



INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
Condensed Consolidated Statement of Financial Position as at 30 June 2023
(The figures have not been audited)

	Note	30 June 2023 RM'000	31 December 2022 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		1,094,761	1,091,834
Bearer plants		838,662	864,726
Inventories		58,475	58,191
Right-of-use assets		500,504	504,174
Investment in a joint venture		15,534	19,632
Intangible assets		168,252	168,255
Deferred tax assets		5,139	5,151
		2,681,327	2,711,963
Current Assets			
Inventories		454,445	470,637
Biological assets		21,400	21,930
Trade and other receivables		229,720	292,584
Current tax recoverable		43,906	17,309
Derivatives	B9	16	1,605
Other investments		374,511	124,302
Cash and bank balances		1,084,771	1,253,646
		2,208,769	2,182,013
TOTAL ASSETS		4,890,096	4,893,976
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		914,803	914,474
Employee share option reserve		17,282	16,006
Other reserves		6,497	2,922
Retained earnings		2,400,580	2,361,709
		3,339,162	3,295,111
Non-controlling interests		150,102	152,203
Total equity		3,489,264	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 30 June 2023 (Continued)
(The figures have not been audited)

	Note	30 June 2023 RM'000	31 December 2022 RM'000
Non-current liabilities			
Loans and borrowings	B8	406,963	446,125
Deferred tax liabilities		391,108	389,212
Government grants		12,742	13,274
Lease liabilities		1,783	895
		<u>812,596</u>	<u>849,506</u>
Current liabilities			
Loans and borrowings	B8	320,033	314,829
Trade and other payables		260,410	270,232
Current tax payable		1,133	10,328
Government grants		1,064	1,064
Derivatives	B9	4,967	48
Lease liabilities		629	655
		<u>588,236</u>	<u>597,156</u>
Total liabilities		<u>1,400,832</u>	<u>1,446,662</u>
TOTAL EQUITY AND LIABILITIES		<u>4,890,096</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)		890,278	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 Six-Months Period ended 30 June 2023
(The figures have not been audited)

	Note	INDIVIDUAL QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 6 months ended 30 June	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Continuing Operations					
Revenue		1,175,340	1,399,466	2,382,365	2,834,042
Cost of sales		(1,099,711)	(1,185,679)	(2,241,201)	(2,376,795)
Gross profit		75,629	213,787	141,164	457,247
Administrative expenses		(9,247)	(3,332)	(16,015)	(11,117)
Other operating (expenses)/income		(8,720)	332	(1,636)	37,071
Operating profit		57,662	210,787	123,513	483,201
Finance income		12,277	5,828	22,725	10,585
Finance costs		(8,382)	(7,397)	(16,797)	(14,834)
Share of result of equity- accounted joint venture, net of tax		5,257	87	4,828	(1,042)
Profit before tax	B5	66,814	209,305	134,269	477,910
Taxation	B6	(16,214)	(46,151)	(37,001)	(109,019)
Profit after tax for the period		50,600	163,154	97,268	368,891
Other comprehensive income:					
Foreign exchange translation differences for foreign operations		3,368	1,801	3,849	2,110
Fair value adjustment on cash flow hedge		(45)	2,106	(361)	2,540
Income tax relating to components of other comprehensive income		11	(506)	87	(610)
Other comprehensive income for the period, net of tax		3,334	3,401	3,575	4,040
Total comprehensive income for the period		53,934	166,555	100,843	372,931
Profit attributable to:					
Owners of the Company		48,116	154,460	92,288	349,451
Non-controlling interests		2,484	8,694	4,980	19,440
		50,600	163,154	97,268	368,891

(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 Six-Months Period ended 30 June 2023
(The figures have not been audited)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		6 months ended	
		30 June		30 June	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Total comprehensive income attributable to:					
Owners of the Company		51,450	157,861	95,863	353,491
Non-controlling interests		2,484	8,694	4,980	19,440
		<u>53,934</u>	<u>166,555</u>	<u>100,843</u>	<u>372,931</u>
Earnings per share attributable to owners of the Company (Sen):					
Basic	B12	<u>5.40</u>	<u>17.48</u>	<u>10.37</u>	<u>40.01</u>
Diluted	B12	<u>5.40</u>	<u>17.46</u>	<u>10.37</u>	<u>39.91</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 Six-Months Period ended 30 June 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 Employee share option reserve	Other reserves	Distributable Retained earnings	Non- controlling interests
	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	100,843	95,863	-	-	3,575	92,288	4,980
Transactions with owners							
Dividend payable to owners of the Company	(53,417)	(53,417)	-	-	-	(53,417)	-
Dividends paid to non-controlling interests in subsidiaries	(7,081)	-	-	-	-	-	(7,081)
Issuance of ordinary shares:							
Pursuant to exercise of ESOS	211	211	211	-	-	-	-
Share options granted under ESOS	1,394	1,394	-	1,394	-	-	-
Share options exercised under ESOS	-	-	118	(118)	-	-	-
At 30 June 2023	<u>3,489,264</u>	<u>3,339,162</u>	<u>914,803</u>	<u>17,282</u>	<u>6,497</u>	<u>2,400,580</u>	<u>150,102</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 Six-Months Period ended 30 June 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 Six-Months Period ended 30 June 2023
(The figures have not been audited)

	30 June	30 June
	2023	2022
	RM'000	RM'000
Operating activities		
Profit before tax	134,269	477,910
Adjustments for non-cash items:		
Depreciation and amortisation	85,570	85,667
Amortisation of government grant	(532)	(532)
Share options granted under ESOS	1,394	1,483
Gain on disposal of property, plant and equipment	(540)	(436)
Property, plant and equipment written off	242	198
Bearer plants written off	2,957	128
Finance income	(22,725)	(10,585)
Finance costs	16,797	14,834
Fair value loss/(gain) on biological assets	530	(7,208)
Unrealised gain on foreign exchange	(1,356)	(600)
Fair value loss on derivatives	6,147	9,145
Share of results of a joint venture	(4,828)	1,042
Operating cash flows before working capital changes	<u>217,925</u>	<u>571,046</u>
Decrease in inventories	15,975	22,804
Decrease/(Increase) in trade and other receivables	73,138	(43,574)
Decrease in trade and other payables	(71,425)	(53,875)
Cash generated from operations	<u>235,613</u>	<u>496,401</u>
Net income tax paid	(70,822)	(67,638)
Net cash flows from operating activities	<u>164,791</u>	<u>428,763</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 Six-Months Period ended 30 June 2023 (Continued)
(The figures have not been audited)

	30 June 2023 RM'000	30 June 2022 RM'000
Investing activities		
Acquisition of property, plant and equipment	(46,578)	(44,539)
Acquisition of right-of-use assets	-	(252)
Additions to bearer plants	(13,363)	(7,950)
Proceeds from disposal of property, plant and equipment	824	1,606
Proceeds from redemption of preference shares from joint ventures	8,927	-
Interest received	22,725	10,585
(Placement)/Upliftment of fixed deposits with original maturities exceeding three months	(250,210)	27,533
Net cash flows used in investing activities	(277,675)	(13,017)
Financing activities		
Net movements in trade financing	(8,146)	51,373
Proceeds from issuance of shares	211	77,330
Proceeds from revolving credits	15,000	-
Repayment of obligations under hire purchase	(1,479)	(2,291)
Repayment of loans and borrowings	(29,532)	(149,033)
Repayment of lease liabilities	(761)	(436)
Repayment of revolving credits	(10,000)	-
Dividend paid to non-controlling interests	(7,081)	(7,995)
Interest paid	(16,759)	(15,058)
Net cash flows used in financing activities	(58,547)	(46,110)

(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 Six-Months Period ended 30 June 2023 (Continued)
(The figures have not been audited)

	30 June 2023 RM'000	30 June 2022 RM'000
Net (decrease)/increase in cash and cash equivalents	(171,431)	369,636
Cash and cash equivalents at beginning of the financial period	1,253,646	794,432
Effect of exchange rate changes	2,556	(1,519)
Cash and cash equivalents at end of the financial period	<u>1,084,771</u>	<u>1,162,549</u>
 Cash and cash equivalents at the end of the financial period comprised the following:		
Short term deposits with licensed banks	753,946	645,759
Cash in hand and at banks	330,825	516,790
Cash and bank balances	<u>1,084,771</u>	<u>1,162,549</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 – 30 June 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 Taxes, Deferred tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules*

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



Explanatory Notes To The Interim Report – 30 June 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"> • Amendment to MFRS 101, <i>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"> • Amendment to MFRS 107, <i>Statement of Cash Flows</i> and MFRS 7, <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i> 	01 January 2024
<ul style="list-style-type: none"> • Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – 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 88,950 shares exercised under Employee's Share Option Scheme.

A7. Dividends paid

The Company has paid RM53,416,650 on 14 July 2023, being the final single tier dividend of 6 sen per ordinary share declared for the financial year ended 31 December 2022 and which was duly approved during the Annual General Meeting held on 22 June 2023.



Explanatory Notes To The Interim Report – 30 June 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 30 June 2023

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	2,380,348	2,017	-	2,382,365
Revenue from external customers	2,380,348	2,017	-	2,382,365
Finance income	25,335	36	(2,646)	22,725
Finance costs	(19,378)	(181)	2,762	(16,797)
Depreciation and amortisation	(81,149)	(127)	(4,294)	(85,570)
Profit before taxation for financial period	129,983	(585)	4,871	134,269

Period ended 30 June 2022

	Palm oil Segment RM'000	Property Segment RM'000	Consolidation Adjustment RM'000	Consolidated RM'000
Total segment revenue	2,832,044	1,998	-	2,834,042
Revenue from external customers	2,832,044	1,998	-	2,834,042
Finance income	14,321	41	(3,777)	10,585
Finance costs	(18,239)	(393)	3,798	(14,834)
Depreciation and amortisation	(80,771)	(132)	(4,764)	(85,667)
Profit before taxation for financial period	478,175	596	(861)	477,910



Explanatory Notes To The Interim Report – 30 June 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 30 June 2023.

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 30 June 2023 is as follows:-

	30 June 2023
	RM'000
Property, plant and equipment	
Authorised but not contracted for	161,869
Contracted but not provided in the financial statements	56,384

	218,253
	=====
 Bearer plants	
Authorised but not contracted for	35,368
Contracted but not provided in the financial statements	4,095

	39,463
	=====



Explanatory Notes To The Interim Report – 30 June 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	(%)
	30/06/2023	30/06/2022		30/06/2023	30/06/2022	
Revenue	1,175,340	1,399,466	-16%	2,382,365	2,834,042	-16%
Gross Profit	75,629	213,787	-65%	141,164	457,247	-69%
Operating profit	57,662	210,787	-73%	123,513	483,201	-74%
Profit Before Tax	66,814	209,305	-68%	134,269	477,910	-72%
Profit After Tax	50,600	163,154	-69%	97,268	368,891	-74%
Profit Attributable to Owners of the Company	48,116	154,460	-69%	92,288	349,451	-74%

2nd Quarter FY2023 (“Q2FY2023”) vs 2nd Quarter FY2022 (“Q2FY2022”)

The Group registered a total revenue of RM1,175.3 million for Q2FY2023 compared with RM1,399.5 million reported in Q2FY2022.

The Group's profit before tax for the current quarter was RM66.8 million compared with RM209.3 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 Q2FY2022.

Current Year To Date (“2QFY2023”) vs Preceding Year To Date (“2QFY2022”)

The Group registered a total revenue of RM2,382.4 million for the six months ended 30 June 2023 against RM2,834.0 million reported in the corresponding period year 2022.

Group profit before tax for the period ended 30 June 2023 was RM134.3 million against RM477.9 million achieved during the corresponding period year 2022. The decrease in profit before tax was mainly attributed to decrease in average realised prices of palm products and higher production costs.



Explanatory Notes To The Interim Report – 30 June 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	
	30/06/2023	31/03/2023	
Revenue	1,175,340	1,207,025	-3%
Gross Profit	75,629	65,535	15%
Operating profit	57,662	65,851	-12%
Profit Before Tax	66,814	67,455	-1%
Profit After Tax	50,600	46,668	8%
Profit Attributable to owners of the Company	48,116	44,172	9%

2nd Quarter FY2023 (“Q2FY2023”) vs 1st Quarter FY2023 (“Q1FY2023”)

The Group registered a total revenue of RM1,175.3 million for Q2FY2023 compared with RM1,207.0 million reported in Q1FY2023.

The Group reported a profit before tax of RM66.8 million compared to RM67.5 million reported in Q1FY2023 due to higher production costs.

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

	Q2FY 2023	Q1FY 2023
Palm Oil Products (RM/mt)	3,948	3,915
Palm Kernel Products (RM/mt)	2,324	2,359

B3. Prospect

The performance of the Group would continue to be driven by the cyclical FFB production, global world edible oil price movement, effect of supply chain on fertilisers, chemicals and fuel prices which will affect the costs of production. The Group is taking effective steps to improve its production through aggressive recovery program, including cost control and replanting program. 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 – 30 June 2023

B5. Profit before tax

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

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30 June		30 June	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	42,269	44,208	85,570	85,667
Gain on disposal of property, plant and equipment	(3)	(118)	(540)	(436)
Property, plant and equipment written off	143	63	242	198
Bearer plant written off	2,957	128	2,957	128
Finance income	(12,277)	(5,828)	(22,725)	(10,585)
Finance costs	8,382	7,397	16,797	14,834
Fair value loss/(gain) on biological assets	1,393	(2,213)	530	(7,208)
Unrealised (gain)/loss on foreign exchange	(6,038)	78	(1,356)	(600)
Fair value loss on derivatives	4,416	9,912	6,147	9,145

B6. Taxation

Current tax expenses	14,539	29,745	35,006	80,910
Deferred tax	1,675	16,406	1,995	28,109
	<u>16,214</u>	<u>46,151</u>	<u>37,001</u>	<u>109,019</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	(11)	506	(87)	610

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 – 30 June 2023

B8. Loans and borrowings

	As at 2 nd 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	
<u>Secured</u>								
Hire purchase	-	-	-	-	396	-	-	396
Revolving Credit	-	-	-	-	10,000	-	-	10,000
Sukuk Murabahah	-	19,574	-	-	-	-	-	19,574
Term loans	-	387,389	2,337	-	75,400	2,337	-	462,789
<u>Unsecured</u>								
Trade loans	-	-	-	-	231,900	-	-	231,900
	-	406,963	2,337	-	317,696	2,337 [^]	-	724,659

[^]SGD0.68 million equivalent

	As at 2 nd 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	
<u>Secured</u>								
Hire purchase	-	1,134	-	-	2,518	-	-	3,652
Sukuk Murabahah	-	19,498	-	-	-	-	-	19,498
Term loans	2,145	465,290	1,430	-	65,400	3,575	-	530,690
<u>Unsecured</u>								
Trade loans	-	-	-	119,015	242,079	-	119,015	242,079
	2,145	485,922	1,430	119,015	309,997	3,575 [^]	119,015 [*]	795,919

^{*}USD27.00 million equivalent

[^]SGD1.13 million equivalent



Explanatory Notes To The Interim Report – 30 June 2023

B9. Derivatives

(a) The outstanding interest rate swap (IRS) contracts as at 30 June 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	16	-	-	16

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 30 June 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	48	-	-	48	(864)	-	-	(864)
Commodity forward contracts	USD	8	-	-	8	(187)	-	-	(187)
Forward currency contracts	USD	349	-	-	349	(3,916)	-	-	(3,916)

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 – 30 June 2023

B11. Dividends

Final single-tier dividend in respect of the financial year ended 31 December 2022, of 6 sen per ordinary share amounting to RM53,416,650 has been approved by shareholders during the Annual General Meeting held on 22 June 2023 and the payment was subsequently made on 14 July 2023.

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		Cummulative Quarter	
	3 months ended		6 months ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	48,116	154,460	92,288	349,451
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	890,278	883,514	890,205	873,431
	Sen	Sen	Sen	Sen
Basic earnings per share	5.40	17.48	10.37	40.01



Explanatory Notes To The Interim Report – 30 June 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		Cummulative Quarter	
	3 months ended		6 months ended	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	48,116	154,460	92,288	349,451
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	890,527	884,548	890,357	875,534
	Sen	Sen	Sen	Sen
Diluted earnings per share	5.40	17.46	10.37	39.91

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 25 August 2023.

By Order of the Board
Eric Kiu Kwong Seng
Company Secretary

Miri
25 August 2023