



INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023
Condensed Consolidated Statement of Financial Position as at 31 March 2023
(The figures have not been audited)

	Note	31 March 2023 RM'000	31 December 2022 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		1,088,935	1,091,834
Bearer plants		851,065	864,726
Inventories		58,451	58,191
Right-of-use assets		502,789	504,174
Investment in a joint venture		19,203	19,632
Intangible assets		168,252	168,255
Deferred tax assets		5,158	5,151
		2,693,853	2,711,963
Current Assets			
Inventories		333,654	470,637
Biological assets		22,794	21,930
Trade and other receivables		303,089	292,584
Current tax recoverable		33,017	17,309
Derivatives	B9	66	1,605
Other investments		233,845	124,302
Cash and bank balances		1,336,114	1,253,646
		2,262,579	2,182,013
TOTAL ASSETS		4,956,432	4,893,976
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		914,542	914,474
Employee share option reserve		16,602	16,006
Other reserves		3,163	2,922
Retained earnings		2,405,881	2,361,709
		3,340,188	3,295,111
Non-controlling interests		152,699	152,203
Total equity		3,492,887	3,447,314

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Financial Position as at 31 March 2023 (Continued)
(The figures have not been audited)

	Note	31 March 2023 RM'000	31 December 2022 RM'000
Non-current liabilities			
Loans and borrowings	B8	427,117	446,125
Deferred tax liabilities		389,488	389,212
Government grants		13,008	13,274
Lease liabilities		1,813	895
		<u>831,426</u>	<u>849,506</u>
Current liabilities			
Loans and borrowings	B8	374,235	314,829
Trade and other payables		249,565	270,232
Current tax payable		6,078	10,328
Government grants		1,064	1,064
Derivatives	B9	556	48
Lease liabilities		621	655
		<u>632,119</u>	<u>597,156</u>
Total liabilities		<u>1,463,545</u>	<u>1,446,662</u>
TOTAL EQUITY AND LIABILITIES		<u>4,956,432</u>	<u>4,893,976</u>
Net assets per share attributable to owners of the Company (RM)		3.75	3.70
No. of share ('000)		890,189	890,164

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Comprehensive Income
For the Three-Months Period ended 31 March 2023
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 3 months ended 31 March	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Continuing Operations					
Revenue		1,207,025	1,432,609	1,207,025	1,432,609
Cost of sales		(1,141,490)	(1,189,149)	(1,141,490)	(1,189,149)
Gross profit		65,535	243,460	65,535	243,460
Administrative expenses		(6,768)	(7,785)	(6,768)	(7,785)
Other operating income		7,084	36,739	7,084	36,739
Operating profit		65,851	272,414	65,851	272,414
Finance income		10,448	4,757	10,448	4,757
Finance costs		(8,415)	(7,437)	(8,415)	(7,437)
Share of result of equity- accounted joint venture, net of tax		(429)	(1,129)	(429)	(1,129)
Profit before tax	B5	67,455	268,605	67,455	268,605
Taxation	B6	(20,787)	(62,868)	(20,787)	(62,868)
Profit after tax for the period		46,668	205,737	46,668	205,737
Other comprehensive income:					
Foreign exchange translation differences for foreign operations		481	309	481	309
Fair value adjustment on cash flow hedge		(316)	434	(316)	434
Income tax relating to components of other comprehensive income		76	(104)	76	(104)
Other comprehensive income for the period, net of tax		241	639	241	639
Total comprehensive income for the period		46,909	206,376	46,909	206,376
Profit attributable to:					
Owners of the Company		44,172	194,991	44,172	194,991
Non-controlling interests		2,496	10,746	2,496	10,746
		46,668	205,737	46,668	205,737

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Comprehensive Income
For the Three-Months Period ended 31 March 2023
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 3 months ended 31 March	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total comprehensive income attributable to:					
Owners of the Company		44,413	195,630	44,413	195,630
Non-controlling interests		2,496	10,746	2,496	10,746
		<u>46,909</u>	<u>206,376</u>	<u>46,909</u>	<u>206,376</u>
Earnings per share attributable to owners of the Company (Sen):					
Basic	B12	<u>4.96</u>	<u>22.73</u>	<u>4.96</u>	<u>22.73</u>
Diluted	B12	<u>4.96</u>	<u>22.48</u>	<u>4.96</u>	<u>22.48</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Changes in Equity
For the Three-Months Period ended 31 March 2023
(The figures have not been audited)

Equity attributable to owners of the Company

	Equity, total	Equity attributable to owners of the Company total	Share capital	Non-distributable		Distributable		Non- controlling interests
				Employee share option reserve	Other reserves	Retained earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	3,447,314	3,295,111	914,474	16,006	2,922	2,361,709	152,203	
Total comprehensive income for the period	46,909	44,413	-	-	241	44,172	2,496	
Transactions with owners								
Dividends paid to non-controlling interests in subsidiaries	(2,000)	-	-	-	-	-	-	(2,000)
Issuance of ordinary shares:								
Pursuant to exercise of ESOS	42	42	42	-	-	-	-	-
Share options granted under ESOS	622	622	-	622	-	-	-	-
Share options exercised under ESOS	-	-	26	(26)	-	-	-	-
At 31 March 2023	<u>3,492,887</u>	<u>3,340,188</u>	<u>914,542</u>	<u>16,602</u>	<u>3,163</u>	<u>2,405,881</u>	<u>152,699</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunctions with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)

**Condensed Consolidated Statement of Changes in Equity
For the Three-Months Period ended 31 March 2023 (Continued)**

Equity attributable to owners of the Company

	Equity, total	Equity attributable to owners of the Company total	Share capital	Non-distributable		Distributable		Non- controlling interests
				Employee share option reserve	Other reserves	Retained earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	2,938,711	2,802,119	823,162	26,481	(793)	1,953,269	136,592	
Total comprehensive income for the year	507,965	483,367	-	-	3,715	479,652	24,598	
Transactions with owners								
Dividends to owners of the Company	(71,212)	(71,212)	-	-	-	(71,212)	-	
Dividends paid to non-controlling interests in subsidiaries	(8,987)	-	-	-	-	-	(8,987)	
Issuance of ordinary shares:								
Pursuant to exercise of ESOS	77,376	77,376	77,376	-	-	-	-	
Share options granted under ESOS	3,461	3,461	-	3,461	-	-	-	
Share options exercised under ESOS	-	-	13,936	(13,936)	-	-	-	
At 31 December 2022	<u>3,447,314</u>	<u>3,295,111</u>	<u>914,474</u>	<u>16,006</u>	<u>2,922</u>	<u>2,361,709</u>	<u>152,203</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunctions with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Cash Flows
For the Three-Months Period ended 31 March 2023
(The figures have not been audited)

	31 March	31 March
	2023	2022
	RM'000	RM'000
Operating activities		
Profit before tax	67,455	268,605
Adjustments for non-cash items:		
Depreciation and amortisation	43,301	41,459
Amortisation of government grant	(266)	(266)
Share options granted under ESOS	622	494
Gain on disposal of property, plant and equipment	(537)	(318)
Net loss on lease modifications/terminations	9	-
Property, plant and equipment written off	99	135
Bearer plants written off	108	-
Finance income	(10,448)	(4,757)
Finance costs	8,415	7,437
Fair value gain on biological assets	(864)	(4,995)
Unrealised loss/(gain) on foreign exchange	4,682	(678)
Fair value loss/(gain) on derivatives	1,731	(767)
Share of results of a joint venture	429	1,129
Operating cash flows before working capital changes	114,736	307,478
Decrease in inventories	136,756	136,430
Increase in trade and other receivables	(9,874)	(38,272)
(Decrease)/Increase in trade and other payables	(21,449)	26,009
Cash flows from operations	220,169	431,645
Net income tax paid	(40,425)	(38,693)
Net cash flows from operating activities	179,744	392,952

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Cash Flows
For the Three-Months Period ended 31 March 2023 (Continued)
(The figures have not been audited)

	31 March 2023 RM'000	31 March 2022 RM'000
Investing activities		
Acquisition of property, plant and equipment	(19,720)	(19,286)
Additions to bearer plants	(4,728)	(4,277)
Proceeds from disposal of property, plant and equipment	627	169
Interest received	10,448	4,757
(Placement)/Upliftment of fixed deposits with tenor maturities	(109,543)	13,027
Net cash flows used in investing activities	<u>(122,916)</u>	<u>(5,610)</u>
Financing activities		
Net movements in trade financing	51,400	(57,848)
Proceeds from issuance of shares	42	-
Proceeds from exercise of ESOS	-	3,845
Repayment of obligations under hire purchase	(787)	(1,325)
Repayment of loans and borrowings	(10,278)	(126,318)
Repayment of lease liabilities	(155)	(189)
Dividend paid to non-controlling interests	(2,000)	-
Interest paid	(8,396)	(7,431)
Net cash flows from/(used in) financing activities	<u>29,826</u>	<u>(189,266)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Cash Flows
For the Three-Months Period ended 31 March 2023 (Continued)
(The figures have not been audited)

	31 March 2023 RM'000	31 March 2022 RM'000
Net increase in cash and cash equivalents	86,654	198,076
Cash and cash equivalents at beginning of the financial period	1,253,646	796,693
Effect of exchange rate changes	(4,186)	254
Cash and cash equivalents at end of the financial period	<u>1,336,114</u>	<u>995,023</u>
 Cash and cash equivalents at the end of the financial period comprised the following:		
Short term deposits with licensed banks	715,270	579,339
Cash in hand and at banks	620,844	415,684
Cash and bank balances	<u>1,336,114</u>	<u>995,023</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this report)



Explanatory Notes To The Interim Report – 31 March 2023

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 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 financial year ended 31 December 2022.

The accounting policies used in the preparation of interim financial statements are consistent with those adopted in the audited financial statements of the Group for the year ended 31 December 2022.

On 1 January 2023, the Group adopted the following new and amended Malaysian Financial Reporting Standards (“MFRSs”) mandatory for annual financial periods beginning on or after 1 January 2023.

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Initial Application of MFRS 17 and MFRS 9, *Comparative Information (Amendment to MFRS 17 Insurance Contracts)*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 108, *Accounting Policies Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, Income Tax, *Deferred tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the above pronouncements did not have material impact on the financial statements of the Group.



Explanatory Notes To The Interim Report – 31 March 2023

A1. Accounting Policies and Basis of Preparation (Continued)

At the date of authorisation of these interim financial statements, the following MFRS, Amendments to MFRS and 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
<ul style="list-style-type: none"> • Amendments to MFRS 16, Leases – <i>Lease liability in a sale and leaseback</i> 	01 January 2024
<ul style="list-style-type: none"> • <i>Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</i> 	01 January 2024
<ul style="list-style-type: none"> • Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – <i>Sale or Contribution of Assets between an Investors and its Associate or Joint Venture</i> 	To be determined

A2. Disclosure of audit report qualification and status of matters raised

There were no qualifications in the audit report on the preceding annual financial statements.

A3. Seasonality or cyclicity of interim operations

The Group's performance is subjected to the cropping pattern of the palms.

A4. Unusual Items affecting assets, liabilities, equity, net income, or cash flow

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size, or incidence during the interim period under review.

A5. Material changes in estimates

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect in the current interim period.

A6. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale or repayment of debt and equity securities during the current quarter, other than listing and quotation of 24,750 shares exercised under Employee's Share Option Scheme.

A7. Dividends paid

There were no dividend paid during interim period under review.



Explanatory Notes To The Interim Report – 31 March 2023

A8. Segment Information

Segment information is presented in respect of the Group's reportable segments which are based on the Group's management and internal reporting structure.

Period ended 31 March 2023

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	1,205,837	1,188	-	1,207,025
Revenue from external customers	1,205,837	1,188	-	1,207,025
Finance income	12,065	19	(1,636)	10,448
Finance costs	(10,006)	(104)	1,695	(8,415)
Depreciation and amortisation	(41,090)	(64)	(2,147)	(43,301)
Profit before taxation for financial period	68,197	(313)	(429)	67,455

Period ended 31 March 2022

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	1,433,513	1,063	-	1,432,609
Revenue from external customers	1,433,513	1,063	-	1,432,609
Finance income	7,032	12	(2,287)	4,757
Finance costs	(9,517)	(251)	2,331	(7,437)
Depreciation and amortisation	(39,004)	(66)	(2,389)	(41,459)
Profit before taxation for financial period	269,916	(296)	(1,015)	268,605



Explanatory Notes To The Interim Report – 31 March 2023

A9. Valuation of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment brought forward from previous annual financial statements.

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings, and discontinued operations for the current interim period.

A12. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 31 March 2023 except corporate guarantees of RM1,072.79 million favouring the banks in respect of banking facilities granted to the subsidiaries. The contingent liabilities of RM197.19 million represents the outstanding banking facilities of the subsidiaries with corporate guarantee at the end of the reporting period.

A13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and for bearer plants not provided for in the financial statements as at 31 March 2023 is as follows:-

	31 March 2023
	RM'000
Property, plant and equipment	
Authorised but not contracted for	170,732
Contracted but not provided in the financial statements	50,726

	221,458
	=====
 Bearer plants	
Authorised but not contracted for	42,001
Contracted but not provided in the financial statements	4,284

	46,285
	=====



Explanatory Notes To The Interim Report – 31 March 2023

B. BMSB Listing Requirements (Part A of Appendix 9B)

B1. Review of Group's Financial Performance

Financial review for current quarter and financial period to date

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (%)	Current Year To-date	Preceding Year Corresponding Period	Changes (%)
	RM'000	RM'000		RM'000	RM'000	
	31/03/2023	31/03/2022		31/03/2023	31/03/2022	
Revenue	1,207,025	1,432,609	-16%	1,207,025	1,432,609	-16%
Gross Profit	65,535	243,460	-73%	65,535	243,460	-73%
Operating profit	65,851	272,414	-76%	65,851	272,414	-76%
Profit Before Tax	67,455	268,605	-75%	67,455	268,605	-75%
Profit After Tax	46,668	205,737	-77%	46,668	205,737	-77%
Profit Attributable to Owners of the Company	44,172	194,991	-77%	44,172	194,991	-77%

1st Quarter FY2023 (“Q1FY2023”) vs 1st Quarter FY2022 (“Q1FY2022”)

The Group registered a total revenue of RM1,207 million for Q1FY2023 compared with RM1,432.6 million reported in Q1FY2022.

The Group's profit before tax for the current quarter was RM67.5 million compared with RM268.6 million reported in corresponding quarter last year. The decrease in profit before tax was mainly attributed to lower realised selling prices of palm products coupled with higher production costs when compared to Q1FY2022.



Explanatory Notes To The Interim Report – 31 March 2023

B2. Group's Financial Performance Review and Segmental Analysis

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	RM'000	RM'000	
	31/03/2023	31/12/2022	
Revenue	1,207,025	1,207,661	0%
Gross Profit	65,535	79,260	-17%
Operating profit	65,851	78,436	-16%
Profit Before Tax	67,455	77,821	-13%
Profit After Tax	46,668	50,962	-8%
Profit Attributable to owners of the Company	44,172	48,361	-9%

1st Quarter FY2023 (“Q1FY2023”) vs 4th Quarter FY2022 (“Q4FY2022”)

The Group registered a total revenue of RM1,207.0 million for Q1FY2023 compared with RM1,207.7 million reported in Q4FY2022.

The Group reported a profit before tax of RM67.5 million compared to RM77.8 million reported in Q4FY2022. The decrease in profit before tax was mainly due to the lower FFB production during this quarter.

For the quarter under review, simple average palm products' realised prices against last quarter were as below:-

	Q1FY 2023	Q4FY 2022
Palm Oil Products (RM/mt)	3,973	3,833
Palm Kernel Products (RM/mt)	2,359	2,351

B3. Prospect

The performance of the Group would continue to be driven by the FFB production which is affected by labour shortage and global world edible oil price movement. This is further exacerbated by the effect of supply chain on fertilisers, chemicals and fuel prices which will affect the costs of production. The Group is taking steps to improve its production. Notwithstanding this, industry will continue to face challenges in view of global economic conditions and softening of commodity prices.

B4. Variance of actual profit from forecast profit

The disclosure requirement for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interests and for the shortfall in profit guarantee are not applicable.



Explanatory Notes To The Interim Report – 31 March 2023

B5. Profit before tax

Profit before tax is arrived at after charging/(crediting):-

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	43,301	41,459	43,301	41,459
Gain on disposal of property, plant and equipment	(537)	(318)	(537)	(318)
Property, plant and equipment written off	99	135	99	135
Finance income	(10,448)	(4,757)	(10,448)	(4,757)
Finance costs	8,415	7,437	8,415	7,437
Fair value gain on biological assets	(864)	(4,995)	(864)	(4,995)
Unrealised loss/(gain) on foreign exchange	4,682	(678)	4,682	(678)
Fair value loss/(gain) on derivatives	1,731	(767)	1,731	(767)

B6. Taxation

Current tax expenses	20,467	51,165	20,467	51,165
Deferred tax	320	11,703	320	11,703
	<u>20,787</u>	<u>62,868</u>	<u>20,787</u>	<u>62,868</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	<u>(76)</u>	<u>104</u>	<u>(76)</u>	<u>104</u>

B7. Status of corporate proposal announced

There was no corporate proposal announced that was not completed as at the date of this announcement.



Explanatory Notes To The Interim Report – 31 March 2023

B8. Loans and borrowings

	As at 1 st quarter ended 2023							
	Long term		Short term			Total borrowings		
	Denomination in		Denomination in			Denomination in		
	SGD	RM	SGD	USD	RM	SGD	USD	RM
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured								
Hire purchase	-	12	-	-	1,077	-	-	1,089
Revolving Credit	-	-	-	-	5,000	-	-	5,000
Sukuk Murabahah	-	19,555	-	-	-	-	-	19,555
Term loans	1,311	406,239	1,312	-	75,400	2,623	-	481,639
Unsecured								
Trade loans	-	-	-	6,446	285,000	-	6,446	285,000
	1,311	425,806	1,312	6,446	366,477	2,623 [^]	6,446 [*]	792,283

**USD1.46 million equivalent*

[^]SGD0.79 million equivalent

	As at 1 st quarter ended 2022							
	Long term		Short term			Total borrowings		
	Denomination in		Denomination in			Denomination in		
	SGD	RM	SGD	USD	RM	SGD	USD	RM
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured								
Hire purchase	-	1,662	-	-	2,956	-	-	4,618
Sukuk Murabahah	-	19,468	-	-	-	-	-	19,468
Term loans	2,453	485,389	1,402	-	67,650	3,855	-	553,039
Unsecured								
Trade loans	-	-	-	83,278	168,386	-	83,278	168,386
	2,453	506,519	1,402	83,278	238,992	3,855 [^]	83,278 [*]	745,511

**USD19.80 million equivalent*

[^]SGD1.24 million equivalent



Explanatory Notes To The Interim Report – 31 March 2023

B9. Derivatives

(a) The outstanding interest rate swap (IRS) contracts as at 31 March 2023 are as follows:-

(i) Interest rate swap - designated as hedging

	Contract/Notional Value (Million)					Fair Value – assets/(liabilities) (RM'000)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Interest rate swap	RM	50	-	-	50	60	-	-	60

The Group uses IRS to manage part of its exposure to interest rate movements on its bank borrowings by swapping a proportion of its borrowings from floating rates to fixed rates and is designated as cash flow hedges. The fair value of IRS is measured at the present value of future cash flows estimated and discounted based on quoted interest rates. The IRS would reduce the group's cash flow exposure resulting from interest rate fluctuation. It satisfies the criteria for cash flow hedges and accordingly hedge accounting is applied.

(b) The outstanding commodity forward contracts and forward currency contracts as at 31 March 2023 are as follows:-

	Contract/Notional Value (RM'Million)					Fair Value assets/(liabilities) (RM'000)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Commodity forward contracts	RM	6	-	-	6	(110)	-	-	(110)
Commodity forward contracts	USD	9	-	-	9	(446)	-	-	(446)
Forward currency contracts	USD	271	-	-	271	6	-	-	6

The Group uses commodity forward contracts and forward currency contracts to manage some of the transaction exposure. 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.

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

B10. Changes in material litigation

There was no material litigation during the interim period under review.



Explanatory Notes To The Interim Report – 31 March 2023

B11. Dividends

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2022, of 6 sen per ordinary share on 890,188,544 ordinary shares, amounting to a dividend payable of RM53,411,313 will be proposed for shareholder's approval.

B12. Earnings per share

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	44,172	194,991	44,172	194,991
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	890,165	858,011	890,165	858,011
	Sen	Sen	Sen	Sen
Basic earnings per share [#]	4.96	22.73	4.96	22.73

For comparative purposes, the earnings per share of the quarter and period ended 31 March 2022 had been adjusted to reflect the bonus issue of 1 bonus share for every 2 existing ordinary shares which was completed on 19 July 2022.



Explanatory Notes To The Interim Report – 31 March 2023

B12. Earnings per Share (Continued)

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	44,172	194,991	44,172	194,991
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	890,199	867.264	890,199	867.264
	Sen	Sen	Sen	Sen
Diluted earnings per share [#]	4.96	22.48	4.96	22.48

For comparative purposes, the diluted earnings per share of the quarter and period ended 31 March 2022 had been adjusted to reflect the bonus issue of 1 bonus share for every 2 existing ordinary shares which was completed on 19 July 2022.

B13. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 May 2023.

By Order of the Board
Eric Kiu Kwong Seng
Company Secretary

Miri
19 May 2023