First Quarter Report 2018

UNITED PLANTATIONS BERHAD
(Company No.240 A)
Jendarata Estate • 36009 Teluk Intan • Perak Darul Ridzuan • Malaysia

United Plantations Berhad

Condensed Consolidated Statement of Comprehensive Income for the Three Months Ended 31 March 2018

(The figures have not been audited)

(RM'000)	Quarter ended 31 March 2018	2017 (Reported under MFRS)	Changes (%)	2017 (Previously reported under FRS)
Revenue	**325,544**	379,233	-14.2%	379,233
Operating expenses	**(226,782)**	(284,686)	-20.3%	(284,686)
Other operating income	**34,925**	4,661	649.3%	3,069
Finance costs	**(7)**	-	-	-
Interest income	**7,577**	5,608	0.35	5,608
Share of results of jointly controlled entity	**(166)**	-	-	-
Profit before taxation	**141,091**	104,816	34.6%	103,224
Income tax expense	**(40,178)**	(25,419)	58.1%	(25,037)
Profit after taxation	**100,913**	79,397	27.1%	78,187
Profit for the period	**100,913**	79,397	27.1%	78,187
Net profit attributable to:				
Equity holders of the parent	**100,501**	78,865	27.4%	77,668
Non-controlling interests	**412**	532	-22.6%	519
	100,913	79,397	27.1%	78,187
Earnings per share				
(i) Basic - based on an average 207,792,492 (2017:207,792,492) ordinary shares (sen)	**48.37**	37.95	27.4%	37.38
(ii) Fully diluted (not applicable)	**-**	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 31 December 2017.

United Plantations Berhad

Condensed Consolidated Statement of Comprehensive Income for the Three Months Ended 31 March 2018

(The figures have not been audited)

(RM'000)	-------------- Quarter ended 31 March --------------			
	2018	2017 (Reported under MFRS)	Changes (%)	2017 (Previously reported under FRS)
Profit for the period	**100,913**	79,397	27.1%	78,187
Currency translation differences arising from consolidation	**(8,069)**	(361)	2135.2%	(361)
Total Comprehensive income	**92,844**	79,036	17.5%	77,826
Total comprehensive income attributable to:				
Equity holders of the parent	**92,883**	78,515	18.3%	77,318
Non-controlling interests	**(39)**	521	-107.5%	508
	92,844	79,036	17.5%	77,826

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 31 December 2017.

United Plantations Berhad

Condensed Consolidated Statement of Financial Position as at 31 March 2018

(The figures have not been audited)

(RM'000)	31 March 2018	31 December 2017 (Reported under MFRS)	1 January 2017 (Reported under MFRS)
ASSETS			
Non-Current Assets			
Property, plant and equipment	1,478,202	1,474,059	1,419,373
Land Use Rights	36,370	34,115	36,192
Associated company	50	50	50
Joint venture	29,733	29,899	- *
Derivatives	7,357	3,417	-
Deferred tax assets	4,562	3,524	1,732
Total non-current assets	1,556,274	1,545,064	1,457,347
Current Assets			
Inventories	153,498	156,833	189,958
Biological assets	33,514	31,388	28,262
Trade & other receivables	267,152	237,588	293,239
Prepayments	3,678	3,211	2,475
Tax recoverable	2,053	3,848	6,247
Derivatives	13,708	20,244	3,456
Cash and bank balances	311,004	473,711	272,292
Short term funds	580,822	377,874	418,622
Total current assets	1,365,429	1,304,697	1,214,551
Total assets	2,921,703	2,849,761	2,671,898
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	390,054	390,054	208,134
Share premium	-	-	181,920
Treasury shares	(8,635)	(8,635)	(8,635)
Other reserves	693	8,311	21,798
Retained profits	2,234,744	2,134,243	1,980,240
	2,616,856	2,523,973	2,383,457
Non-controlling interests	6,854	6,893	5,588
Total Equity	2,623,710	2,530,866	2,389,045
Non-Current Liabilities			
Retirement benefit obligations	13,986	13,626	13,254
Provision for deferred taxation	153,453	140,332	123,699
Derivatives	-	1,115	178
Total non-current liabilities	167,439	155,073	137,131
Current Liabilities			
Trade & other payables	115,116	137,749	114,403
Tax Payable	14,344	13,333	16,152
Retirement benefit obligations	994	971	749
Derivatives	-	11,658	14,312
Bank borrowings	100	111	106
Total current liabilities	130,554	163,822	145,722
Total liabilities	297,993	318,895	282,853
Total equity and liabilities	2,921,703	2,849,761	2,671,898
Net assets per share (RM)	12.59	12.15	11.47

* The carrying amount of the investment in joint venture as at 31 December 2016 was RM1.00

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 31 December 2017.

United Plantations Berhad

Condensed Statement of Changes in Equity
for the Three Months Ended 31 March 2018
(The figures have not been audited)

	← Attributable to Equity Holders of the Parent						→		
(RM'000)	Share Capital	Treasury shares	Retained profits	Share premium	Capital reserve	Translation reserve	Total	Non-controlling interests	Total equity
Balance at 1 January 2018. as previously stated	390,054	(8,635)	2,101,379	-	21,798	(4,299)	2,500,297	6,714	2,507,011
Effects on adoption of MFRS	-	-	32,864	-	-	(9,188)	23,676	179	23,855
Balance at 1 January 2018. as reported under MFRS	390,054	(8,635)	2,134,243	-	21,798	(13,487)	2,523,973	6,893	2,530,866
Total comprehensive income for the quarter	-	-	100,501	-	-	(7,618)	92,883	(39)	92,844
Balance at 31 March 2018	**390,054**	**(8,635)**	**2,234,744**	**-**	**21,798**	**(21,105)**	**2,616,856**	**6,854**	**2,623,710**
Balance at 1 January 2017. as previously stated	208,134	(8,635)	1,949,817	181,920	21,798	9,188	2,362,222	5,344	2,367,566
Effects on adoption of MFRS	-	-	30,423	-	-	(9,188)	21,235	244	21,479
Balance at 1 January 2017. as reported under MFRS	208,134	(8,635)	1,980,240	181,920	21,798	-	2,383,457	5,588	2,389,045
Total comprehensive income for the quarter	-	-	78,865	-	-	(350)	78,515	521	79,036
	208,134	(8,635)	2,059,105	181,920	21,798	(350)	2,461,972	6,109	2,468,081
Transfer pursuant to S618(2) of CA 2016 *	181,920	-	-	(181,920)	-	-	-	-	-
Balance at 31 March 2017	**390,054**	**(8,635)**	**2,059,105**	**-**	**21,798**	**(350)**	**2,461,972**	**6,109**	**2,468,081**

Note: * Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any outstanding share premium and capital redemption reserve accounts shall become part of Share Capital.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 31 December 2017.

United Plantations Berhad

Condensed Consolidated Cash Flow Statements
for the Three Months Ended 31 March 2018

(The figures have not been audited)

(RM'000)	3 Months ended 31 March 2018	2017
Operating Activities		
-Receipts from operations	304,383	362,940
-Operating payments	(232,475)	(227,684)
Cash flow from operations	71,908	135,256
Other operating receipts	24,531	2,616
Taxes paid	(25,565)	(13,740)
Cash flow from operating activities	70,874	124,132
Investing Activities		
- Proceeds from sale of property, plant and equipment	250	196
- Interest received	6,530	4,172
- Purchase of property, plant and equipment	(26,257)	(33,322)
- Pre-cropping expenditure incurred	(11,132)	(9,264)
- Prepaid lease payments made	(6)	(490)
- Net change in short term funds	(202,948)	43,143
Cash flow from investing activities	(233,564)	4,435
Financing Activities		
- Finance costs paid	(7)	-
Cash flow from financing activities	(7)	-
Net Change in Cash & Cash Equivalents	(162,696)	128,567
Cash & Cash Equivalents at beginning of year	473,600	272,186
Cash & Cash Equivalents at end of period	310,904	400,753

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2017.

Short Term Funds of RM580,822,000 (2017: RM375,479,000) are excluded from Cash Flow Statements due to reclassification of Short Term Funds from Cash & Cash Equivalents as reported in the last Annual Audited Financial Statements.

Notes To The Interim Financial Report

A1) ACCOUNTING POLICIES AND BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

The financial statements of the Group for the financial period ended 31 March 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework. The date of transition to the MFRS Framework was on 1 January 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from FRS in Malaysia to MFRS as disclosed as follows:

a) Bearer plants
The amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116. After initial recognition, bearer plants will now be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). As the Group is currently measuring the bearer biological assets at cost less amortisation, the change in accounting policies is limited to reclassification of the bearer assets from biological assets to property, plant and equipment and thus, the change will not impact comprehensive income or equity.

b) Biological assets
Prior to the adoption of the Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants, biological assets which form part of the bearer plants were not recognised. With the adoption of the Amendments to MFRS 116 and MFRS 141, the biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes in fair value less costs to sell of the biological assets was recognised in profit or loss.

c) Business combinations
As part of its transition to MFRS, the Group elected to apply the optional exemption not to restate those business combinations that occurred before the date of transition, 1 January 2017.

d) Cumulative translation differences
As part of its transition to MFRS, the Group elected to apply the optional exemption whereby the cumulative translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017. The entire balance of RM9,188,000 for the Group in the exchange translation reserve at the date of transition has been transferred to retained profits, so as to give the exchange translation differences a fresh-start measurement of zero.

Notes To The Interim Financial Report

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows:

Condensed Consolidated Statement of Financial Position

(RM'000)	As at 31 December 2017 Previously reported under FRS	Effects on adoption of MFRS	Reported under MFRS	As at 1 January 2017 Previously reported under FRS	Effects on adoption of MFRS	Reported under MFRS
Non-current assets						
Property, plant and equipment	-	444,585	444,585	-	448,731	448,731
Biological assets	444,585	(444,585)	-	448,731	(448,731)	-
Current assets						
Biological assets	-	31,388	31,388	-	28,262	28,262
Equity						
Other reserves	17,499	(9,188)	8,311	30,986	(9,188)	21,798
Retained profits	2,101,379	32,864	2,134,243	1,949,817	30,423	1,980,240
Non-controlling interests	6,714	179	6,893	5,344	244	5,588
Non-current liabilities						
Deferred tax liabilities	132,799	7,533	140,332	116,916	6,783	123,699

Condensed Consolidated Statement of Comprehensive Income

(RM'000)	Corresponding quarter Previously reported under FRS	Effects on adoption of MFRS	Reported under MFRS
Other operating income	3,069	1,592	4,661
Profit before tax	103,224	1,592	104,816
Income tax expense	(25,037)	(382)	(25,419)
Profit for the quarter	**78,187**	**1,210**	**79,397**
Net profit attributable to:			
Equity holders of the parent	77,668	1,197	78,865
Non-controlling interests	519	13	532
	78,187	**1,210**	**79,397**

At the date of authorization 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:

FRS, IC Interpretation and Amendments to IC Interpretations	Effective for annual periods beginning on or after
• MFRS 16 Leases	1 Jan 2019
• MFRS 128: Long term Interest in Associates and Joint Ventures (Amendments to MFRS 128)	1 Jan 2019
• MFRS 17: Insurance Contracts	1 Jan 2021
• Amendments to FRS 10 and FRS 128 Sale and Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

A2) AUDIT REPORT

The auditor's report on the financial statements for the financial year ended 31 December 2017 was not qualified.

A3) SEASONAL AND CYCLICAL NATURE OF GROUP'S PRODUCTS AND OPERATIONS

The prices for the Group's products are not within the total control of the Group but are determined by the global supply and demand situation for edible oils and it is somewhat related to the price of mineral oil.

Crop production is seasonal. Based on statistics, the Group's production of crude palm oil ("CPO") and palm kernel ("PK") gradually increases from March, peaking around July to September, and then declines from October to February. This pattern can be affected by severe global weather conditions such as El-Nino and La Nina.

The prices obtainable for the Group's products as well as the volume of production, which is cyclical in nature, will determine the profits for the Group.

A4) EXCEPTIONAL AND EXTRAORDINARY ITEMS

There were no exceptional or extraordinary items for the current quarter.

A5) CHANGES IN ESTIMATES

There were no material changes to estimates made in prior quarter.

A6) EQUITY AND DEBT SECURITIES

As at 31 March 2018, the number of treasury shares held remained at 341,774 shares as there were no share buy-back nor any cancellation, re-sale or distribution of treasury shares in the current quarter. There was also no issuance of new shares or debt instruments in the current quarter.

A7) DIVIDENDS PAID

There was no dividend paid in the current quarter.

A8) SEGMENTAL INFORMATION

Segmental information for the current quarter:

(RM'000)	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue:					
External Sales	84,708	240,491	345	-	325,544
Inter-segment Sales	80,867	-	-	(80,867)	-
	165,575	240,491	345	(80,867)	325,544
Segment Results:					
Profit before tax	111,831	30,536	(1,278)	-	141,089

A9) VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuations of land and buildings have been brought forward without amendment from the financial statements for the year ended 31 December 2017.

A10) EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after the balance sheet date.

A11) CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group for the quarter including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

A12) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 24 April 2018.

B1) DIRECTORS' ANALYSIS OF THE GROUP'S PERFORMANCE FOR 3 MONTHS ENDED 31 MARCH 2018

The Group's revenue for the current quarter of RM325.5 million was lower by 14.2% as compared to RM379.2 million recorded in the corresponding quarter, mainly due to the decrease in revenue for the plantations and refinery segments by 4.1% and 21.1% respectively in the current quarter.

The Group's profit before tax at RM141.1 million for the current quarter was higher by 34.6% as compared to RM104.8 million in the corresponding quarter. The analysis of the performance in accordance to the segments are as follows:

Plantations

This major segment of the Group's revenue decreased by 4.1% to RM165.6 million in the current quarter from RM172.6 million in the corresponding quarter whereas profit before tax increased by 25.2% to RM111.8 million from RM89.3 million in the corresponding quarter. The decrease in revenue was mainly due to the lower PK price in the Malaysian operations by 21.4%, and lower CPO and PK prices in the Indonesian operations by 23.2% and 34.4% respectively in the current quarter compared to the corresponding quarter. This decrease in revenues was partially cushioned by the increase in Group CPO and PK production by 3.9% and 3.7% respectively in the current quarter as compared to the corresponding quarter. Cost of production for the current quarter was higher in the current quarter by 12.4% and 2.7% respectively mainly due to higher manuring costs.

The profit before tax of this segment was further increased by a gain of RM19.6 million due to the fair valuation of the commodity contracts at the reporting date.

The average selling prices of CPO and PK achieved for the quarter were as follows: -

Countries	Products	March 2018 Current Quarter (RM/MT)	March 2017 Corresponding Quarter (RM/MT)
Malaysia	CPO	2,696	2,169
Indonesia	CPO	2,193	2,855
Average	CPO	2,565	2,329
Malaysia	PK	2,615	3,329
Indonesia	PK	1,724	2,629
Average	PK	2,432	3,193

On average, the CPO price for the Group in the current quarter was higher by 10.1% in the current quarter as compared to the prices in the corresponding quarter, whereas the average PK price was lower by 23.8%.

Interest income for the Group was higher by 35.1% in the current quarter as compared to the corresponding quarter mainly due to higher amounts deposited and higher rates obtained.

Refinery

The revenue for the refinery decreased by 21.1% to RM240.5 million in the current quarter from RM305.0 million in the corresponding quarter mainly due to lower CPKO prices in the current quarter. However, favourable commodities and currency hedging positions in the current quarter resulted in the increase in the profit before tax of the refinery from RM14.8 million in the corresponding quarter to RM30.5 million in the current quarter.

Others

As the result of the weakening of Indonesian Rupiah against Malaysian Ringgit, the holding companies' investments in Indonesia recorded RM6.1 million foreign exchange losses from IDR loans extended to Indonesian subsidiaries in the current quarter, as compared to the unrealized loss totaling RM0.7 million reported in the corresponding quarter.

B2) COMPARISON OF RESULTS WITH PRECEDING QUARTER

(RM'000)	Current Quarter 31/3/2018	Preceding Quarter (Reported under MFRS) 31/12/2017	Changes %
Revenue	325,544	369,008	(11.8%)
Interest income	7,577	7,513	0.9%
Profit Before Tax	141,089	123,685	14.1%
Profit After Tax	100,911	102,850	(1.9%)

The Group's revenue for the current quarter at RM325.5 million was lower by 11.8% as compared to RM369.0 million recorded in the preceding quarter, mainly due to the decreases in revenue at the plantations and refinery by 11.1% and 10.4% respectively in the current quarter.

Profit before tax for the current quarter at RM141.1 million was higher by 14.1% as compared to RM123.7 million recorded in the preceding quarter.

Plantations

The plantation segment registered a decrease of 11.1% in the current quarter from the preceding quarter mainly to lower production of CPO by 6.3% in the Malaysian operations and lower CPO and PK prices by 11.0% and 19.8% respectively in the Indonesian operations. However, the profit before tax in the current quarter increased by 22.6% in the current quarter mainly due a gain of RM19.6 million due to the fair valuation of the commodity contracts as at the reporting date. This increase in the profit before tax was reduced by higher cost of production of CPO in the current quarter.

Group CPO production decreased by 0.6% in the current quarter as compared to the preceding quarter, whereas Group PK production increased by 0.5%. Cost of production of CPO increased by 22.5% in the current quarter as compared to the preceding quarter, while cost of production of PK decreased by 1.4%.

Interest income for the Group was marginally higher by 0.9% in the current quarter as compared to the preceding quarter mainly due to higher rates obtained.

Refinery

The refinery recorded a decrease of 10.4% in revenue mainly due to lower CPKO prices in the current quarter compared with the preceding quarter. However, the profit before tax increased by 10.7% due to more favourable commodities and currency hedging positions in the current quarter when compared with the preceding quarter.

Others

The IDR continued to further weaken against the RM resulting in foreign exchange losses totaling RM6.1 million in the current quarter, which was higher than the losses totaling RM5.3 million in the preceding quarter.

B3) PROSPECTS AND OUTLOOK

With palm oil production in Malaysia and Indonesia continuing to recover during the first quarter of 2018, the stock levels of palm oil (even with improved exports) have remained higher than initially anticipated, resulting in prices coming under pressure recently. Further production increases are expected during the 2nd and 3rd quarters of the year which will further build stocks and likely result in palm oil prices moving lower from current levels of RM2,400/MT.

Nevertheless, with the 2018/2019 US soya bean planting intentions being lower than expected and with the current crop damage in Argentina due to a severe drought, the production will be significantly lower than initially expected. These factors should buffer vegetable oil prices falling much further.

The impact of World Biodiesel production continues to be a key variable affecting the overall demand for vegetable oils and with that prices. During 2017, global usage of vegetable oils for Biodiesel production was 35.20 million MT, equal to almost 16% of the world's 17 Oils and Fats, emphasising this segment's significant role in terms of impacting demand and with that prices. For 2018, it is still anticipated that the production of Biodiesel will exceed 2017 and any change in policies and production must therefore be watched closely as this will have a direct impact on the vegetable oil price complex going forward.

Notes To The Interim Financial Report

In accordance with its replanting policy, UP will continue to replant large areas of its older and less productive oil palm stands in Malaysia during 2018. Cost efficiencies and improved productivity will therefore continue as a vital part of sustaining our positive development.

With the prices contracted under our forward sales policy and with our Indonesian production improving coupled with large areas steadily coming into maturity from our replanted areas in Malaysia, the Board of Directors expects that the results for 2018 will be satisfactory.

B4) PROFIT FORECASTS

The Group has not issued any profit forecasts for the quarter under review.

B5) TAXATION

The charge for taxation for the quarter ended 31 March 2018 comprises:

(RM '000)	*Current Quarter*	*Current year-to-date*
Current taxation	28,371	28,371
Deferred taxation	11,807	11,807
	40,178	40,178
Profit before taxation	141,089	141,089
Tax at the statutory income tax rate of 24%	33,861	33,861
Tax effects of expenses not deductible / (income not taxable) in determining taxable profit:		
Depreciation on non-qualifying assets	268	268
Reinvestment allowance and double deductions for research and development	(83)	(83)
Others	6,132	6,132
Tax expense	40,178	40,178

B6) CORPORATE PROPOSALS

There were no corporate proposals which were announced but not completed as at 24 April 2018.

B7) GROUP BORROWINGS

All Group borrowings were unsecured, short term and denominated in Ringgit Malaysia only and outstanding balance as at 31 March 2018 was RM100,000.

B8) FINANCIAL INSTRUMENTS

a) Derivatives

The Group has an approved Trading Manual in place including limit on open positions to mitigate risks associated with commodities future contracts.

The Group uses forward currency contracts and commodity futures contracts to manage its exposure to various financial risks. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

The fair values of these derivatives as at 31 March 2018 are as follows:

	Contract/ Notional Amount RM'000	Assets RM'000	Liabilities RM'000
Non-hedging derivatives:			
Current			
Forward currency contracts	265,679	11,957	-
Commodity futures contracts	779,300	3,087	-
		15,044	-
Non-current			
Forward currency contracts	43,936	4,168	-
Commodity futures contracts	24,868	1,850	-
		6,018	-
Total derivatives		21,062	-

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial year ended 31 December 2017.

The description, notional amount and maturity profile of each derivative are shown below:

i) Forward currency contracts

Forward currency contracts are used to hedge the Group’s sales and purchases denominated in USD for which firm commitments existed at the reporting date.

The forward currency contracts are stated at fair value. Fair value of the forward currency contracts is determined by reference to the difference between the contracted rate and the market rate as at the reporting date.

As at 31 March 2018, the notional amount, fair value and maturity tenor of the forward currency contracts are as follows:

	Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
- less than 1 year	265,679	11,957
- 1 year to less than 3 years	43,936	4,168
- More than 3 years	-	-
	309,615	16,125

ii) Commodity futures contracts

Commodity futures contracts are mainly used to manage and hedge the Group's exposure to adverse price movements in vegetable oil commodities

The commodity futures contracts are stated at fair value. Fair value of the commodity futures contracts is determined by reference to the difference between the contracted rate and the forward rate as at the reporting date.

As at 31 March 2018, the notional amount, fair value and maturity tenor of the commodity futures contracts are as follows:

	Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
- less than 1 year	779,300	3,087
- 1 year to less than 3 years	24,868	1,850
- More than 3 years	-	-
	804,168	4,937

b) Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

B9) MATERIAL LITIGATION

There was no material litigation as at 24 April 2018.

B10) PROPOSED DIVIDENDS

No interim dividend has been declared or proposed for the year ending 31 December 2018.

Notes To The Interim Financial Report

B11) EARNINGS PER SHARE (EPS)

The calculation of EPS is based on profit attributable to the ordinary equity holders of the parent company of RM100,499,000 (2017: RM78,865,000) and the weighted average number of ordinary shares of 207,792,492 (2017: 207,792,492) in issue during the quarter.

By Order of the Board

Ng Eng Ho
Company Secretary

Jendarata Estate
36009 Teluk Intan
Perak Darul Ridzuan
Malaysia

24 April 2018

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