



KUALA LUMPUR KEPONG BERHAD

(15043-V)

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

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

Condensed Consolidated Statement of Profit or Loss
For the year ended 30 September 2019

(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	12 months ended		+ / (-)
	30 September			30 September		
	2019	2018	%	2019	2018	%
	RM'000	RM'000	%	RM'000	RM'000	%
		Restated			Restated	
Revenue	3,802,403	4,191,949	(9.3)	15,533,887	18,383,953	(15.5)
Operating expenses	(3,585,902)	(3,960,386)	(9.5)	(14,893,104)	(17,435,009)	(14.6)
Other operating income	72,495	16,747	332.9	340,246	218,282	55.9
Finance costs	(46,631)	(43,006)	8.4	(165,668)	(174,943)	(5.3)
Share of results of associates	10,874	3,785	187.3	14,786	10,319	43.3
Share of results of joint ventures	(6,501)	(3,946)	64.7	(6,219)	(13,814)	(55.0)
Profit before taxation	246,738	205,143	20.3	823,928	988,788	(16.7)
Taxation	(51,870)	(74,339)	(30.2)	(173,195)	(328,471)	(47.3)
Net profit for the year	<u>194,868</u>	<u>130,804</u>	49.0	<u>650,733</u>	<u>660,317</u>	(1.5)
Attributable to:-						
Equity holders of the Company	175,019	127,988	36.7	617,505	609,366	1.3
Non-controlling interests	19,849	2,816	604.9	33,228	50,951	(34.8)
	<u>194,868</u>	<u>130,804</u>	49.0	<u>650,733</u>	<u>660,317</u>	(1.5)
	Sen	Sen		Sen	Sen	
Earnings per share - basic	<u>16.4</u>	<u>12.0</u>		<u>58.0</u>	<u>57.2</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.

**Condensed Consolidated Statement of Other Comprehensive Income
For the year ended 30 September 2019**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		12 months ended 30 September	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Net profit for the year	194,868	130,804	650,733	660,317
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss				
Currency translation differences	(22,696)	35,477	40,584	(276,101)
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity instruments	(227,473)	43,025	(868,262)	75,374
Remeasurement of defined benefit plans	(46,212)	2,139	(46,212)	2,139
Total other comprehensive (loss)/income for the year	<u>(296,381)</u>	<u>80,641</u>	<u>(873,890)</u>	<u>(198,588)</u>
Total comprehensive (loss)/income for the year	<u>(101,513)</u>	<u>211,445</u>	<u>(223,157)</u>	<u>461,729</u>
Attributable to:-				
Equity holders of the Company	(114,717)	213,535	(261,637)	432,325
Non-controlling interests	13,204	(2,090)	38,480	29,404
	<u>(101,513)</u>	<u>211,445</u>	<u>(223,157)</u>	<u>461,729</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.

Condensed Consolidated Statement of Financial Position
As at 30 September 2019

(The figures have not been audited.)

	30 September 2019	30 September 2018	1 October 2017
	RM'000	RM'000 Restated	RM'000 Restated
Assets			
Property, plant and equipment	7,749,121	7,756,571	7,584,776
Prepaid lease payments	340,256	375,120	309,611
Inventories - Land held for property development	1,108,296	1,100,407	1,091,471
Goodwill on consolidation	316,836	315,304	324,686
Intangible assets	22,081	23,358	15,325
Investments in associates	1,489,210	153,663	144,538
Investments in joint ventures	156,818	160,414	158,902
Investments in debt and equity instruments	411,950	2,390,731	2,277,603
Other receivable	233,980	202,826	210,272
Deferred tax assets	437,027	375,996	432,350
Total non-current assets	12,265,575	12,854,390	12,549,534
Inventories	2,124,084	2,284,983	1,974,330
Biological assets	98,262	101,467	116,716
Trade and other receivables	2,052,484	1,953,287	2,467,511
Contract assets	14,867	48,737	280
Tax recoverable	110,319	60,301	38,642
Derivative financial assets	33,967	69,210	110,748
Short term funds	1,659,171	195,579	578,489
Cash and cash equivalents	2,040,637	1,277,775	1,462,687
Total current assets	8,133,791	5,991,339	6,749,403
Total assets	20,399,366	18,845,729	19,298,937
Equity			
Share capital	1,208,377	1,196,962	1,184,764
Reserves	9,165,475	9,983,395	10,095,751
	10,373,852	11,180,357	11,280,515
Less: Cost of treasury shares	(13,447)	(13,447)	(13,447)
Total equity attributable to equity holders of the Company	10,360,405	11,166,910	11,267,068
Non-controlling interests	926,250	878,638	864,626
Total equity	11,286,655	12,045,548	12,131,694
Liabilities			
Deferred tax liabilities	424,603	414,424	360,402
Deferred income	110,320	119,004	117,365
Provision for retirement benefits	538,480	467,067	479,132
Borrowings	5,169,833	3,062,099	3,067,168
Total non-current liabilities	6,243,236	4,062,594	4,024,067
Trade and other payables	1,359,591	1,341,989	1,506,724
Contract liabilities	91,239	54,842	57,924
Deferred income	8,196	7,947	7,808
Borrowings	1,348,993	1,221,114	1,375,596
Tax payable	40,898	47,476	90,511
Derivative financial liabilities	20,558	64,219	104,613
Total current liabilities	2,869,475	2,737,587	3,143,176
Total liabilities	9,112,711	6,800,181	7,167,243
Total equity and liabilities	20,399,366	18,845,729	19,298,937
Net assets per share attributable to equity holders of the Company (RM)	9.73	10.49	10.58

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

Condensed Consolidated Statement of Changes in Equity
For the year ended 30 September 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	-	(20,011)	(78,725)	(110,989)	319	(48,626)	-	(258,032)	(7,267)	(265,299)
At 1 October 2018 - restated	1,196,962	1,009,986	-	6,111	1,291,374	7,675,924	(13,447)	11,166,910	878,638	12,045,548
Net change in fair value of equity instruments	-	-	-	-	(868,262)	-	-	(868,262)	-	(868,262)
Realisation on fair value of equity instruments	-	-	-	-	5,033	(5,033)	-	-	-	-
Transfer of reserves	-	(12,848)	-	(45,801)	205,383	(146,734)	-	-	-	-
Remeasurement of defined benefit plans	-	-	-	-	-	(46,317)	-	(46,317)	105	(46,212)
Currency translation differences	-	144	-	35,293	-	-	-	35,437	5,147	40,584
Total other comprehensive (loss)/income for the year	-	(12,704)	-	(10,508)	(657,846)	(198,084)	-	(879,142)	5,252	(873,890)
Profit for the year	-	-	-	-	-	617,505	-	617,505	33,228	650,733
Total comprehensive (loss)/income for the year	-	(12,704)	-	(10,508)	(657,846)	419,421	-	(261,637)	38,480	(223,157)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	37,663	37,663
Redemption of redeemable preference shares	11,415	-	-	-	-	(11,415)	-	-	-	-
Effect of changes in shareholdings in subsidiaries	-	-	-	-	-	(65,633)	-	(65,633)	20,692	(44,941)
Dividend paid - FY2018 final	-	-	-	-	-	(319,490)	-	(319,490)	-	(319,490)
- FY2019 interim	-	-	-	-	-	(159,745)	-	(159,745)	-	(159,745)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(49,223)	(49,223)
Total transactions with owners of the Company	11,415	-	-	-	-	(556,283)	-	(544,868)	9,132	(535,736)
At 30 September 2019	1,208,377	997,282	-	(4,397)	633,528	7,539,062	(13,447)	10,360,405	926,250	11,286,655

**Condensed Consolidated Statement of Changes in Equity
For the year ended 30 September 2019**

(Continued)
(The figures have not been audited.)

	Attributable to the equity holders of the Company						Total	Non-controlling interests	Total Equity	
	Share capital	Capital reserve	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings				Treasury shares
	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	-	(20,011)	(78,725)	(297,346)	1,306	93,369	-	(301,407)	(6,941)	(308,348)
At 1 October 2017 - restated	1,184,764	1,008,214	-	260,922	1,217,967	7,608,648	(13,447)	11,267,068	864,626	12,131,694
Net change in fair value of equity instruments	-	-	-	-	75,374	-	-	75,374	-	75,374
Realisation on fair value of equity instruments	-	-	-	-	(2,566)	2,566	-	-	-	-
Transfer of other reserves	-	2,445	-	-	599	(3,044)	-	-	-	-
Remeasurement of defined benefit plans	-	-	-	-	-	3,069	-	3,069	(930)	2,139
Currency translation differences	-	(673)	-	(254,811)	-	-	-	(255,484)	(20,617)	(276,101)
Total other comprehensive income/(loss) for the year	-	1,772	-	(254,811)	73,407	2,591	-	(177,041)	(21,547)	(198,588)
Profit for the year	-	-	-	-	-	609,366	-	609,366	50,951	660,317
Total comprehensive income/(loss) for the year	-	1,772	-	(254,811)	73,407	611,957	-	432,325	29,404	461,729
Acquisition through business combination	-	-	-	-	-	-	-	-	3,652	3,652
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	15,285	15,285
Redemption of redeemable preference shares	12,198	-	-	-	-	(12,198)	-	-	-	-
Dividend paid - FY2017 final	-	-	-	-	-	(372,738)	-	(372,738)	-	(372,738)
- FY2018 interim	-	-	-	-	-	(159,745)	-	(159,745)	-	(159,745)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(34,329)	(34,329)
Total transactions with owners of the Company	12,198	-	-	-	-	(544,681)	-	(532,483)	(15,392)	(547,875)
At 30 September 2018	1,196,962	1,009,986	-	6,111	1,291,374	7,675,924	(13,447)	11,166,910	878,638	12,045,548

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.

Condensed Consolidated Statement of Cash Flows
For the year ended 30 September 2019

(The figures have not been audited.)

	12 months ended 30 September	
	2019	2018
	RM'000	RM'000
		Restated
Cash Flows from Operating Activities		
Profit before taxation	823,928	988,788
Adjustment for non-cash flow:-		
Non-cash items	656,735	876,675
Non-operating items	47,903	39,884
Operating profit before working capital changes	1,528,566	1,905,347
Working capital changes:-		
Net change in current assets	13,773	128,332
Net change in current liabilities	54,774	(555,316)
Cash generated from operations	1,597,113	1,478,363
Interest paid	(165,976)	(171,983)
Tax paid	(244,426)	(350,420)
Retirement benefits paid	(32,148)	(31,102)
Net cash generated from operating activities	1,154,563	924,858
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(311,539)	(364,581)
Payments of prepaid lease	(8,562)	(5,317)
Plantation development expenditure	(319,376)	(227,599)
Property development expenditure	(7,889)	(8,936)
Purchase of shares in subsidiaries, net of cash acquired	-	(206,025)
Subscription of shares in an associate	(7,500)	-
Purchase of shares from non-controlling interests	(46,429)	-
Purchase of investments	(335,863)	(78,033)
Purchase of intangible assets	(3,405)	(1,762)
Proceeds from disposal of property, plant and equipment	33,774	5,214
Compensation from government on land acquired	92,578	25,404
Proceeds from partial disposal of shares in subsidiaries, net of cash disposed	1,373	-
Proceeds from disposal of investments	83,780	7,591
Advance to joint ventures	-	(19,990)
(Increase)/Decrease in short term funds	(1,462,285)	375,106
Dividends received from associates	10,288	6,641
Dividends received from investments	63,625	47,402
Interest received	50,157	72,012
Net cash used in investing activities	(2,167,273)	(372,873)
Cash Flows from Financing Activities		
Term loans received	245,468	218,800
Issuance of Islamic medium term notes	2,000,000	-
Repayment of term loans	(175,642)	(57,277)
Net drawdown/(repayment) of short term borrowings	155,551	(251,138)
Dividends paid to shareholders of the Company	(479,235)	(532,483)
Dividends paid to non-controlling interests	(49,223)	(34,329)
Issuance of shares to non-controlling interests	37,663	15,285
(Increase)/Decrease in other receivable	(5,154)	8,470
Net cash generated from/(used in) financing activities	1,729,428	(632,672)
Net increase/(decrease) in cash and cash equivalents	716,718	(80,687)
Cash and cash equivalents at 1 October	1,188,741	1,338,563
	1,905,459	1,257,876
Currency translation differences on opening balances	14,321	(69,135)
Cash and cash equivalents at 30 September	1,919,780	1,188,741
Cash and cash equivalents consist of:-		
Cash and bank balances	480,853	341,163
Deposits with licensed banks	1,230,973	883,028
Fixed income trust funds	328,811	53,584
Bank overdrafts	(120,857)	(89,034)
	1,919,780	1,188,741

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 year ended 30 September 2019 is prepared in accordance with the MFRS framework, including MFRS 1 *First Time Adoption of MFRS*, MFRS 9 *Financial Instruments*, MFRS 15 *Revenue from Contracts with Customers*, MFRS 141 *Agriculture: Bearer Plants* and amendments to MFRS 116 *Property, Plant and Equipment*. The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 October 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect. Comparative information in this interim financial report have been restated to reflect the financial impact on transition from FRS framework to MFRS framework as disclosed below:-

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

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

(i) Exemption for business combinations

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

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

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

Notes to Interim Financial Report

(Continued)

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.

(c) MFRS 9 *Financial Instruments*

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

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

In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an expected credit loss model. The new impairment model applies to financial assets measured at amortised cost and contract assets that do not contain a significant financing component, but not to investments in equity instruments. Under this new model, the Group applies the simplified approach and record lifetime expected credit loss on all trade receivables.

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

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

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

Notes to Interim Financial Report

(Continued)

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

	Individual Quarter - 3 months ended 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
Revenue	4,190,976	-	-	973	-	4,191,949
Operating expenses	(4,002,168)	-	8,479	(970)	34,273	(3,960,386)
Other operating income	24,549	-	(7,083)	-	(719)	16,747
Finance costs	(43,006)	-	-	-	-	(43,006)
Share of results of associates	3,785	-	-	-	-	3,785
Share of results of joint ventures	(3,946)	-	-	-	-	(3,946)
Profit before taxation	170,190	-	1,396	3	33,554	205,143
Tax expense	(66,610)	(45)	-	(1)	(7,683)	(74,339)
Net profit for the period	103,580	(45)	1,396	2	25,871	130,804
Attributable to:						
Equity holders of the Company	101,500	(45)	1,351	2	25,180	127,988
Non-controlling interests	2,080	-	45	-	691	2,816
	103,580	(45)	1,396	2	25,871	130,804
Earnings per share - basic	Sen 9.5	Sen -	Sen 0.1	Sen -	Sen 2.4	Sen 12.0

	Cumulative Quarter - 12 months ended 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
Revenue	18,400,500	-	-	(16,547)	-	18,383,953
Operating expenses	(17,321,461)	-	(176,751)	16,257	46,946	(17,435,009)
Other operating income	216,779	-	(10,980)	1,566	10,917	218,282
Finance costs	(174,943)	-	-	-	-	(174,943)
Share of results of associates	10,319	-	-	-	-	10,319
Share of results of joint ventures	(13,814)	-	-	-	-	(13,814)
Profit before taxation	1,117,380	-	(187,731)	1,276	57,863	988,788
Tax expense	(313,276)	(182)	-	74	(15,087)	(328,471)
Net profit for the period	804,104	(182)	(187,731)	1,350	42,776	660,317
Attributable to:						
Equity holders of the Company	753,328	(182)	(188,074)	1,126	43,168	609,366
Non-controlling interests	50,776	-	343	224	(392)	50,951
	804,104	(182)	(187,731)	1,350	42,776	660,317
Earnings per share - basic	Sen 70.7	Sen -	Sen (17.7)	Sen 0.1	Sen 4.1	Sen 57.2

Notes to Interim Financial Report
(Continued)

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	-	-	-	2,501,794	7,756,571
Biological assets	2,689,160	-	-	-	(2,689,160)	-
Inventories - Land held for property development	-	1,100,407	-	-	-	1,100,407
Land held for property development	1,100,407	(1,100,407)	-	-	-	-
Equity instruments	2,384,374	-	6,357	-	-	2,390,731
Deferred tax assets	383,921	-	-	-	(7,925)	375,996
Other non-current assets	1,230,685	-	-	-	-	1,230,685
Total non-current assets	13,043,324	-	6,357	-	(195,291)	12,854,390
Inventories	2,098,250	186,733	-	-	-	2,284,983
Biological assets	41,906	-	-	-	59,561	101,467
Trade and other receivables	2,069,090	(46,112)	(20,954)	(48,737)	-	1,953,287
Contract assets	-	-	-	48,737	-	48,737
Property development costs	140,621	(140,621)	-	-	-	-
Other current assets	1,602,865	-	-	-	-	1,602,865
Total current assets	5,952,732	-	(20,954)	-	59,561	5,991,339
Total assets	18,996,056	-	(14,597)	-	(135,730)	18,845,729
Equity						
Share capital	1,196,962	-	-	-	-	1,196,962
Reserves	10,241,427	73,120	(12,727)	-	(318,425)	9,983,395
	11,438,389	73,120	(12,727)	-	(318,425)	11,180,357
Less: Cost of treasury shares	(13,447)	-	-	-	-	(13,447)
Total equity attributable to equity holders of the Company	11,424,942	73,120	(12,727)	-	(318,425)	11,166,910
Non-controlling interests	885,905	-	(1,870)	-	(5,397)	878,638
Total equity	12,310,847	73,120	(14,597)	-	(323,822)	12,045,548
Liabilities						
Deferred tax liabilities	299,452	(73,120)	-	-	188,092	414,424
Other non-current liabilities	3,648,170	-	-	-	-	3,648,170
Total non-current liabilities	3,947,622	(73,120)	-	-	188,092	4,062,594
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	2,737,587	-	-	-	-	2,737,587
Total liabilities	6,685,209	(73,120)	-	-	188,092	6,800,181
Total equity and liabilities	18,996,056	-	(14,597)	-	(135,730)	18,845,729
Net assets per share attributable to equity holders of the Company	10.73	0.07	(0.01)	-	(0.30)	10.49

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(Continued)

	1 October 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	-	-	-	2,363,924	7,584,776
Biological assets	2,624,038	-	-	-	(2,624,038)	-
Inventories - Land held for property development	-	1,091,471	-	-	-	1,091,471
Land held for property development	1,091,471	(1,091,471)	-	-	-	-
Equity instruments	2,270,239	-	7,364	-	-	2,277,603
Deferred tax assets	439,794	-	-	(80)	(7,364)	432,350
Other non-current assets	1,163,334	-	-	-	-	1,163,334
Total non-current assets	12,809,728	-	7,364	(80)	(267,478)	12,549,534
Inventories	1,796,929	194,959	-	(17,558)	-	1,974,330
Biological assets	37,806	-	-	-	78,910	116,716
Trade and other receivables	2,514,389	(40,263)	(24,466)	17,851	-	2,467,511
Contract assets	-	-	-	280	-	280
Property development costs	154,696	(154,696)	-	-	-	-
Other current assets	2,190,566	-	-	-	-	2,190,566
Total current assets	6,694,386	-	(24,466)	573	78,910	6,749,403
Total assets	19,504,114	-	(17,102)	493	(188,568)	19,298,937
Equity						
Share capital	1,184,764	-	-	-	-	1,184,764
Reserves	10,397,158	73,303	(14,877)	(1,109)	(358,724)	10,095,751
	11,581,922	73,303	(14,877)	(1,109)	(358,724)	11,280,515
Less: Cost of treasury shares	(13,447)	-	-	-	-	(13,447)
Total equity attributable to equity holders of the Company	11,568,475	73,303	(14,877)	(1,109)	(358,724)	11,267,068
Non-controlling interests	871,567	-	(2,225)	(223)	(4,493)	864,626
Total equity	12,440,042	73,303	(17,102)	(1,332)	(363,217)	12,131,694
Liabilities						
Deferred tax liabilities	259,056	(73,303)	-	-	174,649	360,402
Other non-current liabilities	3,663,665	-	-	-	-	3,663,665
Total non-current liabilities	3,922,721	(73,303)	-	-	174,649	4,024,067
Trade and other payables	1,562,823	-	-	(56,099)	-	1,506,724
Contract liabilities	-	-	-	57,924	-	57,924
Other current liabilities	1,578,528	-	-	-	-	1,578,528
Total current liabilities	3,141,351	-	-	1,825	-	3,143,176
Total liabilities	7,064,072	(73,303)	-	1,825	174,649	7,167,243
Total equity and liabilities	19,504,114	-	(17,102)	493	(188,568)	19,298,937
Net assets per share attributable to equity holders of the Company	10.86	0.07	(0.01)	-	(0.34)	10.58

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Reconciliation of Cash Flows

	12 months ended 30 September 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	
Profit before tax	1,117,380	-	(187,731)	1,276	57,863	988,788
Adjustments for non-cash flow:						
Non-cash items	617,828	-	187,731	13	71,103	876,675
Non-operating items	39,884	-	-	-	-	39,884
Operating profit before working capital changes	1,775,092	-	-	1,289	128,966	1,905,347
Working capital changes:						
Net change in current assets	126,895	-	-	277	1,160	128,332
Net change in current liabilities	(553,092)	-	-	(1,566)	(658)	(555,316)
Cash generated from operations	1,348,895	-	-	-	129,468	1,478,363
Interest paid	(171,983)	-	-	-	-	(171,983)
Income tax paid	(350,420)	-	-	-	-	(350,420)
Retirement benefits paid	(31,102)	-	-	-	-	(31,102)
Net cash generated from operating activities	795,390	-	-	-	129,468	924,858
Net cash used in investing activities	(243,405)	-	-	-	(129,468)	(372,873)
Net cash used in financing activities	(632,672)	-	-	-	-	(632,672)
Net decrease in cash and cash equivalents	(80,687)	-	-	-	-	(80,687)
Opening cash and cash equivalents	1,338,563	-	-	-	-	1,338,563
Exchange difference	(69,135)	-	-	-	-	(69,135)
Closing cash and cash equivalents	1,188,741	-	-	-	-	1,188,741

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

	12 months ended	
	30 September	
	2019	2018
	RM'000	RM'000
Final single tier dividend 30 sen per share for financial year ended 30 September 2018 (single tier dividend of 35 sen per share for year ended 30 September 2017)	319,490	372,738
Interim single tier dividend of 15 sen per share for financial year ended 30 September 2019 (single tier dividend of 15 sen per share for year ended 30 September 2018)	159,745	159,745
	<u>479,235</u>	<u>532,483</u>

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

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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

	Plantation	Manufacturing	Property	Investment	Elimination	Consolidated
	RM'000	RM'000	Development	Holding/ Others	RM'000	RM'000
			RM'000	RM'000		
12 months ended						
30 September 2019						
Revenue						
External revenue	6,338,240	8,763,397	170,359	261,891	-	15,533,887
Inter-segment revenue	938,282	-	-	291,149	(1,229,431)	-
Total revenue	<u>7,276,522</u>	<u>8,763,397</u>	<u>170,359</u>	<u>553,040</u>	<u>(1,229,431)</u>	<u>15,533,887</u>
Results						
Operating results	400,371	434,551	43,921	72,589	-	951,432
Interest income	4,434	5,502	700	99,386	(42,230)	67,792
Finance costs	(17,028)	(55,144)	-	(135,726)	42,230	(165,668)
Share of results of associates	11,339	713	2,734	-	-	14,786
Share of results of joint ventures	(4,484)	-	-	(1,735)	-	(6,219)
Segment results	<u>394,632</u>	<u>385,622</u>	<u>47,355</u>	<u>34,514</u>	<u>-</u>	<u>862,123</u>
Corporate expense						(38,195)
Profit before taxation						<u>823,928</u>
12 months ended						
30 September 2018 - Restated						
Revenue						
External revenue	7,836,236	10,130,080	177,676	239,961	-	18,383,953
Inter-segment revenue	851,220	-	-	191,273	(1,042,493)	-
Total revenue	<u>8,687,456</u>	<u>10,130,080</u>	<u>177,676</u>	<u>431,234</u>	<u>(1,042,493)</u>	<u>18,383,953</u>
Results						
Operating results	838,908	437,436	34,984	62,294	-	1,373,622
Interest income	1,721	6,446	664	108,221	(36,804)	80,248
Finance costs	(9,477)	(63,766)	-	(138,504)	36,804	(174,943)
Share of results of associates	7,122	1,007	2,190	-	-	10,319
Share of results of joint ventures	(12,128)	-	-	(1,686)	-	(13,814)
Segment results	<u>826,146</u>	<u>381,123</u>	<u>37,838</u>	<u>30,325</u>	<u>-</u>	<u>1,275,432</u>
Corporate expense						(286,644)
Profit before taxation						<u>988,788</u>

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(b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 September 2019					
Operating assets	6,648,142	6,493,297	1,506,728	3,557,825	18,205,992
Associates	92,944	8,501	72,403	1,315,362	1,489,210
Joint ventures	152,044	-	-	4,774	156,818
Segment assets	<u>6,893,130</u>	<u>6,501,798</u>	<u>1,579,131</u>	<u>4,877,961</u>	<u>19,852,020</u>
Tax assets					547,346
Total assets					<u>20,399,366</u>
As at 30 September 2018					
- Restated					
Operating assets	6,248,157	6,503,993	1,477,059	3,866,146	18,095,355
Associates	72,268	7,726	73,669	-	153,663
Joint ventures	153,964	-	-	6,450	160,414
Segment assets	<u>6,474,389</u>	<u>6,511,719</u>	<u>1,550,728</u>	<u>3,872,596</u>	<u>18,409,432</u>
Tax assets					436,297
Total assets					<u>18,845,729</u>

(c) Segment liabilities

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 September 2019					
Segment liabilities	<u>1,541,767</u>	<u>2,117,527</u>	<u>119,719</u>	<u>4,868,197</u>	<u>8,647,210</u>
Tax liabilities					465,501
Total liabilities					<u>9,112,711</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					461,900
Total liabilities					<u>6,800,181</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.

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A11. Capital Commitments

	30 September 2019	30 September 2018
	RM'000	RM'000
Capital expenditure		
Approved and contracted	322,372	124,864
Approved but not contracted	882,148	822,627
	<u>1,204,520</u>	<u>947,491</u>

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.

	12 months ended 30 September	
	2019	2018
	RM'000	RM'000
(i) Transactions with associates and joint ventures		
Sale of goods	224,121	310,373
Purchase of goods	1,056,792	1,268,263
Service charges paid	2,726	2,726
Research and development services paid	<u>13,687</u>	<u>14,597</u>
(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	14,167	13,630
Siam Taiko Marketing Co Ltd	2,591	3,224
Taiko Marketing Sdn Bhd	6,968	7,562
Taiko Marketing (Singapore) Pte Ltd	<u>3,551</u>	<u>1,874</u>
Storage tanks rental received		
Taiko Marketing Sdn Bhd	<u>4,132</u>	<u>3,970</u>
Purchases of goods		
Borneo Taiko Clay Sdn Bhd	4,619	3,404
Bukit Katho Estate Sdn Bhd	3,643	4,457
Kampar Rubber & Tin Co Sdn Bhd	5,554	7,044
Kekal Deras Sdn Bhd	1,512	1,577
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	2,269	1,001
Malay Rubber Plantations (M) Sdn Bhd	5,859	6,651
PT Agro Makmur Abadi	52,946	84,940
PT Bumi Karyatama Raharja	3,044	-
PT Java Taiko Mineralindo	1,140	-
PT Safari Riau	20,394	33,649
PT Satu Sembilan Delapan	30,215	17,198
Taiko Acid Works Sdn Bhd	2,262	2,362
Taiko Clay Marketing Sdn Bhd	2,558	2,320
Taiko Drum Industries Sdn Bhd	3,689	2,888
Taiko Marketing Sdn Bhd	<u>31,391</u>	<u>50,217</u>
Rental of office paid		
Batu Kawan Holdings Sdn Bhd	<u>4,646</u>	<u>4,551</u>

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	12 months ended 30 September	
	2019	2018
	RM'000	RM'000
Management fees paid		
Farming Management Services Pty Ltd	2,405	2,327
Aircraft operating expenses and management services paid		
Smooth Route Sdn Bhd	2,228	1,936
Supply of contract labour and engineering works		
K7 Engineering Sdn Bhd	1,825	1,245
Yeow Brothers Engineering Sdn Bhd	717	956
IT Services		
E-Komoditi Sdn Bhd	1,824	-
(iii) Transactions between subsidiaries and non-controlling interests		
Sale of goods		
Mitsubishi Corporation	42,980	46,096
Mitsui & Co Ltd	237,160	349,788
Tejana Trading & Management Services Sdn Bhd	-	4,312
Purchases of goods		
Mitsubishi Gas Chemical Singapore Pte Ltd	16,203	17,283
PT Letawa	-	2,671
PT Tanjung Bina Lestari	18,408	27,851
PT Tanjung Sarana Lestari	1,210,290	1,328,873
Tejana Trading & Management Services Sdn Bhd	-	1,361

B Explanatory Notes as required by the BMSB Revised Listing Requirements
B1. Analysis of Performance
4th Quarter FY2019 vs 4th Quarter FY2018

	Quarter Ended		+ / (-) %
	30/9/2019	30/9/2018	
	RM'000	RM'000	
		Restated	
Revenue	3,802,403	4,191,949	(9.3)
Segment results:			
Plantation	126,437	170,075	(25.7)
Manufacturing	95,259	43,673	118.1
Property development	18,100	21,249	(14.8)
Investment holding/Others	(15,769)	1,261	-
	224,027	236,258	(5.2)
Corporate income/(loss)	22,711	(31,115)	-
Profit before taxation	246,738	205,143	20.3

Notes to Interim Financial Report

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The Group's 4th quarter pre-tax profit improved 20.3% to RM246.7 million (4QFY2018: profit RM205.1 million) whilst revenue was 9.3% lower at RM3.802 billion (4QFY2018: RM4.192 billion).

Comments on the business sectors are as follows:-

Plantation

Plantation profit declined 25.7% to RM126.4 million (4QFY2018: profit RM170.1 million) which was attributed to:-

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

	<u>4QFY2019</u>	<u>4QFY2018</u>	<u>% Change</u>
Crude Palm Oil (RM/mt ex-mill)	1,920	2,060	(6.8)
Palm Kernel (RM/mt ex-mill)	1,070	1,594	(32.9)

- Higher production cost of CPO.

However, the following factors had mitigated the decrease in profit:-

- FFB production increased 3.2% to 1.052 million mt.
- Processing and trading operations recorded positive contributions.

Manufacturing

Manufacturing segment's profit had more than doubled to RM95.3 million (4QFY2018: profit RM43.7 million) despite a drop in revenue to RM2.049 billion (4QFY2018: RM2.438 billion) due to decline in selling prices. The improvement in profit was mainly attributed to the strong performance from operations in Malaysia which achieved better profit margins as a result of lower raw material prices. The preceding year's 4th quarter's result was impacted by RM21.6 million impairment on an under-performing specialised oleochemical plant.

The oleochemical division's profit was much higher at RM94.6 million (4QFY2018: profit RM32.0 million) whilst the other manufacturing units had registered a lower profit of RM672,000 (4QFY2018: profit RM11.7 million).

Property Development

Property profit dipped 14.8% to RM18.1 million (4QFY2018: profit RM21.2 million) with 31.1% decrease in revenue to RM49.3 million (4QFY2018: RM71.5 million).

Corporate

The Corporate gain in this segment had accounted for surplus of RM42.5 million from government acquisition of plantation land.

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Todate 4th Quarter FY2019 vs Totate 4th Quarter FY2018

	Todate Ended		+ / (-) %
	30/9/2019 RM'000	30/9/2018 RM'000 Restated	
Revenue	15,533,887	18,383,953	(15.5)
Segment results:			
Plantation	394,632	826,146	(52.2)
Manufacturing	385,622	381,123	1.2
Property development	47,355	37,838	25.2
Investment holding/Others	34,514	30,325	13.8
	862,123	1,275,432	(32.4)
Corporate loss	(38,195)	(286,644)	(86.7)
Profit before taxation	823,928	988,788	(16.7)

The Group's profit before taxation for the current financial year fell 16.7% to RM823.9 million (Todate 4QFY2018: profit RM988.8 million) with decline in revenue by 15.5% at RM15.534 billion (Todate 4QFY2018: RM18.384 billion).

Comments on the business sectors are as follows:-

Plantation

Plantation segment reported a significant drop of 52.2% in profit to RM394.6 million (Todate 4QFY2018: profit RM826.1 million) despite a 4.5% improvement in FFB production to 4.104 million mt and positive contributions from processing and trading operations. The results of the current financial year was impacted by:-

- Fall in CPO and PK selling prices realised as shown below:-

	Todate 4QFY2019	Todate 4QFY2018	% Change
Crude Palm Oil (RM/mt ex-mill)	1,924	2,335	(17.6)
Palm Kernel (RM/mt ex-mill)	1,210	1,967	(38.5)

- Increase in cost of CPO production.

Manufacturing

Manufacturing segment's profit was marginally higher at RM385.6 million (Todate 4QFY2018: profit RM381.1 million) although revenue had decreased 13.5% to RM8.763 billion (Todate 4QFY2018: RM10.130 billion) owing to lower selling prices. Whilst operations in Europe posted lower profit due to margin erosion in the European market, stronger performance from Malaysia and China operations through favourable margins and better sales volume had more than offset the weaker results in Europe.

The oleochemical division contributed a slightly higher profit of RM376.3 million (Todate 4QFY2018: profit RM371.4 million) whilst the other manufacturing units' profit was marginally lower at RM9.3 million (Todate 4QFY2018: profit RM9.7 million).

Notes to Interim Financial Report

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Property Development

Property segment's profit climbed 25.2% to RM47.4 million (Todate 4QFY2018: profit RM37.8 million) whilst revenue decreased to RM170.4 million (Todate 4QFY2018: RM177.7 million). The higher profit was attributed to recognition of profit from projects with higher margins.

Investment Holding/Others

Farming sector's profit had improved substantially to RM27.5 million (Todate 4QFY2018: profit RM3.3 million) owing to increase in crop production as a result of favourable yields and bigger cropped area.

Investment and interest income had reduced by RM20.0 million due to lower interest and dividend income.

Corporate

This segment had accounted for the following items:-

- Foreign currency exchange gain of RM55.1 million (Todate 4QFY2018: loss RM262.3 million) arising from translation of inter-company loans denominated in foreign currencies.
- Surplus of RM91.2 million (Todate 4QFY2018: surplus RM24.0 million) from government acquisition of plantation land.
- Impairment of RM145.3 million on an estate in Liberia.

B2. Variation of Results to Immediate Preceding Quarter
4th Quarter FY2019 vs 3rd Quarter FY2019

	Current Quarter Ended 30/9/2019 RM'000	Immediate Preceding Quarter Ended 30/6/2019 RM'000	+ / (-) %
Revenue	<u>3,802,403</u>	<u>3,704,403</u>	2.6
Segment results:			
Plantation	126,437	39,804	217.6
Manufacturing	95,259	99,017	(3.8)
Property development	18,100	11,014	64.3
Investment holding/Others	<u>(15,769)</u>	<u>18,040</u>	-
	224,027	167,875	33.4
Corporate income/(loss)	<u>22,711</u>	<u>(123,122)</u>	-
Profit before taxation	<u>246,738</u>	<u>44,753</u>	451.3

The Group posted a significant improvement in the 4th quarter's pre-tax profit to RM246.7 million (3QFY2019: profit RM44.8 million) with 2.6% higher revenue of RM3.802 billion (3QFY2019: RM3.704 billion).

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(Continued)

Plantation

Plantation profit rose sharply to RM126.4 million (3QFY2019: profit RM39.8 million) attributable to:-

- Increase in sales volume of CPO and PK.
- Higher FFB production by 9.8% at 1.052 million mt.
- Lower cost of CPO production.

Manufacturing

Manufacturing profit was slightly lower at RM95.3 million (3QFY2019: profit RM99.0 million) on the back of a decrease in revenue to RM2.049 billion (3QFY2019: RM2.221 billion) owing to drop in sales volume and selling prices. Some operational units reported lower profits largely due to decrease in revenue.

The oleochemical division's profit was lower at RM94.6 million (3QFY2019: profit RM96.3 million) and the other manufacturing units' profit had decreased to RM672,000 (3QFY2019: profit RM2.7 million).

Property Development

Property profit rose 64.3% to RM18.1 million (3QFY2019: profit RM11.0 million) whilst revenue had increased slightly to RM49.3 million (3QFY2019: RM46.5 million).

Investment Holding/Others

Recognition of dividend income from overseas investments had reduced to RM2.7 million (3QFY2019: RM39.8 million).

Corporate

The following items were included in this segment:-

- Surplus from government acquisition of plantation land amounting to RM42.5 million (3QFY2019: surplus RM610,000).
- Foreign currency exchange loss of RM8.1 million (3QFY2019: gain RM28.2 million) from translation of inter-company loans denominated in foreign currencies.

The previous quarter had accounted for RM145.3 million impairment on an estate in Liberia.

B3. Current Year Prospects

Prevailing CPO and PK prices have improved. In view of this, the performance of plantation segment for the financial year 2020 is expected to be better.

Oleochemical division expects to maintain its performance for financial year 2020 with some additional capacities coming onstream.

Overall, the Group anticipates a higher profit from operations for the financial year 2020.

B4. Profit Forecast and Profit Guarantee

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

Notes to Interim Financial Report

(Continued)

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 September		30 September	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Current tax expense				
Malaysian taxation	11,877	39,528	89,533	152,753
Overseas taxation	28,484	18,399	106,927	142,220
	40,361	57,927	196,460	294,973
Deferred tax				
Origination and reversal of temporary differences	6,700	20,531	(15,290)	21,098
Relating to changes in tax rate	(763)	-	(1,731)	-
Under provision in respect of previous years	334	2,999	340	12,250
	6,271	23,530	(16,681)	33,348
	46,632	81,457	179,779	328,321
(Over)/Under provision in respect of previous years				
Malaysian taxation	(1,716)	(7,411)	(18,593)	(8,893)
Overseas taxation	6,954	293	12,009	9,043
	5,238	(7,118)	(6,584)	150
Total	51,870	74,339	173,195	328,471
Profit before taxation	246,738	205,143	823,928	988,788
Tax at Malaysian income tax rate of 24% (FY2018: 24%)	59,217	49,234	197,743	237,309
Effect of different tax rates in foreign jurisdictions	1,019	1,513	(14,372)	(646)
Withholding tax on foreign dividend and interest income	3,123	3,075	22,239	18,706
Expenses not deductible for tax purposes	7,185	24,054	93,713	123,262
Tax exempt and non-taxable income	(17,971)	(14,381)	(99,439)	(63,314)
Tax incentives	(2,330)	(843)	(4,756)	(3,548)
Deferred tax assets/(liabilities) not recognised during the period	431	(2,112)	2,144	(1,714)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(2,657)	10,112	(19,011)	(420)
Tax effect on associates' and joint ventures' results	(1,049)	39	(2,056)	839
Recognition of deferred tax assets not taken up previously	(532)	6,178	(532)	(62)
Under/(Over) provision of tax expense in respect of previous years	5,238	(7,118)	(6,584)	150
Under provision of deferred tax in respect of previous years	334	2,999	340	12,250
Effect of changes in tax rates on deferred tax	(763)	-	(1,731)	-
Others	625	1,589	5,497	5,659
Tax expense	51,870	74,339	173,195	328,471

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 4th quarter ended 30 September 2019								
	Long Term		Short Term		Total Borrowings				
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination			
	'000	RM'000	'000	RM'000	'000	RM'000			
Secured									
Term loans	Euro	6,063	27,676	Euro	1,237	5,648	Euro	7,300	33,324
Unsecured									
Bank overdrafts	-	-	-	Euro	26,474	120,857	Euro	26,474	120,857
Revolving credit	-	-	-	Euro	15,000	68,478	Euro	15,000	68,478
	-	-	-	Rp	83,808,335	24,740	Rp	83,808,335	24,740
	-	-	-	Rmb	78,000	45,739	Rmb	78,000	45,739
	-	-	-	GBP	45,000	231,957	GBP	45,000	231,957
	-	-	-	AUD	7,000	19,799	AUD	7,000	19,799
	-	-	-	-	-	30,000	-	-	30,000
Trade financing	-	-	-	USD	75,840	317,695	USD	75,840	317,695
	-	-	-	-	-	124,517	-	-	124,517
Term loans	USD	75,000	313,957	-	-	-	USD	75,000	313,957
	Euro	50,000	228,200	Euro	26,500	120,966	Euro	76,500	349,166
Export credit refinancing	-	-	-	-	-	8,329	-	-	8,329
Bankers' acceptance	-	-	-	-	-	230,268	-	-	230,268
Islamic medium term notes	-	-	4,600,000	-	-	-	-	-	4,600,000
Total			5,169,833			1,348,993			6,518,826

	As at 4th quarter ended 30 September 2018								
	Long Term		Short Term		Total Borrowings				
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination			
	'000	RM'000	'000	RM'000	'000	RM'000			
Secured									
Term loans	Euro	7,300	35,085	Euro	2,122	10,198	Euro	9,422	45,283
Unsecured									
Bank overdrafts	-	-	-	CHF	3	13	CHF	3	13
	-	-	-	Euro	18,521	89,021	Euro	18,521	89,021
Revolving credit	-	-	-	Euro	20,000	96,130	USD	20,000	96,130
	-	-	-	Rp	149,165,902	41,453	Rp	149,165,902	41,453
	-	-	-	AUD	9,000	26,951	AUD	9,000	26,951
Trade financing	-	-	-	USD	65,380	270,675	USD	65,380	270,675
Term loans	USD	45,000	186,695	-	-	-	USD	45,000	186,695
	Euro	50,000	240,319	Euro	36,500	175,439	Euro	86,500	415,758
Export credit refinancing	-	-	-	-	-	83,620	-	-	83,620
Bankers' acceptance	-	-	-	-	-	427,614	-	-	427,614
Islamic medium term notes	-	-	2,600,000	-	-	-	-	-	2,600,000
Total			3,062,099			1,221,114			4,283,213

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

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.

Notes to Interim Financial Report

(Continued)

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

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

Derivatives	Contract/Notional	Fair value
	Value Net long/(short)	Net gains/(losses)
	RM'000	RM'000
(i) Forward foreign exchange contracts		
- Less than 1 year	(989,876)	1,837
- 1 year to 3 years	-	-
- More than 3 years	-	-
(ii) Commodity futures contracts		
- Less than 1 year	(108,565)	11,572
- 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 year ended 30 September 2019, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's risk management objectives, policies and processes.

B9. Fair Value Changes of Financial Liabilities

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

B10. Material Litigation

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

B11. Dividend

- The Directors will recommend the payment of a final dividend for the financial year ended 30 September 2019 at a later date.
- The total interim dividend paid for the current financial year to-date is single tier dividend of 15 sen per share (Financial year ended 30 September 2018: interim dividend of 15 sen per share and final dividend of 30 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.

Notes to Interim Financial Report

(Continued)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 September		30 September	
	2019	2018	2019	2018
		Restated		Restated
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	175,019	127,988	617,505	609,366
(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)	16.4	12.0	58.0	57.2

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		12 months ended	
	30 September		30 September	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Interest income	(16,915)	(17,399)	(67,792)	(80,248)
Other income including dividend income	(20,403)	(37,848)	(124,889)	(116,551)
Interest expense	46,631	43,006	165,668	174,943
Depreciation and amortisation	146,170	130,697	564,141	530,573
(Reversal of write-off)/Provision for and write-off) of receivables	(2,119)	(1,953)	3,039	(3,378)
Provision for and write-off of inventories	21,392	10,050	51,354	34,101
Surplus on disposal of land	(586)	(918)	(2,513)	(2,445)
Surplus on government acquisition of land	(42,509)	142	(91,209)	(24,034)
Impairment of property, plant and equipment	201	21,625	131,654	21,625
Write-off of prepaid lease payment	6,025	-	6,025	-
Foreign exchange loss/(gain)	8,319	31,505	(65,594)	228,470
Loss/(Gain) on derivatives	5,675	(13,920)	6,269	(38,591)
Exceptional items	-	-	-	-

By Order of the Board
 YAP MIOU KIEN
 Company Secretary

19 November 2019