

KRETAM HOLDINGS BERHAD

Company No.: 198801000928 (168285-H)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 Sept			9 months ended 30 Sept		
	2024	2023	Changes	2024	2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<u>CONTINUING OPERATIONS:-</u>						
Revenue	160,373	170,785	-6%	496,720	547,263	-9%
Cost of sales and services	(135,449)	(144,087)		(428,494)	(474,328)	
Gross profit	24,924	26,698	-7%	68,226	72,935	-6%
Selling and distribution costs	(95)	(70)		(278)	(236)	
	24,829	26,628		67,948	72,699	
Other income	35,402	8,484		65,805	17,861	
Administrative expenses	(4,504)	(3,721)		(13,353)	(10,880)	
Other expenses	(3,025)	(962)		(6,645)	(10,564)	
Profit/(loss) before interest and Taxation	52,702	30,429	73%	113,755	69,116	65%
Finance income	1,016	682		3,304	1,368	
Finance costs	(919)	(943)		(2,859)	(2,517)	
Profit/(loss) before taxation	52,799	30,168	75%	114,200	67,967	68%
Taxation	(5,504)	(5,325)		(15,202)	(15,570)	
Discontinued operation	0	0		0	0	
Profit/(loss) after taxation	47,295	24,843	90%	98,998	52,397	89%
Profit/(loss) after taxation attributable to:-						
Shareholders of the Company	47,276	24,813	91%	98,903	52,258	89%
Non-Controlling Interests	19	30		95	139	
	47,295	24,843	90%	98,998	52,397	89%
<u>EARNINGS/(LOSS) PER SHARE (EPS):-</u>						
	<u>Sen</u>	<u>Sen</u>		<u>Sen</u>	<u>Sen</u>	
Basic EPS	2.05	1.08		4.29	2.27	
Diluted EPS	2.05	1.08		4.29	2.27	

B. CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	CURRENT QUARTER			CUMULATIVE		
	Quarter ended 30 Sept			9 months ended 30 Sept		
	2024	2023	Changes	2024	2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Profit/(loss) after taxation	47,295	24,843	90%	98,998	52,397	89%
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)	47,295	24,843	90%	98,998	52,397	89%
Total Comprehensive Income/(loss) attributable to:-						
Shareholders of the Company	47,276	24,813	91%	98,903	52,258	89%
Non-Controlling Interests	19	30	-37%	95	139	-32%
	47,295	24,843	90%	98,998	52,397	89%

C. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2024 RM'000	As at 31.12.2023 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	570,159	563,115
Biological assets	47	176
Intangible assets	42,777	42,777
Inventories	3,252	3,156
Trade & other receivables	4,532	4,532
Deferred tax assets	13,745	17,076
Investment - Quoted Securities	188,150	88,481
CURRENT ASSETS		
Biological assets	7,043	6,179
Inventories	155,556	150,948
Receivables	87,833	99,622
Tax refundable	30,732	23,992
Derivatives	122	904
Cash and bank balances	104,549	126,024
	385,835	407,669
Assets of disposal group classified as held for sale	0	0
	385,835	407,669
CURRENT LIABILITIES		
Payables	50,573	56,085
Loans and borrowings	61,788	59,266
Derivatives	0	0
Dividend payable	0	0
Income tax payable	0	0
	112,361	115,351
Liabilities directly associated with disposal group classified as held for sale	0	0
	112,361	115,351
NET CURRENT ASSETS	273,474	292,318
NON-CURRENT LIABILITIES		
Loans and borrowings	32,338	34,814
Deferred taxation	81,470	80,335
	982,328	896,482
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	746,467	746,467
Reserves	(14,753)	(13,124)
Retained profits /(losses)	250,676	163,296
Reserve of disposal group classified as held for sale	0	0
	982,390	896,639
Equity attributable to non-controlling interests	(62)	(157)
	982,328	896,482
NET ASSETS PER SHARE	42.6	38.9

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	
<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	(1,629)	0	(1,629)	0	(1,629)
Total Comprehensive Income/(loss) for the period	0	0	98,903	98,903	95	98,998
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 September 2024	746,467	(14,753)	250,676	982,390	(62)	982,328
<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	(230)	0	(230)	0	(230)
Total Comprehensive Income/(loss) for the period	0	0	52,258	52,258	139	52,397
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 September 2023	746,467	(13,124)	107,215	840,558	(85)	840,473

E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30 September	
	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Profit/(loss) before taxation from continuing operations	114,200	67,967
<u>Adjustments for:-</u>		
Depreciation and amortisation	35,160	34,184
Net fair value loss/ (gain) on biological assets	(736)	(299)
Interest income	(3,304)	(1,368)
Finance costs	2,859	2,517
Net loss / (gain) on disposal of assets	(170)	(106)
Unrealised loss/ (gain) on derivatives	782	1,642
Unrealised loss/ (gain) on foreign exchange	3	(5)
Provision for and write-off /(reversal) of inventories	(1,085)	(9,776)
Fixed assets written off	436	806
Fair value (gain)/loss on investment securities	(54,420)	(3,710)
Loss/(gain) on disposal of investment securities	0	1,479
Net (gain)/loss on impairment of financial instruments	0	5,047
Reversal of allowance for impairment of receivables	(871)	(14)
Changes in working capital	3,550	(28,473)
Income taxes paid, net of refunds	(17,477)	(21,521)
Interest received	3,304	1,368
Interest paid	(2,859)	(2,517)
	79,372	47,221
Cash flows from investing activities		
Purchase of property, plant and equipment	(42,661)	(39,696)
Proceeds from disposal of property, plant and equipment	170	297
Purchase of Quoted shares	(45,250)	(37,344)
Proceeds from disposal of Quoted shares	0	1,335
Withdrawal/(placement) of fixed deposits of longer-term tenure	0	1,306
	(87,741)	(74,102)
Cash flows from financing activities		
Net drawdown/(repayment) of lease liabilities	(222)	(193)
Net drawdown/(repayment) of revolving credit, term loan & foreign bill of exchange	268	15,062
Repurchase of own share	(1,629)	(230)
Payment of dividends to shareholders	(11,523)	(23,046)
Payment of dividends to non-controlling interests	0	0
	(13,106)	(8,407)
Increase/(decrease) in cash and cash equivalents	(21,475)	(35,288)
Cash and cash equivalents at the beginning of the year	126,024	122,983
Cash and cash equivalents at the end of the period	104,549	87,695
Cash and cash equivalents comprise the following:		
Cash and bank balances	104,549	87,695
less: Fixed deposits with maturity of more than 3 months	0	0
	104,549	87,695

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 September 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 1 – First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
○ Amendments to MFRS 7 – Financial Instruments: Disclosures	1 January 2026
○ Amendments to MFRS 9 – Financial Instruments	1 January 2026
○ Amendments to MFRS 10 – Consolidated Financial Statements	1 January 2026
○ Amendments to MFRS 107 – Statement of Cash Flows	1 January 2026
○ MFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
○ MFRS 19 – Subsidiaries with Public Accountability: Disclosures	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 during the period under review, which affected assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence except for the Group increasing its shareholdings in a quoted investment by exercising its warrants and converting to ordinary shares at the cost of RM40.98 million.

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 2,727,800 ordinary shares from the open market for a total consideration of RM 1,629,122. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2024, the number of treasury shares held was 25,799,500 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 9 MONTHS ENDED 30 SEPTEMBER 2024

	Plantation & Mill	Refinery	Elimination	TOTAL
	RM'000	RM'000	RM'000	RM'000
<u>REVENUES AND RESULTS:-</u>				
Segment Revenue – external	53,883	442,837	0	496,720
Inter-segment revenue	249,125	0	(249,125)	0
	<u>303,008</u>	<u>442,837</u>	<u>(249,125)</u>	<u>496,720</u>
Segment results	<u>53,701</u>	<u>9,227</u>	<u>(1,293)</u>	61,635
Unallocated Items:-				
Other income				54,935
Other expenses				0
Corporate expenses				(2,370)
Profit/(loss) before taxation from continuing operations				114,200
Taxation				(15,202)
Profit/(loss) after taxation from continuing operations				<u>98,998</u>
<u>ASSETS:-</u>				
Segment assets	<u>686,314</u>	<u>326,957</u>		1,013,271
Unallocated assets/(liabilities)				195,226
Assets classified as held for sale				0
Total assets				<u>1,208,497</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 September 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 30.09.2024
	RM'000
Approved and contracted for	32,806
Approved but not contracted for	<u>48,222</u>
	<u>81,028</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 231,874,912 at 27 November 2024.

11. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

During the period under review, there was a final meeting being held on 13 July 2024 to dissolve the following dormant companies of the Group.

- a) Palm Products International Alliance Sdn Bhd
- b) Rising Resources Sdn Bhd

As at 16 October 2024, the two entities above have been dissolved.

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 9 months of 2024, the Group achieved a total revenue of RM 496.7 million (2023: RM 547.3 million) and a pre-tax gain of RM 114.2 million (2023: pre-tax gain of RM 68.0 million).

Commentary on the performance of the operating segments of the Group for Q3 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 303.0 million (2023: RM 338.0 million), and pre-tax gain of RM 53.7 million (2023: pre-tax gain of RM 59.5 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	3,894.50	3,796.00	2,442.50	1,980.00
September	4,019.50	3,706.50	2,580.00	1,866.00
October	4,326.50	3,629.00	2,773.50	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

	3rd Quarter			Year to Date		
	2024	2023	% change	2024	2023	% change
FFB Production (mt)	81,105	98,557	-17.7%	233,047	279,537	-16.6%
FFB Yield (mt/hectare):						
The Group's estates	4.77	5.35	-10.9%	13.34	15.18	-12.1%
MPOB* Sabah average	4.08	4.19	-2.6%	11.36	11.80	-3.7%
CPO Closing Stock at Palm Oil Mills (mt)	8,111	10,283	-21.1%	8,111	10,283	-21.1%
Oil Extraction Rate:						
The Group's palm oil mills	20.85%	19.82%	5.2%	20.45%	19.83%	3.1%
MPOB* Sabah average	20.62%	20.44%	0.8%	20.46%	20.34%	0.6%

* - MPOB: Malaysian Palm Oil Board

The operating revenue in the current period is lower when compared to the corresponding period due to the 16.6% decline in FFB production volume. The decline is partially offset by the following:

- a) Higher average selling prices of CPO and PK as shown in Table A.
- b) Reduction in CPO closing stock as observed in Table B showing decline by 21.1%.

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

- a) Overall decline in margin resulted from the decrease in FFB, CPO and PK production volume
- b) Partially offset by the lower total operating and processing costs for this period

(b) Refinery

Also as shown in Note 7, the Group's refinery operations achieved revenue of RM 442.8 million (2023: RM 478.1 million) and generated a pre-tax gain of RM 9.2 million (2023: pre-tax gain of RM 8.1 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 better margin generated from PME sales resulted from overall lower cost of sales and higher average selling price.

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	160,373	160,328	0%
Cost of sales and services, including distribution	(135,544)	(135,029)	
	24,829	25,299	
Other income	35,402	19,681	
Administrative and other expenses	(7,529)	(4,195)	
Profit/(loss) before interest and taxation	52,702	40,785	29%
Interest income	1,016	1,163	
Interest costs	(919)	(965)	
Profit/(loss) before taxation	52,799	40,983	29%
Taxation	(5,504)	(5,702)	
Profit from continuing operations, net of tax	47,295	35,281	34%
Discontinued operation	0	0	
Profit/(loss) after taxation	47,295	35,281	34%
Profit/(loss) after taxation attributable to:			
Shareholders of the Company	47,276	35,234	34%
Non-Controlling Interests	19	47	
	47,295	35,281	34%

In Q3 2024, the profit before taxation was higher compared to previous quarter mainly attributable to the following:

- a) Higher fair value gain on investment securities for the quarter which is RM 33.9 million as compared to RM 16.8 million in the previous corresponding quarter
- b) Slightly offset with increase in other expenses of RM 3.5 million arising from the appreciation of Malaysian Ringgit against US Dollar leading to foreign exchange translation loss on the USD denominated bank accounts.

15. CURRENT YEAR PROSPECTS AND OUTLOOK

The CPO prices fluctuated in Q3 2024, ranging from RM3,900/MT to RM4,201/MT correspond with the change in palm oil inventories in Malaysia from 1,831,239 MT in June 2024 to 2,011,768 MT in September 2024. The CPO experienced a decrease in price during the early of the quarter due to overall improved production in Malaysia and Indonesia. However, beyond September 2024, CPO price started to climb above the RM 5,000/MT over concern around expected tightening global supply arising from Indonesia's plan to implement B40 biodiesel by January 2025.

Going forward, CPO prices is expected to continue fluctuating throughout 2024 following the expected production from October to December, the stock built up, speculation on any further movement in US interest rate with the incoming policies by the new US President, impact from the India import tariff, the strength of the Malaysian Ringgit against USD and the effect from China's stimulus package 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 30.09.2024 RM'000	9 months Ended 30.09.2024 RM'000
Provision in respect of results for the current quarter/period	(4,184)	(10,772)
(Under) / Over provision for taxation in respect of previous years	35	35
Deferred tax (expense) / benefit	(1,355)	(4,465)
	<u>(5,504)</u>	<u>(15,202)</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 RM 54.4 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:

	No. of Shares	Percentage
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

	<u>As at</u> <u>30.09.2024</u> RM'000	<u>As at</u> <u>31.12.2023</u> RM'000
Short term secured:		
Bankers' acceptances	50,382	52,522
Revolving credit	8,000	3,000
Term loans	3,091	3,444
Lease	315	300
	61,788	59,266

Long term secured:

Term loans
Lease

29,280	31,519
3,058	3,295
32,338	34,814

TOTAL BORROWINGS

94,126 **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 September 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	0	0	0
Palm oil futures contracts - less than 1 year	MYR	9,657	122	0
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 September 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 November 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:

	<u>Quarter ended 30.09.2024</u>	<u>9 months ended 30.09.2024</u>
Weighted average number of shares in issue	2,302,476,160	2,303,818,989
Number of shares used in calculating diluted EPS	2,302,476,160	2,303,818,989
	<u>RM'000</u>	<u>RM'000</u>
Profit/(loss) after taxation from continuing operations	47,295	98,998
less: (profit)/loss after taxation from continuing operations attributable to non-controlling interests	(19)	(95)
Profit/(loss) after taxation from continuing operations attributable to shareholders of the Company	47,276	98,903

EPS:	<u>Sen</u>	<u>Sen</u>
- Basic	2.05	4.29
- Diluted	<u>2.05</u>	<u>4.29</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 2023 was not qualified.

26. STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income includes the following items:

	Quarter ended <u>30.09.2024</u> RM'000	9 months Ended <u>30.09.2024</u> RM'000
Interest income	(1,016)	(3,304)
Other income, including investment income	(3,567)	(8,933)
Interest expense	919	2,859
Depreciation and amortization	11,876	35,160
Realised foreign exchange loss/(gain)	5,920	3,554
Net provision/(reversal) of allowance for impairment of receivables	(1)	(871)
Provision for and write-off/(reversal) of inventories	20	(1,085)
Fair value loss/(gain) on investment securities	(33,935)	(54,420)
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	(712)	809
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 November 2024.

By Order of the Board,

DATUK LIM NYUK SANG @ FREDDY LIM
Chief Executive Officer

29 November 2024