPO, PK and PME
- b) Lower unit cost of production for PME

In additions, the fair value gain on investment securities for the quarter is RM 16.8 million as compared to RM 3.6 million in the previous corresponding quarter.

## 15. CURRENT YEAR PROSPECTS AND OUTLOOK

The CPO prices fluctuated in Q2 2024, ranging from RM3,844/MT to RM4,534/MT correspond with the change in palm oil inventories in Malaysia from 1,712,554MT in March 2024 to 1,831,239MT in June 2024. The CPO experienced decrease in price during the quarter due to higher-than-expected production in Malaysia and Indonesia. The improved demand for palm oil in China allow the price to settle around RM4,000/MT in July 2024.

Going forward, CPO prices is expected to continue fluctuating throughout 2024 following the expected production from July to September, the stock built up in, speculation on potential US interest rate cuts and the China's resilience in managing their struggling 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

	<b>Quarter Ended <u>30.06.2024</u> RM'000</b>	<b>6 months Ended <u>30.06.2024</u> RM'000</b>
Provision in respect of results for the current quarter/period	(3,548)	(6,587)
(Under) / Over provision for taxation in respect of previous years	0	0
Deferred tax (expense) / benefit	(2,154)	(3,111)
	<u>(5,702)</u>	<u>(9,698)</u>

The Group's tax expense on its Profit Before Tax for the period is lower than the statutory tax rate due to fair value gain in quoted investments of RM20.48 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:

	<b><u>No. of Shares</u></b>	<b><u>Percentage</u></b>
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
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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

	<u>As at</u> <u>30.06.2024</u> <u>RM'000</u>	<u>As at</u> <u>31.12.2023</u> <u>RM'000</u>
<b>Short term secured:</b>		
Bankers' acceptances	41,130	52,522
Revolving credit	8,000	3,000
Term loans	3,486	3,444
Lease	312	300
	52,928	59,266

**Long term secured:**

Term loans	29,752	31,519
Lease	3,138	3,295
	32,890	34,814

**TOTAL BORROWINGS** 85,818 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 30 June 2024 are as follows:

	<b>Currency</b>	<b>Contract/ Notional Amount '000</b>	<b>Fair Value</b>	
			<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
US Dollar forward contracts - less than 1 year	USD	500	33	0
Palm oil futures contracts - less than 1 year	MYR	15,068	0	380
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 30 June 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 22 August 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 ended 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:

	<b>Quarter ended 30.06.2024</b>	<b>6 months ended 30.06.2024</b>
Weighted average number of shares in issue	2,304,440,130	2,304,497,782
Number of shares used in calculating diluted EPS	2,304,440,130	2,304,497,782
	<b>RM'000</b>	<b>RM'000</b>
Profit/(loss) after taxation from continuing operations	35,281	51,703
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(47)	(76)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	35,234	51,627

<b>EPS:</b>	<u>Sen</u>	<u>Sen</u>
- Basic	1.53	2.24
- Diluted	1.53	2.24

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:

	<b>Quarter ended <u>30.06.2024</u> RM'000</b>	<b>6 months Ended <u>30.06.2024</u> RM'000</b>
Interest income	(1,163)	(2,287)
Other income, including investment income	(1,379)	(5,367)
Interest expense	965	1,940
Depreciation and amortization	11,678	23,285
Realised foreign exchange loss/(gain)	(299)	(2,366)
Net provision/(reversal) of allowance for impairment of receivables	(868)	(870)
Provision for and write-off/(reversal) of inventories	30	(1,105)
Fair value loss/(gain) on investment securities	(16,856)	(20,484)
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	(1,049)	1,521
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 August 2024.

**By Order of the Board,**

**LIM TSHUNG YU**  
Chief Operating Officer

**29 August 2024**