



KUALA LUMPUR KEPONG BERHAD

(15043-V)

(Incorporated in Malaysia)

**Interim Financial Report
For the second quarter ended 31 March 2019**



KUALA LUMPUR KEPONG BERHAD

(15043-V)
(Incorporated in Malaysia)

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

Condensed Consolidated Statement of Profit or Loss For the second quarter ended 31 March 2019

(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	6 months ended		+ / (-)
	31 March			31 March		
	2019	2018		2019	2018	
	RM'000	RM'000	%	RM'000	RM'000	%
		Restated			Restated	
Revenue	3,941,919	4,685,769	(15.9)	8,027,081	9,860,790	(18.6)
Operating expenses	(3,764,919)	(4,525,499)	(16.8)	(7,635,743)	(9,417,327)	(18.9)
Other operating income	67,029	97,408	(31.2)	222,457	212,635	4.6
Finance costs	(41,827)	(44,559)	(6.1)	(85,096)	(87,118)	(2.3)
Share of results of associates	(1,419)	2,448	-	2,169	4,628	(53.1)
Share of results of joint ventures	(4,727)	(1,968)	140.2	1,569	(3,728)	-
Profit before taxation	196,056	213,599	(8.2)	532,437	569,880	(6.6)
Taxation	(42,597)	(87,758)	(51.5)	(107,367)	(187,073)	(42.6)
Net profit for the period	153,459	125,841	21.9	425,070	382,807	11.0
Attributable to:-						
Equity holders of the Company	142,955	106,151	34.7	393,871	341,506	15.3
Non-controlling interests	10,504	19,690	(46.7)	31,199	41,301	(24.5)
	153,459	125,841	21.9	425,070	382,807	11.0
	Sen	Sen		Sen	Sen	
Earnings per share - basic	13.4	10.0		37.0	32.1	
Earnings per share - diluted	N/A	N/A		N/A	N/A	

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 second quarter ended 31 March 2019**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Net profit for the period	<u>153,459</u>	<u>125,841</u>	<u>425,070</u>	<u>382,807</u>
Other comprehensive loss that will be reclassified subsequently to profit or loss				
Currency translation differences	(39,998)	(170,648)	(9,701)	(352,291)
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss				
Net change in fair value of available-for-sale investments	<u>87,099</u>	<u>(71,453)</u>	<u>(605,073)</u>	<u>(114,170)</u>
Total other comprehensive income/(loss) for the period	<u>47,101</u>	<u>(242,101)</u>	<u>(614,774)</u>	<u>(466,461)</u>
Total comprehensive income/(loss) for the period	<u>200,560</u>	<u>(116,260)</u>	<u>(189,704)</u>	<u>(83,654)</u>
Attributable to:-				
Equity holders of the Company	188,688	(128,254)	(227,208)	(109,599)
Non-controlling interests	<u>11,872</u>	<u>11,994</u>	<u>37,504</u>	<u>25,945</u>
	<u>200,560</u>	<u>(116,260)</u>	<u>(189,704)</u>	<u>(83,654)</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 March 2019

(The figures have not been audited.)

	31 March 2019	30 September 2018	30 September 2017
	RM'000	RM'000 Restated	RM'000 Restated
Assets			
Property, plant and equipment	7,745,189	7,757,768	7,586,042
Prepaid lease payments	376,099	375,120	309,611
Land held for property development	1,105,601	1,100,407	1,091,471
Goodwill on consolidation	312,388	315,304	324,686
Intangible assets	22,581	23,358	15,325
Investments in associates	158,722	153,663	144,538
Investments in joint ventures	160,744	160,414	158,902
Equity instruments	1,776,158	2,384,087	2,270,010
Other receivable	209,633	202,826	210,272
Deferred tax assets	398,234	375,996	432,350
Total non-current assets	12,265,349	12,848,943	12,543,207
Inventories	2,006,717	2,098,250	1,779,371
Biological assets	56,168	101,541	116,847
Trade and other receivables	1,969,088	1,999,399	2,507,774
Contract assets	19,878	52,010	284
Contract costs	1,464	1,016	652
Tax recoverable	78,170	60,301	38,642
Property development costs	137,443	136,332	153,919
Derivative financial assets	49,041	69,210	110,748
Short term funds	167,502	195,579	578,489
Cash and cash equivalents	1,319,466	1,277,775	1,462,687
Total current assets	5,804,937	5,991,413	6,749,413
Total assets	18,070,286	18,840,356	19,292,620
Equity			
Share capital	1,208,377	1,196,962	1,184,764
Reserves	9,436,471	9,994,584	10,089,008
	10,644,848	11,191,546	11,273,772
Less: Cost of treasury shares	(13,447)	(13,447)	(13,447)
Total equity attributable to equity holders of the Company	10,631,401	11,178,099	11,260,325
Non-controlling interests	881,809	878,824	864,838
Total equity	11,513,210	12,056,923	12,125,163
Liabilities			
Deferred tax liabilities	404,545	397,676	360,737
Deferred income	115,455	119,004	117,365
Provision for retirement benefits	462,974	467,067	479,132
Borrowings	3,046,607	3,062,099	3,067,168
Total non-current liabilities	4,029,581	4,045,846	4,024,402
Trade and other payables	1,253,542	1,341,989	1,506,724
Contract liabilities	90,840	54,842	57,803
Deferred income	8,107	7,947	7,808
Borrowings	1,107,873	1,221,114	1,375,596
Tax payable	47,177	47,476	90,511
Derivative financial liabilities	19,956	64,219	104,613
Total current liabilities	2,527,495	2,737,587	3,143,055
Total liabilities	6,557,076	6,783,433	7,167,457
Total equity and liabilities	18,070,286	18,840,356	19,292,620
Net assets per share attributable to equity holders of the Company (RM)	9.98	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 second quarter ended 31 March 2019

(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 - as previously stated	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	-	-	-	-	(605,073)	-	-	(605,073)	-	(605,073)
Realisation on fair value of available-for-sale investments	-	-	-	-	5,020	(5,020)	-	-	-	-
Transfer from retained earnings to other reserve	-	1,184	-	-	-	(1,184)	-	-	-	-
Currency translation differences	-	128	-	(16,134)	-	-	-	(16,006)	6,305	(9,701)
Total other comprehensive income/(loss) for the period	-	1,312	-	(16,134)	(600,053)	(6,204)	-	(621,079)	6,305	(614,774)
Profit for the period	-	-	-	-	-	393,871	-	393,871	31,199	425,070
Total comprehensive income/(loss) for the period	-	1,312	-	(16,134)	(600,053)	387,667	-	(227,208)	37,504	(189,704)
Redemption of redeemable preference shares	11,415	-	-	-	-	(11,415)	-	-	-	-
Dividend paid - FY2018 final	-	-	-	-	-	(319,490)	-	(319,490)	-	(319,490)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(34,519)	(34,519)
Total transactions with owners of the Company	11,415	-	-	-	-	(330,905)	-	(319,490)	(34,519)	(354,009)
At 31 March 2019	1,208,377	1,036,233	-	(10,023)	690,715	7,719,546	(13,447)	10,631,401	881,809	11,513,210



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(15043-V)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity For the second quarter ended 31 March 2019

(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
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2017 - as previously stated	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	-	-	-	-	(114,170)	-	-	(114,170)	-	(114,170)
Transfer from retained earnings to other reserve	-	782	-	-	-	(782)	-	-	-	-
Currency translation differences	-	(616)	-	(336,319)	-	-	-	(336,935)	(15,356)	(352,291)
Total other comprehensive income/(loss) for the period	-	166	-	(336,319)	(114,170)	(782)	-	(451,105)	(15,356)	(466,461)
Profit for the period	-	-	-	-	-	341,506	-	341,506	41,301	382,807
Total comprehensive income/(loss) for the period	-	166	-	(336,319)	(114,170)	340,724	-	(109,599)	25,945	(83,654)
Redemption of redeemable preference shares	9,020	-	-	-	-	(9,020)	-	-	-	-
Dividend paid - FY2017 final	-	-	-	-	-	(372,738)	-	(372,738)	-	(372,738)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(18,584)	(18,584)
Total transactions with owners of the Company	9,020	-	-	-	-	(381,758)	-	(372,738)	(18,584)	(391,322)
At 31 March 2018	1,193,784	1,033,315	-	(75,396)	1,102,262	7,537,470	(13,447)	10,777,988	872,199	11,650,187

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 second quarter ended 31 March 2019**

(The figures have not been audited.)

	6 months ended 31 March	
	2019	2018
	RM'000	RM'000
		Restated
Cash Flows from Operating Activities		
Profit before taxation	532,437	569,880
Adjustment for non-cash flow:-		
Non-cash items	218,169	469,040
Non-operating items	46,587	43,465
Operating profit before working capital changes	797,193	1,082,385
Working capital changes:-		
Net change in current assets	111,998	(571,634)
Net change in current liabilities	(44,503)	(232,153)
Cash generated from operations	864,688	278,598
Interest paid	(83,556)	(85,540)
Tax paid	(130,480)	(183,519)
Retirement benefits paid	(14,104)	(13,865)
Net cash generated from/(used in) operating activities	636,548	(4,326)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(125,557)	(189,306)
Payments of prepaid lease	(3,457)	-
Plantation development expenditure	(136,141)	(104,088)
Property development expenditure	(5,194)	(2,465)
Purchase of shares in a subsidiary, net of cash acquired	-	(171,759)
Purchase of available-for-sale investments	(89,195)	(18,133)
Purchase of investment property	-	(2,262)
Purchase of intangible assets	(2,015)	-
Proceeds from disposal of property, plant and equipment	2,923	2,486
Compensation from government on land acquired	49,190	25,359
Proceeds from disposal of available-for-sale investments	81,700	7,591
Decrease/(Increase) in short term funds	27,795	(216,767)
Dividends received from associates	1,288	2,449
Dividends received from investments	19,990	16,455
Interest received	27,450	31,973
Net cash used in investing activities	(151,223)	(618,467)
Cash Flows from Financing Activities		
Term loans received	27,937	198,801
Repayment of term loans	(29,289)	(6,225)
Net (repayment)/drawdown of short term borrowings	(141,994)	536,596
Dividends paid to shareholders of the Company	(319,490)	(372,738)
Dividends paid to non-controlling interests	(34,519)	(18,584)
Decrease in other receivable	6,258	4,527
Net cash (used in)/generated from financing activities	(491,097)	342,377
Net increase in cash and cash equivalents	(5,772)	(280,416)
Cash and cash equivalents at 1 October	1,188,741	1,338,563
	1,182,969	1,058,147
Currency translation differences on opening balances	1,102	(70,630)
Cash and cash equivalents at 31 March	1,184,071	987,517
Cash and cash equivalents consist of:-		
Cash and bank balances	396,494	494,485
Deposits with licensed banks	870,169	617,146
Short term funds	52,803	-
Bank overdrafts	(135,395)	(124,114)
	1,184,071	987,517

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



Notes to Interim Financial Report

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

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

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

(i) Exemption for business combinations

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

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

The Group has elected the exemption in MFRS 1 which allows the Group not to restate any contracts that were completed before 1 October 2017. This election does not have any impact to the financial results 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 March 2018					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	
Revenue	4,685,251	-	-	518	-	4,685,769
Operating expenses	(4,429,673)	-	(103,197)	(508)	7,879	(4,525,499)
Other operating income	77,443	-	13,563	-	6,402	97,408
Finance costs	(44,559)	-	-	-	-	(44,559)
Share of results of associates	2,448	-	-	-	-	2,448
Share of results of joint ventures	(1,968)	-	-	-	-	(1,968)
Profit before taxation	288,942	-	(89,634)	10	14,281	213,599
Tax expense	(80,557)	(45)	-	(3)	(7,153)	(87,758)
Net profit for the period	208,385	(45)	(89,634)	7	7,128	125,841
Attributable to:						
Equity holders of the Company	189,273	(45)	(89,891)	6	6,808	106,151
Non-controlling interests	19,112	-	257	1	320	19,690
	208,385	(45)	(89,634)	7	7,128	125,841
Earnings per share - basic	Sen 17.8	Sen -	Sen (8.4)	Sen -	Sen 0.6	Sen 10.0



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Notes to Interim Financial Report
(Continued)

	Cumulative Quarter - 6 months ended 31 March 2018					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	9,877,792	-	-	(17,002)	
Operating expenses	(9,241,577)	-	(205,363)	16,704	12,909	(9,417,327)
Other operating income	180,449	-	19,158	1,566	11,462	212,635
Finance costs	(87,118)	-	-	-	-	(87,118)
Share of results of associates	4,628	-	-	-	-	4,628
Share of results of joint ventures	(3,728)	-	-	-	-	(3,728)
Profit before taxation	730,446	-	(186,205)	1,268	24,371	569,880
Tax expense	(179,507)	(91)	-	76	(7,551)	(187,073)
Net profit for the period	<u>550,939</u>	<u>(91)</u>	<u>(186,205)</u>	<u>1,344</u>	<u>16,820</u>	<u>382,807</u>
Attributable to:						
Equity holders of the Company	509,900	(91)	(186,273)	1,120	16,850	341,506
Non-controlling interests	41,039	-	68	224	(30)	41,301
	<u>550,939</u>	<u>(91)</u>	<u>(186,205)</u>	<u>1,344</u>	<u>16,820</u>	<u>382,807</u>
Earnings per share - basic	Sen <u>47.9</u>	Sen <u>-</u>	Sen <u>(17.5)</u>	Sen <u>0.1</u>	Sen <u>1.6</u>	Sen <u>32.1</u>

Reconciliation of Financial Position and Equity

	30 September 2018					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	
	Assets					
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>
Total assets	<u>18,996,056</u>	<u>-</u>	<u>(21,241)</u>	<u>-</u>	<u>(134,459)</u>	<u>18,840,356</u>
Equity						
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
Total equity	<u>12,310,847</u>	<u>73,120</u>	<u>(21,241)</u>	<u>-</u>	<u>(305,803)</u>	<u>12,056,923</u>
Liabilities						
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>
Total liabilities	<u>6,685,209</u>	<u>(73,120)</u>	<u>-</u>	<u>-</u>	<u>171,344</u>	<u>6,783,433</u>
Total equity and liabilities	<u>18,996,056</u>	<u>-</u>	<u>(21,241)</u>	<u>-</u>	<u>(134,459)</u>	<u>18,840,356</u>
Net assets per share attributable to equity holders of the Company	<u>10.73</u>	<u>0.07</u>	<u>(0.02)</u>	<u>-</u>	<u>(0.28)</u>	<u>10.50</u>



KUALA LUMPUR KEPONG BERHAD
(15043-V)
(Incorporated in Malaysia)

Notes to Interim Financial Report
(Continued)

	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	
Assets						
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
Total non-current assets	12,809,728	-	(229)	(80)	(266,212)	12,543,207
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
Total current assets	6,694,386	-	(24,466)	452	79,041	6,749,413
Total assets	19,504,114	-	(24,695)	372	(187,171)	19,292,620
Equity						
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)
Total equity attributable to equity holders of the Company	11,568,475	73,303	(22,470)	(1,109)	(357,874)	11,260,325
Non-controlling interests	871,567	-	(2,225)	(223)	(4,281)	864,838
Total equity	12,440,042	73,303	(24,695)	(1,332)	(362,155)	12,125,163
Liabilities						
Deferred tax liabilities	259,056	(73,303)	-	-	174,984	360,737
Other non-current liabilities	3,663,665	-	-	-	-	3,663,665
Total non-current liabilities	3,922,721	(73,303)	-	-	174,984	4,024,402
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
Total current liabilities	3,141,351	-	-	1,704	-	3,143,055
Total liabilities	7,064,072	(73,303)	-	1,704	174,984	7,167,457
Total equity and liabilities	19,504,114	-	(24,695)	372	(187,171)	19,292,620
Net assets per share attributable to equity holders of the Company	10.86	0.07	(0.02)	-	(0.34)	10.57



Notes to Interim Financial Report
(Continued)

Reconciliation of Cash Flows

	6 months ended 31 March 2018					
	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	Restated under MFRSs RM'000
Profit before tax	730,446	-	(186,205)	1,268	24,371	569,880
Adjustments for non-cash flow:-						
Non-cash items	246,307	-	186,205	17	36,511	469,040
Non-operating items	43,465	-	-	-	-	43,465
Operating profit before working capital changes	1,020,218	-	-	1,285	60,882	1,082,385
Working capital changes:						
Net change in current assets	(564,625)	-	-	(7,009)	-	(571,634)
Net change in current liabilities	(237,877)	-	-	5,724	-	(232,153)
Cash generated from operations	217,716	-	-	-	60,882	278,598
Interest paid	(85,540)	-	-	-	-	(85,540)
Income tax paid	(183,519)	-	-	-	-	(183,519)
Retirement benefits paid	(13,865)	-	-	-	-	(13,865)
Net cash used in operating activities	(65,208)	-	-	-	60,882	(4,326)
Net cash used in investing activities	(557,585)	-	-	-	(60,882)	(618,467)
Net cash generated from financing activities	342,377	-	-	-	-	342,377
Net decrease in cash and cash equivalents	(280,416)	-	-	-	-	(280,416)
Opening cash and cash equivalents	1,338,563	-	-	-	-	1,338,563
Exchange difference	(70,630)	-	-	-	-	(70,630)
Closing cash and cash equivalents	987,517	-	-	-	-	987,517

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

	6 months ended 31 March	
	2019 RM'000	2018 RM'000
Dividend proposed in Year 2018, paid in Year 2019:-		
Final single tier dividend 30 sen (2018: 35 sen) per share	319,490	372,738

Dividends are paid on the number of outstanding shares in issue and fully paid of 1,064,965,692 (2018: 1,064,965,692).



KUALA LUMPUR KEPONG BERHAD

(15043-V)

(Incorporated in Malaysia)

Notes to Interim Financial Report (Continued)

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

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended						
31 March 2019						
Revenue						
External revenue	3,289,796	4,493,180	74,610	169,495	-	8,027,081
Inter-segment revenue	459,481	-	-	196,618	(656,099)	-
Total revenue	<u>3,749,277</u>	<u>4,493,180</u>	<u>74,610</u>	<u>366,113</u>	<u>(656,099)</u>	<u>8,027,081</u>
Results						
Operating results	232,512	216,697	16,872	50,355	-	516,436
Interest income	2,315	2,944	353	51,206	(21,675)	35,143
Finance costs	(9,192)	(29,127)	-	(68,452)	21,675	(85,096)
Share of results of associates	321	832	1,016	-	-	2,169
Share of results of joint ventures	2,435	-	-	(866)	-	1,569
Segment results	<u>228,391</u>	<u>191,346</u>	<u>18,241</u>	<u>32,243</u>	<u>-</u>	<u>470,221</u>
Corporate income						<u>62,216</u>
Profit before taxation						<u>532,437</u>
6 months ended						
31 March 2018 - Restated						
Revenue						
External revenue	4,474,467	5,193,558	55,576	137,189	-	9,860,790
Inter-segment revenue	485,091	-	-	104,196	(589,287)	-
Total revenue	<u>4,959,558</u>	<u>5,193,558</u>	<u>55,576</u>	<u>241,385</u>	<u>(589,287)</u>	<u>9,860,790</u>
Results						
Operating results	540,571	280,018	6,846	21,259	-	848,694
Interest income	348	3,369	323	56,075	(17,216)	42,899
Finance costs	(8,822)	(31,819)	-	(63,693)	17,216	(87,118)
Share of results of associates	2,812	655	1,161	-	-	4,628
Share of results of joint ventures	(2,882)	-	-	(846)	-	(3,728)
Segment results	<u>532,027</u>	<u>252,223</u>	<u>8,330</u>	<u>12,795</u>	<u>-</u>	<u>805,375</u>
Corporate expense						<u>(235,495)</u>
Profit before taxation						<u>569,880</u>



KUALA LUMPUR KEPONG BERHAD

(15043-V)

(Incorporated in Malaysia)

Notes to Interim Financial Report (Continued)

(b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 March 2019					
Operating assets	6,393,886	6,250,154	1,486,753	3,143,623	17,274,416
Associates	75,503	8,535	74,684	-	158,722
Joint ventures	155,234	-	-	5,510	160,744
Segment assets	<u>6,624,623</u>	<u>6,258,689</u>	<u>1,561,437</u>	<u>3,149,133</u>	<u>17,593,882</u>
Tax assets					476,404
Total assets					<u>18,070,286</u>
As at 30 September 2018 - Restated					
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

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 March 2019					
Segment liabilities	<u>1,150,243</u>	<u>2,211,106</u>	<u>96,970</u>	<u>2,647,035</u>	<u>6,105,354</u>
Tax liabilities					451,722
Total liabilities					<u>6,557,076</u>
As at 30 September 2018 - Restated					
Segment liabilities	<u>1,261,845</u>	<u>2,319,213</u>	<u>107,623</u>	<u>2,649,600</u>	<u>6,338,281</u>
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 March 2019	30 September 2018
	RM'000	RM'000
Capital expenditure		
Approved and contracted	139,649	124,864
Approved but not contracted	587,226	822,627
	<u>726,875</u>	<u>947,491</u>



KUALA LUMPUR KEPONG BERHAD

(15043-V)

(Incorporated in Malaysia)

Notes to Interim Financial Report

(Continued)

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.

	6 months ended	
	31 March	
	2019	2018
	RM'000	RM'000
(i) Transactions with associates and joint ventures		
Sale of goods	118,271	196,428
Purchase of goods	566,572	732,517
Service charges paid	1,385	1,309
Research and development services paid	9,070	7,140
(ii) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest		
Sale of goods		
PT Satu Sembilan Delapan	8,832	6,233
Siam Taiko Marketing Co Ltd	1,576	1,798
Taiko Marketing Sdn Bhd	3,275	3,877
Taiko Marketing (Singapore) Pte Ltd	1,688	799
Storage tanks rental received		
Taiko Marketing Sdn Bhd	2,022	2,035
Purchases of goods		
Borneo Taiko Clay Sdn Bhd	2,148	2,507
Bukit Katho Estate Sdn Bhd	1,907	2,610
Kampar Rubber & Tin Co Sdn Bhd	2,642	3,590
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	1,495	553
Malay Rubber Plantations (M) Sdn Bhd	2,690	3,789
PT Agro Makmur Abadi	25,040	41,721
PT Bumi Karyatama Raharja	1,210	-
PT Safari Riau	9,269	18,124
PT Satu Sembilan Delapan	10,498	3,592
Taiko Acid Works Sdn Bhd	1,391	1,682
Taiko Clay Marketing Sdn Bhd	1,286	1,162
Taiko Drum Industries Sdn Bhd	1,759	1,559
Taiko Marketing Sdn Bhd	16,294	28,167
Rental of office paid		
Batu Kawan Holdings Sdn Bhd	2,320	2,210
Aircraft operating expenses and management services paid		
Smooth Route Sdn Bhd	1,134	957
Supply of contract labour and engineering works		
K7 Engineering Sdn Bhd	1,363	607
(iii) Transactions between subsidiaries and non-controlling interests		
Sale of goods		
Mitsubishi Corporation	23,682	25,407
Mitsui & Co Ltd	144,456	203,563
Tejana Trading & Management Services Sdn Bhd	-	1,766
Purchases of goods		
Mitsubishi Gas Chemical Singapore Pte Ltd	8,484	4,199
PT Letawa	-	2,681
PT Tanjung Bina Lestari	-	27,963
PT Tanjung Sarana Lestari	632,852	659,055
Tejana Trading & Management Services Sdn Bhd	-	1,361



KUALA LUMPUR KEPONG BERHAD

(15043-V)
(Incorporated in Malaysia)

Notes to Interim Financial Report
(Continued)

B Explanatory Notes as required by the BMSB Revised Listing Requirements

B1. Analysis of Performance

2nd Quarter FY2019 vs 2nd Quarter FY2018

	Quarter Ended		+ / (-) %
	31/3/2019 RM'000	31/3/2018 RM'000 Restated	
Revenue	3,941,919	4,685,769	(15.9)
Segment results:			
Plantation	100,904	228,443	(55.8)
Manufacturing	93,342	114,500	(18.5)
Property development	7,111	6,598	7.8
Investment holding/Others	(16,567)	(13,410)	23.5
	184,790	336,131	(45.0)
Corporate income/(expense)	11,266	(122,532)	-
Profit before taxation	196,056	213,599	(8.2)

For the 2nd quarter, the Group's pre-tax profit declined 8.2% to RM196.1 million (2QFY2018: profit RM213.6 million) with a drop of 15.9% in revenue to RM3.942 billion (2QFY2018: RM4.686 billion).

Comments on the business sectors are as follows:-

Plantation

Plantation profit was substantially lower by 55.8% at RM100.9 million (2QFY2018: profit RM228.4 million). Whilst FFB production had improved 3.1% to 987,904 mt, the profit for the current quarter was affected by the weaker selling prices of CPO and PK realised as shown below:-

	2QFY2019	2QFY2018	% Change
Crude Palm Oil (RM/mt ex-mill)	1,969	2,398	(17.9)
Palm Kernel (RM/mt ex-mill)	1,301	2,075	(37.3)

Manufacturing

Manufacturing segment's profit dropped 18.5% to RM93.3 million (2QFY2018: profit RM114.5 million) on the back of a 14.5% reduction in revenue to RM2.285 billion (2QFY2018: RM2.673 billion) owing to lower selling prices. The decrease in this segment's profit was caused by the unrealised loss of RM5.0 million (2QFY2018: unrealised gain RM21.3 million) arising from changes in fair value of outstanding derivative contracts.

The oleochemical division recorded a lower profit of RM90.9 million (2QFY2018: profit RM115.6 million) whilst the other manufacturing units achieved a profit of RM2.4 million (2QFY2018: loss RM1.1 million).

Property Development

Property segment registered a slightly higher profit of RM7.1 million (2QFY2018: profit RM6.6 million) despite a decline in revenue to RM34.8 million (2QFY2018: RM37.7 million).

Corporate

The current quarter's profit had accounted for the following:-

- Foreign currency exchange loss of RM3.0 million (2QFY2018: loss RM120.4 million) which arose from the translation of inter-company loans denominated in foreign currencies.
- Surplus of RM25.6 million (2QFY2018: surplus RM10.4 million) arising from government acquisition of plantation land.



KUALA LUMPUR KEPONG BERHAD

(15043-V)

(Incorporated in Malaysia)

Notes to Interim Financial Report

(Continued)

Todate 2nd Quarter FY2019 vs Todate 2nd Quarter FY2018

	Todate Ended		+ / (-) %
	31/3/2019 RM'000	31/3/2018 RM'000 Restated	
Revenue	8,027,081	9,860,790	(18.6)
Segment results:			
Plantation	228,391	532,027	(57.1)
Manufacturing	191,346	252,223	(24.1)
Property development	18,241	8,330	119.0
Investment holding/Others	32,243	12,795	152.0
	470,221	805,375	(41.6)
Corporate income/(expense)	62,216	(235,495)	-
Profit before taxation	532,437	569,880	(6.6)

The Group's half year profit before tax fell by 6.6% at RM532.4 million (Todate 2QFY2018: profit RM569.9 million) and revenue had dropped 18.6% to RM8.027 billion (Todate 2QFY2018: RM9.861 billion).

Comments on the business sectors are as follows:-

Plantation

Plantation profit fell sharply by 57.1% to RM228.4 million (Todate 2QFY2018: profit RM532.0 million) attributable to the decline in CPO and PK selling prices realised as shown below:-

	Todate 2QFY2019	Todate 2QFY2018	% Change
Crude Palm Oil (RM/mt ex-mill)	1,906	2,487	(23.4)
Palm Kernel (RM/mt ex-mill)	1,340	2,280	(41.2)

However, positive contributions from processing and trading operations coupled with 5.6% increase in FFB production to 2,093,369 mt had mitigated the drop in profit.

Manufacturing

Manufacturing segment reported a 24.1% reduction in the half year profit to RM191.3 million (Todate 2QFY2018: profit RM252.2 million) with revenue reduced by 13.5% to RM4.493 billion (Todate 2QFY2018: RM5.194 billion) due to lower selling prices. The result of this segment was affected by reduced contributions from Europe operations and the recognition of a lower unrealised gain of RM16.4 million (Todate 2QFY2018: unrealised gain RM47.1 million) arising from fair value changes on outstanding derivative contracts.

The oleochemical division's profit had decreased 26.6% to RM185.5 million (Todate 2QFY2018: profit RM252.7 million) whilst the other manufacturing units achieved a profit of RM5.8 million (Todate 2QFY2018: loss RM443,000).

Property Development

Property segment's profit was much higher at RM18.2 million (Todate 2QFY2018: profit RM8.3 million) supported by a 34.2% improvement in revenue to RM74.6 million (Todate 2QFY2018: RM55.6 million).

Investment Holding/Others

Farming sector's profit had doubled to RM47.6 million, attributed to improvement in crop production resulting from higher yields and larger cropped area.



KUALA LUMPUR KEPONG BERHAD

(15043-V)

(Incorporated in Malaysia)

Notes to Interim Financial Report

(Continued)

Corporate

The Group profit had accounted for the following:-

- Foreign currency exchange gain of RM35.0 million (Todate 2QFY2018: loss RM240.8 million) from translation of inter-company loans denominated in foreign currencies.
- Surplus from government acquisition of plantation land of RM48.1 million (Todate 2QFY2018: surplus RM24.0 million).

B2. Variation of Results to Immediate Preceding Quarter 2nd Quarter FY2019 vs 1st Quarter FY2019

	Current Quarter Ended 31/3/2019 RM'000	Immediate Preceding Quarter Ended 31/12/2018 RM'000	+ / (-) %
Revenue	3,941,919	4,085,162	(3.5)
Segment results:			
Plantation	100,904	127,487	(20.9)
Manufacturing	93,342	98,004	(4.8)
Property development	7,111	11,130	(36.1)
Investment holding/Others	(16,567)	48,810	-
	184,790	285,431	(35.3)
Corporate income	11,266	50,950	(77.9)
Profit before taxation	196,056	336,381	(41.7)

The Group profit before tax for the 2nd quarter was 41.7% lower at RM196.1 million (1QFY2019: profit RM336.4 million) whilst revenue was slightly lower at RM3.942 billion (1QFY2019: RM4.085 billion).

Plantation

Plantation profit had dipped by 20.9% to RM100.9 million (1QFY2019: profit RM127.5 million) which was largely due to:-

- Decrease in FFB production by 10.6% to 987,904 mt resulting in higher cost of CPO production.
- Negative contribution from processing and trading operations, affected by unrealised loss of RM15.3 million (1QFY2019: unrealised gain RM20.0 million) from fair value changes on outstanding derivative contracts.

Prices realised for the current quarter against the immediate preceding quarter are as follows:-

	2QFY2019	1QFY2019	% Change
Crude Palm Oil (RM/mt ex-mill)	1,969	1,840	7.0%
Palm Kernel (RM/mt ex-mill)	1,301	1,375	(5.4%)

Manufacturing

Manufacturing profit was slightly lower at RM93.3 million (1QFY2019: profit RM98.0 million) although revenue had increased to RM2.285 billion (1QFY2019: RM2.208 billion) due to higher sales volume. Whilst the profit from Europe operations had improved with better margins, the results of this segment was affected by the recognition of unrealised loss of RM5.0 million (1QFY2019: unrealised gain RM21.4 million) from fair value changes on outstanding derivative contracts.

The oleochemical division recorded a lower profit of RM90.9 million (1QFY2019: profit RM94.5 million) and the profit from the other manufacturing units had reduced to RM2.4 million (1QFY2019: profit RM3.5 million).



KUALA LUMPUR KEPONG BERHAD

(15043-V)
(Incorporated in Malaysia)

Notes to Interim Financial Report (Continued)

Property Development

Property segment's profit fell 36.1% to RM7.1 million (1QFY2019: profit RM11.1 million) with a 12.6% lower revenue at RM34.8 million (1QFY2019: RM39.8 million).

Corporate

The current quarter's results had included the following:-

- Foreign currency exchange loss of RM3.0 million (1QFY2019: gain RM38.0 million) arising from translation of inter-company loans denominated in foreign currencies.
- Surplus of RM25.6 million (1QFY2019: surplus RM22.5 million) from government acquisition of plantation land.

B3. Current Year Prospects

Current CPO and PK prices are lower than the preceding year due to the prevailing high stocks level. Thus, plantation profits for this financial year will be lower.

For the oleochemical business, the profits for the first half was lower as compared to the same period last year. Going forward, margins are volatile but reasonable profit is expected in view of capacity utilisation.

Overall, the Group's operational profits are expected to be lower for 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.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000 Restated
Current tax expense				
Malaysian taxation	23,446	38,257	47,559	82,493
Overseas taxation	26,822	36,344	62,709	90,690
	50,268	74,601	110,268	173,183
Deferred tax				
Origination and reversal of temporary differences	(9,301)	8,043	(2,323)	6,794
Relating to changes in tax rate	(971)	-	(971)	-
(Over)/Under provision in respect of previous years	(1,494)	3,911	(3,266)	6,067
	(11,766)	11,954	(6,560)	12,861
	38,502	86,555	103,708	186,044
Under/(Over) provision in respect of previous years				
Malaysian taxation	31	-	(238)	(217)
Overseas taxation	4,064	1,203	3,897	1,246
	4,095	1,203	3,659	1,029
Total	42,597	87,758	107,367	187,073



KUALA LUMPUR KEPONG BERHAD

(15043-V)
(Incorporated in Malaysia)

Notes to Interim Financial Report (Continued)

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Profit before taxation	196,056	213,599	532,437	569,880
Tax at Malaysian income tax rate of 24% (FY2018: 24%)	47,054	51,264	127,785	136,771
Effect of different tax rates in foreign jurisdictions	(5,068)	574	(10,666)	(2,134)
Withholding tax on foreign dividend and interest income	3,670	3,619	13,228	6,494
Expenses not deductible for tax purposes	9,732	41,739	38,581	88,047
Tax exempt and non-taxable income	(16,047)	(11,469)	(48,714)	(32,904)
Tax incentives	(1,359)	(784)	(2,223)	(1,759)
Deferred tax liabilities not recognised during the period	2,735	771	1,260	549
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,629)	389	(14,693)	(8,765)
Tax effect on associates' and joint ventures' results	1,475	(115)	(897)	(216)
Recognition of deferred tax assets not taken up previously	-	(6,224)	-	(6,240)
Recognition of unabsorbed re-investment allowance	-	(1,841)	-	(3,320)
Under provision of tax expense in respect of previous years	4,095	1,203	3,659	1,029
(Over)/Under provision of deferred tax in respect of previous years	(1,494)	3,911	(3,266)	6,067
Effect of changes in tax rates on deferred tax	(971)	-	(971)	-
Others	404	4,721	4,284	3,454
Tax expense	42,597	87,758	107,367	187,073

B6. Status of Corporate Proposals Announced

There were no corporate proposals announced.



Notes to Interim Financial Report
(Continued)

B7. Group Borrowings

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

	As at 2nd quarter ended 31 March 2019					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Term loans	Euro 7,300	33,454	Euro 810	3,713	Euro 8,110	37,167
Unsecured						
Bank overdrafts	-	-	Euro 29,543	135,395	Euro 29,543	135,395
Revolving credit	-	-	Euro 15,000	68,745	Euro 15,000	68,745
	-	-	Rp 89,317,717	25,634	Rp 89,317,717	25,634
	-	-	Rmb 88,000	53,566	Rmb 88,000	53,566
	-	-	GBP 6,500	34,611	GBP 6,500	34,611
	-	-	-	40,000	-	40,000
Trade financing	-	-	USD 31,831	130,028	USD 31,831	130,028
	-	-	-	39,308	-	39,308
Term loans	USD 45,000	183,961	-	-	USD 45,000	183,961
	Euro 50,000	229,192	Euro 37,500	171,877	Euro 87,500	401,069
Export credit refinancing	-	-	-	76,992	-	76,992
Bankers' acceptance	-	-	-	328,004	-	328,004
Islamic medium term notes	-	2,600,000	-	-	-	2,600,000
Total		3,046,607		1,107,873		4,154,480

	As at 2nd quarter ended 31 March 2018					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Term loans	Euro 8,165	38,891	Euro 2,623	12,495	Euro 10,788	51,386
Unsecured						
Bank overdrafts	-	-	Euro 26,057	124,114	Euro 26,057	124,114
Revolving credit	-	-	USD 19,210	74,248	USD 19,210	74,248
	-	-	Euro 38,000	181,002	Euro 38,000	181,002
Trade financing	-	-	USD 151,860	586,938	USD 151,860	586,938
Term loans	USD 50,000	193,203	-	-	USD 50,000	193,203
	Euro 75,000	357,353	Euro 14,000	66,718	Euro 89,000	424,071
Export credit refinancing	-	-	-	280,094	-	280,094
Bankers' acceptance	-	-	-	580,089	-	580,089
Islamic medium term notes	-	2,600,000	-	-	-	2,600,000
Total		3,189,447		1,905,698		5,095,145

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

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.



KUALA LUMPUR KEPONG BERHAD

(15043-V)

(Incorporated in Malaysia)

Notes to Interim Financial Report

(Continued)

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

<u>Derivatives</u>	Contract/Notional	Fair value
	Value Net long/(short)	Net gains/(losses)
	RM'000	RM'000
(i) Forward foreign exchange contracts		
- Less than 1 year	(1,135,410)	14,700
- 1 year to 3 years	-	-
- More than 3 years	-	-
(ii) Commodity futures contracts		
- Less than 1 year	(28,304)	14,385
- 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 March 2019, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's risk management objectives, policies and processes.

B9. Fair Value Changes of Financial Liabilities

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

B10. (a) Material Litigation

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

(b) Winding-up Petitions by a Minority Shareholder

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

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

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



KUALA LUMPUR KEPONG BERHAD

(15043-V)

(Incorporated in Malaysia)

Notes to Interim Financial Report

(Continued)

B11. Dividend

- (a) An interim single tier dividend of 15 sen (2018: 15 sen) per share has been authorised by the Directors in respect of the financial year ending 30 September 2019 and will be paid to the shareholders on 6 August 2019. The entitlement date for the dividend shall be 15 July 2019.

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

- (i) Securities deposited into the Depositor's Securities Account before 12.30 p.m. on 11 July 2019 in respect of securities which are exempted from mandatory deposit;
 - (ii) Securities transferred into the Depositor's Securities Account before 4.30 p.m. on 15 July 2019 in respect of transfers; and
 - (iii) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.
- (b) The total dividend for the current financial year to-date is single tier dividend of 15 sen (2018: 15 sen) per share.

B12. Earnings Per Share

Basic earnings per share

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

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2019	2018 Restated	2019	2018 Restated
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	142,955	106,151	393,871	341,506
(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)	13.4	10.0	37.0	32.1

B13. Audit Report

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

**KUALA LUMPUR KEPONG BERHAD**

(15043-V)

(Incorporated in Malaysia)

Notes to Interim Financial Report

(Continued)

B14. Profit Before Taxation

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Interest income	(17,774)	(21,494)	(35,143)	(42,899)
Other income including dividend income	(26,173)	(14,768)	(43,212)	(34,342)
Interest expense	41,827	44,559	85,096	87,118
Depreciation and amortisation	137,176	131,496	275,741	266,301
Provision for and write-off/(Reversal of write-off) of receivables	4,108	(2,398)	3,450	1,662
Provision for and write-off of inventories	4,740	3,316	24,343	18,105
Surplus on disposal of quoted or unquoted investments	-	-	-	-
Surplus on disposal of land	(760)	(547)	(1,184)	(782)
Surplus on government acquisition of land	(25,601)	(10,365)	(48,090)	(23,989)
Impairment of property, plant and equipment	-	-	-	-
Foreign exchange (gain)/loss	(2,178)	108,066	(35,473)	221,839
Loss/(Gain) on derivatives	18,836	(37,442)	(21,087)	(69,311)
Exceptional items	-	-	-	-

By Order of the Board
YAP MIOU KIEN
Company Secretary

15 May 2019