

First Quarter Report 2020



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 2020 (The figures have not been audited)

(RM'000)	----- Quarter ended 31 March -----		Changes (%)
	2020	2019	
Revenue	318,909	322,264	-1.0%
Operating expenses	(224,293)	(250,785)	10.6%
Other operating income	20,727	6,440	221.8%
Finance costs	(7)	(6)	16.7%
Interest income	4,116	9,513	-56.7%
Share of results of joint venture	(1,808)	10	-18180.0%
Profit before taxation	117,644	87,436	34.5%
Income tax expense	(36,116)	(20,373)	77.3%
Profit after taxation	81,528	67,063	21.6%
Profit for the period	81,528	67,063	21.6%
Net profit attributable to:			
Equity holders of the parent	81,190	66,923	21.3%
Non-controlling interests	338	140	141.4%
	81,528	67,063	21.6%
Earnings per share			
(i) Basic - based on an average 207,392,492 (2019:207,792,492) ordinary shares (sen)	39.15	32.21	21.6%
(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 2019.

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Condensed Consolidated Statement of Comprehensive Income for the Three Months Ended 31 March 2020 (The figures have not been audited)

(RM'000)	----- Quarter ended 31 March -----		Changes (%)
	2020	2019	
Profit for the period	81,528	67,063	21.6%
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	(19,650)	(574)	3323.3%
Cash flow hedge			
- changes in fair value	44,832	4,174	974.1%
- transfers to profit or loss	(14,036)	(265)	5196.6%
Tax expense relating to components of other comprehensive income	(7,391)	(938)	688.0%
Total Comprehensive income	85,283	69,460	22.8%
Total comprehensive income attributable to:			
Equity holders of the parent	85,928	69,352	23.9%
Non-controlling interests	(645)	108	-697.2%
	85,283	69,460	22.8%

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 2019.

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Condensed Consolidated Statement of Financial Position as at 31 March 2020 (The figures have not been audited)

(RM'000)	31 March 2020	31 December 2019
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,172,926	1,191,913
Right-of-use assets	388,100	391,093
Associated company	50	50
Joint Venture	27,060	28,868
Goodwill	356,856	356,856
Other receivables	10,954	10,954
Derivatives	1,336	452
Deferred tax assets	4,121	4,200
Total non-current assets	1,961,403	1,984,386
Current Assets		
Biological assets	31,592	32,677
Inventories	176,499	123,664
Trade & other receivables	194,334	237,104
Prepayments	214	1,251
Tax recoverable	12,393	13,957
Derivatives	2,281	5,767
Cash and bank balances	140,693	91,613
Short term funds	414,145	367,792
Total current assets	972,151	873,825
Total assets	2,933,554	2,858,211
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	(11,311)	(16,049)
Retained profits	2,270,441	2,189,251
	2,630,516	2,544,588
Non-controlling interests	8,550	9,195
Total equity	2,639,066	2,553,783
Non-Current Liabilities		
Deferred tax liabilities	167,477	154,281
Retirement benefit obligations	15,187	15,323
Derivatives	542	8,112
Total non-current liabilities	183,206	177,716
Current Liabilities		
Trade & other payables	81,604	91,807
Tax payable	21,376	11,229
Retirement benefit obligations	2,410	2,410
Derivatives	5,792	21,166
Bank borrowings	100	100
Total current liabilities	111,282	126,712
Total liabilities	294,488	304,428
Total equity and liabilities	2,933,554	2,858,211
Net assets per share (RM)	12.68	12.25

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 2019.

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Condensed Statement of Changes in Equity for the Three Months Ended 31 March 2020 (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 2020	390,054	(18,668)	2,189,251	(22,235)	21,798	(15,612)	2,544,588	9,195	2,553,783
Total comprehensive income for the period	-	-	81,190	23,405	-	(18,667)	85,928	(645)	85,283
Balance at 31 March 2020	390,054	(18,668)	2,270,441	1,170	21,798	(34,279)	2,630,516	8,550	2,639,066
Balance at									
1 January 2019	390,054	(8,635)	2,196,542	352	21,798	(19,022)	2,581,089	7,828	2,588,917
Total comprehensive income for the period	-	-	66,923	2,971	-	(542)	69,352	108	69,460
Balance at 31 March 2019	390,054	(8,635)	2,263,465	3,323	21,798	(19,564)	2,650,441	7,936	2,658,377

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 2019.

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Condensed Consolidated Cash Flow Statements for the Three Months Ended 31 March 2020 (The figures have not been audited)

(RM'000)	3 Months ended	
	2020	31 March 2019
Operating Activities		
-Receipts from operations	302,960	300,876
-Operating payments	(183,717)	(230,257)
Cash flow from operations	119,243	70,619
Other operating receipts	1,713	6,098
Taxes paid	(18,054)	(30,315)
Cash flow from operating activities	102,902	46,402
Investing Activities		
- Proceeds from sale of property, plant and equipment	250	342
- Interest received	4,242	9,225
- Purchase of property, plant and equipment	(24,434)	(22,630)
- Payment for right-of-use assets	(89)	(127)
- Net change in short term funds	(46,353)	(87,567)
Cash flow from investing activities	(66,384)	(100,757)
Financing Activities		
- Finance costs paid	(7)	(6)
- Associated company	(3)	(1)
- Joint venture	12,572	(8,129)
Cash flow from financing activities	12,562	(8,136)
Net Change in Cash & Cash Equivalents	49,080	(62,491)
Cash & Cash Equivalents at beginning of year	91,513	202,289
Cash & Cash Equivalents at end of period	140,593	139,798

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2019.

Short Term Funds of RM414,145,000 (2019: RM800,978,000) are excluded from Cash Flow Statements due to reclassification of Short Term Funds from Cash & Cash Equivalents.

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 2019. 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 2019.

The interim financial statements of the Group for the financial period ended 31 March 2020 was prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework.

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:

<u>MFRS, IC Interpretation and Amendments to IC Interpretations</u>	<u>Effective for annual periods beginning on or after</u>
• Revised Conceptual Framework for Financial Reporting	1 Jan 2020
• Amendments to MFRS 3: Definition of a Business	1 Jan 2020
• Amendments to MFRS 7: Interest Rate Benchmark Reform	1 Jan 2020
• Amendments to MFRS 9: Interest Rate Benchmark Reform	1 Jan 2020
• Amendments to MFRS 101: Definition of Material	1 Jan 2020
• Amendments to MFRS 108: Definition of Material	1 Jan 2020
• Amendments to MFRS 139: Interest Rate Benchmark Reform	1 Jan 2020
• MFRS 17 Insurance Contracts	1 Jan 2021
• Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 Jan 2022
• 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 2019 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.

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Notes To The Interim Financial Report

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 2020, the number of treasury shares held remained at 741,774 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	107,211	211,376	322	-	318,909
Inter-segment sales	78,106	-	-	(78,106)	-
	185,317	211,376	322	(78,106)	318,909
Segment Results:					
Profit before tax	108,680	10,818	(1,854)	-	117,644

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 2019.

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.

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Notes To The Interim Financial Report

A12) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 23 April 2020.

B1) DIRECTORS' ANALYSIS OF THE GROUP'S PERFORMANCE FOR 3 MONTHS ENDED 31 MARCH 2020

The Group's revenue for the current quarter at RM318.9 million was lower by 1.0% as compared to RM322.3 million recorded in the corresponding quarter, mainly due to the decrease in revenue for the refinery segment by 5.7% in the current quarter. This was partially offset by an increase in revenue in the plantation segment by 7.5% in the current quarter.

The Group's profit before tax at RM117.6 million for the current quarter was higher by 34.5% as compared to RM87.4 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 increased by 7.5% to RM185.3 million in the current quarter from RM172.4 million in the corresponding quarter. This increase was mainly due to higher CPO and PK production, and higher CPO and PK prices. CPO and PK production increased by 5.5% and 9.1% respectively whereas average CPO and PK prices increased by 16.8% and 34.6% respectively compared to the corresponding quarter. The Group cost of production of CPO was lower by 5.6% whereas the Group cost of production of PK was marginally higher by 0.4% in the current quarter.

The profit before tax of this segment was higher by 44.4% in the current quarter as compared to the corresponding quarter. This was mainly due to the higher average selling prices of CPO and PK achieved for the current quarter as shown below.

Countries	Products	March 2020 Current Quarter (RM/MT)	March 2019 Corresponding Quarter (RM/MT)
Malaysia	CPO	2,649	2,289
Indonesia	CPO	2,257	1,853
Average	CPO	2,575	2,203
Malaysia	PK	1,849	1,314
Indonesia	PK	1,213	1,164
Average	PK	1,734	1,288

On average, the CPO and PK prices for the Group were higher by 16.8% and 34.6% respectively in the current quarter as compared to the corresponding quarter.

Interest income for the Group was lower by 56.7% in the current period as compared to the corresponding period mainly due to lower rates and lower bank deposits. The lower bank deposits was due to the completion of acquisition of 8,999 acres of agricultural land as announced in the third quarter of 2019.

Refinery

The revenue for the refinery segment decreased by 5.7% to RM211.4 million in the current quarter from RM224.1 million in the corresponding quarter mainly due to lower sales volume by 17.5% in the current quarter. Profit before tax at RM10.8 million was higher by 15.5% than RM9.4 million in the corresponding quarter mainly due to favourable hedging positions in the current quarter.

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Notes To The Interim Financial Report

Others

As a result of the Indonesian Rupiah (IDR) weakening significantly by 8.5% against Malaysian Ringgit in the current quarter, the holding companies' investments in Indonesia recorded a total of RM4.2 million in foreign exchange losses from IDR loans extended to Indonesian subsidiaries in the current quarter, as compared to the foreign exchange losses totaling RM0.2 million reported in the corresponding quarter.

B2) COMPARISON OF RESULTS WITH PRECEDING QUARTER

(RM'000)	Current Quarter 31/3/2020	Preceding Quarter 31/12/2019	Changes %
Revenue	318,909	301,644	5.7%
Interest income	4,116	4,073	1.1%
Profit Before Tax	117,644	91,521	28.5%
Profit After Tax	81,528	80,539	1.2%

The Group's revenue for the current quarter at RM318.9 million was higher by 5.7% as compared to RM301.6 million recorded in the preceding quarter, due to the increase in the revenue from the refinery segment by 8.1% in the current quarter.

Profit before tax for the current quarter at RM117.6 million was higher by 28.5% as compared to RM91.5 million recorded in the preceding quarter.

Plantations

The plantation segment registered a decrease in revenue of 1.5% in the current quarter from the preceding quarter mainly due to lower Group average CPO price by 5.4% compared to the preceding quarter. This was partially offset by higher Group average PK price by 28.2% and higher Group CPO and PK production by 10.7% and 18.9% respectively compared to the preceding quarter. Cost of production of CPO increased by 14.4% in the current quarter as compared to the preceding quarter, mainly due to higher manuring costs in the current quarter.

Interest income for the Group was higher by 1.1% in the current quarter as compared to the preceding quarter due to higher bank deposits in the current quarter.

Refinery

The refinery segment recorded an increase in revenue of 8.1% in the current quarter mainly due to higher CPO and PK prices in the current quarter as compared to the preceding quarter. The profit before tax for the current quarter is higher by 31.2% as compared to the preceding quarter mainly due to more favourable hedging positions. However, this was partially offset by an unfavourable foreign exchange position and a stock impairment provision in the current quarter.

Others

The significant weakening of the Indonesian Rupiah against the Malaysian Ringgit by 8.5% during the current quarter resulted in foreign exchange losses totaling RM4.2 million in the current quarter, as compared to the foreign exchange gains totaling RM6.1 million in the preceding quarter.

Notes To The Interim Financial Report

B3) PROSPECTS AND OUTLOOK

Crude palm oil futures closed on a positive note in 2019 reaching RM3,031/MT which was a significant rise from the low of RM1,928/MT experienced during the year. The volatility continued in the 1st quarter in 2020 with CPO price dropping by RM676/mt or 22% to RM2,355/mt during the quarter. Global vegetable oil prices have experienced pressure from sharply lower mineral oil markets and uncertainty in relation to the Covid-19 outbreak.

Palm oil supply fundamentals have been strong with declining Malaysian stock numbers combined with lower than expected production. However, these bullish supply fundamentals have more or less been ignored by the Covid-19 uncertainties. The dispute between Russia and Saudi Arabia added “fuel to the fire” and created the perfect storm for lower mineral oil prices when Russia refused to join OPEC's plan to cut mineral oil production. As a consequence, Aramco (Saudi) lowered their April 2020 oil prices for its main customer destinations (US, Europe and Asia) offering them the biggest discount in 20 years. This move sparked a price war between the two production giants resulting in Mineral oil markets collapsing and bringing crude oil to USD20/barrel which is a new 18 year low.

The sharply lower mineral oil markets are expected to have a negative impact on the demand for vegetable oils due to expectations of lower Biodiesel production. Also, Ethanol production is expected to decrease as people stay at home, which is expected to add pressure to world corn markets as the US Ethanol production normally makes up 40% of the US corn usage.

The Covid-19 pandemic and related country “lock-downs” have created serious concerns about food shortages due to logistical uncertainties world-wide, especially in key export and import countries like Malaysia, Indonesia and Argentina as well as China and India, resulted in short-covering creating price premiums on nearby positions. However, consumption in general is expected to be lower in the food service industries in many countries as hotels, food stalls, restaurants and tourism have been brought to a near standstill following the lock-down.

Malaysia and Indonesia, accounting for 85% of the world production of palm oil, are facing major challenges as Covid-19 infections have spread worldwide. It could result in sizeable production losses in palm oil depending on the policy measures taken when Covid-19 infections reach the plantations, i.e. shutting down operations or isolating and ensuring treatment of infected workers. whilst operations continue. Some plantations in East Malaysia were temporarily shut down due to outbreaks amongst its workers. Another potential threat to palm oil production will very likely arise in the second half of 2020 as the present lock-down policy and restrictions on travel in many South East Asian countries will prevent guest workers from Indonesia, Bangladesh or India from seeking job opportunities in the Malaysian plantation industry.

Whilst the Malaysian Government introduced the Movement Control Order (MCO) from the 18th March to 28th April 2020, the plantation Industry of Malaysia is allowed to operate subject to compliance with the conditions issued by the Government. UP have so far been able to operate by complying strictly with these conditions. However, the risk of shutting down the operations of our estates is a real risk. UP has taken stringent mitigation measures to minimise this risk.

In the medium term, we foresee large negative economic consequences globally due to the consequences of the Covid-19 virus affecting demand and thereby lowering vegetable oil prices. However, with UP's liquidity and conservative capital resources, we are confident that UP will be able to weather this Covid-19 storm without having to impair any major assets.

Currently all efforts are focused on harvesting, fruit evacuation and transportation of FFB to the mills in accordance with the operating guidelines under the MCO. However, as soon as the MCO is lifted, UP will resume its replanting policy and continue to replant areas of its older and less productive oil palm stands in Malaysia during 2020. Cost efficiencies and improved productivity will therefore continue as a vital part of sustaining our positive development going forward.

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Notes To The Interim Financial Report

With the significant uncertainties related to the consequences of the Covid-19 pandemic, it is difficult to predict the results for 2020 as much can still happen. However, based on the prices contracted under our forward sales policy and with production improving due to large areas steadily coming into maturity from our replanted areas in Malaysia, the Board of Directors is cautiously optimistic that the results for the year will still be satisfactory based on current circumstances.

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	24,675	24,675
Realised foreign exchange gains/(losses)	(2,488)	(2,488)
Unrealised foreign exchange gains/(losses)	(4,343)	(4,343)
Fair value gains/(losses):		
- Forward foreign exchange contracts	(7,910)	(7,910)
- Commodities futures contracts	18,202	18,202
Gain/(loss) on disposal of property, plant and equipment	422	422

B6) TAXATION

The charge for taxation for the quarter ended 31 March 2020 comprises:

<i>(RM '000)</i>	<i>Current Quarter</i>	<i>Current year-to-date</i>
Current taxation	29,765	29,765
Deferred taxation	6,351	6,351
	36,116	36,116
Profit before taxation	117,644	117,644
Tax at the statutory income tax rate of 24%	28,235	28,235
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	(8)	(8)
Others	7,621	7,621
Tax expense	36,116	36,116

Notes To The Interim Financial Report

B7) CORPORATE PROPOSALS

There were no corporate proposals which were announced but not completed as at 23 April 2020.

B8) GROUP BORROWINGS

All Group borrowings were unsecured, short term and denominated in Ringgit Malaysia only and outstanding balance as at 31 March 2020 was RM100,000.

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 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.

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The fair values of these derivatives as at 31 March 2020 are as follows:

	Net Notional Amount Sales / (Purchases) RM'000	Assets RM'000	Liabilities RM'000
Current			
Non-hedging derivatives:			
Forward currency contracts	308,465	-	5,792
Commodity futures contracts	(139,777)	2,077	-
Hedging derivatives:			
Commodity futures contracts	153,748	204	-
		<u>2,281</u>	<u>5,792</u>
Non-current			
Non-hedging derivatives:			
Forward currency contracts	16,855	-	542
Hedging derivatives:			
Commodity futures contracts	8,820	1,336	-
		<u>1,336</u>	<u>542</u>
Total derivatives		<u>3,617</u>	<u>6,334</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 2019.

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 2020, the notional amount, fair value and maturity tenor of the forward currency contracts are as follows:

	Net Notional Amount Sales / (Purchases) RM'000	Fair Value Assets/ (Liabilities) RM'000
- less than 1 year	308,465	(5,792)
- 1 year to less than 3 years	16,855	(542)
- More than 3 years	-	-
	<u>325,320</u>	<u>(6,334)</u>

Notes To The Interim Financial Report

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 2020, the notional amount, fair value and maturity tenor of the commodity futures contracts are as follows:

	Net Notional Amount Sales / (Purchases) RM'000	Fair Value Assets/ (Liabilities) RM'000
- less than 1 year	13,971	2,281
- 1 year to less than 3 years	8,820	1,336
- More than 3 years	-	-
	22,791	3,617

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 23 April 2020.

B11) **PROPOSED DIVIDENDS**

No interim dividend has been declared or proposed for the year ending 31 December 2020.

B12) **EARNINGS PER SHARE (EPS)**

The calculation of EPS is based on profit attributable to the ordinary equity holders of the parent company of RM81,190,000 (2019: RM66,923,000) and the weighted average number of ordinary shares of 207,392,492 (2019: 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
23 April 2020

Contact information

United Plantations Berhad
Jendarata Estate
36009 Teluk Intan
Perak Darul Ridzuan
Malaysia

Company Secretary:	Mr. Ng Eng Ho
E-mail:	up@unitedplantations.com
Phone:	006 05 6411411
Fax:	006 05 6411876
Website:	www.unitedplantations.com