



# **KUALA LUMPUR KEPONG BERHAD**

(15043-V)

(Incorporated in Malaysia)

**Interim Financial Report  
For the first quarter ended 31 December 2018**



# KUALA LUMPUR KEPONG BERHAD

(15043-V)  
(Incorporated in Malaysia)

The Directors are pleased to announce the unaudited financial results of the Group for the first quarter ended 31 December 2018.

## Condensed Consolidated Statement of Profit or Loss For the first quarter ended 31 December 2018

(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	3 months ended		+ / (-)
	31 December			31 December		
	2018	2017	%	2018	2017	%
	RM'000	RM'000		RM'000	RM'000	
		Restated			Restated	
Revenue	4,085,162	5,175,021	(21.1)	4,085,162	5,175,021	(21.1)
Operating expenses	(3,870,824)	(4,891,828)	(20.9)	(3,870,824)	(4,891,828)	(20.9)
Other operating income	155,428	115,227	34.9	155,428	115,227	34.9
Finance costs	(43,269)	(42,559)	1.7	(43,269)	(42,559)	1.7
Share of results of associates	3,588	2,180	64.6	3,588	2,180	64.6
Share of results of joint ventures	6,296	(1,760)	-	6,296	(1,760)	-
Profit before taxation	336,381	356,281	(5.6)	336,381	356,281	(5.6)
Taxation	(64,770)	(99,315)	(34.8)	(64,770)	(99,315)	(34.8)
Net profit for the period	<u>271,611</u>	<u>256,966</u>	5.7	<u>271,611</u>	<u>256,966</u>	5.7
Attributable to:-						
Equity holders of the Company	250,916	235,355	6.6	250,916	235,355	6.6
Non-controlling interests	20,695	21,611	(4.2)	20,695	21,611	(4.2)
	<u>271,611</u>	<u>256,966</u>	5.7	<u>271,611</u>	<u>256,966</u>	5.7
	Sen	Sen		Sen	Sen	
Earnings per share - basic	<u>23.6</u>	<u>22.1</u>		<u>23.6</u>	<u>22.1</u>	
Earnings per share - diluted	<u>N/A</u>	<u>N/A</u>		<u>N/A</u>	<u>N/A</u>	

N/A - Not applicable

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

**KUALA LUMPUR KEPONG BERHAD**

(15043-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Other Comprehensive Income  
For the first quarter ended 31 December 2018**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		3 months ended 31 December	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Net profit for the period	<u>271,611</u>	<u>256,966</u>	<u>271,611</u>	<u>256,966</u>
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss				
Currency translation differences	30,297	(181,643)	30,297	(181,643)
Net change in fair value of available-for-sale investments	(692,172)	(40,439)	(692,172)	(40,439)
Realisation on fair value of available-for-sale investments	<u>-</u>	<u>(2,278)</u>	<u>-</u>	<u>(2,278)</u>
Total other comprehensive loss for the period	<u>(661,875)</u>	<u>(224,360)</u>	<u>(661,875)</u>	<u>(224,360)</u>
Total comprehensive (loss)/income for the period	<u>(390,264)</u>	<u>32,606</u>	<u>(390,264)</u>	<u>32,606</u>
Attributable to:-				
Equity holders of the Company	(415,896)	18,655	(415,896)	18,655
Non-controlling interests	<u>25,632</u>	<u>13,951</u>	<u>25,632</u>	<u>13,951</u>
	<u>(390,264)</u>	<u>32,606</u>	<u>(390,264)</u>	<u>32,606</u>

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



# KUALA LUMPUR KEPONG BERHAD

(15043-V)  
(Incorporated in Malaysia)

## Condensed Consolidated Statement of Financial Position

As at 31 December 2018

(The figures have not been audited.)

	31 December 2018	30 September 2018	30 September 2017
	RM'000	RM'000 Restated	RM'000 Restated
<b>Assets</b>			
Property, plant and equipment	7,796,326	7,757,768	7,586,042
Prepaid lease payments	377,260	375,120	309,611
Land held for property development	1,103,655	1,100,407	1,091,471
Goodwill on consolidation	316,384	315,304	324,686
Intangible assets	23,956	23,358	15,325
Investments in associates	162,108	153,663	144,538
Investments in joint ventures	167,442	160,414	158,902
Equity instruments	1,730,585	2,384,087	2,270,010
Other receivable	209,711	202,826	210,272
Deferred tax assets	386,528	375,996	432,350
<b>Total non-current assets</b>	<b>12,273,955</b>	<b>12,848,943</b>	<b>12,543,207</b>
Inventories	2,185,424	2,098,250	1,779,371
Biological assets	58,329	101,541	116,847
Trade and other receivables	2,034,217	1,999,399	2,507,774
Contract assets	19,987	52,010	284
Contract costs	1,262	1,016	652
Tax recoverable	65,866	60,301	38,642
Property development costs	138,343	136,332	153,919
Derivative financial assets	108,687	69,210	110,748
Short term funds	125,050	195,579	578,489
Cash and cash equivalents	1,584,745	1,277,775	1,462,687
<b>Total current assets</b>	<b>6,321,910</b>	<b>5,991,413</b>	<b>6,749,413</b>
<b>Total assets</b>	<b>18,595,865</b>	<b>18,840,356</b>	<b>19,292,620</b>
<b>Equity</b>			
Share capital	1,196,962	1,196,962	1,184,764
Reserves	9,578,688	9,994,584	10,089,008
	10,775,650	11,191,546	11,273,772
Less: Cost of treasury shares	(13,447)	(13,447)	(13,447)
<b>Total equity attributable to equity holders of the Company</b>	<b>10,762,203</b>	<b>11,178,099</b>	<b>11,260,325</b>
Non-controlling interests	893,839	878,824	864,838
<b>Total equity</b>	<b>11,656,042</b>	<b>12,056,923</b>	<b>12,125,163</b>
<b>Liabilities</b>			
Deferred tax liabilities	403,737	397,676	360,737
Deferred income	119,133	119,004	117,365
Provision for retirement benefits	470,965	467,067	479,132
Borrowings	3,059,371	3,062,099	3,067,168
<b>Total non-current liabilities</b>	<b>4,053,206</b>	<b>4,045,846</b>	<b>4,024,402</b>
Trade and other payables	1,378,505	1,341,989	1,506,724
Contract liabilities	45,164	54,842	57,803
Deferred income	6,602	7,947	7,808
Borrowings	1,352,450	1,221,114	1,375,596
Tax payable	46,455	47,476	90,511
Derivative financial liabilities	57,441	64,219	104,613
<b>Total current liabilities</b>	<b>2,886,617</b>	<b>2,737,587</b>	<b>3,143,055</b>
<b>Total liabilities</b>	<b>6,939,823</b>	<b>6,783,433</b>	<b>7,167,457</b>
<b>Total equity and liabilities</b>	<b>18,595,865</b>	<b>18,840,356</b>	<b>19,292,620</b>
Net assets per share attributable to equity holders of the Company (RM)	10.11	10.50	10.57

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



## KUALA LUMPUR KEPONG BERHAD

(15043-V)  
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### Condensed Consolidated Statement of Changes in Equity For the first quarter ended 31 December 2018

(The figures have not been audited.)

	← Attributable to the equity holders of the Company →							Non-controlling interests	Total Equity	
	Share capital	Capital reserve	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings	Treasury shares			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2018	1,196,962	1,029,997	78,725	117,100	1,291,055	7,724,550	(13,447)	11,424,942	885,905	12,310,847
Effect on adoption of MFRSs	-	4,924	(78,725)	(110,989)	(287)	(61,766)	-	(246,843)	(7,081)	(253,924)
At 1 October 2018 - restated	1,196,962	1,034,921	-	6,111	1,290,768	7,662,784	(13,447)	11,178,099	878,824	12,056,923
Net change in fair value of available-for-sale investments	-	-	-	-	(692,172)	-	-	(692,172)	-	(692,172)
Transfer from retained earnings to other reserve	-	424	-	-	-	(424)	-	-	-	-
Currency translation differences	-	124	-	25,236	-	-	-	25,360	4,937	30,297
Total other comprehensive income/(loss) for the period	-	548	-	25,236	(692,172)	(424)	-	(666,812)	4,937	(661,875)
Profit for the period	-	-	-	-	-	250,916	-	250,916	20,695	271,611
Total comprehensive income/(loss) for the period	-	548	-	25,236	(692,172)	250,492	-	(415,896)	25,632	(390,264)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(10,617)	(10,617)
Total transactions with owners of the Company	-	-	-	-	-	-	-	-	(10,617)	(10,617)
At 31 December 2018	1,196,962	1,035,469	-	31,347	598,596	7,913,276	(13,447)	10,762,203	893,839	11,656,042



## KUALA LUMPUR KEPONG BERHAD

(15043-V)  
(Incorporated in Malaysia)

### Condensed Consolidated Statement of Changes in Equity For the first quarter ended 31 December 2018

(Continued)

(The figures have not been audited.)

	← Attributable to the equity holders of the Company →							Non-controlling interests	Total Equity	
	Share capital	Capital reserve	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings	Treasury shares			Total
	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	RM000	
At 1 October 2017	1,184,764	1,028,225	78,725	558,268	1,216,661	7,515,279	(13,447)	11,568,475	871,567	12,440,042
Effect on adoption of MFRSs	-	4,924	(78,725)	(297,345)	(229)	63,225	-	(308,150)	(6,729)	(314,879)
At 1 October 2017 - restated	1,184,764	1,033,149	-	260,923	1,216,432	7,578,504	(13,447)	11,260,325	864,838	12,125,163
Net change in fair value of available-for-sale investments	-	-	-	-	(40,439)	-	-	(40,439)	-	(40,439)
Realisation on fair value of available-for sale investments	-	-	-	-	(2,278)	-	-	(2,278)	-	(2,278)
Transfer from retained earnings to other reserve	-	234	-	-	-	(234)	-	-	-	-
Currency translation differences	-	(308)	-	(173,675)	-	-	-	(173,983)	(7,660)	(181,643)
Total other comprehensive loss for the period	-	(74)	-	(173,675)	(42,717)	(234)	-	(216,700)	(7,660)	(224,360)
Profit for the period	-	-	-	-	-	235,355	-	235,355	21,611	256,966
Total comprehensive (loss)/income for the period	-	(74)	-	(173,675)	(42,717)	235,121	-	18,655	13,951	32,606
Redemption of redeemable preference shares	7,200	-	-	-	-	(7,200)	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,075)	(1,075)
Total transactions with owners of the Company	7,200	-	-	-	-	(7,200)	-	-	(1,075)	(1,075)
At 31 December 2017	1,191,964	1,033,075	-	87,248	1,173,715	7,806,425	(13,447)	11,278,980	877,714	12,156,694

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

**KUALA LUMPUR KEPONG BERHAD**

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**Condensed Consolidated Statement of Cash Flows  
For the first quarter ended 31 December 2018**

(The figures have not been audited.)

	3 months ended 31 December	
	2018 RM'000	2017 RM'000 Restated
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	336,381	356,281
Adjustment for non-cash flow:-		
Non-cash items	44,513	219,817
Non-operating items	23,997	21,053
Operating profit before working capital changes	404,891	597,151
Working capital changes:-		
Net change in current assets	(77,517)	(560,469)
Net change in current liabilities	6,786	(77,339)
Cash generated from/(used in) operations	334,160	(40,657)
Interest paid	(26,208)	(24,938)
Tax paid	(65,627)	(107,287)
Retirement benefits paid	(7,455)	(6,630)
Net cash generated from/(used in) operating activities	234,870	(179,512)
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(62,179)	(70,984)
Payments of prepaid lease	(541)	-
Plantation development expenditure	(66,063)	(53,903)
Property development expenditure	(3,248)	(1,087)
Purchase of available-for-sale investments	(54,242)	(26)
Purchase of intangible assets	(1,774)	-
Proceeds from disposal of property, plant and equipment	1,075	541
Compensation from government on land acquired	22,997	13,713
Proceeds from disposal of available-for-sale investments	-	7,591
Decrease/(Increase) in short term funds	70,876	(4,335)
Dividends received from investments	18,673	15,860
Interest received	13,407	14,563
Net cash used in investing activities	(61,019)	(78,067)
<b>Cash Flows from Financing Activities</b>		
Term loans received	-	17,010
Repayment of term loans	(3,254)	(3,043)
Net drawdown of short term borrowings	89,317	421,012
Dividends paid to non-controlling interests	(10,617)	(1,075)
Decrease in other receivable	2,623	2,800
Net cash generated from financing activities	78,069	436,704
Net increase in cash and cash equivalents	251,920	179,125
Cash and cash equivalents at 1 October	1,188,741	1,338,563
	1,440,661	1,517,688
Currency translation differences on opening balances	6,561	(32,782)
Cash and cash equivalents at 31 December	1,447,222	1,484,906
Cash and cash equivalents consist of:-		
Cash and bank balances	528,983	430,655
Deposits with licensed banks	909,911	1,170,175
Short term funds	145,851	-
Bank overdrafts	(137,523)	(115,924)
	1,447,222	1,484,906

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



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## **Notes to Interim Financial Report**

### **A Explanatory Notes as required by FRS 134**

#### **A1. Basis of Preparation**

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 Standard Board and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2018.

#### **Transition to 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 December 2018 is the first set of financial statements 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 of 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, 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.





**Notes to Interim Financial Report**  
(Continued)

(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 loans 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 measured 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 those 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.

(e) Effect on Transition to MFRS Framework

**Reconciliation of Profit or Loss**

	Individual Quarter - 3 months ended 31 December 2017					Restated under MFRSs RM'000
	Previously Stated under FRSs RM'000	Effects on Adoption of MFRS 1 RM'000	Effects on Adoption of MFRS 9 RM'000	Effects on Adoption of MFRS 15 RM'000	Effects on Adoption of MFRS 141 RM'000	
	Revenue	5,192,541	-	-	(17,520)	
Operating expenses	(4,811,904)	-	(102,166)	17,212	5,030	(4,891,828)
Other operating income	103,006	-	5,595	1,566	5,060	115,227
Finance costs	(42,559)	-	-	-	-	(42,559)
Share of results of associates	2,180	-	-	-	-	2,180
Share of results of joint ventures	(1,760)	-	-	-	-	(1,760)
Profit before taxation	441,504	-	(96,571)	1,258	10,090	356,281
Tax expense	(98,950)	(46)	-	79	(398)	(99,315)
Net profit for the period	342,554	(46)	(96,571)	1,337	9,692	256,966
Attributable to:						
Equity holders of the Company	320,627	(46)	(96,382)	1,114	10,042	235,355
Non-controlling interests	21,927	-	(189)	223	(350)	21,611
	342,554	(46)	(96,571)	1,337	9,692	256,966
Earnings per share - basic	Sen 30.1	Sen -	Sen (9.1)	Sen 0.1	Sen 1.0	Sen 22.1



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(15043-V)  
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**Notes to Interim Financial Report**  
(Continued)

	Cumulative Quarter - 3 months ended 31 December 2017					
	Previously Stated under FRSs	Effects on Adoption of MFRS 1	Effects on Adoption of MFRS 9	Effects on Adoption of MFRS 15	Effects on Adoption of MFRS 141	Restated under MFRSs
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,192,541	-	-	(17,520)	-	5,175,021
Operating expenses	(4,811,904)	-	(102,166)	17,212	5,030	(4,891,828)
Other operating income	103,006	-	5,595	1,566	5,060	115,227
Finance costs	(42,559)	-	-	-	-	(42,559)
Share of results of associates	2,180	-	-	-	-	2,180
Share of results of joint ventures	(1,760)	-	-	-	-	(1,760)
Profit before taxation	441,504	-	(96,571)	1,258	10,090	356,281
Tax expense	(98,950)	(46)	-	79	(398)	(99,315)
Net profit for the period	<u>342,554</u>	<u>(46)</u>	<u>(96,571)</u>	<u>1,337</u>	<u>9,692</u>	<u>256,966</u>
Attributable to:						
Equity holders of the Company	320,627	(46)	(96,382)	1,114	10,042	235,355
Non-controlling interests	21,927	-	(189)	223	(350)	21,611
	<u>342,554</u>	<u>(46)</u>	<u>(96,571)</u>	<u>1,337</u>	<u>9,692</u>	<u>256,966</u>
Earnings per share - basic	Sen 30.1	Sen -	Sen (9.1)	Sen 0.1	Sen 1.0	Sen 22.1

**Reconciliation of Financial Position and Equity**

	30 September 2018					
	Previously Stated under FRSs	Effects on Adoption of MFRS 1	Effects on Adoption of MFRS 9	Effects on Adoption of MFRS 15	Effects on Adoption of MFRS 141	Restated under MFRSs
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>						
Property, plant and equipment	5,254,777	-	-	-	2,502,991	7,757,768
Biological assets	2,689,160	-	-	-	(2,689,160)	-
Equity instruments	2,384,374	-	(287)	-	-	2,384,087
Deferred tax assets	383,921	-	-	-	(7,925)	375,996
Other non-current assets	2,331,092	-	-	-	-	2,331,092
Total non-current assets	<u>13,043,324</u>	<u>-</u>	<u>(287)</u>	<u>-</u>	<u>(194,094)</u>	<u>12,848,943</u>
Biological assets	41,906	-	-	-	59,635	101,541
Trade and other receivables	2,069,090	-	(20,954)	(48,737)	-	1,999,399
Contract assets	-	-	-	52,010	-	52,010
Contract costs	-	-	-	1,016	-	1,016
Property development costs	140,621	-	-	(4,289)	-	136,332
Other current assets	3,701,115	-	-	-	-	3,701,115
Total current assets	<u>5,952,732</u>	<u>-</u>	<u>(20,954)</u>	<u>-</u>	<u>59,635</u>	<u>5,991,413</u>
<b>Total assets</b>	<b><u>18,996,056</u></b>	<b><u>-</u></b>	<b><u>(21,241)</u></b>	<b><u>-</u></b>	<b><u>(134,459)</u></b>	<b><u>18,840,356</u></b>
<b>Equity</b>						
Share capital	1,196,962	-	-	-	-	1,196,962
Reserves	10,241,427	73,120	(19,371)	-	(300,592)	9,994,584
	11,438,389	73,120	(19,371)	-	(300,592)	11,191,546
Less: Cost of treasury shares	(13,447)	-	-	-	-	(13,447)
Total equity attributable to equity holders of the Company	11,424,942	73,120	(19,371)	-	(300,592)	11,178,099
Non-controlling interests	885,905	-	(1,870)	-	(5,211)	878,824
<b>Total equity</b>	<b><u>12,310,847</u></b>	<b><u>73,120</u></b>	<b><u>(21,241)</u></b>	<b><u>-</u></b>	<b><u>(305,803)</u></b>	<b><u>12,056,923</u></b>
<b>Liabilities</b>						
Deferred tax liabilities	299,452	(73,120)	-	-	171,344	397,676
Other non-current liabilities	3,648,170	-	-	-	-	3,648,170
Total non-current liabilities	<u>3,947,622</u>	<u>(73,120)</u>	<u>-</u>	<u>-</u>	<u>171,344</u>	<u>4,045,846</u>
Trade and other payables	1,396,831	-	-	(54,842)	-	1,341,989
Contract liabilities	-	-	-	54,842	-	54,842
Other current liabilities	1,340,756	-	-	-	-	1,340,756
Total current liabilities	<u>2,737,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,737,587</u>
<b>Total liabilities</b>	<b><u>6,685,209</u></b>	<b><u>(73,120)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>171,344</u></b>	<b><u>6,783,433</u></b>
<b>Total equity and liabilities</b>	<b><u>18,996,056</u></b>	<b><u>-</u></b>	<b><u>(21,241)</u></b>	<b><u>-</u></b>	<b><u>(134,459)</u></b>	<b><u>18,840,356</u></b>
<b>Net assets per share attributable to equity holders of the Company</b>	<b><u>10.73</u></b>	<b><u>0.07</u></b>	<b><u>(0.02)</u></b>	<b><u>-</u></b>	<b><u>(0.28)</u></b>	<b><u>10.50</u></b>



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	30 September 2017					Restated under MFRSs RM'000
	Previously Stated under FRSs RM'000	Effects on Adoption of MFRS 1 RM'000	Effects on Adoption of MFRS 9 RM'000	Effects on Adoption of MFRS 15 RM'000	Effects on Adoption of MFRS 141 RM'000	
<b>Assets</b>						
Property, plant and equipment	5,220,852	-	-	-	2,365,190	7,586,042
Biological assets	2,624,038	-	-	-	(2,624,038)	-
Equity instruments	2,270,239	-	(229)	-	-	2,270,010
Deferred tax assets	439,794	-	-	(80)	(7,364)	432,350
Other non-current assets	2,254,805	-	-	-	-	2,254,805
<b>Total non-current assets</b>	<b>12,809,728</b>	<b>-</b>	<b>(229)</b>	<b>(80)</b>	<b>(266,212)</b>	<b>12,543,207</b>
Inventories	1,796,929	-	-	(17,558)	-	1,779,371
Biological assets	37,806	-	-	-	79,041	116,847
Trade and other receivables	2,514,389	-	(24,466)	17,851	-	2,507,774
Contract assets	-	-	-	284	-	284
Contract costs	-	-	-	652	-	652
Property development costs	154,696	-	-	(777)	-	153,919
Other current assets	2,190,566	-	-	-	-	2,190,566
<b>Total current assets</b>	<b>6,694,386</b>	<b>-</b>	<b>(24,466)</b>	<b>452</b>	<b>79,041</b>	<b>6,749,413</b>
<b>Total assets</b>	<b>19,504,114</b>	<b>-</b>	<b>(24,695)</b>	<b>372</b>	<b>(187,171)</b>	<b>19,292,620</b>
<b>Equity</b>						
Share capital	1,184,764	-	-	-	-	1,184,764
Reserves	10,397,158	73,303	(22,470)	(1,109)	(357,874)	10,089,008
	11,581,922	73,303	(22,470)	(1,109)	(357,874)	11,273,772
Less: Cost of treasury shares	(13,447)	-	-	-	-	(13,447)
<b>Total equity attributable to equity holders of the Company</b>	<b>11,568,475</b>	<b>73,303</b>	<b>(22,470)</b>	<b>(1,109)</b>	<b>(357,874)</b>	<b>11,260,325</b>
Non-controlling interests	871,567	-	(2,225)	(223)	(4,281)	864,838
<b>Total equity</b>	<b>12,440,042</b>	<b>73,303</b>	<b>(24,695)</b>	<b>(1,332)</b>	<b>(362,155)</b>	<b>12,125,163</b>
<b>Liabilities</b>						
Deferred tax liabilities	259,056	(73,303)	-	-	174,984	360,737
Other non-current liabilities	3,663,665	-	-	-	-	3,663,665
<b>Total non-current liabilities</b>	<b>3,922,721</b>	<b>(73,303)</b>	<b>-</b>	<b>-</b>	<b>174,984</b>	<b>4,024,402</b>
Trade and other payables	1,562,823	-	-	(56,099)	-	1,506,724
Contract liabilities	-	-	-	57,803	-	57,803
Other current liabilities	1,578,528	-	-	-	-	1,578,528
<b>Total current liabilities</b>	<b>3,141,351</b>	<b>-</b>	<b>-</b>	<b>1,704</b>	<b>-</b>	<b>3,143,055</b>
<b>Total liabilities</b>	<b>7,064,072</b>	<b>(73,303)</b>	<b>-</b>	<b>1,704</b>	<b>174,984</b>	<b>7,167,457</b>
<b>Total equity and liabilities</b>	<b>19,504,114</b>	<b>-</b>	<b>(24,695)</b>	<b>372</b>	<b>(187,171)</b>	<b>19,292,620</b>
<b>Net assets per share attributable to equity holders of the Company</b>	<b>10.86</b>	<b>0.07</b>	<b>(0.02)</b>	<b>-</b>	<b>(0.34)</b>	<b>10.57</b>



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**Reconciliation of Cash Flows**

	31 December 2017					Restated under MFRSs
	Previously Stated under FRSs	Effects on Adoption of MFRS 1	Effects on Adoption of MFRS 9	Effects on Adoption of MFRS 15	Effects on Adoption of MFRS 141	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Profit before tax	441,504	-	(96,571)	1,258	10,090	356,281
Adjustments for non-cash flow:-						
Non-cash items	107,922	-	96,571	9	15,315	219,817
Non-operating items	21,053	-	-	-	-	21,053
Operating profit before working capital changes	570,479	-	-	1,267	25,405	597,151
Working capital changes:						
Net change in current assets	(557,794)	-	-	(6,392)	3,717	(560,469)
Net change in current liabilities	(82,464)	-	-	5,125	-	(77,339)
Cash generated used in operations	(69,779)	-	-	-	29,122	(40,657)
Interest paid	(24,938)	-	-	-	-	(24,938)
Income tax paid	(107,287)	-	-	-	-	(107,287)
Retirement benefits paid	(6,630)	-	-	-	-	(6,630)
Net cash used in operating activities	(208,634)	-	-	-	29,122	(179,512)
Net cash used in investing activities	(48,945)	-	-	-	(29,122)	(78,067)
Net cash generated from financing activities	436,704	-	-	-	-	436,704
Net increased in cash and cash equivalents	179,125	-	-	-	-	179,125
Opening cash and cash equivalents	1,338,563	-	-	-	-	1,338,563
Exchange difference	(32,782)	-	-	-	-	(32,782)
Closing cash and cash equivalents	<u>1,484,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484,906</u>

**A2. Seasonal and Cyclical Factors**

The Group's plantation operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices.

**A3. 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.

**A4. Changes in Estimates**

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

**A5. Changes in Debt and Equity Securities**

There were no issuances, repurchases and repayments of debt and equity securities during the current financial year-to-date.

**A6. Dividends Paid**

There were no dividends paid during the financial quarter ended 31 December 2018 (31 December 2017: Nil).



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### A7. 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

	Plantations RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
<b>3 months ended</b>						
<b>31 December 2018</b>						
Revenue						
External revenue	1,693,303	2,207,992	39,809	144,058	-	4,085,162
Inter-segment revenue	251,657	-	-	49,461	(301,118)	-
Total revenue	<u>1,944,960</u>	<u>2,207,992</u>	<u>39,809</u>	<u>193,519</u>	<u>(301,118)</u>	<u>4,085,162</u>
Results						
Operating results	122,075	110,172	10,452	58,748	-	301,447
Interest income	1,162	1,629	177	25,455	(11,054)	17,369
Finance costs	(4,981)	(14,386)	-	(34,956)	11,054	(43,269)
Share of results of associates	2,498	589	501	-	-	3,588
Share of results of joint ventures	6,733	-	-	(437)	-	6,296
Segment results	<u>127,487</u>	<u>98,004</u>	<u>11,130</u>	<u>48,810</u>	<u>-</u>	<u>285,431</u>
Corporate income						50,950
Profit before taxation						<u>336,381</u>
<b>3 months ended</b>						
<b>31 December 2017 - Restated</b>						
Revenue						
External revenue	2,526,982	2,520,310	17,882	109,847	-	5,175,021
Inter-segment revenue	270,628	-	-	13,660	(284,288)	-
Total revenue	<u>2,797,610</u>	<u>2,520,310</u>	<u>17,882</u>	<u>123,507</u>	<u>(284,288)</u>	<u>5,175,021</u>
Results						
Operating results	307,997	150,464	952	30,565	-	489,978
Interest income	174	1,829	165	27,974	(8,737)	21,405
Finance costs	(4,435)	(14,963)	-	(31,898)	8,737	(42,559)
Share of results of associates	1,172	393	615	-	-	2,180
Share of results of joint ventures	(1,324)	-	-	(436)	-	(1,760)
Segment results	<u>303,584</u>	<u>137,723</u>	<u>1,732</u>	<u>26,205</u>	<u>-</u>	<u>469,244</u>
Corporate expense						(112,963)
Profit before taxation						<u>356,281</u>



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(b) Segment assets

	Plantations RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Consolidated RM'000
<b>As at 31 December 2018</b>					
Operating assets	6,616,930	6,555,842	1,487,103	3,154,046	17,813,921
Associates	79,589	8,349	74,170	-	162,108
Joint ventures	161,432	-	-	6,010	167,442
Segment assets	<u>6,857,951</u>	<u>6,564,191</u>	<u>1,561,273</u>	<u>3,160,056</u>	<u>18,143,471</u>
Tax assets					452,394
Total assets					<u>18,595,865</u>
<b>As at 30 September 2018 - Restated</b>					
Operating assets	6,241,555	6,503,993	1,478,288	3,866,146	18,089,982
Associates	72,268	7,726	73,669	-	153,663
Joint ventures	153,964	-	-	6,450	160,414
Segment assets	<u>6,467,787</u>	<u>6,511,719</u>	<u>1,551,957</u>	<u>3,872,596</u>	<u>18,404,059</u>
Tax assets					436,297
Total assets					<u>18,840,356</u>

(c) Segment liabilities

	Plantations RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Consolidated RM'000
<b>As at 31 December 2018</b>					
Segment liabilities	<u>1,401,891</u>	<u>2,339,625</u>	<u>104,385</u>	<u>2,643,730</u>	6,489,631
Tax liabilities					450,192
Total liabilities					<u>6,939,823</u>
<b>As at 30 September 2018 - Restated</b>					
Segment liabilities	<u>1,261,845</u>	<u>2,319,213</u>	<u>107,623</u>	<u>2,649,600</u>	6,338,281
Tax liabilities					445,152
Total liabilities					<u>6,783,433</u>

**A8. Event Subsequent to Reporting Date**

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.

**A9. Changes in the Composition of the Group**

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

**A10. Changes in Contingent Liabilities and Contingent Assets**

There were no material changes in the contingent liabilities or contingent assets since the last annual reporting date.

**A11. Capital Commitments**

	31 December 2018 RM'000	30 September 2018 RM'000
<b>Capital expenditure</b>		
Approved and contracted	176,815	124,864
Approved but not contracted	684,139	822,627
	<u>860,954</u>	<u>947,491</u>



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### A12. 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.

	3 months ended	
	31 December	
	2018	2017
	RM'000	RM'000
(i) Transactions with associates and joint ventures		
Sale of goods	69,255	118,514
Purchase of goods	316,818	449,285
Service charges paid	863	695
Research and development services paid	3,408	3,935
(ii) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest		
<b>Sale of goods</b>		
PT Satu Sembilan Delapan	7,005	2,936
Taiko Marketing Sdn Bhd	1,756	1,349
Taiko Marketing (Singapore) Pte Ltd	1,361	486
<b>Storage tanks rental received</b>		
Taiko Marketing Sdn Bhd	999	1,026
<b>Purchases of goods</b>		
Borneo Taiko Clay Sdn Bhd	1,151	1,420
Bukit Katho Estate Sdn Bhd	937	1,516
Kampar Rubber & Tin Co Sdn Bhd	1,550	2,048
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	1,495	553
Malay Rubber Plantations (M) Sdn Bhd	1,339	2,162
PT Agro Makmur Abadi	11,510	16,215
PT Safari Riau	5,042	10,914
PT Satu Sembilan Delapan	1,096	2,754
Taiko Drum Industries Sdn Bhd	1,405	683
Taiko Marketing Sdn Bhd	8,923	12,458
<b>Rental of office paid</b>		
Batu Kawan Holdings Sdn Bhd	1,176	1,104
<b>Supply of contract labour and engineering works</b>		
K7 Engineering Sdn Bhd	598	179
(iii) Transactions between subsidiaries and non-controlling interests		
<b>Sale of goods</b>		
Mitsubishi Corporation	11,455	17,700
Mitsui & Co Ltd	62,346	87,062
Tejana Trading & Management Services Sdn Bhd	-	1,103
<b>Purchases of goods</b>		
Mitsubishi Gas Chemical Singapore Pte Ltd	3,551	1,546
PT Letawa	-	2,759
PT Tanjung Bina Lestari	-	28,163
PT Tanjung Sarana Lestari	359,764	221,891
Tejana Trading & Management Services Sdn Bhd	-	1,362

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**B Explanatory Notes as required by the BMSB Revised Listing Requirements****B1. Analysis of Performance****1<sup>st</sup> Quarter FY2019 vs 1<sup>st</sup> Quarter FY2018**

	Quarter Ended		+ / (-) %
	31/12/2018 RM'000	31/12/2017 RM'000 Restated	
Revenue	4,085,162	5,175,021	(21.1)
Segment results:			
Plantation	127,487	303,584	(58.0)
Manufacturing	98,004	137,723	(28.8)
Property development	11,130	1,732	542.6
Investment holding/Others	48,810	26,205	86.3
	285,431	469,244	(39.2)
Corporate income/(expense)	50,950	(112,963)	-
Profit before taxation	336,381	356,281	(5.6)

The Group's 1<sup>st</sup> quarter profit before taxation decreased 5.6% to RM336.4 million (1QFY2018: profit RM356.3 million) and revenue shrunk 21.1% to RM4.085 billion (1QFY2018: RM5.175 billion).

Comments on the business sectors are as follows:-

**Plantation**

Plantation profit declined sharply by 58.0% to RM127.5 million (1QFY2018: profit RM303.6 million) despite the 7.9% improvement in FFB production to 1,105,465 mt. The current quarter's profit was impacted by the drop in CPO and PK selling prices realised as shown below:-

	1QFY2019	1QFY2018	% Change
Crude Palm Oil (RM/mt ex-mill)	1,840	2,581	(28.7)
Palm Kernel (RM/mt ex-mill)	1,375	2,488	(44.7)

**Manufacturing**

Manufacturing segment's profit fell 28.8% to RM98.0 million (1QFY2018: profit RM137.7 million) with revenue lower by 12.4% at RM2.208 billion (1QFY2018: RM2.520 billion) as a result of decrease in selling prices. Decline in profits from China and Europe operations had more than offset the improvement in profits from Malaysia operations.

The oleochemical division's profit was lower at RM94.5 million (1QFY2018: profit RM137.1 million) but profit from the other manufacturing units had increased to RM3.5 million (1QFY2018: profit RM641,000).

**Property Development**

Property segment achieved a much higher profit of RM11.1 million (1QFY2018: profit RM1.7 million) supported by the increase in revenue to RM39.8 million (1QFY2018: RM17.9 million).

**Investment Holding/Others**

Farming sector's profit was substantially higher at RM56.5 million (1QFY2018: profit RM31.9 million) due to increase in crop production as a result of better yields and larger cropped area.





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### Corporate

The Group profit had accounted for the following:-

- Foreign currency exchange gain of RM38.0 million (1QFY2018: loss RM120.4 million) which arose from the translation of inter-company loans denominated in foreign currencies.
- Surplus of RM22.5 million (1QFY2018: surplus RM13.6 million) arising from government acquisition of plantation land.

### **B2. Variation of Results to Immediate Preceding Quarter**

#### **1<sup>st</sup> Quarter FY2019 vs 4<sup>th</sup> Quarter FY2018**

	Current Quarter Ended 31/12/2018	Immediate Preceding Quarter Ended 30/9/2018	+ / (-) %
	RM'000	RM'000 Restated	
Revenue	4,085,162	4,191,949	(2.5)
Segment results:			
Plantation	127,487	170,075	(25.0)
Manufacturing	98,004	43,673	124.4
Property development	11,130	21,249	(47.6)
Investment holding/Others	48,810	1,261	-
	285,431	236,258	20.8
Corporate income/(expense)	50,950	(29,254)	-
Profit before taxation	336,381	207,004	62.5

For the 1<sup>st</sup> quarter, the pre-tax profit of the Group rose 62.5% to RM336.4 million (4QFY2018: profit RM207.0 million) although revenue was slightly lower at RM4.085 billion (4QFY2018: RM4.192 billion).

### Plantation

Plantation profit dipped 25.0% to RM127.5 million (4QFY2018: profit RM170.1 million), which was caused by :-

- Weaker selling prices of CPO and PK realised as follows:-

	1QFY2019	4QFY2018	% Change
Crude Palm Oil (RM/mt ex-mill)	1,840	2,060	(10.7)
Palm Kernel (RM/mt ex-mill)	1,375	1,594	(13.7)

- Increase in cost of CPO production.
- Decrease in fair value of unharvested FFB to RM8.8 million (4QFY2018: increase RM9.0 million).

However, the drop in profit was mitigated by positive contributions from processing and trading operations and the 8.4% improvement in FFB production.

### Manufacturing

Manufacturing profit had improved significantly to RM98.0 million (4QFY2018: profit RM43.7 million) although revenue declined 9.4% to RM2.208 billion (4QFY2018: RM2.438 billion). Improvement in result was attributed to higher contributions from Malaysia operations due to better margins. The current quarter's higher profit was also aided by the recognition of unrealised gain of RM21.4 million (4QFY2018: unrealised loss RM9.4 million) arising from fair value changes on outstanding derivative contracts.

The oleochemical division achieved a much higher profit of RM94.5 million (4QFY2018: profit RM32.0 million) whilst the other manufacturing units' profit had reduced to RM3.5 million (4QFY2018: profit RM11.7 million).



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Property Development

Property segment's profit declined 47.6% to RM11.1 million (4QFY2018: profit RM21.2 million) with revenue lower by 44.3% at RM39.8 million (4QFY2018: RM71.5 million).

Investment Holding/Others

Farming sector contributed a profit of RM56.5 million (4QFY2018: loss RM7.7 million), derived from the seasonal farming income in the current quarter. The loss incurred in the preceding quarter consisted of overhead expenditure.

Corporate

The results of the Group had included the following:-

- Foreign currency exchange gain of RM38.0 million (4QFY2018: loss RM15.9 million) arising from the translation of inter-company loans denominated in foreign currencies.
- Surplus from government acquisition of plantation land amounting to RM22.5 million (4QFY2018: Nil).

**B3. Current Year Prospects**

Prevailing CPO prices had since recovered from the low levels in the preceding quarter. Should such recovery be sustained, we are optimistic that the prospects for plantation profit for financial year 2019 will be satisfactory.

Oleochemical division is anticipated to sustain its performance through increase in capacity utilisation and improvement in margins.

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

**B4. Profit Forecast and Profit Guarantee**

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



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**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		3 months ended 31 December	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Current tax expense				
Malaysian taxation	24,113	44,236	24,113	44,236
Overseas taxation	35,887	54,346	35,887	54,346
	<u>60,000</u>	<u>98,582</u>	<u>60,000</u>	<u>98,582</u>
Deferred tax				
Origination and reversal of temporary differences	6,978	(1,249)	6,978	(1,249)
(Over)/Under provision in respect of previous years	(1,772)	2,156	(1,772)	2,156
	<u>5,206</u>	<u>907</u>	<u>5,206</u>	<u>907</u>
	<u>65,206</u>	<u>99,489</u>	<u>65,206</u>	<u>99,489</u>
(Over)/Under provision in respect of previous years				
Malaysian taxation	(269)	(217)	(269)	(217)
Overseas taxation	(167)	43	(167)	43
	<u>(436)</u>	<u>(174)</u>	<u>(436)</u>	<u>(174)</u>
Total	<u>64,770</u>	<u>99,315</u>	<u>64,770</u>	<u>99,315</u>
Profit before taxation	<u>336,381</u>	<u>356,281</u>	<u>336,381</u>	<u>356,281</u>
Tax at Malaysian income tax rate of 24% (FY2018: 24%)	80,731	85,507	80,731	85,507
Effect of different tax rates in foreign jurisdictions	(5,598)	(2,708)	(5,598)	(2,708)
Withholding tax on foreign dividend and interest income	9,558	2,875	9,558	2,875
Expenses not deductible for tax purposes	28,849	46,308	28,849	46,308
Tax exempt and non-taxable income	(32,667)	(21,435)	(32,667)	(21,435)
Tax incentives	(864)	(975)	(864)	(975)
Deferred tax liabilities not recognised during the period	(1,475)	(222)	(1,475)	(222)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(13,064)	(9,154)	(13,064)	(9,154)
Tax effect on associates' and joint ventures' results	(2,372)	(101)	(2,372)	(101)
Recognition of deferred tax assets not taken up previously	-	(16)	-	(16)
Recognition of unabsorbed re-investment allowance	-	(1,479)	-	(1,479)
Over provision of tax expense in respect of previous years	(436)	(174)	(436)	(174)
(Over)/Under provision of deferred tax in respect of previous years	(1,772)	2,156	(1,772)	2,156
Others	3,880	(1,267)	3,880	(1,267)
Tax expense	<u>64,770</u>	<u>99,315</u>	<u>64,770</u>	<u>99,315</u>



**Notes to Interim Financial Report**  
(Continued)

**B6. Status of Corporate Proposals Announced**

There were no corporate proposals announced.

**B7. Group Borrowings**

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

	As at 1st quarter ended 31 December 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	34,627	Euro 1,436	6,810	Euro 8,736	41,437
<b>Unsecured</b>						
Bank overdrafts	-	-	Euro 28,991	137,523	Euro 28,991	137,523
Revolving credit	-	-	Euro 10,000	47,437	Euro 10,000	47,437
	-	-	Rp 199,113,452	57,285	Rp 199,113,452	57,285
	-	-	Rmb 50,000	30,070	Rmb 50,000	30,070
	-	-	AUD 6,000	17,501	AUD 6,000	17,501
Trade financing	-	-	USD 79,436	328,467	USD 79,436	328,467
Term loans	USD 45,000	187,478	-	-	USD 45,000	187,478
	Euro 50,000	237,266	Euro 36,500	173,178	Euro 86,500	410,444
Export credit refinancing	-	-	-	216,813	-	216,813
Bankers' acceptance	-	-	-	337,366	-	337,366
Islamic medium term notes	-	2,600,000	-	-	-	2,600,000
<b>Total</b>		<b>3,059,371</b>		<b>1,352,450</b>		<b>4,411,821</b>

	As at 1st quarter ended 31 December 2017					
	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 8,735	42,453	Euro 2,734	13,285	Euro 11,469	55,738
<b>Unsecured</b>						
Bank overdrafts	-	-	Euro 23,853	115,924	Euro 23,853	115,924
Revolving credit	-	-	Euro 38,000	184,680	Euro 38,000	184,680
Trade financing	-	-	USD 121,922	493,786	USD 121,922	493,786
Term loans	USD 50,000	202,272	-	-	USD 50,000	202,272
	Euro 45,000	218,700	Euro 5,000	24,300	Euro 50,000	243,000
Export credit refinancing	-	-	-	245,075	-	245,075
Bankers' acceptance	-	-	-	685,892	-	685,892
Islamic medium term notes	-	2,600,000	-	-	-	2,600,000
<b>Total</b>		<b>3,063,425</b>		<b>1,762,942</b>		<b>4,826,367</b>

Exchange Rates Applied	As at 31 December	
	2018	2017
USD / RM	4.1350	4.0500
Euro / RM	4.7437	4.8600
Rp1,000 / RM	0.2877	-
Rmb / RM	0.6014	-
AUD / RM	2.9168	-

**B8. Derivative Financial Instruments**

The forward foreign exchange contracts are entered into by the Group 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.



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**Notes to Interim Financial Report**  
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As at 31 December 2018, the values and maturity analysis of the outstanding derivatives are as follows:-

Derivatives	Contract/Notional	
	Value	Fair value
	Net long/(short)	Net gains/(losses)
	RM'000	RM'000
(i) Forward foreign exchange contracts		
- Less than 1 year	(1,007,971)	9,648
- 1 year to 3 years	-	-
- More than 3 years	-	-
(ii) Commodity futures contracts		
- Less than 1 year	15,899	41,598
- 1 year to 3 years	-	-
- More than 3 years	-	-

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 quarter ended 31 December 2018, 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.

**B11. Dividend**

- (a) The Directors do not recommend the payment of dividend for the first quarter ended 31 December 2018 (31 December 2017: Nil).
- (b) The total dividend for the current financial year to-date is Nil (31 December 2017: Nil).

**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.

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 December		31 December	
	2018	2017	2018	2017
		Restated		Restated
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	250,916	235,355	250,916	235,355
(b) Weighted average number of shares	1,064,965,692	1,064,965,692	1,064,965,692	1,064,965,692
(c) Earnings per share (sen)	23.6	22.1	23.6	22.1



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## Notes to Interim Financial Report

(Continued)

### B13. Audit Report

The audit report for the financial year ended 30 September 2018 was not subject to any qualifications.

### B14. Profit Before Taxation

Profit before taxation is arrived at after charging and (crediting) the following:

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 December		31 December	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Interest income	(17,369)	(21,405)	(17,369)	(21,405)
Other income including dividend income	(17,039)	(19,574)	(17,039)	(19,574)
Interest expense	43,269	42,559	43,269	42,559
Depreciation and amortisation	138,565	134,805	138,565	134,805
(Reversal of write-off)/Provision for and write-off of receivables	(658)	4,060	(658)	4,060
Provision for and write-off of inventories	19,603	14,789	19,603	14,789
Surplus on disposal of quoted or unquoted investments	-	(2,566)	-	(2,566)
Surplus on disposal of land	(424)	(235)	(424)	(235)
Surplus on government acquisition of land	(22,489)	(13,624)	(22,489)	(13,624)
Impairment of property, plant and equipment	-	-	-	-
Foreign exchange (gain)/loss	(33,295)	113,773	(33,295)	113,773
Gain on derivatives	(39,023)	(31,869)	(39,023)	(31,869)
Exceptional items	-	-	-	-

By Order of the Board  
YAP MIOU KIEN  
Company Secretary

18 February 2019