

BATU KAWAN BERHAD

(6292-U)

(Incorporated in Malaysia)

**Interim Financial Report
for the Second Quarter ended 31 March 2019**

BATU KAWAN BERHAD (6292-U)

(Incorporated in Malaysia)

Interim Financial Report for the second quarter ended 31 March 2019

(The figures have not been audited)

Directors are pleased to announce the unaudited financial results of the Group for the second quarter ended 31 March 2019.

Condensed Consolidated Statement of Profit or Loss

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	6 months ended		+ / (-)
	31 March			31 March		
2019	2018		2019	2018		
	RM'000	RM'000	%	RM'000	RM'000	%
		Restated			Restated	
Revenue	4,079,585	4,830,920	(15.6)	8,298,584	10,155,919	(18.3)
Operating expenses	(3,881,042)	(4,652,658)	(16.6)	(7,867,315)	(9,663,137)	(18.6)
Other operating income	74,676	102,887	(27.4)	244,204	217,893	12.1
Finance costs	(46,843)	(49,532)	(5.4)	(95,216)	(97,293)	(2.1)
Share of results of associates	(1,495)	2,374	(163.0)	2,291	5,284	(56.6)
Share of results of joint ventures	(6,153)	(1,445)	325.8	(971)	3,328	(129.2)
Profit before taxation	218,728	232,546	(5.9)	581,577	621,994	(6.5)
Income tax expense	(52,170)	(98,883)	(47.2)	(124,074)	(208,908)	(40.6)
NET PROFIT FOR THE PERIOD	166,558	133,663	24.6	457,503	413,086	10.8
Profit attributable to:						
Equity holders of the Company	79,288	55,966	41.7	215,972	181,766	18.8
Non-controlling interests	87,270	77,697	12.3	241,531	231,320	4.4
	166,558	133,663	24.6	457,503	413,086	10.8
Earnings per share for profit attributable to equity holders of the Company (sen)						
Basic	19.9	13.9		54.3	45.2	
Diluted	Not applicable	Not applicable		Not applicable	Not applicable	

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Report for the year ended 30 September 2018.

BATU KAWAN BERHAD (6292-U)

(Incorporated in Malaysia)

Interim Financial Report for the second quarter ended 31 March 2019

(The figures have not been audited)

Condensed Consolidated Statement of Other Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Net profit for the period	166,558	133,663	457,503	413,086
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss				
Currency translation differences	(40,527)	(178,754)	(8,300)	(370,231)
Net change in fair value of available-for-sale investments	93,730	(73,444)	(601,840)	(115,748)
Total other comprehensive income/ (loss) for the period	53,203	(252,198)	(610,140)	(485,979)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	219,761	(118,535)	(152,637)	(72,893)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	106,836	(64,004)	(71,801)	(49,229)
Non-controlling interests	112,925	(54,531)	(80,836)	(23,664)
	219,761	(118,535)	(152,637)	(72,893)

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Report for the year ended 30 September 2018.

BATU KAWAN BERHAD (6292-U)

(Incorporated in Malaysia)

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(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	At 31 March 2019 RM'000	At 30 September 2018 RM'000 Restated	At 30 September 2017 RM'000 Restated
ASSETS			
Non-current assets			
Property, plant & equipment	8,063,741	8,081,684	7,954,603
Investment property	47,936	48,393	49,263
Prepaid lease payments	387,222	386,003	321,985
Land held for property development	1,105,601	1,100,407	1,091,471
Goodwill on consolidation	340,680	343,595	352,949
Intangible assets	22,581	23,358	15,325
Investment in associates	187,567	185,565	177,680
Investment in joint ventures	256,342	259,300	251,737
Other investments	1,934,302	2,535,465	2,437,881
Other receivables	222,450	220,110	237,516
Deferred tax assets	410,738	389,616	445,666
	12,979,160	13,573,496	13,336,076
Current assets			
Inventories	2,053,772	2,146,452	1,816,450
Biological assets	57,538	103,351	118,593
Trade and other receivables	2,074,898	2,102,794	2,620,924
Contract assets	19,878	52,010	284
Contract costs	1,464	1,016	652
Tax recoverable	80,124	62,305	39,582
Property development costs	137,443	136,332	153,919
Other investments	264,006	291,246	327,143
Derivative financial assets	49,074	69,234	110,748
Short term funds	167,502	195,579	578,489
Cash and cash equivalents	1,596,797	1,561,986	1,755,744
	6,502,496	6,722,305	7,522,528
TOTAL ASSETS	19,481,656	20,295,801	20,858,604

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 30 September 2018.

BATU KAWAN BERHAD (6292-U)

(Incorporated in Malaysia)

Interim Financial Report for the second quarter ended 31 March 2019

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position

	At 31 March 2019 RM'000	At 30 September 2018 RM'000 Restated	At 30 September 2017 RM'000 Restated
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	1,297,503	1,389,940	1,560,528
Contract liabilities	90,840	54,842	57,803
Deferred income	8,107	7,947	7,808
Borrowings	1,115,049	1,221,114	1,375,596
Tax payable	48,211	49,048	99,287
Derivative financial liabilities	19,956	64,219	104,643
	<u>2,579,666</u>	<u>2,787,110</u>	<u>3,205,665</u>
Net current assets	<u>3,922,830</u>	<u>3,935,195</u>	<u>4,316,863</u>
Non-current liabilities			
Other payables	82	82	-
Deferred tax liabilities	425,544	420,135	386,679
Deferred income	115,455	119,004	117,365
Provision for retirement benefits	474,412	477,323	488,288
Borrowings	3,546,607	3,562,099	3,567,168
	<u>4,562,100</u>	<u>4,578,643</u>	<u>4,559,500</u>
Total liabilities	<u>7,141,766</u>	<u>7,365,753</u>	<u>7,765,165</u>
Net assets	<u>12,339,890</u>	<u>12,930,048</u>	<u>13,093,439</u>
Equity attributable to owners of the Company			
Share capital	515,229	509,308	498,379
Treasury shares	(563,038)	(491,740)	(446,671)
Reserves	5,833,246	6,069,494	6,118,316
	<u>5,785,437</u>	<u>6,087,062</u>	<u>6,170,024</u>
Non-controlling interests	6,554,453	6,842,986	6,923,415
Total equity	<u>12,339,890</u>	<u>12,930,048</u>	<u>13,093,439</u>
TOTAL EQUITY AND LIABILITIES	<u>19,481,656</u>	<u>20,295,801</u>	<u>20,858,604</u>
Net assets per share attributable to equity holders of the Company (RM)	14.60	15.20	15.33

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 30 September 2018.

BATU KAWAN BERHAD (6292-U)

(Incorporated in Malaysia)

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(The figures have not been audited)

Condensed Consolidated Statement of Changes in Equity

	← Attributable to equity holders of the Company →										
	← Non-distributable →					← Distributable →					
	Share capital	Treasury shares	Revaluation reserve	Capital reserve*	Exchange fluctuation reserve	Fair value reserve	General reserve	Retained earnings	Total	Non-controlling interested	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2018	509,689	(491,740)	4,639	826,740	10,119	841,090	7,035	4,876,186	6,583,758	6,556,840	13,140,598
Effect on adoption of MFRSs	(381)	-	(4,639)	(234,669)	(31,239)	(1,786)	(7,035)	(216,947)	(496,696)	286,146	(210,550)
At 1 October 2018 - restated	509,308	(491,740)	-	592,071	(21,120)	839,304	-	4,659,239	6,087,062	6,842,986	12,930,048
Total comprehensive income/(loss) for the period	-	-	-	617	(6,404)	(279,123)	-	213,109	(71,801)	(80,836)	(152,637)
Transactions with owners:											
Redemption of redeemable preference shares	5,921	-	-	-	-	-	-	(5,900)	21	(21)	-
Shares buy back	-	(71,298)	-	-	-	-	-	-	(71,298)	-	(71,298)
Dividend paid	-	-	-	-	-	-	-	(158,547)	(158,547)	-	(158,547)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(207,676)	(207,676)
	5,921	(71,298)	-	-	-	-	-	(164,447)	(229,824)	(207,697)	(437,521)
At 31 March 2019	515,229	(563,038)	-	592,688	(27,524)	560,181	-	4,707,901	5,785,437	6,554,453	12,339,890

* Included in Capital Reserve is RM308,717,000 which is distributable.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 30 September 2018.

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(The figures have not been audited)

Condensed Consolidated Statement of Changes in Equity

	← Attributable to equity holders of the Company →										
	← Non-distributable →					← Distributable →					
	Share capital	Treasury shares	Revaluation reserve	Capital reserve*	Exchange fluctuation reserve	Fair value reserve	General reserve	Retained earnings	Total	Non-controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2017	498,760	(446,671)	4,716	825,907	261,380	821,177	7,035	4,725,469	6,697,773	6,672,039	13,369,812
Effect on adoption of MFRSs	(381)	-	(4,716)	(234,669)	(144,981)	(7,057)	(7,035)	(128,910)	(527,749)	251,376	(276,373)
At 1 October 2017 - restated	498,379	(446,671)	-	591,238	116,399	814,120	-	4,596,559	6,170,024	6,923,415	13,093,439
Total comprehensive (loss)/income for the period	-	-	-	78	(175,392)	(55,313)	-	181,398	(49,229)	(23,664)	(72,893)
Transactions with owners:											
Effect of changes in shareholdings	-	(39,430)	-	-	-	-	-	-	(39,430)	-	(39,430)
Redemption of redeemable preference shares	5,010	-	-	-	-	-	-	(5,010)	-	-	-
Shares buy back	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(66,003)	(66,003)	(54,314)	(120,317)
Dividend payable	-	-	-	-	-	-	-	(180,400)	(180,400)	-	(180,400)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(222,055)	(222,055)
	5,010	(39,430)	-	-	-	-	-	(251,413)	(285,833)	(276,369)	(562,202)
At 31 March 2018 - restated	503,389	(486,101)	-	591,316	(58,993)	758,807	-	4,526,544	5,834,962	6,623,382	12,458,344

* Included in Capital Reserve is RM307,345,000 which is distributable.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 30 September 2018.

BATU KAWAN BERHAD (6292-U)

(Incorporated in Malaysia)

Interim Financial Report for the second quarter ended 31 March 2019

figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 months ended 31 March	
	2019	2018
	RM'000	RM'000
		Restated
Cash flows from operating activities		
Profit before taxation	581,577	621,994
Adjustments for:		
Non-cash items	252,823	537,805
Non-operating items	43,713	44,701
Operating cash flows before changes in working capital	878,113	1,204,500
Changes in working capital		
Net change in current assets	115,715	(607,273)
Net change in current liabilities	(52,220)	(242,157)
Cash flows from operations	941,608	355,070
Interest received	3,088	1,736
Interest paid	(99,766)	(108,132)
Tax paid	(146,796)	(203,509)
Retirement benefits paid	(14,190)	(13,888)
Net cash flows generated from operating activities	683,944	31,277
Cash flows from investing activities		
Purchase of property, plant and equipment	(134,722)	(199,881)
Payments of prepaid lease	(3,457)	(106)
Plantation development expenditure	(136,141)	(106,396)
Property development expenditure	(5,194)	(2,465)
Subsequent expenditure of an investment property	(16)	(2,279)
Purchase of additional shares in a subsidiary	-	(292,076)
Subscription of shares in joint ventures	(887)	-
Purchase of available-for-sale investments	(469,982)	(319,540)
Purchase of intangible assets	(2,015)	-
Proceeds from sale of property, plant and equipment	3,011	2,519
Compensation from government on land acquired	49,190	25,359
Proceeds from disposal of available-for-sale investments	489,098	421,786
Repayment from associates	2,366	-
Advance to joint ventures	(1,774)	(3,145)
Advance to other receivables	(5,982)	(8,016)
Decrease/(Increase) in short term funds	27,795	(216,767)
Dividends received	30,293	28,004
Interest received	28,426	33,173
Net cash flows used in investing activities	(129,991)	(639,830)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the year ended 30 September 2018.

Interim Financial Report for the second quarter ended 31 March 2019

figures have not been audited)

Condensed Consolidated Statement of Cash Flows

	6 months ended 31 March	
	2019	2018
	RM'000	RM'000
		Restated
Cash flows from financing activities		
Drawdown of term loans	27,937	198,801
Repayment of term loans	(29,289)	(6,225)
Net (repayment)/drawdown of short term borrowings	(134,818)	536,596
Dividends paid	(158,547)	(180,400)
Dividends paid to non-controlling interests	(207,676)	(222,055)
Shares buy back	(71,298)	(39,430)
Decrease in other receivables	9,961	9,076
Net cash flows (used in)/generated from financing activities	(563,730)	296,363
Net decrease in cash and cash equivalents	(9,777)	(312,190)
Effects of exchange rate changes	(1,773)	(86,279)
Cash and cash equivalents at 1 October	1,472,952	1,631,621
Cash and cash equivalents at 31 March	1,461,402	1,233,152
Cash and cash equivalents at 31 March is represented by:		
Cash and cash equivalents	1,596,797	1,357,266
Borrowings - Bank overdraft	(135,395)	(124,114)
	1,461,402	1,233,152

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the year ended 30 September 2018.

Interim Financial Report for the second quarter ended 31 March 2019

(The figures have not been audited)

Notes to Interim Financial Report

A. Explanatory Notes as required by Malaysian Financial Reporting Standard ("MFRS") 134

A1. Statement of compliance

The interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements.

A2. Accounting policies

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2018.

Transition of MFRS Framework

The Group is a transitioning entity and its financial statements for the period up to and including the year ended 30 September 2018 were prepared in accordance with Financial Reporting Standards ("FRS") framework.

The Interim Financial Report of the Group for the current quarter ended 31 March 2019 is prepared in accordance with the MFRS framework, including MFRS 1 *First Time Adoption of MFRS*, MFRS 9 *Financial Instruments*, MFRS 15 *Revenue from Contracts with Customers*, MFRS 141 *Agriculture: Bearer Plants* and amendments to MFRS 116 *Property, Plant and Equipment*. The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 October 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect. Comparative information in this interim financial report have been restated to reflect the financial impact on transition from FRS framework to MFRS framework as disclosed below:

(a) MFRS 1 *First Time Adoption of MFRS*

As provided in MFRS 1, first time adopters of MFRS can elect optional exemptions from full retrospective application of MFRSs. The Group has elected the applicable exemptions as follows:

(i) Exemption for business combinations

The Group has elected to apply MFRS 3 Business Combinations prospectively from the date FRS 3 Business Combinations was adopted on 1 October 2011. Business combinations that occurred prior to that date have not been restated. This election does not have any impact to the financial results of the Group.

(ii) MFRS 15 *Revenue from Contracts with Customers*

The Group has elected the exemption in MFRS 1 which allows the Group not to restate any contracts that were completed before 1 October 2017. This election does not have any impact to the financial results to the Group.

(b) Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants*

Prior to the adoption of the amendments to MFRS 116 and MFRS 141, all new planting expenditure incurred on land clearing, planting and upkeep of trees to maturity was capitalised as plantation development expenditure and was not amortised except for those short land leases held in Indonesia where the plantation development expenditure was amortised using the straight-line method over the estimated productive years. Replanting expenditure was recognised in profit or loss in the year in which the expenditure was incurred. Agriculture produce which forms part of the bearer plants was not separately identified and recognised.

With the adoption of the amendments to MFRS 116 and MFRS 141, all new planting expenditure and replanting expenditure are recognised as bearer plants under property, plant and equipment and measured at cost less accumulated depreciation. The agricultural produce that grows on bearer plants is measured at fair value less costs to sell. The changes in fair value less costs to sell of the produce is recognised in profit or loss.

Interim Financial Report for the second quarter ended 31 March 2019

(The figures have not been audited)

(c) *MFRS 9 Financial Instruments*

Classification and measurement of financial assets, other than available-for-sale financial assets, and financial liabilities remain unchanged under MFRS 9.

Previously, the Group's quoted and unquoted investments in equity instruments were classified as available-for-sale ("AFS") financial assets. Unquoted investments were measured at cost and quoted equity instruments were measured at fair value with fair value gains or losses recognised in other comprehensive income ("OCI"). On derecognition, the cumulative gain or loss recognised in OCI was reclassified from equity into profit or loss. These AFS financial assets satisfy the conditions for classification as financial assets at fair value through OCI under MFRS 9 with all subsequent changes in fair value being recognised in OCI and not subsequently transferred to profit or loss on derecognition.

In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" ("ECL") model. The new impairment model applies to financial assets measured at amortised cost and contract assets, but not to investments in equity instruments. Under this new model, the Group is required to record ECL on all its loan and trade receivables, either on a 12-month or lifetime basis. The Group applies the simplified approach and record lifetime ECL on all trade receivables.

(d) *MFRS 15 Revenue from Contracts with Customers*

Prior to adoption of MFRS 15, the Group recognised revenue from contracts with customers when significant risks and rewards of ownership of goods and services had been transferred to the customers, recovery of the consideration was probable, there was no continuing management involvement with the goods and the amount of revenue could be measure reliably.

Upon adoption of MFRS 15, the Group recognises revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the Group expects to be entitled in exchange for goods and services. Revenue is recognised when a customer obtains control of goods and services, i.e. when the customer has the ability to direct the use of and obtain benefits from the goods and services.

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(Incorporated in Malaysia)

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(The figures have not been audited)

**(e) Effect on Transition to MFRS Framework
Reconciliation of Profit or Loss**

	Individual Quarter - 3 months ended 31 March 2018					Restated under MFRSs RM'000
	Previously Stated under FRSS RM'000	Effect on Adoption of MFRS 1 RM'000	Effect on Adoption of MFRS 9 RM'000	Effect on Adoption of MFRS 15 RM'000	Effect on Adoption of MFRS 141 RM'000	
	Revenue	4,829,718	-	-	1,202	
Operating expenses	(4,541,582)	(38)	(117,800)	(1,193)	7,955	(4,652,658)
Other operating income	82,912	-	13,573	-	6,402	102,887
Finance costs	(49,532)	-	-	-	-	(49,532)
Share of results of associates	2,374	-	-	-	-	2,374
Share of results of joint ventures	(1,445)	-	-	-	-	(1,445)
Profit before taxation	322,445	(38)	(104,227)	9	14,357	232,546
Tax expense	(91,664)	(45)	-	(2)	(7,172)	(98,883)
Net profit for the period	230,781	(83)	(104,227)	7	7,185	133,663
Attributable to:						
Equity holders of the Company	109,752	(55)	(56,854)	3	3,120	55,966
Non-controlling interests	121,029	(28)	(47,373)	4	4,065	77,697
	230,781	(83)	(104,227)	7	7,185	133,663
	Sen	Sen	Sen	Sen	Sen	Sen
Earnings per share - basic	27.3	-	(14.2)	-	0.8	13.9

	Cumulative Quarter - 6 months ended 31 March 2018					Restated under MFRSs RM'000
	Previously Stated under FRSS RM'000	Effect on Adoption of MFRS 1 RM'000	Effect on Adoption of MFRS 9 RM'000	Effect on Adoption of MFRS 15 RM'000	Effect on Adoption of MFRS 141 RM'000	
	Revenue	10,171,365	-	-	(15,446)	
Operating expenses	(9,459,869)	(71)	(231,546)	15,147	13,202	(9,663,137)
Other operating income	186,390	-	18,475	1,566	11,462	217,893
Finance costs	(97,293)	-	-	-	-	(97,293)
Share of results of associates	5,284	-	-	-	-	5,284
Share of results of joint ventures	3,328	-	-	-	-	3,328
Profit before taxation	809,205	(71)	(213,071)	1,267	24,664	621,994
Tax expense	(201,269)	(91)	-	76	(7,624)	(208,908)
Net profit for the period	607,936	(162)	(213,071)	1,343	17,040	413,086
Attributable to:						
Equity holders of the Company	287,651	(106)	(114,433)	526	8,128	181,766
Non-controlling interests	320,285	(56)	(98,638)	817	8,912	231,320
	607,936	(162)	(213,071)	1,343	17,040	413,086
	Sen	Sen	Sen	Sen	Sen	Sen
Earnings per share - basic	71.6	-	(28.5)	0.1	2.0	45.2

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(The figures have not been audited)

Reconciliation of Financial Position and Equity

	30 September 2018					Restated under MFRSs RM'000
	Previously Stated under FRSS RM'000	Effect on Adoption of MFRS 1 RM'000	Effect on Adoption of MFRS 9 RM'000	Effect on Adoption of MFRS 15 RM'000	Effect on Adoption of MFRS 141 RM'000	
Non-current assets						
Property, plant and equipment	5,491,237	-	-	-	2,590,447	8,081,684
Biological assets	2,776,616	-	-	-	(2,776,616)	-
Other investments	2,493,727	-	41,738	-	-	2,535,465
Deferred tax assets	397,541	-	-	-	(7,925)	389,616
Other non-current assets	2,566,731	-	-	-	-	2,566,731
	13,725,852	-	41,738	-	(194,094)	13,573,496
Current assets						
Biological assets	41,906	-	-	-	61,445	103,351
Trade and other receivables	2,172,494	-	(20,963)	(48,737)	-	2,102,794
Contract assets	-	-	-	52,010	-	52,010
Contract costs	-	-	-	1,016	-	1,016
Property development costs	140,621	-	-	(4,289)	-	136,332
Other current assets	4,326,802	-	-	-	-	4,326,802
	6,681,823	-	(20,963)	-	61,445	6,722,305
Total assets	20,407,675	-	20,775	-	(132,649)	20,295,801
Current liabilities						
Trade and other payables	1,444,782	-	-	(54,842)	-	1,389,940
Contract liabilities	-	-	-	54,842	-	54,842
Other current liabilities	1,342,328	-	-	-	-	1,342,328
	2,787,110	-	-	-	-	2,787,110
Non-current liabilities						
Deferred tax liabilities	321,459	(73,120)	-	-	171,796	420,135
Other non-current liabilities	4,158,508	-	-	-	-	4,158,508
	4,479,967	(73,120)	-	-	171,796	4,578,643
Total liabilities	7,267,077	(73,120)	-	-	171,796	7,365,753
Equity						
Share capital	509,689	(381)	-	-	-	509,308
Treasury shares	(491,740)	-	-	-	-	(491,740)
Reserves	6,565,809	(389,085)	32,903	-	(140,133)	6,069,494
	6,583,758	(389,466)	32,903	-	(140,133)	6,087,062
Non-controlling interests	6,556,840	462,586	(12,128)	-	(164,312)	6,842,986
Total equity	13,140,598	73,120	20,775	-	(304,445)	12,930,048
Total equity and liabilities	20,407,675	-	20,775	-	(132,649)	20,295,801
Net assets per share attributable to equity holders of the Company	16.44	(0.97)	0.08	-	(0.35)	15.20

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	30 September 2017					
	Previously Stated under FRSS	Effect on Adoption of MFRS 1	Effect on Adoption of MFRS 9	Effect on Adoption of MFRS 15	Effect on Adoption of MFRS 141	Restated under MFRSS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Property, plant and equipment	5,487,466	-	-	-	2,467,137	7,954,603
Biological assets	2,725,985	-	-	-	(2,725,985)	-
Other investments	2,400,912	-	36,969	-	-	2,437,881
Deferred tax assets	453,110	-	-	(80)	(7,364)	445,666
Other non-current assets	2,497,926	-	-	-	-	2,497,926
	13,565,399	-	36,969	(80)	(266,212)	13,336,076
Current assets						
Inventories	1,834,008	-	-	(17,558)	-	1,816,450
Biological assets	37,806	-	-	-	80,787	118,593
Trade and other receivables	2,627,540	-	(24,467)	17,851	-	2,620,924
Contract assets	-	-	-	284	-	284
Contract costs	-	-	-	652	-	652
Property development costs	154,696	-	-	(777)	-	153,919
Other current assets	2,811,706	-	-	-	-	2,811,706
	7,465,756	-	(24,467)	452	80,787	7,522,528
Total assets	21,031,155	-	12,502	372	(185,425)	20,858,604
Current liabilities						
Trade and other payables	1,616,627	-	-	(56,099)	-	1,560,528
Contract liabilities	-	-	-	57,803	-	57,803
Other current liabilities	1,587,334	-	-	-	-	1,587,334
	3,203,961	-	-	1,704	-	3,205,665
Non-current liabilities						
Deferred tax liabilities	284,561	(73,302)	-	-	175,420	386,679
Other non-current liabilities	4,172,821	-	-	-	-	4,172,821
	4,457,382	(73,302)	-	-	175,420	4,559,500
Total liabilities	7,661,343	(73,302)	-	1,704	175,420	7,765,165
Equity						
Share capital	498,760	(381)	-	-	-	498,379
Treasury shares	(446,671)	-	-	-	-	(446,671)
Reserves	6,645,684	(386,346)	26,619	(522)	(167,119)	6,118,316
	6,697,773	(386,727)	26,619	(522)	(167,119)	6,170,024
Non-controlling interests	6,672,039	460,029	(14,117)	(810)	(193,726)	6,923,415
Total equity	13,369,812	73,302	12,502	(1,332)	(360,845)	13,093,439
Total equity and liabilities	21,031,155	-	12,502	372	(185,425)	20,858,604
Net assets per share attributable to equity holders of the Company	16.63	(0.96)	0.07	-	(0.41)	15.33

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Reconciliation of Cash Flows

	6 months ended 31 March 2018					Restated under MFRSs RM'000
	Previously Stated under FRSS	Effect on Adoption of MFRS 1	Effect on Adoption of MFRS 9	Effect on Adoption of MFRS 15	Effect on Adoption of MFRS 141	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Profit before tax	809,205	(71)	(213,071)	1,267	24,664	621,994
Adjustments for non-cash flow:						
Non-cash items	288,429	71	213,071	17	36,217	537,805
Non-operating items	44,701	-	-	-	-	44,701
Operating profit before working capital changes	1,142,335	-	-	1,284	60,881	1,204,500
Working capital changes:						
Net change in current assets	(600,265)	-	-	(7,008)	-	(607,273)
Net change in current liabilities	(247,881)	-	-	5,724	-	(242,157)
Cash generated used in operations	294,189	-	-	-	60,881	355,070
Interest received	1,736	-	-	-	-	1,736
Interest paid	(108,132)	-	-	-	-	(108,132)
Income tax paid	(203,509)	-	-	-	-	(203,509)
Retirement benefits paid	(13,888)	-	-	-	-	(13,888)
Net cash used in operating activities	(29,604)	-	-	-	60,881	31,277
Net cash used in investing activities	(578,949)	-	-	-	(60,881)	(639,830)
Net cash generating from investment activities	296,363	-	-	-	-	296,363
Net increased in cash and cash equivalents	(312,190)	-	-	-	-	(312,190)
Exchange difference	(86,279)	-	-	-	-	(86,279)
Opening cash and cash equivalents	1,631,621	-	-	-	-	1,631,621
Closing cash and cash equivalents	1,233,152	-	-	-	-	1,233,152

A3. Seasonal and cyclical operations

The Group's operations are affected to the extent that the plantation operations are influenced by seasonal crop production, weather conditions and fluctuations in commodity prices.

A4. Unusual items

There were no items affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

A5. Material changes in estimates

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

A6. Issuance and repayment of debt and equity securities

There were no issuances and repayments of debt securities, share buybacks, share cancellations or resale of treasury shares for the financial year to-date except for share buybacks of 4,322,100 shares in the Company from the open market. The average price paid for the shares repurchased was RM16.44 per share and the total consideration paid, including transaction costs, was RM71,297,411. The shares bought back were financed by internally generated funds and held as treasury shares.

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A7. Dividends paid

	6 months ended 31 March	
	2019 RM'000	2018 RM'000
Dividends proposed in financial year ("FY") 2018, paid in FY 2019:		
Final 40 sen per share single tier	158,548	-
Dividends proposed in FY 2017, paid in FY 2018:		
Final 45 sen per share single tier	-	180,400
	<u>158,548</u>	<u>180,400</u>

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.

a) Segment revenue and results

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 March 2019						
Revenue						
External revenue	3,325,584	4,715,104	74,610	183,286	-	8,298,584
Inter-segment revenue	459,481	-	-	487,580	(947,061)	-
Total revenue	<u>3,785,065</u>	<u>4,715,104</u>	<u>74,610</u>	<u>670,866</u>	<u>(947,061)</u>	<u>8,298,584</u>
Results						
Operating results	238,926	273,669	17,225	167,328	(21,675)	675,473
Finance costs	(9,192)	(29,150)	-	(78,549)	21,675	(95,216)
Share of results of associates	321	1,275	1,016	(321)	-	2,291
Share of results of joint ventures	2,435	-	-	(3,406)	-	(971)
Segment results	<u>232,490</u>	<u>245,794</u>	<u>18,241</u>	<u>85,052</u>	<u>-</u>	<u>581,577</u>
Profit before taxation						<u>581,577</u>
6 months ended 31 March 2018 - Restated						
Revenue						
External revenue	4,533,965	5,419,527	55,576	146,851	-	10,155,919
Inter-segment revenue	485,091	-	-	575,412	(1,060,503)	-
Total revenue	<u>5,019,056</u>	<u>5,419,527</u>	<u>55,576</u>	<u>722,263</u>	<u>(1,060,503)</u>	<u>10,155,919</u>
Results						
Operating results	499,647	352,289	7,169	(131,214)	(17,216)	710,675
Finance costs	(8,822)	(31,819)	-	(73,868)	17,216	(97,293)
Share of results of associates	2,812	795	1,161	516	-	5,284
Share of results of joint ventures	(2,882)	-	-	6,210	-	3,328
Segment results	<u>490,755</u>	<u>321,265</u>	<u>8,330</u>	<u>(198,356)</u>	<u>-</u>	<u>621,994</u>
Profit before taxation						<u>621,994</u>

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b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 March 2019					
Operating assets	6,586,043	6,555,625	1,486,753	3,918,464	18,546,885
Associates	75,503	10,740	74,684	26,640	187,567
Joint ventures	155,234	-	-	101,108	256,342
Segment assets	<u>6,816,780</u>	<u>6,566,365</u>	<u>1,561,437</u>	<u>4,046,212</u>	<u>18,990,794</u>
Tax assets					490,862
Total assets					<u>19,481,656</u>
At 30 September 2018 - Restated					
Operating assets	6,430,707	6,821,135	1,478,288	4,668,886	19,399,016
Associates	72,268	9,457	73,669	30,170	185,564
Joint ventures	153,964	-	-	105,336	259,300
Segment assets	<u>6,656,939</u>	<u>6,830,592</u>	<u>1,551,957</u>	<u>4,804,392</u>	<u>19,843,880</u>
Tax assets					451,921
Total assets					<u>20,295,801</u>

c) Segment liabilities

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 March 2019					
Segment liabilities	<u>1,161,339</u>	<u>2,252,972</u>	<u>96,970</u>	<u>3,156,730</u>	<u>6,668,011</u>
Tax liabilities					473,755
Total liabilities					<u>7,141,766</u>
At 30 September 2018 - Restated					
Segment liabilities	<u>1,268,745</u>	<u>2,358,528</u>	<u>107,623</u>	<u>3,161,674</u>	<u>6,896,570</u>
Tax liabilities					469,183
Total liabilities					<u>7,365,753</u>

A9. Material events subsequent to end of period

In the interval between the end of the reporting period and the date of this report, no material events have arisen which have not been reflected in the interim report.

A10. Changes in composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinued operations during the current quarter review except for the following:

On 26 March 2018, a subsidiary of the Company entered into a Sale of Shares Agreement ("SSA") with a related party to dispose its wholly-owned subsidiary, See Sen Bulking Installation Sdn Bhd ("SSBI"), for a cash consideration of RM1.29 million. The cash consideration will be adjusted based on SSBI's net realisable assets for the month end immediately preceding the date of fulfilment of the last of the conditions precedent.

Prior to expiration of the extended period of the SSA on 25 December 2018, both parties have mutually agreed to extend the cut-off period for fulfilment of the conditions precedent for a further 6 months, expiring on 25 June 2019. The disposal is yet to be completed pending fulfilment of conditions precedent.

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(The figures have not been audited)

A11. Changes in contingent liabilities and contingent assets

There were no material changes in the contingent liabilities or contingent assets since the last annual financial statements for the year ended 30 September 2018.

A12. Capital commitments

At the end of the reporting year, the Group's capital commitments were as follows:

	At 31 March 2019 RM'000	At 30 September 2018 RM'000
Capital expenditure		
Approved and contracted	142,735	133,494
Approved but not contracted	601,863	841,213
	<u>744,598</u>	<u>974,707</u>
Joint venture		
Share of capital commitment of a joint venture	27,044	8,641

A13. Significant Related Party Transactions

The following significant related party transactions of the Group have been entered into in the ordinary course of business at prices mutually agreed upon between the parties on terms not more favourable to the related party than those generally available to the public and are not detrimental to the non-controlling interests of the Company:

	Cumulative Quarter 6 months ended 31 March	
	2019 RM'000	2018 RM'000
a) Transactions with associates and joint ventures:		
Sales of goods	122,575	200,748
Purchase of goods	566,572	732,517
Service charges paid	1,385	1,309
Research and development services paid	9,070	7,140

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	Cumulative Quarter	
	6 months ended	
	31 March	
	2019	2018
	RM'000	RM'000
b) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest:		
Sales of goods:		
Taiko Marketing Sdn Bhd	129,179	146,398
Taiko Marketing (S) Pte Ltd	1,688	799
Chlor-Al Chemical Pte Ltd	3,001	4,347
Siam Taiko Marketing Co Ltd	1,576	1,798
Storage tanks rental received:		
Taiko Marketing Sdn Bhd	2,022	2,035
Purchases of goods:		
Taiko Marketing Sdn Bhd	22,712	36,764
Taiko Marketing (S) Pte Ltd	10,459	17,786
Taiko Acid Works Sdn Bhd	1,455	1,771
Borneo Taiko Clay Sdn Bhd	2,148	2,507
Bukit Katho Estate Sdn Bhd	1,907	2,610
Kampar Rubber & Tin Co Sdn Bhd	2,642	3,590
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	1,495	553
Malay Rubber Plantations (M) Sdn Bhd	2,690	3,789
PT Agro Makmur Abadi	25,040	41,721
PT Bumi Karyatama Raharja	1,210	-
PT Safari Riau	9,269	18,124
Taiko Clay Marketing Sdn Bhd	1,286	1,162
Taiko Drum Industries Sdn Bhd	1,767	1,650
Aircraft operating expenses and management services paid		
Smooth Route Sdn Bhd	1,134	957
Supply of contract labours and engineering works:		
K7 Engineering Sdn Bhd	1,363	607
c) Transactions between subsidiaries and their non-controlling interests:		
Sales of goods:		
Mitsubishi Corporation	23,682	25,407
Mitsui & Co Ltd	144,456	203,563
Tejana Trading & Management Services Sdn Bhd	-	1,766
Purchases of goods:		
Mitsubishi Gas Chemical Singapore Pte Ltd	8,484	4,199
PT Letawa	-	2,681
PT Tanjung Bina Lestari	-	27,963
PT Tanjung Sarana Lestari	632,852	659,055
Tejana Trading & Management Services Sdn Bhd	-	1,361

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(The figures have not been audited)

B. Explanatory Notes as required by the Bursa Securities' Listing Requirements

B1. Detailed analysis of performance

2nd Quarter FY 2019 vs 2nd Quarter FY 2018

	Quarter Ended		Changes %
	31 March		
	2019	2018	
	RM'000	RM'000	
		Restated	
Revenue	<u>4,079,585</u>	<u>4,830,920</u>	(15.6)
Segment results:			
Plantation	104,078	299,141	(65.2)
Manufacturing	120,598	146,604	(17.7)
Property development	7,111	6,598	7.8
Investment holding/Others	<u>(13,059)</u>	<u>(219,797)</u>	94.1
Profit before taxation	<u>218,728</u>	<u>232,546</u>	(5.9)

The Group's revenue for the current quarter was RM4,079.59 million, 15.6% lower than RM4,830.92 million in the corresponding quarter last year. The Group's profit before taxation was lower at RM218.73 million (2Q2018: RM232.55 million). Comments on the respective business segments are as follows:

Plantation's profit was 65.2% lower at RM104.08 million (2Q2018: RM299.14 million) with revenue dropped 18.1% to RM1,616.40 million (2Q2018: RM1,973.93 million). Despite a 6.3% improvement in FFB production to 1.05 million mt, the current quarter's profit was impacted by weaker CPO and PK selling prices.

Manufacturing reported a 17.7% lower profit of RM120.60 million (2Q2018: RM146.60 million) whilst revenue was 14.0% lower at RM2,397.90 million (2Q2018: RM2,787.91 million).

The Oleochemical division registered a lower current quarter's profit of RM90.93 million (2Q2018: RM115.60 million) due to lower revenues and margins. The Industrial Chemical division posted a 23.6% lower profit at RM28.80 million (2Q2018: RM37.70 million) impacted by lower selling prices and higher energy cost.

Property Development achieved a higher profit of RM7.11 million (2Q2018: RM6.60 million) despite a decrease in revenue to RM34.80 million (2Q2018: RM37.69 million).

Investment holdings/Others' result accounted for lower foreign exchange currency loss of RM3.93 million (2Q2018: RM135.33 million loss) on translation of inter-company loans denominated in foreign currencies and RM25.60 million surplus (2Q2018: RM10.37 million surplus) from government acquisition of plantation land.

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Todate 2nd Quarter FY 2019 vs Totdate 2nd Quarter FY 2018

	Todate Ended		Changes %
	31 March		
	2019	2018	
	RM'000	RM'000	
		Restated	
Revenue	8,298,584	10,155,919	(18.3)
Segment results:			
Plantation	232,491	490,755	(52.6)
Manufacturing	245,794	321,265	(23.5)
Property development	18,241	8,330	119.0
Investment holding/Others	85,051	(198,356)	142.9
Profit before taxation	581,577	621,994	(6.5)

The Group's half year profit before taxation was 6.5% lower at RM581.58 million (Todate 2Q2018: RM621.99 million) with a decline of 18.3% in revenue to RM8,298.58 million (Todate 2Q2018: RM10,155.92 million). Comments on the respective business segments are as follows:

Plantation's profit was 52.6% lower at RM232.49 million (Todate 2Q2018: RM490.76 million) with revenue dropped 26.7% to RM3,325.58 million (Todate 2Q2018: RM4,533.97 million). Despite a 6.9% increase in FFB production to 2.23 million mt (Todate 2Q2018: 2.09 million mt), the half year's profit was impacted by the weaker CPO and PK selling prices.

Manufacturing reported a 23.5% lower profit of RM245.79 million (Todate 2Q2018: RM322.27 million) whilst revenue was 13.0% lower at RM4,715.10 million (Todate 2Q2018: RM5,419.53 million).

The Oleochemical division registered a 26.6% lower profit of RM185.47 million (Todate 2Q2018: RM252.67 million) due to lower revenues and margins. The results of this segment was affected by reduced contributions from Europe operations and the recognition of lower unrealised gain of RM16.20 million (Todate 2Q2018: RM46.67 million unrealised gain) arising from fair value changes on outstanding derivatives contracts. The Industrial Chemical division posted a 20.5% lower profit of RM58.10 million (Todate 2Q2018: RM73.10 million). Despite higher sales volume, the half year's profit was impacted by lower selling prices coupled with higher energy cost.

Property Development achieved a substantial increase in profit by 119.0% to RM18.24 million (Todate 2Q2018: RM8.33 million) contributed by 34.2% increase in revenue to RM74.61 million (Todate 2Q2018: RM55.58 million) due to more units sold.

Investment holdings/Others' result accounted for foreign exchange currency gain of RM34.88 million (Todate 2Q2018: RM268.20 million loss) on translation of inter-company loans denominated in foreign currencies, RM48.09 million surplus (Todate 2Q2018: RM23.99 million surplus) from government acquisition of plantation land and Farming sector's profit had doubled to RM47.61 million (2Q2018: RM23.94 million) from this harvesting season with higher production over a larger cropped area and better yield from last year's planted crops.

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**B2. Comparison of current quarter's results to the preceding quarter
2nd Quarter FY 2019 vs 1st Quarter FY 2019**

	Quarter Ended		Changes %
	31 March 2019 RM'000	31 December 2018 RM'000 Restated	
Revenue	4,079,585	4,218,999	(3.3)
Segment results:			
Plantation	104,078	128,412	(18.9)
Manufacturing	120,598	125,196	(3.7)
Property development	7,111	11,130	(36.1)
Investment holding/Others	(13,059)	98,111	(113.3)
Profit before taxation	218,728	362,849	(39.7)

For the current quarter, the Group's profit before taxation dropped 39.7% to RM218.73 million compared to RM362.85 million reported in the preceding quarter whilst revenue was slightly lower at RM4,079.59 million (1Q2019: RM4,219.00 million). Comments on the respective business segments are as follows:

Plantation recorded a 18.9% lower profit of RM104.08 million (1Q2019: RM128.41 million) from decrease in FFB production by 11.2% to 1.05 million mt (1Q2019: 1.18 million mt), lower CPO and PK selling prices and negative contribution from processing and trading operations.

Manufacturing's profit was 3.7% lower at RM120.60 million (1Q2019: RM125.20 million) despite revenue increased by 3.5% to RM2,397.90 million (1Q2019: RM2,317.21 million).

The Oleochemical division recorded a lower profit of RM90.93 million (1Q2019: RM94.54 million). The current quarter's lower profit was impacted by unrealised loss of RM4.94 million (1Q2019: RM21.14 million unrealised gain) from fair value changes on outstanding derivative contracts. The Industrial Chemical division posted a 1.7% lower profit at RM28.80 million (1Q2018: RM29.30 million) impacted by lower selling prices and higher energy cost.

Property Development recorded a 36.1% decline in profit to RM7.11 million (1Q2019: RM11.13 million) with revenue dropped 12.6% to RM34.80 million (1Q2019: RM39.81 million).

Investment holdings/Others' result accounted for foreign exchange currency loss of RM3.41 million (1Q2019: RM42.00 million gain) on translation of inter-company loans denominated in foreign currencies and RM25.60 million surplus (1Q2019: RM22.49 million) from government acquisition of plantation land.

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B3. Current year's prospects

The Group's Plantation division profit for the financial year 2019 is expected to be lower than preceding year's in view of the prevailing low CPO prices due to high stocks.

Notwithstanding a challenging business environment, the Group's Oleochemical division is anticipated to sustain its performance with reasonable capacity utilisation. The Group's Industrial Chemical division performance is projected to be satisfactory despite higher energy and raw material costs.

Overall, the Group anticipates a satisfactory profit for the financial year 2019.

B4. Variance of actual profit from forecast profit

The Group did not issue any forecast profit or profit guarantee during the current financial year to-date.

B5. Income tax expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Current tax expenses				
Malaysian taxation	30,821	54,008	62,487	108,252
Overseas taxation	27,717	38,215	63,698	94,811
	58,538	92,223	126,185	203,063
Deferred tax				
Relating to origination and reversal of temporary differences	(7,989)	1,609	(1,623)	(1,127)
Relating to changes in tax rates	(971)	-	(971)	-
(Over)/under provision in respect of previous years	(1,503)	3,904	(3,176)	6,000
	(10,463)	5,513	(5,770)	4,873
Under/(Over) provision of taxation in respect of previous years				
Malaysian taxation	31	-	(238)	(218)
Overseas taxation	4,064	1,147	3,897	1,190
	4,095	1,147	3,659	972
	52,170	98,883	124,074	208,908

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(The figures have not been audited)

Reconciliation of effective taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000 Restated
Profit before taxation	218,728	232,546	581,577	621,994
Taxation at Malaysia income tax rate of 24% (FY 2018: 24%)	52,495	55,811	139,578	149,279
Effect of difference tax rates in foreign jurisdiction	(5,700)	218	(11,962)	(3,161)
Withholding tax on foreign dividend and interest income	3,689	3,507	13,271	6,561
Expenses not deductible for tax purposes	15,645	95,989	49,498	145,727
Tax exempt and non-taxable income	(17,956)	(56,561)	(54,943)	(76,399)
Effect of changes in tax rates on deferred tax	(971)	-	(971)	-
Tax incentives	(1,359)	(784)	(2,223)	(1,759)
Deferred tax assets not recognised during the period/year	2,753	782	1,301	567
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(861)	388	(13,925)	(8,766)
Tax effect on associates' and joint ventures' results	1,436	(235)	(317)	(2,067)
Recognition of deferred tax assets not taken up previously	-	(6,224)	-	(6,240)
Recognition of unabsorbed reinvestment allowance	-	(1,841)	-	(3,320)
Under provision of previous years tax expenses	4,095	1,147	3,659	972
(Over)/under provision of previous years deferred tax	(1,503)	3,904	(3,176)	6,000
Others	407	2,782	4,284	1,514
Tax expense	52,170	98,883	124,074	208,908

B6. Status of corporate proposals

There were no corporate proposals announced.

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(The figures have not been audited)

B7. Group borrowings

As at the end of the reporting period, the Group's borrowings were as follows:

	At 31 March 2019					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
<u>Secured</u>						
Term Loans	Euro 7,300	33,454	Euro 810	3,713	Euro 8,110	37,167
<u>Unsecured</u>						
Bank overdraft	-	-	Euro 29,543	135,395	Euro 29,543	135,395
Revolving credit	-	-	Euro 15,000	68,745	Euro 15,000	68,745
	-	-	Rp 89,317,717	25,634	Rp 89,317,717	25,634
	-	-	Rmb 88,000	53,566	Rmb 88,000	53,566
	-	-	GBP 6,500	34,611	GBP 6,500	34,611
Trade financing	-	-		40,000		40,000
	-	-	USD 31,831	130,028	USD 31,831	130,028
	-	-		39,308		39,308
Term loans	USD 45,000	183,961	-	-	USD 45,000	183,961
	Euro 50,000	229,192	Euro 37,500	171,877	Euro 87,500	401,069
Export credit refinancing	-	-	-	76,992	-	76,992
Bankers' acceptance	-	-	-	335,180	-	335,180
Islamic medium term notes	-	3,100,000	-	-	-	3,100,000
Total	-	3,546,607	-	1,115,049	-	4,661,656

	At 31 March 2018					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
<u>Secured</u>						
Term Loans	Euro 8,165	38,891	Euro 2,623	12,495	Euro 10,788	51,386
<u>Unsecured</u>						
Bank overdraft	-	-	Euro 26,057	124,114	Euro 26,057	124,114
Revolving credit	-	-	USD 19,210	74,248	USD 19,210	74,248
	-	-	Euro 38,000	181,002	Euro 38,000	181,002
Trade financing	-	-	USD 151,860	586,938	USD 151,860	586,938
Term loans	USD 50,000	193,203	-	-	USD 50,000	193,203
	Euro 75,000	357,353	Euro 14,000	66,718	Euro 89,000	424,071
Export credit refinancing	-	-	-	280,094	-	280,094
Bankers' acceptance	-	-	-	580,089	-	580,089
Islamic medium term notes	-	3,100,000	-	-	-	3,100,000
Total	-	3,689,447	-	1,905,698	-	5,595,145

Exchange Rates Applied	At 31 March	
	2019	2018
USD / RM	4.0850	3.8650
Euro / RM	4.5830	4.7632
Rp1,000/RM	0.2870	-
Rmb / RM	0.6087	-
GBP/RM	5.3248	-

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(The figures have not been audited)

B8. Derivative financial instruments

The Group has entered into forward foreign exchange contracts as hedges for committed sales and purchases denominated in foreign currencies. The hedging of the foreign currencies is to minimise the exposure of the Group to fluctuations in foreign exchange on receipts and payments.

The commodity future contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movements in the vegetable oil commodities.

As at 31 March 2019, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

	Contract / Notional value Net long/(short)	Fair value Net gains/(losses)
	RM'000	RM'000
a) Forward foreign exchange contracts:		
- Less than 1 year	(1,125,183)	14,667
- 1 year to 3 years	-	-
- More than 3 years	-	-
	<hr/>	<hr/>
b) Commodity futures contracts:		
- Less than 1 year	(28,304)	14,385
- 1 year to 3 years	-	-
- More than 3 years	-	-
	<hr/>	<hr/>

Derivative financial instruments are recognised at fair value on contract dates and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.

For the current quarter ended 31 March 2019, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's risk management objectives, policies and processes.

B9. Fair value changes of financial liabilities

The Group does not have any financial liabilities which are measured at fair value through profit or loss except for derivative financial instruments.

B10. (a) Material Litigation

There was no pending material litigation as at the date of this report:

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(The figures have not been audited)

(b) Winding-up Petitions by a Minority Shareholder

On 21 February 2019, a minority shareholder of two sub-sub-subsidiary companies in Indonesia, PT Mulia Agro Permai ("MAP") and PT Karya Makmur Abadi ("KMA") served winding-up petitions on these two sub-sub-subsidiaries. MAP is a 90% owned subsidiary of KL-Kepong Plantation Holdings Sdn Bhd ("KLKPH"), which is a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad ("KLKB"); and KMA is 90% owned subsidiary of Jasachem Sdn Bhd, which in turn is a wholly-owned subsidiary of KLKPH.

The Group has been advised that the petitions do not disclose any valid ground for the winding-up and liquidation of these two sub-sub-subsidiaries and is defending its interest and opposing the petitions.

In the unlikely event that petitions are successful, the winding-up of both MAP and KMA is not expected to have any material financial and operational impact on the Group.

B11. Dividend

- a) An interim single tier dividend of 15 sen per share has been authorised by the Directors in respect of the financial year ending 30 September 2019 (2018: single tier dividend of 15 sen per share) and will be paid to the shareholders on 8 August 2019. The entitlement date for the dividend shall be 17 July 2019.

A Depositor with Bursa Malaysia Depository Sdn Bhd shall qualify for the entitlement to the dividend only in respect of:

- (i) Securities deposited into the Depositor's Securities Account before 12.30 p.m. on 15 July 2019 in respect of securities which are exempted from mandatory deposit;
- (ii) Securities transferred into the Depositor's Securities Account before 4.30 p.m. on 17 July 2019 in respect of transfers; and
- (iii) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

- b) Total dividend for the current financial year to-date is single tier dividend of 15 sen per share (2018: single tier dividend of 15 sen per share).

B12. Earnings Per Share*Basic earnings per share*

The earnings per share is calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of shares of the Company in issue during the period.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		Restated		Restated
Net profit for the period attributable to equity holders of the Company (RM'000)	<u>79,288</u>	<u>55,966</u>	<u>215,972</u>	<u>181,766</u>
Weighted average number of shares ('000)	<u>398,042</u>	<u>401,772</u>	<u>398,042</u>	<u>401,772</u>
Earnings per share (sen)	<u>19.9</u>	<u>13.9</u>	<u>54.3</u>	<u>45.2</u>

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(The figures have not been audited)

B13. Audit report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2018 was not subject to any qualifications.

B14. Condensed Consolidated Statement of Profit or Loss

Profit before taxation for the period is arrived at after charging/(crediting) the following items:

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Interest income	(20,096)	(23,250)	(39,808)	(46,692)
Dividend income	(3,790)	(2,582)	(11,674)	(5,879)
Other income	(74,676)	(102,887)	(244,204)	(217,893)
Interest expense	46,843	49,532	95,216	97,293
Depreciation and amortisation	146,803	141,604	295,391	286,611
Provision for and write-off of receivables	4,108	(2,281)	3,450	1,886
Provision for and write-off of inventories	4,743	3,382	24,346	18,171
Deficit/(Surplus) on disposal of quoted or unquoted investment	84	132	1,006	(2,445)
Surplus on disposal of land	(760)	(547)	(1,184)	(782)
Surplus arising from government acquisition of land	(25,601)	(10,365)	(48,090)	(23,989)
Impairment of property, plant and equipment	-	-	-	-
Foreign exchange loss/(gain)	4,959	261,331	(31,953)	233,091
Loss/(Gain) on derivatives	18,019	(30,752)	(21,041)	(69,333)
Exceptional items	-	-	-	-

By Order of the Board

YAP MIOU KIEN

CHIEW CINDY

Company Secretaries

15 May 2019