

First Quarter Report 2023



UNITED PLANTATIONS BERHAD
(Company Registration No. 191701000045 (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 2023 (The figures have not been audited)

(RM'000)	----- Quarter ended 31 March -----		Changes (%)
	2023	2022	
Revenue	459,987	642,908	-28.5%
Operating expenses	(357,520)	(586,730)	-39.1%
Other operating income	40,286	20,401	97.5%
Finance costs	(181)	(46)	293.5%
Interest income	6,472	1,060	510.6%
Share of results of joint ventures	990	(842)	217.6%
Profit before taxation	150,034	76,751	95.5%
Income tax expense	(37,575)	(15,141)	148.2%
Profit after taxation	112,459	61,610	82.5%
Profit for the period	112,459	61,610	82.5%
Net profit attributable to:			
Equity holders of the parent	112,090	59,693	87.8%
Non-controlling interests	369	1,917	-80.8%
	112,459	61,610	82.5%
Earnings per share			
(i) Basic - based on an average 414,784,984 (2022:414,784,984) ordinary shares (sen)	27.02	14.39	87.8%
(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 2022.

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Condensed Consolidated Statement of Comprehensive Income for the Three Months Ended 31 March 2023 (The figures have not been audited)

(RM'000)	----- Quarter ended 31 March -----		Changes (%)
	2023	2022	
Profit for the period	112,459	61,610	82.5%
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	12,573	1,289	875.4%
Cash flow hedge			
- changes in fair value	302,662	(222,263)	236.2%
- transfers to profit or loss	(258,074)	150,076	-272.0%
Total Comprehensive income	169,620	(9,288)	1926.2%
Total comprehensive income attributable to:			
Equity holders of the parent	168,622	(11,266)	1596.7%
Non-controlling interests	998	1,978	-49.5%
	169,620	(9,288)	1926.2%

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 2022.

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Condensed Consolidated Statement of Financial Position as at 31 March 2023

(The figures have not been audited)

(RM'000)	31 March 2023	31 December 2022
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,248,547	1,241,751
Right-of-use assets	407,277	406,068
Associated company	50	50
Joint Ventures	54,490	53,499
Goodwill	356,856	356,856
Other receivables	708	692
Derivatives	1,412	11,342
Deferred tax assets	2,255	2,134
Total non-current assets	2,071,595	2,072,392
Current Assets		
Biological assets	46,080	45,643
Inventories	222,138	219,549
Trade & other receivables	36,358	160,664
Prepayments	3,971	6,515
Tax recoverable	18,639	37
Derivatives	98,629	34,486
Cash and bank balances	672,463	537,232
Short term funds	321,808	242,282
Total current assets	1,420,086	1,246,408
Total assets	3,491,681	3,318,800
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	390,054	390,054
Treasury shares	(18,668)	(18,668)
Other reserves	83,661	27,129
Retained profits	2,604,308	2,492,218
	3,059,355	2,890,733
Non-controlling interests	15,026	14,028
Total equity	3,074,381	2,904,761
Non-Current Liabilities		
Deferred tax liabilities	199,210	180,148
Retirement benefit obligations	12,928	12,805
Lease liabilities	12,149	11,969
Total non-current liabilities	224,287	204,922
Current Liabilities		
Trade & other payables	166,124	153,521
Tax payable	20,918	52,674
Retirement benefit obligations	2,674	2,674
Derivatives	3,297	-
Bank borrowings	-	248
Total current liabilities	193,013	209,117
Total liabilities	417,300	414,039
Total equity and liabilities	3,491,681	3,318,800
Net assets per share (RM)	7.38	6.96

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 2022.

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Condensed Statement of Changes in Equity for the Three Months Ended 31 March 2023 (The figures have not been audited)

	Attributable to Equity Holders of the Parent						Total	Non-controlling interests	Total equity
	Share Capital	Treasury shares	Retained profits	Cash flow hedge reserve	Capital reserve	Translation reserve			
(RM'000)									
Balance at									
1 January 2023	390,054	(18,668)	2,492,218	31,160	21,798	(25,829)	2,890,733	14,028	2,904,761
Total comprehensive income for the period	-	-	112,090	44,588	-	11,944	168,622	998	169,620
Balance at 31 March 2023	390,054	(18,668)	2,604,308	75,748	21,798	(13,885)	3,059,355	15,026	3,074,381
Balance at									
1 January 2022	390,054	(18,668)	2,407,380	(109,825)	21,798	(15,935)	2,674,804	10,669	2,685,473
Total comprehensive income for the period	-	-	59,693	(72,187)	-	1,228	(11,266)	1,978	(9,288)
Balance at 31 March 2022	390,054	(18,668)	2,467,073	(182,012)	21,798	(14,707)	2,663,538	12,647	2,676,185

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 2022.

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Condensed Consolidated Cash Flow Statements for the Three Months Ended 31 March 2023 (The figures have not been audited)

(RM'000)	3 Months ended 31 March	
	2023	2022
Operating Activities		
-Receipts from operations	591,443	600,083
-Operating payments	(347,765)	(656,291)
-Recovery/(placement) of deposits in derivative operations	43,589	(167,474)
Cash flow from operations	287,267	(223,682)
Other operating receipts	39,380	20,306
Taxes paid	(82,949)	(48,418)
Cash flow from operating activities	243,698	(251,794)
Investing Activities		
- Proceeds from sale of property, plant and equipment	906	95
- Interest received	6,691	1,350
- Purchase of property, plant and equipment	(31,313)	(25,399)
- Payment for right-of-use assets	(220)	(185)
- Net change in short term funds	(79,526)	176,594
Cash flow from investing activities	(103,462)	152,455
Financing Activities		
- Finance costs paid	(1)	(46)
- Joint venture	(4,756)	22,247
Cash flow from financing activities	(4,757)	22,201
Net Change in Cash & Cash Equivalents	135,479	(77,138)
Cash & Cash Equivalents at beginning of year	536,984	299,661
Cash & Cash Equivalents at end of period	672,463	222,523

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022.

Short Term Funds of RM321,808,000 (2022: RM1,576,000) are excluded from Cash Flow Statements due to reclassification of Short Term Funds from Cash & Cash Equivalents.

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Notes To The Interim Financial Report

A1) ACCOUNTING POLICIES AND BASIS OF PREPARATION

The interim financial statements of the Group for the financial period ended 31 March 2023 are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“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 2022. 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 2022.

At the date of authorization of these interim financial statements, the following MFRSs were issued but not yet effective and have not been applied by the Group:

MFRS	Effective for annual periods beginning on or after
• Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 Jan 2024
• Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback)	1 Jan 2024
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A2) AUDIT REPORT

The auditor’s report on the financial statements for the financial year ended 31 December 2022 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/April, 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.

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Notes To The Interim Financial Report

A6) EQUITY AND DEBT SECURITIES

As at 31 March 2023, the number of treasury shares held was 1,483,548 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

The revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

(RM'000)	3 months ended 31 March 2023				Total
	Plantations	Refining	Other Segments	Elimination	
Segment Revenue:					
External sales	155,954	304,033	-	-	459,987
Inter-segment sales	115,499	-	-	(115,499)	-
	271,453	304,033	-	(115,499)	459,987
Segment Results:					
Operating profit/(loss)	103,447	39,328	(22)	-	142,753
Investment and interest income	3,977	2,456	48	(9)	6,472
Interest expense	(181)	(9)	-	9	(181)
Share of results of joint ventures	-	990	-	-	990
Profit before tax	107,243	42,765	26	-	150,034
Taxation	(24,689)	(12,877)	(9)	-	(37,575)
Profit after tax	82,554	29,888	17	-	112,459
Assets:					
Segment assets	2,551,554	877,874	7,713	-	3,437,141
Investment in an associated company	-	-	50	-	50
Investment in joint ventures	(6)	54,496	-	-	54,490
Consolidated assets					3,491,681
Consolidated liabilities	350,844	66,378	78	-	417,300

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(RM'000)	3 months ended 31 March 2022				
	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue:					
External sales	177,370	465,538	-	-	642,908
Inter-segment sales	107,181	-	-	(107,181)	-
	284,551	465,538	-	(107,181)	642,908
Segment Results:					
Operating profit/(loss)	167,373	(89,330)	(1,464)	-	76,579
Investment and interest income	2,288	176	133	(1,537)	1,060
Interest expense	(45)	(1,538)	-	1,537	(46)
Share of results of joint ventures	-	(842)	-	-	(842)
Profit/(loss) before tax	169,616	(91,534)	(1,331)	-	76,751
Taxation	(38,615)	23,479	(5)	-	(15,141)
Profit/(loss) after tax	131,001	(68,055)	(1,336)	-	61,610
Assets:					
Segment assets	2,095,214	1,105,610	7,454	-	3,208,278
Investment in an associated company	-	-	50	-	50
Investment in joint ventures	-	39,359	-	-	39,359
Consolidated assets					3,247,687
Consolidated liabilities	259,295	312,160	47	-	571,502

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 2022.

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 period 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 27 April 2023.

Notes To The Interim Financial Report

B1) DIRECTORS' ANALYSIS OF THE GROUP'S PERFORMANCE FOR 3 MONTHS ENDED 31 MARCH 2023

The Group's revenue for the current quarter at RM460.0 million was lower by 28.5% as compared to RM642.9 million recorded in the corresponding quarter, due to the decreases in revenues for the plantation and refinery segments by 4.6% and 34.7% respectively in the current quarter.

The Group's profit before tax at RM150.0 million for the current quarter was higher by 95.5% as compared to RM76.8 million in the corresponding quarter. The analysis of the performance in accordance with the segments is as follows:

Plantations

The lower revenue from the major segment of the Group in the current quarter was due to lower CPO/PK production and lower average prices. CPO and PK production decreased by 6.9% and 9.3% respectively, and the average CPO and PK prices decreased by 3.4% and 33.2% respectively in the current quarter.

The above-mentioned factors together with higher costs of production in the current quarter as a result of higher fertiliser inputs, higher minimum wages and the new collective agreement which was concluded in the second half of 2022 resulted in the decrease of the profit before tax of this segment by 36.8% in the current quarter when compared to the corresponding quarter. As a result of lower production and significantly lower MPOB CPO prices in the current quarter, the windfall tax incurred at RM6.1 million was 70.1% lower than the corresponding quarter.

The average selling prices of CPO and PK for the current and corresponding quarters were as shown below.

Countries	Products	March 2023 Current Period (RM/MT)	March 2022 Corresponding Period (RM/MT)
Malaysia	CPO	3,705	3,659
Indonesia	CPO	3,495	4,324
Average	CPO	3,668	3,798
Malaysia	PK	2,051	2,794
Indonesia	PK	1,746	3,734
Average	PK	1,998	2,992

Group net interest income at RM6.5 million was 510.6% higher than RM1.1 million recorded in the corresponding quarter as a result of higher deposits and higher rates.

Refinery

The revenue for the refinery segment decreased by 34.7% to RM304.0 million in the current quarter from RM465.5 million in the corresponding quarter mainly due to lower CPO and CPKO prices. This segment recovered from a pretax loss of RM91.5 million in the corresponding quarter to a pretax profit of RM42.8 million in the current quarter. The positive result was because of hedging gains realised through buy back of earlier sold BMD futures as opposed to the huge hedging losses incurred in the corresponding quarter.

The profit before tax of the refinery segment as reported above includes the share of profit of the joint-venture, Unifuji Sdn Bhd which has been equity accounted. The share of results of the joint venture increased by 217.6% to a profit of RM0.99 million in the current quarter from a loss of RM0.84 million in the corresponding quarter mainly due to higher product contribution.

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Others

The other segments of the Group recorded an increase in profit before taxation of RM0.03 million in the current quarter, as compared to the loss before tax of RM1.3 million in the corresponding quarter which arose mainly as a result of the realized losses in BMD positions in the corresponding quarter. These BMD positions are for hedging of the sales price of our CPO production in Indonesia.

B2) COMPARISON OF RESULTS WITH PRECEDING QUARTER

(RM'000)	Current Quarter 31/3/2023	Preceding Quarter 31/12/2022	Changes %
Revenue	459,987	521,021	(11.7%)
Interest income	6,472	5,953	8.7%
Profit Before Tax	150,034	208,837	(28.2%)
Profit After Tax	112,459	161,146	(30.2%)

The Group's revenue for the current quarter at RM460.0 million was lower by 11.7% as compared to RM521.0 million recorded in the preceding quarter mainly as a result of the lower revenue from the refinery segment by 11.7%.

The profit before tax for the current quarter at RM150.0 million was lower by 28.2% as compared to RM208.8 million recorded in the preceding quarter due to lower profit before tax from both the plantation and refinery segments. The quarterly segmental analysis is as follows:

Plantations

The revenue for plantation segment increased marginally by 1.3% in the current quarter from the preceding quarter, even though the CPO and PK production were lower by 11.4% and 8.6% respectively. This was mainly due to higher group CPO and PK average prices in the current quarter which witnessed an increase of 6.5% and 1.2% respectively.

However, the profit before tax of this segment saw a decrease of 7.8% in the current quarter from the preceding quarter, mainly as a result of higher CPO production costs which was 65.4% higher due to higher application of fertilisers and higher wages. As a result of lower production and lower MPOB CPO prices in the current quarter, the windfall tax incurred at RM6.1 million was 5.8% lower than the preceding quarter.

Interest income for the Group increased by 8.7% in the current quarter from the preceding quarter due to higher deposits and higher rates in the current quarter.

Refinery

The refinery segment recorded a 20.4% decrease in revenue in the current quarter due to lower CPO and CPKO prices and lower sales volume.

The profit before tax of RM42.8 million for this segment in the current quarter was 53.9% lower compared to the profit before tax of RM92.7 million in the preceding quarter. This was mainly due to lower hedging gains recorded in the current quarter.

The profit before tax of the refinery segment as reported above includes the lower share of profit of RM0.99 million in the current quarter, against a RM10.3 million profit in the preceding quarter mainly due to the higher product volume and contribution in the preceding quarter.

Notes To The Interim Financial Report

B3) PROSPECTS AND OUTLOOK

2023 has started out on a bearish note with slow trading activity and palm oil prices having eased considerably from the historical highs seen in 2022. The extreme levels and high volatility experienced last year have created extra cautiousness in the market and much of the demand is based on “hand to mouth” buying.

The price declines have come mainly as a function of the major central banks initiating a much tighter monetary policy by increasing interest rates in an attempt to curb inflation which in turn has slowed the global economy. The gloomier global economic sentiments have been exacerbated by the prolongation of Russia’s invasion of Ukraine as well as the recent banking crisis which has panicked markets and put equities and commodity prices under further pressure. These developments will be watched closely over the next few months and will have a deciding impact on equity markets and the price direction of commodities, including palm oil during the rest of 2023.

Seasonal lower production in Malaysia and Indonesia and declining stocks experienced in the first quarter have provided somewhat of a relief to the falling prices and resulted in prices finding a floor around RM3,500/MT for the third-month benchmark contract. In addition, excessive rainfall and flooding experienced during the last 4 months of 2022 and spilling over into the first 3 months of 2023 have resulted in overall palm growth being stressed thereby reducing production very significantly during the first quarter. This has resulted in a sudden spot month shortage of CPO contributing to a significant inverse market with spot prices reaching above RM4000/MT. This temporary market shortage due to the sudden lower production is expected to reverse from May onwards as production is expected to increase again.

The acute labour shortages experienced in Malaysia over the last few years have finally turned a corner with new recruitment taking place in the plantation sector. Nevertheless, due to the prolonged onboarding process of new workers, the industry will likely only feel the positive impact of this during the middle of 2023 thereby limiting production losses in the field which was very widespread in the Malaysian plantation industry during 2022.

At time of writing the global supply/demand situation is in balance, despite the poor Argentinian soybean crop. Factors to watch will be trade policy changes in both consuming and producing countries, increased demand from the energy sector as well as the lingering geopolitical tensions that will impact global economic performance including commodity prices.

Based on the current global operating environment, UP is mindful of the challenges which 2023 may bring, especially amidst the uncertainties of high inflation and recession fears coupled with the ongoing Russia-Ukraine war and its impact on global supply chains. In addition, cost of energy, fertilisers, chemicals, building materials and spare parts are expected to remain at high levels, resulting in our cost base increasing to its highest levels ever.

Concerted efforts are therefore underway to alleviate these challenges by identifying areas that can improve our cost efficiencies without compromising on quality. Whilst labour shortages and field operations have improved significantly with the re-opening of borders and a new inflow of guest workers, special attention will continue to be given towards increasing yields and productivity. This will be pursued relentlessly through continued mechanization efforts and replanting of the older and less productive oil palm stands in order to take full advantage of our latest superior planting materials produced at our research department as a vital part of sustaining our positive development.

Based on the current palm oil prices and the Company’s focus on securing the crop, the Board of Directors expect that the results for the year will be satisfactory.

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Notes To The Interim Financial Report

B4) PROFIT FORECASTS

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

B5) OPERATING PROFIT

Included in the operating profit are the following:

<i>(RM'000)</i>	<i>Current Quarter</i>	<i>Current year-to-date</i>
Depreciation and amortisation	(26,578)	(26,578)
Realised foreign exchange gains/(losses)	(4,970)	(4,970)
Realised gains/(losses) on commodities futures contracts	37,736	37,736
Fair value gains/(losses):		
- Forward foreign exchange contracts	(1,798)	(1,798)
- Commodities futures contracts	(2,112)	(2,112)
Gain/(loss) on disposal of property, plant and equipment	117	117

B6) TAXATION

The charge for taxation for the period ended 31 March 2023 comprises:

<i>(RM '000)</i>	<i>Current Quarter</i>	<i>Current year-to-date</i>
Current taxation	32,591	32,591
Deferred taxation	4,984	4,984
	37,575	37,575
Profit before taxation	150,034	150,034
Tax at the statutory income tax rate of 24%	36,008	36,008
Tax effect of different tax rate in other country	(240)	(240)
Tax effects of expenses not deductible / (income not taxable) in determining taxable profit:		
Depreciation on non-qualifying assets	268	268
Double deductions for research and development	(125)	(125)
Others	1,664	1,664
Tax expense	37,575	37,575

B7) CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at 27 April 2023.

B8) GROUP BORROWINGS

There were no group borrowings as at 31 March 2023.

Notes To The Interim Financial Report

B9) FINANCIAL INSTRUMENTS

a) Derivatives

Derivatives not designated as hedging instruments

The Group uses forward currency contracts and commodity futures contracts to manage its exposure to currency and price risks, as well as to take advantage of favourable market conditions. The forward currency contract is not designated as cash flow or fair value hedges and is entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Derivatives designated as hedging instruments – Cash flow hedge

Commencing from 1 October 2018, the Group has designated certain commodity futures contracts as hedging derivatives to reduce the volatility attributable to price fluctuations of crude palm oil ("CPO"). Hedging of the price volatility of forecast CPO is in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity price and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships between the CPO sold and the forward commodity contracts as the underlying risk of the commodity price and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The fair values of these derivatives as at 31 March 2023 are as follows:

	Contract/ Notional Amount RM'000	Assets RM'000	Liabilities RM'000
Current			
Non-hedging derivatives:			
Forward currency contracts	286,506	-	(3,297)
Commodity futures contracts	291,199	373	-
Hedging derivatives:			
Commodity futures contracts	771,507	98,256	-
		<u>98,629</u>	<u>(3,297)</u>
Non-current			
Hedging derivatives:			
Commodity futures contracts	27,985	1,412	-
		<u>1,412</u>	<u>-</u>
Total derivatives		<u>100,041</u>	<u>(3,297)</u>

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 2022.

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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 2023, the notional amount, fair value and maturity tenor of the forward currency contracts are as follows:

	Contract/ Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
- less than 1 year	286,506	(3,297)
- 1 year to less than 3 years	-	-
- more than 3 years	-	-
	<u>286,506</u>	<u>(3,297)</u>

ii) Commodity futures contracts

Commodity futures contracts are 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 2023, the notional amount, fair value and maturity tenor of the commodity futures contracts are as follows:

	Contract/ Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
- less than 1 year	1,062,706	98,629
- 1 year to less than 3 years	27,985	1,412
- more than 3 years	-	-
	<u>1,090,691</u>	<u>100,041</u>

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.

B10) MATERIAL LITIGATION

There was no material litigation as at 27 April 2023.

Notes To The Interim Financial Report

B11) PROPOSED DIVIDENDS

No interim dividend has been declared or proposed for the year ending 31 December 2023.

B12) EARNINGS PER SHARE (EPS)

The calculation of EPS is based on profit attributable to the ordinary equity holders of the parent company of RM112,090,000 (2022: RM59,693,000) and the weighted average number of ordinary shares of 414,784,984 (2022: 414,784,984) in issue during the period.

By Order of the Board

Ng Eng Ho
Company Secretary

Jendarata Estate
36009 Teluk Intan
Perak Darul Ridzuan
Malaysia

27 April 2023

Contact information

United Plantations Berhad
Jendarata Estate
36009 Teluk Intan
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