

# **BATU KAWAN BERHAD**

(6292-U)

(Incorporated in Malaysia)

**Interim Financial Report  
for the year ended 30 September 2019**

**BATU KAWAN BERHAD (6292-U)**

(Incorporated in Malaysia)

**Interim Financial Report for the year ended 30 September 2019**

(The figures have not been audited)

Directors are pleased to announce the unaudited financial results of the Group for the year ended 30 September 2019.

**Condensed Consolidated Statement of Profit or Loss**

	Individual Quarter			Cumulative Quarter		
	3 months ended 30 September		+ / (-) %	Year ended 30 September		+ / (-) %
	2019 RM'000	2018 RM'000		2019 RM'000	2018 RM'000	
		Restated		Restated		
Revenue	3,922,332	4,324,197	(9.3)	16,045,591	18,953,236	(15.3)
Operating expenses	(3,693,770)	(4,066,887)	(9.2)	(15,324,177)	(17,888,314)	(14.3)
Other operating income	78,913	18,238	332.7	376,324	241,231	56.0
Finance costs	(51,758)	(48,111)	7.6	(186,009)	(195,271)	(4.7)
Share of results of associates	10,828	4,283	152.8	15,446	12,643	22.2
Share of results of joint ventures	(489)	(4,551)	(89.3)	2,137	(7,435)	(128.7)
<b>Profit before taxation</b>	<b>266,056</b>	<b>227,169</b>	<b>17.1</b>	<b>929,312</b>	<b>1,116,090</b>	<b>(16.7)</b>
Income tax expense	(56,219)	(78,897)	(28.7)	(201,871)	(366,287)	(44.9)
<b>NET PROFIT FOR THE PERIOD/YEAR</b>	<b>209,837</b>	<b>148,272</b>	<b>41.5</b>	<b>727,441</b>	<b>749,803</b>	<b>(3.0)</b>
Profit attributable to:						
Equity holders of the Company	96,701	77,251	25.2	363,499	365,682	(0.6)
Non-controlling interests	113,136	71,021	59.3	363,942	384,121	(5.3)
	209,837	148,272	41.5	727,441	749,803	(3.0)
Earnings per share for profit attributable to equity holders of the Company (sen)						
Basic	24.4	19.3		91.7	91.1	
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 year ended 30 September 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Other Comprehensive Income**

	Individual Quarter		Cumulative Quarter	
	3 months ended		Year ended	
	30 September		30 September	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
<b>Net profit for the period/year</b>	<b>209,837</b>	<b>148,272</b>	<b>727,441</b>	<b>749,803</b>
<b>Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss</b>				
Currency translation differences	(23,922)	35,441	42,395	(293,306)
<b>Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss</b>				
Net change in fair value of equity instruments	(225,314)	45,195	(858,288)	69,733
Remeasurement of defined benefit plans	(46,257)	1,835	(46,257)	1,835
<b>Total other comprehensive (loss)/income for the period/year</b>	<b>(295,493)</b>	<b>82,471</b>	<b>(862,150)</b>	<b>(221,738)</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD/YEAR</b>	<b>(85,656)</b>	<b>230,743</b>	<b>(134,709)</b>	<b>528,065</b>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(38,758)	119,551	(38,826)	260,178
Non-controlling interests	(46,898)	111,192	(95,883)	267,887
	<b>(85,656)</b>	<b>230,743</b>	<b>(134,709)</b>	<b>528,065</b>

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)

**Interim Financial Report for the year ended 30 September 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	<b>At 30 September 2019</b>	<b>At 30 September 2018</b>	<b>At 30 September 2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		Restated	Restated
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	8,066,866	8,080,487	7,953,337
Investment property	47,463	48,393	49,263
Prepaid lease payments	351,082	386,003	321,985
Inventories	1,108,296	1,100,407	1,091,471
Goodwill on consolidation	345,127	343,595	352,949
Intangible assets	22,081	23,358	15,325
Investments in associates	1,516,482	185,565	177,680
Investments in joint ventures	267,307	259,300	251,737
Other investments	568,733	2,542,109	2,445,475
Other receivables	247,772	220,110	237,516
Deferred tax assets	450,299	389,617	445,666
	<b>12,991,508</b>	<b>13,578,944</b>	<b>13,342,404</b>
<b>Current assets</b>			
Inventories	2,188,303	2,248,020	1,938,171
Biological assets	99,829	103,277	118,462
Trade and other receivables	2,151,467	2,141,846	2,653,899
Contract assets	14,867	48,737	280
Tax recoverable	114,107	62,305	39,582
Other investments	253,695	291,246	327,143
Derivative financial assets	34,013	69,234	110,748
Short term funds	1,659,207	195,579	578,489
Cash and cash equivalents	2,317,468	1,561,986	1,755,744
	<b>8,832,956</b>	<b>6,722,230</b>	<b>7,522,518</b>
<b>TOTAL ASSETS</b>	<b>21,824,464</b>	<b>20,301,174</b>	<b>20,864,922</b>

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 year ended 30 September 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

	<b>At 30 September 2019</b>	<b>At 30 September 2018</b>	<b>At 30 September 2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		Restated	Restated
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	1,412,003	1,389,940	1,560,528
Contract liabilities	93,010	54,842	57,924
Deferred income	8,196	7,947	7,808
Borrowings	1,354,002	1,221,114	1,375,596
Tax payable	41,167	49,048	99,287
Derivative financial liabilities	20,558	64,219	104,643
	<u>2,928,936</u>	<u>2,787,110</u>	<u>3,205,786</u>
<b>Net current assets</b>	<b><u>5,904,020</u></b>	<b><u>3,935,120</u></b>	<b><u>4,316,732</u></b>
<b>Non-current liabilities</b>			
Other payables	383	82	-
Deferred tax liabilities	444,586	436,884	386,345
Deferred income	110,320	119,004	117,365
Provision for retirement benefits	550,153	477,323	488,288
Borrowings	5,669,833	3,562,099	3,567,168
	<u>6,775,275</u>	<u>4,595,392</u>	<u>4,559,166</u>
<b>Total liabilities</b>	<b><u>9,704,211</u></b>	<b><u>7,382,502</u></b>	<b><u>7,764,952</u></b>
<b>Net assets</b>	<b><u>12,120,253</u></b>	<b><u>12,918,672</u></b>	<b><u>13,099,970</u></b>
<b>Equity attributable to owners of the Company</b>			
Share capital	520,129	509,308	498,379
Treasury shares	(623,059)	(491,740)	(446,671)
Reserves	5,765,903	6,064,231	6,121,487
	<u>5,662,973</u>	<u>6,081,799</u>	<u>6,173,195</u>
Non-controlling interests	6,457,280	6,836,873	6,926,775
<b>Total equity</b>	<b><u>12,120,253</u></b>	<b><u>12,918,672</u></b>	<b><u>13,099,970</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>21,824,464</u></b>	<b><u>20,301,174</u></b>	<b><u>20,864,922</u></b>
Net assets per share attributable to equity holders of the Company (RM)	14.43	15.19	15.32

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 year ended 30 September 2019**

(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	
<b>At 1 October 2018</b>	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)	(246,397)	(31,239)	(1,501)	(7,035)	(210,767)	(501,959)	280,033	(221,926)
<b>At 1 October 2018 - restated</b>	509,308	(491,740)	-	580,343	(21,120)	839,589	-	4,665,419	6,081,799	6,836,873	12,918,672
Total comprehensive (loss)/income for the period	-	-	-	(5,975)	(3,544)	(299,418)	-	270,111	(38,826)	(95,883)	(134,709)
Transactions with owners:											
Effect of changes in shareholdings	-	-	-	-	-	-	-	(30,871)	(30,871)	(14,072)	(44,943)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	37,663	37,663
Redemption of redeemable preference shares	10,821	-	-	-	-	-	-	(10,800)	21	(21)	-
Shares buy back	-	(131,319)	-	-	-	-	-	-	(131,319)	-	(131,319)
Dividend paid - FY2018 final	-	-	-	-	-	-	-	(158,548)	(158,548)	-	(158,548)
- FY2019 interim	-	-	-	-	-	-	-	(59,283)	(59,283)	-	(59,283)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(307,280)	(307,280)
	10,821	(131,319)	-	-	-	-	-	(259,502)	(380,000)	(283,710)	(663,710)
<b>At 30 September 2019</b>	520,129	(623,059)	-	574,368	(24,664)	540,171	-	4,676,028	5,662,973	6,457,280	12,120,253

\* Included in Capital Reserve is RM242,625,000 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 year ended 30 September 2019

(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	
<b>At 1 October 2017</b>	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)	(246,397)	(144,981)	(6,335)	(7,035)	(114,733)	(524,578)	254,736	(269,842)
<b>At 1 October 2017 - restated</b>	498,379	(446,671)	-	579,510	116,399	814,842	-	4,610,736	6,173,195	6,926,775	13,099,970
Total comprehensive income/(loss) for the year	-	-	-	833	(137,519)	24,747	-	372,117	260,178	267,887	528,065
Transactions with owners:											
Effect of changes in shareholdings	-	-	-	-	-	-	-	(66,003)	(66,003)	(54,314)	(120,317)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	15,285	15,285
Acquisition through business combination	-	-	-	-	-	-	-	-	-	3,652	3,652
Redemption of redeemable preference shares	10,929	-	-	-	-	-	-	(10,929)	-	-	-
Shares buy back	-	(45,069)	-	-	-	-	-	-	(45,069)	-	(45,069)
Dividend paid - FY2017 final	-	-	-	-	-	-	-	(180,400)	(180,400)	-	(180,400)
- FY2018 interim	-	-	-	-	-	-	-	(60,102)	(60,102)	-	(60,102)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(322,412)	(322,412)
	10,929	(45,069)	-	-	-	-	-	(317,434)	(351,574)	(357,789)	(709,363)
<b>At 30 September 2018 - restated</b>	509,308	(491,740)	-	580,343	(21,120)	839,589	-	4,665,419	6,081,799	6,836,873	12,918,672

\* Included in Capital Reserve is RM248,600,000 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 year ended 30 September 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	Year ended 30 September	
	2019	2018
	<u>RM'000</u>	<u>RM'000</u>
		Restated
<b>Cash flows from operating activities</b>		
Profit before taxation	929,312	1,116,090
Adjustments for:		
Non-cash items	703,015	969,843
Non-operating items	43,363	42,071
Operating cash flows before changes in working capital	<u>1,675,690</u>	<u>2,128,004</u>
Changes in working capital		
Net change in current assets	3,396	122,997
Net change in current liabilities	56,917	(552,972)
Cash flows generated from operations	<u>1,736,003</u>	<u>1,698,029</u>
Interest received	6,072	4,014
Interest paid	(193,304)	(222,437)
Tax paid	(275,574)	(399,485)
Retirement benefits paid	(32,537)	(31,398)
<b>Net cash flows generated from operating activities</b>	<u><b>1,240,660</b></u>	<u><b>1,048,723</b></u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(336,916)	(382,590)
Payments of prepaid lease	(9,078)	(5,428)
Plantation development expenditure	(319,376)	(229,846)
Property development expenditure	(7,889)	(8,936)
Subsequent expenditure of an investment property	(16)	(73)
Purchase of shares in sub-subsidiaries, net of cash acquired	-	(206,025)
Purchase of share from non-controlling interest	(46,429)	(120,317)
Subscription of shares in an associate	(7,500)	-
Subscription of shares in joint ventures	(7,008)	(3,989)
Purchase of other investments	(885,471)	(607,380)
Purchase of intangible assets	(3,405)	(1,762)
Proceeds from disposal of property, plant and equipment	34,065	5,580
Compensation from government on land acquired	92,578	25,404
Proceeds from disposal of subsidiaries, net of cash disposed	2,673	-
Proceeds from disposal of other investments	678,027	591,439
Repayment from associates	2,920	-
Advance to joint ventures	(14,015)	(27,969)
Advance to other receivables	(5,906)	(12,066)
(Increase)/Decrease in short term funds	(1,462,321)	375,106

The Condensed Consolidated Statement of Cash Flows 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 year ended 30 September 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

	Year ended 30 September	
	2019	2018
	RM'000	RM'000
		Restated
Dividends received	102,297	67,884
Proceed from distribution by liquidated associate	793	-
Interest received	51,539	74,127
<b>Net cash flows used in investing activities</b>	<b>(2,140,438)</b>	<b>(466,841)</b>
<b>Cash flows from financing activities</b>		
Drawdown of term loans	245,468	218,800
Issuance of Islamic Medium Term Notes	2,000,000	-
Repayment of term loans	(175,642)	(57,277)
Net drawdown/(repayment) of short term borrowings	160,560	(251,138)
Dividends paid	(217,831)	(240,502)
Dividends paid to non-controlling interests	(307,280)	(322,412)
Shares buy back	(131,319)	(45,069)
Issuance of shares to non-controlling interests	37,663	15,285
(Increase)/Decrease in other receivables	(1,520)	17,191
<b>Net cash flows generated from/(used in) financing activities</b>	<b>1,610,099</b>	<b>(665,122)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>710,321</b>	<b>(83,240)</b>
Effects of exchange rate changes	13,338	(75,429)
Cash and cash equivalents at 1 October	1,472,952	1,631,621
<b>Cash and cash equivalents at 30 September</b>	<b>2,196,611</b>	<b>1,472,952</b>
Cash and cash equivalents at 30 September is represented by:		
Cash and cash equivalents	2,317,468	1,561,986
Borrowings - Bank overdraft	(120,857)	(89,034)
	<b>2,196,611</b>	<b>1,472,952</b>

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 year ended 30 September 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 year ended 30 September 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 year ended 30 September 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 model. The new impairment model applies to financial assets measured at amortised cost and contract assets that do not contain a significant financing component, but not to investments in equity instruments. Under this new model, the Group applies the simplified approach and record lifetime expected credit loss on all trade receivables.

Impairment for other receivables is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets in which the credit risk has not increased significantly since initial recognition, 12-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

(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

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.

**BATU KAWAN BERHAD (6292-U)**

(Incorporated in Malaysia)

**Interim Financial Report for the year ended 30 September 2019**

(The figures have not been audited)

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

	Individual Quarter - 3 months ended 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	
	Revenue	4,322,368	-	-	1,829	
Operating expenses	(4,106,857)	(8)	7,307	(1,827)	34,498	(4,066,887)
Other operating income	31,465	-	(12,508)	-	(719)	18,238
Finance costs	(48,111)	-	-	-	-	(48,111)
Share of results of associates	4,283	-	-	-	-	4,283
Share of results of joint ventures	(4,551)	-	-	-	-	(4,551)
Profit before taxation	198,597	(8)	(5,201)	2	33,779	227,169
Tax expense	(71,113)	(46)	-	-	(7,738)	(78,897)
Net profit for the period	127,484	(54)	(5,201)	2	26,041	148,272
Attributable to:						
Equity holders of the Company	71,239	(29)	(5,959)	1	11,999	77,251
Non-controlling interests	56,245	(25)	758	1	14,042	71,021
	127,484	(54)	(5,201)	2	26,041	148,272
	Sen	Sen	Sen	Sen	Sen	Sen
Earnings per share - basic	17.8	-	(1.5)	-	3.0	19.3

	Cumulative Quarter - Year ended 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	
	Revenue	18,966,357	-	-	(13,121)	
Operating expenses	(17,745,294)	(77)	(202,994)	12,830	47,221	(17,888,314)
Other operating income	245,705	-	(16,957)	1,566	10,917	241,231
Finance costs	(195,271)	-	-	-	-	(195,271)
Share of results of associates	12,643	-	-	-	-	12,643
Share of results of joint ventures	(7,435)	-	-	-	-	(7,435)
Profit before taxation	1,276,705	(77)	(219,951)	1,275	58,138	1,116,090
Tax expense	(351,024)	(182)	-	74	(15,155)	(366,287)
Net profit for the year	925,681	(259)	(219,951)	1,349	42,983	749,803
Attributable to:						
Equity holders of the Company	465,476	(155)	(120,663)	529	20,495	365,682
Non-controlling interests	460,205	(104)	(99,288)	820	22,488	384,121
	925,681	(259)	(219,951)	1,349	42,983	749,803
	Sen	Sen	Sen	Sen	Sen	Sen
Earnings per share - basic	116.0	-	(30.1)	0.1	5.1	91.1

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**Reconciliation of Financial Position and Equity**

	<b>30 September 2018</b>					
	<b>Previously Stated under FRSs</b>	<b>Effect on Adoption of MFRS 1</b>	<b>Effect on Adoption of MFRS 9</b>	<b>Effect on Adoption of MFRS 15</b>	<b>Effect on Adoption of MFRS 141</b>	<b>Restated under MFRSs</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>						
Property, plant and equipment	5,491,237	-	-	-	2,589,250	8,080,487
Biological assets	2,776,616	-	-	-	(2,776,616)	-
Inventories	-	1,100,407	-	-	-	1,100,407
Land held for property development	1,100,407	(1,100,407)	-	-	-	-
Other investments	2,493,727	-	48,382	-	-	2,542,109
Deferred tax assets	397,541	-	-	-	(7,924)	389,617
Other non-current assets	1,466,324	-	-	-	-	1,466,324
	<b>13,725,852</b>	<b>-</b>	<b>48,382</b>	<b>-</b>	<b>(195,290)</b>	<b>13,578,944</b>
<b>Current assets</b>						
Inventories	2,146,452	101,568	-	-	-	2,248,020
Biological assets	41,906	-	-	-	61,371	103,277
Trade and other receivables	2,172,494	39,053	(20,964)	(48,737)	-	2,141,846
Contract assets	-	-	-	48,737	-	48,737
Property development cost	140,621	(140,621)	-	-	-	-
Other current assets	2,180,350	-	-	-	-	2,180,350
	<b>6,681,823</b>	<b>-</b>	<b>(20,964)</b>	<b>-</b>	<b>61,371</b>	<b>6,722,230</b>
<b>Total assets</b>	<b>20,407,675</b>	<b>-</b>	<b>27,418</b>	<b>-</b>	<b>(133,919)</b>	<b>20,301,174</b>
<b>Current liabilities</b>						
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
	<b>2,787,110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,787,110</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	321,459	(73,120)	-	-	188,545	436,884
Other non-current liabilities	4,158,508	-	-	-	-	4,158,508
	<b>4,479,967</b>	<b>(73,120)</b>	<b>-</b>	<b>-</b>	<b>188,545</b>	<b>4,595,392</b>
<b>Total liabilities</b>	<b>7,267,077</b>	<b>(73,120)</b>	<b>-</b>	<b>-</b>	<b>188,545</b>	<b>7,382,502</b>
<b>Equity</b>						
Share capital	509,689	(381)	-	-	-	509,308
Treasury shares	(491,740)	-	-	-	-	(491,740)
Reserves	6,565,809	(389,085)	36,027	-	(148,520)	6,064,231
	<b>6,583,758</b>	<b>(389,466)</b>	<b>36,027</b>	<b>-</b>	<b>(148,520)</b>	<b>6,081,799</b>
Non-controlling interests	6,556,840	462,586	(8,609)	-	(173,944)	6,836,873
<b>Total equity</b>	<b>13,140,598</b>	<b>73,120</b>	<b>27,418</b>	<b>-</b>	<b>(322,464)</b>	<b>12,918,672</b>
<b>Total equity and liabilities</b>	<b>20,407,675</b>	<b>-</b>	<b>27,418</b>	<b>-</b>	<b>(133,919)</b>	<b>20,301,174</b>
Net assets per share attributable to equity holders of the Company						
	16.44	(0.97)	0.09	-	(0.37)	15.19

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	1 October 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
<b>Non-current assets</b>						
Property, plant and equipment	5,487,466	-	-	-	2,465,871	7,953,337
Biological assets	2,725,985	-	-	-	(2,725,985)	-
Inventories	-	1,091,471	-	-	-	1,091,471
Land held for property development	1,091,471	(1,091,471)	-	-	-	-
Other investments	2,400,912	-	44,563	-	-	2,445,475
Deferred tax assets	453,110	-	-	(80)	(7,364)	445,666
Other non-current assets	1,406,455	-	-	-	-	1,406,455
	<b>13,565,399</b>	<b>-</b>	<b>44,563</b>	<b>(80)</b>	<b>(267,478)</b>	<b>13,342,404</b>
<b>Current assets</b>						
Inventories	1,834,008	121,721	-	(17,558)	-	1,938,171
Biological assets	37,806	-	-	-	80,656	118,462
Trade and other receivables	2,627,540	32,975	(24,467)	17,851	-	2,653,899
Contract assets	-	-	-	280	-	280
Property development cost	154,696	(154,696)	-	-	-	-
Other current assets	2,811,706	-	-	-	-	2,811,706
	<b>7,465,756</b>	<b>-</b>	<b>(24,467)</b>	<b>573</b>	<b>80,656</b>	<b>7,522,518</b>
<b>Total assets</b>	<b>21,031,155</b>	<b>-</b>	<b>20,096</b>	<b>493</b>	<b>(186,822)</b>	<b>20,864,922</b>
<b>Current liabilities</b>						
Trade and other payables	1,616,627	-	-	(56,099)	-	1,560,528
Contract liabilities	-	-	-	57,924	-	57,924
Other current liabilities	1,587,334	-	-	-	-	1,587,334
	<b>3,203,961</b>	<b>-</b>	<b>-</b>	<b>1,825</b>	<b>-</b>	<b>3,205,786</b>
<b>Non-current liabilities</b>						
Deferred tax liabilities	284,561	(73,302)	-	-	175,086	386,345
Other non-current liabilities	4,172,821	-	-	-	-	4,172,821
	<b>4,457,382</b>	<b>(73,302)</b>	<b>-</b>	<b>-</b>	<b>175,086</b>	<b>4,559,166</b>
<b>Total liabilities</b>	<b>7,661,343</b>	<b>(73,302)</b>	<b>-</b>	<b>1,825</b>	<b>175,086</b>	<b>7,764,952</b>
<b>Equity</b>						
Share capital	498,760	(381)	-	-	-	498,379
Treasury shares	(446,671)	-	-	-	-	(446,671)
Reserves	6,645,684	(386,346)	30,191	(522)	(167,520)	6,121,487
	<b>6,697,773</b>	<b>(386,727)</b>	<b>30,191</b>	<b>(522)</b>	<b>(167,520)</b>	<b>6,173,195</b>
Non-controlling interests	6,672,039	460,029	(10,095)	(810)	(194,388)	6,926,775
<b>Total equity</b>	<b>13,369,812</b>	<b>73,302</b>	<b>20,096</b>	<b>(1,332)</b>	<b>(361,908)</b>	<b>13,099,970</b>
<b>Total equity and liabilities</b>	<b>21,031,155</b>	<b>-</b>	<b>20,096</b>	<b>493</b>	<b>(186,822)</b>	<b>20,864,922</b>
Net assets per share attributable to equity holders of the Company	16.63	(0.96)	0.07	-	(0.42)	15.32

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**Reconciliation of Cash Flows**

	12 months ended 30 September 2018					
	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
Profit before tax	1,276,705	(77)	(219,951)	1,275	58,138	1,116,090
Adjustments for non-cash flow:						
Non-cash items	678,973	77	219,951	15	70,827	969,843
Non-operating items	42,071	-	-	-	-	42,071
Operating profit before working capital changes	1,997,749	-	-	1,290	128,965	2,128,004
Working capital changes:						
Net change in current assets	121,561	-	-	276	1,160	122,997
Net change in current liabilities	(550,749)	-	-	(1,566)	(657)	(552,972)
Cash generated from operations	1,568,561	-	-	-	129,468	1,698,029
Interest received	4,014	-	-	-	-	4,014
Interest paid	(222,437)	-	-	-	-	(222,437)
Income tax paid	(399,485)	-	-	-	-	(399,485)
Retirement benefits paid	(31,398)	-	-	-	-	(31,398)
Net cash generated from operating activities	919,255	-	-	-	129,468	1,048,723
Net cash used in investing activities	(337,373)	-	-	-	(129,468)	(466,841)
Net cash used in financing activities	(665,122)	-	-	-	-	(665,122)
Net decrease in cash and cash equivalents	(83,240)	-	-	-	-	(83,240)
Exchange difference	(75,429)	-	-	-	-	(75,429)
Opening cash and cash equivalents	1,631,621	-	-	-	-	1,631,621
Closing cash and cash equivalents	1,472,952	-	-	-	-	1,472,952

**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 8,024,100 shares in the Company from the open market. The average price paid for the shares repurchased was RM16.31 per share and the total consideration paid, including transaction costs, was RM131,319,241. The shares bought back were financed by internally generated funds and held as treasury shares.

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**A7. Dividends paid**

	<b>Year ended 30 September</b>	
	<b>2019 RM'000</b>	<b>2018 RM'000</b>
Interim 15 sen per share single tier (2018: 15 sen per share single tier)	59,283	60,102
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>217,831</u>	<u>240,502</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

	<b>Plantation</b>	<b>Manufacturing</b>	<b>Property Development</b>	<b>Investment Holding/ Others</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Year ended</b>						
<b>30 September 2019</b>						
Revenue						
External revenue	6,392,999	9,193,890	170,359	288,343	-	16,045,591
Inter-segment revenue	938,282	-	-	686,469	(1,624,751)	-
Total revenue	<u>7,331,281</u>	<u>9,193,890</u>	<u>170,359</u>	<u>974,812</u>	<u>(1,624,751)</u>	<u>16,045,591</u>
Results						
Operating results	416,504	534,585	44,621	144,258	(42,230)	1,097,738
Finance costs	(17,028)	(55,235)	-	(155,976)	42,230	(186,009)
Share of results of associates	11,339	1,392	2,734	(19)	-	15,446
Share of results of joint ventures	(4,484)	-	-	6,621	-	2,137
Segment results	<u>406,331</u>	<u>480,742</u>	<u>47,355</u>	<u>(5,116)</u>	<u>-</u>	<u>929,312</u>
Profit before taxation						<u>929,312</u>
<b>Year ended</b>						
<b>30 September 2018 - Restated</b>						
Revenue						
External revenue	7,925,802	10,590,114	177,676	259,644	-	18,953,236
Inter-segment revenue	851,220	-	-	745,220	(1,596,440)	-
Total revenue	<u>8,777,022</u>	<u>10,590,114</u>	<u>177,676</u>	<u>1,004,864</u>	<u>(1,596,440)</u>	<u>18,953,236</u>
Results						
Operating results	870,130	576,818	35,648	(139,639)	(36,804)	1,306,153
Finance costs	(9,477)	(63,766)	-	(158,832)	36,804	(195,271)
Share of results of associates	7,122	1,457	2,190	1,874	-	12,643
Share of results of joint ventures	(12,128)	-	-	4,693	-	(7,435)
Segment results	<u>855,647</u>	<u>514,509</u>	<u>37,838</u>	<u>(291,904)</u>	<u>-</u>	<u>1,116,090</u>
Profit before taxation						<u>1,116,090</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
<b>At 30 September 2019</b>					
Operating assets	6,847,543	6,801,703	1,506,728	4,320,295	19,476,269
Associates	92,944	10,928	72,403	1,340,207	1,516,482
Joint ventures	152,044	-	-	115,263	267,307
Segment assets	7,092,531	6,812,631	1,579,131	5,775,765	21,260,058
Tax assets					564,406
Total assets					21,824,464
<b>At 30 September 2018 - Restated</b>					
Operating assets	6,409,942	6,842,062	1,477,059	4,675,324	19,404,387
Associates	72,268	9,457	73,669	30,171	185,565
Joint ventures	153,964	-	-	105,336	259,300
Segment assets	6,636,174	6,851,519	1,550,728	4,810,831	19,849,252
Tax assets					451,922
Total assets					20,301,174

## c) Segment liabilities

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 30 September 2019</b>					
Segment liabilities	1,553,599	2,164,235	119,719	5,380,905	9,218,458
Tax liabilities					485,753
Total liabilities					9,704,211
<b>At 30 September 2018 - Restated</b>					
Segment liabilities	1,268,745	2,358,529	107,623	3,161,673	6,896,570
Tax liabilities					485,932
Total liabilities					7,382,502

**A9. Material events subsequent to end of period**

An associate of the Group, Smith Zain Penang Sdn Bhd ("SZP") which went into voluntary liquidation on 4 October 2016, obtained the tax clearance from the Inland Revenue Board on 29 May 2019 and was successfully dissolved on 24 October 2019.

**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.

**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.

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**A12. Capital commitments**

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

	<b>At 30 September 2019 RM'000</b>	<b>At 30 September 2018 RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted	364,210	133,494
Approved but not contracted	894,065	841,213
	<u>1,258,275</u>	<u>974,707</u>
Joint venture		
Share of capital commitment of a joint venture	<u>79,427</u>	<u>8,641</u>

**A13. Significant Related Party Transactions**

The significant related party transactions set out below were carried out in the normal course of business and on terms and conditions not more materially different from those obtainable in transactions with unrelated parties.

	<b>Cumulative Quarter Year ended 30 September</b>	
	<b>2019 RM'000</b>	<b>2018 RM'000</b>
a) Transactions with associates and joint ventures:		
Sales of goods	231,829	318,824
Purchase of goods	1,056,792	1,268,263
Service charges paid	2,726	2,726
Research and development services paid	<u>13,687</u>	<u>14,597</u>

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	<b>Cumulative Quarter</b>	
	<b>Year ended</b>	
	<b>30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
b) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest:		
<b>Sales of goods</b>		
Chlor-Al Chemical Pte Ltd	5,287	7,817
Siam Taiko Marketing Co Ltd	2,591	3,224
Taiko Marketing (S) Pte Ltd	3,551	1,874
Taiko Marketing Sdn Bhd	255,455	292,390
<b>Storage tanks rental received</b>		
Taiko Marketing Sdn Bhd	4,132	3,970
<b>Purchases of goods</b>		
Borneo Taiko Clay Sdn Bhd	4,619	3,404
Bukit Katho Estate Sdn Bhd	3,643	4,457
Kampar Rubber & Tin Co Sdn Bhd	5,554	7,044
Kekal & Deras Sdn Bhd	1,512	1,577
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	2,269	1,001
Malay Rubber Plantations (M) Sdn Bhd	5,859	6,651
PT Agro Makmur Abadi	52,946	84,940
PT Bumi Karyatama Raharja	3,044	-
PT Java Taiko Mineralindo	1,140	-
PT Safari Riau	20,394	33,649
Taiko Acid Works Sdn Bhd	2,393	2,452
Taiko Clay Marketing Sdn Bhd	2,558	2,320
Taiko Drum Industries Sdn Bhd	3,731	2,986
Taiko Marketing (S) Pte Ltd	30,486	27,571
Taiko Marketing Sdn Bhd	43,784	65,741
<b>Management fees paid</b>		
Farming Management Services Pty Ltd	2,405	2,327
<b>Aircraft operating expenses and management services paid</b>		
Smooth Route Sdn Bhd	2,228	1,936
<b>Supply of contract labours and engineering works:</b>		
K7 Engineering Sdn Bhd	1,825	1,245
Yeow Brothers Engineering Sdn Bhd	717	956
<b>IT services</b>		
E-Komoditi Sdn Bhd	1,824	-
c) Transactions between subsidiaries and their non-controlling interests:		
<b>Sales of goods</b>		
Mitsubishi Corporation	42,980	46,096
Mitsui & Co Ltd	237,160	349,788
Tejana Trading & Management Services Sdn Bhd	-	4,312
<b>Purchases of goods</b>		
Mitsubishi Gas Chemical Singapore Pte Ltd	16,203	17,283
PT Letawa	-	2,671
PT Tanjung Bina Lestari	18,408	27,851
PT Tanjung Sarana Lestari	1,210,290	1,328,873
Tejana Trading & Management Services Sdn Bhd	-	1,361

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**B. Explanatory Notes as required by the Bursa Securities' Listing Requirements****B1. Detailed analysis of performance****4<sup>th</sup> Quarter FY2019 vs 4<sup>th</sup> Quarter FY2018**

	<u>Quarter Ended</u>		<b>Changes %</b>
	<u>30 September</u>		
	<u>2019</u>	<u>2018</u>	
	<u>RM'000</u>	<u>RM'000</u>	
		Restated	
Revenue	<u>3,922,332</u>	<u>4,324,197</u>	(9.3)
Segment results:			
Plantation	133,412	176,369	(24.4)
Manufacturing	108,369	65,941	64.3
Property development	18,100	21,249	(14.8)
Investment holding/Others	6,175	(36,390)	(117.0)
Profit before taxation	<u>266,056</u>	<u>227,169</u>	17.1

The Group's revenue for the current quarter was RM3,922.33 million, 9.3% lower than RM4,324.20 million in the corresponding quarter last year while the Group's profit before taxation was 17.1% higher at RM266.06 million (4Q2018: RM227.17 million). Comments on the respective business segments are as follows:

Plantation's profit was 24.4% lower at RM133.41 million (4Q2018: RM176.37 million) despite 2.3% higher revenue of RM1,689.45 million (4Q2018: RM1,651.49 million). The current quarter's profit was impacted by weaker CPO and PK prices, despite 2.80% higher FFB production of 1.10 million mt (4Q2018: 1.07 million mt). However, the decrease in profit was mitigated by positive contributions from processing and trading operations.

Manufacturing reported a 64.3% higher profit of RM108.37 million (4Q2018: RM65.94 million) despite 15.8% drop in revenue to RM2,148.56 million (4Q2018: RM2,553.19 million).

The Oleochemical division registered a higher current quarter's profit of RM94.59 million (4Q2018: RM32.00 million) due to better margins from lower raw material prices. The preceding year's 4th quarter's results was impacted by RM21.60 million impairment on an under-performing specialised oleochemical plant. The Industrial Chemical division posted a 42.6% lower profit at RM14.70 million (4Q2018: RM25.60 million) impacted by lower selling prices and higher energy cost.

Property Development recorded a 14.8% lower profit of RM18.10 million (4Q2018: RM21.25 million) with 31.1% lower revenue of RM49.29 million (4Q2018: RM71.53 million).

Investment holdings/Others' result accounted for foreign exchange currency loss of RM10.13 million (4Q2018: RM22.11 million loss) on translation of inter-company loans denominated in foreign currencies and surplus of RM42.50 million from government land acquisition.

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(The figures have not been audited)

**FY2019 vs FY2018**

	<b>Year Ended</b>		<b>Changes %</b>
	<b>30 September</b>		
	<b>2019</b>	<b>2018</b>	
	<b>RM'000</b>	<b>RM'000</b>	
		Restated	
Revenue	16,045,591	18,953,236	(15.3)
Segment results:			
Plantation	406,331	855,647	(52.5)
Manufacturing	480,742	514,509	(6.6)
Property development	47,355	37,838	25.2
Investment holding/Others	(5,116)	(291,904)	(98.2)
Profit before taxation	929,312	1,116,090	(16.7)

The Group posted a 16.7% lower profit of RM929.31 million (Todate 4Q2018: RM1,116.09 million) with a 15.3% lower revenue of RM16,045.59 million (Todate 4Q2018: RM18,953.24 million). Comments on the respective business segments are as follows:

Plantation's profit was 52.5% lower at RM406.33 million (Todate 4Q2018: RM855.65 million) with a 19.3% lower revenue of RM6,393.00 million (Todate 4Q2018: RM7,925.80 million) impacted by weaker CPO and PK selling prices, despite a 4.89% higher FFB production of 4.34 million mt (Todate 4Q2018: 4.14 million mt).

Manufacturing reported a 6.6% lower profit of RM480.74 million (Todate 4Q2018: RM514.51 million) with a 13.2% lower revenue of RM9,193.89 million (Todate 4Q2018: RM10,590.11 million).

The Oleochemical division registered a marginally higher profit of RM376.35 million (Todate 4Q2018: RM371.39 million) due to better margins from lower raw material prices. Malaysia and China operations had shown stronger performance but offset by weaker results in Europe. The Industrial Chemical division posted a 27.6% lower profit of RM101.70 million (Todate 4Q2018: RM140.40 million) from lower selling prices and higher energy costs.

Property Development's profit was 25.2% higher at RM47.36 million (Todate 4Q2018: RM37.84 million) due to recognition of profits from projects with higher margins despite 4.1% lower revenue of RM170.36 million (Todate 4Q2018: RM177.68 million).

Investment holdings/Others' result accounted for foreign exchange currency gain of RM54.83 million (Todate 4Q2018: RM288.95 million loss) on translation of inter-company loans denominated in foreign currencies, a RM91.20 million surplus (Todate 4Q2018: RM24.00 million surplus) from government plantation land acquisition, a RM27.52 million (Todate 4Q2018: RM3.27 million) Farming sector's profit from this harvesting season with higher crop production over a larger cropped area and better yield from last year's planted crops, and a RM145.32 million (Todate 4Q2018: Nil) impairment on an estate in Liberia.

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**B2. Comparison of current quarter's results to the preceding quarter  
4<sup>th</sup> Quarter FY2019 vs 3<sup>rd</sup> Quarter FY2019**

	Quarter Ended		Changes %
	30 September 2019 RM'000	30 June 2019 RM'000 Restated	
Revenue	3,922,332	3,824,675	2.6
Segment results:			
Plantation	133,412	40,429	230.0
Manufacturing	108,369	126,579	(14.4)
Property development	18,100	11,014	64.3
Investment holding/Others	6,175	(96,343)	(106.4)
Profit before taxation	266,056	81,679	225.7

For the current quarter, the Group's profit before taxation significantly improved by 225.7% to RM266.06 million compared to RM81.68 million reported in the preceding quarter with revenue slightly higher at RM3,922.33 million (3Q2019: RM3,824.68 million). Comments on the respective business segments are as follows:

Plantation recorded a significant increase in profit by 230.0% to RM133.41 million (3Q2019: RM40.43 million) from higher CPO and PK sales volume, 8.9% higher FFB production of 1.10 million mt (3Q2019: 1.01 million mt) and lower CPO production costs.

Manufacturing's profit was 14.4% lower at RM108.37 million (3Q2019: RM126.58 million) with a 7.8% lower revenue at RM2,148.56 million (3Q2019: RM2,330.22 million).

The Oleochemical division recorded a lower profit of RM94.59 million (3Q2019: RM96.29 million) due to drop in sales volume and selling prices. The Industrial Chemical division posted a 49.1% lower profit of RM14.70 million (3Q2019: RM28.90 million) due to lower selling prices.

Property Development recorded a 64.3% higher profit of RM18.10 million (3Q2019: RM11.01 million) supported by higher revenue of RM49.29 million (3Q2019: RM46.46 million).

Investment holdings/Others' result accounted for surplus from government acquisition of plantation land amounted to RM42.50 million (3Q2019: RM610,000), foreign exchange currency gain of RM10.70 million (3Q2019: RM30.63 million gain) on translation of inter-company loans denominated in foreign currencies, a recognition of lower dividend income of RM2.69 million (3Q2019: RM39.83 million) from overseas investments. In preceding quarter, there was a RM145.32 million impairment on an estate in Liberia.

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**B3. Current year's prospects**

The Group's Plantation profit is expected to improve for the financial year 2020 in view that the current CPO and PK prices are recovering from their low levels.

The performance of the Group's Oleochemical division should be sustained with some additional capacities coming onstream. As for the Group's Industrial Chemical division, profits from both chlor-alkali and sulphuric acid businesses are projected to be satisfactory.

Overall, the Group expects a higher profit for the financial year 2020.

**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 30 September		Year Ended 30 September	
	2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000 Restated
Current tax expenses				
Malaysian taxation	15,906	54,025	115,950	207,218
Overseas taxation	28,924	19,894	108,719	148,764
	<u>44,830</u>	<u>73,919</u>	<u>224,669</u>	<u>355,982</u>
Deferred tax				
Origination and reversal of temporary differences	6,428	10,230	(16,123)	(1,249)
Relating to changes in tax rates	(763)	-	(1,731)	-
Under provision in respect of previous years	486	1,968	530	11,405
	<u>6,151</u>	<u>12,198</u>	<u>(17,324)</u>	<u>10,156</u>
(Over)/Under provision of taxation in respect of previous years				
Malaysian taxation	(1,716)	(7,411)	(17,483)	(8,737)
Overseas taxation	6,954	191	12,009	8,886
	<u>5,238</u>	<u>(7,220)</u>	<u>(5,474)</u>	<u>149</u>
	<u>56,219</u>	<u>78,897</u>	<u>201,871</u>	<u>366,287</u>

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**Reconciliation of effective taxation**

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		Year Ended 30 September	
	2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000 Restated
Profit before taxation	266,056	227,169	929,312	1,116,090
Taxation at Malaysia income tax rate of 24% (FY2018: 24%)	63,853	54,521	223,035	267,862
Effect of difference tax rates in foreign jurisdiction	438	801	(16,919)	(2,961)
Withholding tax on foreign dividend and interest income	3,123	3,152	22,239	18,780
Expenses not deductible for tax purposes	11,213	27,857	111,659	206,450
Tax exempt and non-taxable income	(20,471)	(17,539)	(111,465)	(132,615)
Effect of changes in tax rates on deferred tax	(754)	(399)	(1,722)	(399)
Tax incentives	(2,330)	(843)	(4,756)	(3,549)
Deferred tax assets/(liabilities) not recognised during the period	473	(2,062)	2,250	(1,621)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(2,662)	10,113	(18,253)	(419)
Tax effect on associates' and joint ventures' results	(2,482)	64	(4,220)	(1,250)
Recognition of deferred tax (liabilities)/assets not taken up previously	(532)	6,178	(532)	(62)
Under/(Over) provision of previous years tax expenses	5,238	(7,220)	(5,474)	149
Under provision of previous years deferred tax	486	1,968	530	11,405
Others	626	2,306	5,499	4,517
<b>Tax expense</b>	<b>56,219</b>	<b>78,897</b>	<b>201,871</b>	<b>366,287</b>

**B6. Status of corporate proposals**

There were no corporate proposals announced.



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**B7. Group borrowings**

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

	At 30 September 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			
<b>Secured</b>									
Term Loans	Euro	6,063	27,676	Euro	1,237	5,648	Euro	7,300	33,324
Bankers' acceptance		-	-		-	5,009		-	5,009
<b>Unsecured</b>									
Bank overdraft		-	-	Euro	26,474	120,857	Euro	26,474	120,857
Revolving credit		-	-	Euro	15,000	68,478	Euro	15,000	68,478
		-	-	Rp	83,808,335	24,740	Rp	83,808,335	24,740
		-	-	Rmb	78,000	45,739	Rmb	78,000	45,739
		-	-	GBP	45,000	231,957	GBP	45,000	231,957
		-	-	AUD	7,000	19,799	AUD	7,000	19,799
		-	-		-	30,000		-	30,000
Trade financing		-	-	USD	75,840	317,695	USD	75,840	317,695
		-	-		-	124,517		-	124,517
Term loans	USD	75,000	313,957		-	-	USD	75,000	313,957
	Euro	50,000	228,200	Euro	26,500	120,966	Euro	76,500	349,166
Export credit refinancing		-	-		-	8,329		-	8,329
Bankers' acceptance		-	-		-	230,268		-	230,268
Islamic medium term notes		-	5,100,000		-	-		-	5,100,000
<b>Total</b>		-	5,669,833		-	1,354,002		-	7,023,835

	At 30 September 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			
<b>Secured</b>									
Term Loans	Euro	7,300	35,085	Euro	2,122	10,198	Euro	9,422	45,283
<b>Unsecured</b>									
Bank overdraft		-	-	CHF	3	13	CHF	3	13
		-	-	Euro	18,521	89,021	Euro	18,521	89,021
Revolving credit		-	-	Euro	20,000	96,130	Euro	20,000	96,130
		-	-	Rp	149,165,902	41,453	Rp	149,165,902	41,453
		-	-	AUD	9,000	26,951	AUD	9,000	26,951
Trade financing		-	-	USD	65,380	270,675	USD	65,380	270,675
Term loans	USD	45,000	186,695		-	-	USD	45,000	186,695
	Euro	50,000	240,319	Euro	36,500	175,439	Euro	86,500	415,758
Export credit refinancing		-	-		-	83,620		-	83,620
Bankers' acceptance		-	-		-	427,614		-	427,614
Islamic medium term notes		-	3,100,000		-	-		-	3,100,000
<b>Total</b>		-	3,562,099		-	1,221,114		-	4,783,213

Exchange Rates Applied	At 30 September	
	2019	2018
USD / RM	4.1890	4.1400
Euro / RM	4.5652	4.8065
Rp1,000/RM	0.2952	0.2779
AUD/RM	2.8284	2.9945
RMB/RM	0.5864	-
GBP/RM	5.1546	-

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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 30 September 2019, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

	<b>Contract / Notional value Net long/(short)</b>	<b>Fair value Net gains/(losses)</b>
	<b>RM'000</b>	<b>RM'000</b>
a) Forward foreign exchange contracts:		
- Less than 1 year	(977,187)	1,866
- 1 year to 3 years	-	-
- More than 3 years	-	-
	<hr/>	<hr/>
b) Commodity futures contracts:		
- Less than 1 year	(108,565)	11,572
- 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 30 September 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. 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)

**B11. Dividend**

- a) The Directors will recommend the payment of a final dividend for the financial year ended 30 September 2019 at a later date.
- 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 and a final dividend of 40 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>Year ended</u>	
	<u>30 September</u>		<u>30 September</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)	96,701	77,251	363,499	365,682
Weighted average number of shares ('000)	396,572	401,232	396,572	401,232
Earnings per share (sen)	24.4	19.3	91.7	91.1

**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.

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(The figures have not been audited)

**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 30 September		Year ended 30 September	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Interest income	(18,840)	(20,051)	(76,551)	(88,338)
Dividend income	(9,032)	(20,420)	(66,053)	(64,821)
Other income	(78,913)	(18,238)	(376,324)	(241,231)
Interest expense	51,758	48,111	186,009	195,271
Depreciation and amortisation	157,239	140,942	604,881	571,601
(Reversal of)/Provision for write-off and write-off of receivables	(2,120)	(2,066)	3,033	(3,369)
Provision for and write-off of inventories	21,474	10,184	51,493	34,301
Deficit/(Surplus) on disposal of quoted or unquoted investment	50	257	1,079	(6,973)
Surplus on disposal of land	(586)	(918)	(2,513)	(2,445)
Surplus arising from government acquisition of land	(42,509)	142	(91,209)	(24,034)
Surplus on disposal of a subsidiary company	-	-	(210)	-
Impairment of property, plant and equipment	201	26,251	131,654	26,251
Impairment of value in an associate	123	-	123	-
Impairment of other investments	-	579	-	579
Write-off of prepaid lease payment	6,025	-	6,025	-
Foreign exchange loss/(gain)	10,129	27,132	(64,597)	229,618
Loss/(Gain) on derivatives	5,583	(13,876)	6,177	(38,581)
Exceptional items	-	-	-	-

By Order of the Board

GOH SWEE ENG  
YAP MIOW KIEN  
CHIEW CINDY  
Company Secretaries

19 November 2019