



**KUALA LUMPUR KEPONG BERHAD**

197301001526 (15043-V)

**Interim Financial Report  
For the third quarter ended 30 June 2020**

The Directors are pleased to announce the unaudited financial results of the Group for the third quarter ended 30 June 2020.

**Condensed Consolidated Statement of Profit or Loss**  
**For the third quarter ended 30 June 2020**

(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	9 months ended		+ / (-)
	30 June			30 June		
2020	2019	%	2020	2019	%	
	RM'000	RM'000		RM'000	RM'000	
Revenue	3,711,157	3,704,403	0.2	11,592,548	11,731,484	(1.2)
Operating expenses	(3,248,936)	(3,671,459)	(11.5)	(10,765,584)	(11,307,202)	(4.8)
Other operating income	69,222	45,294	52.8	167,847	267,751	(37.3)
Finance costs	(59,763)	(33,941)	76.1	(185,202)	(119,037)	55.6
Share of results of associates	2,459	1,743	41.1	43,860	3,912	1,021.2
Share of results of joint ventures	12,972	(1,287)	-	(4,029)	282	-
Profit before taxation	487,111	44,753	988.4	849,440	577,190	47.2
Taxation	(83,482)	(13,958)	498.1	(231,678)	(121,325)	91.0
Net profit for the period	<u>403,629</u>	<u>30,795</u>	1,210.7	<u>617,762</u>	<u>455,865</u>	35.5
Attributable to:						
Equity holders of the Company	368,697	48,615	658.4	563,788	442,486	27.4
Non-controlling interests	34,932	(17,820)	-	53,974	13,379	303.4
	<u>403,629</u>	<u>30,795</u>	1,210.7	<u>617,762</u>	<u>455,865</u>	35.5
	Sen	Sen		Sen	Sen	
Earnings per share - basic	<u>34.2</u>	<u>4.6</u>		<u>52.6</u>	<u>41.5</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 2019.*

**Condensed Consolidated Statement of Other Comprehensive Income  
For the third quarter ended 30 June 2020**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 June		30 June	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	403,629	30,795	617,762	455,865
<b>Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss</b>				
Currency translation differences	299,623	72,981	171,938	63,280
Share of other comprehensive profit/(loss) in associates	138	-	(17,599)	-
	299,761	72,981	154,339	63,280
<b>Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss</b>				
Net change in fair value of equity instruments	40,884	(35,716)	(55,920)	(640,789)
Share of other comprehensive loss in associates	(4)	-	(5,120)	-
	40,880	(35,716)	(61,040)	(640,789)
Total other comprehensive income/(loss) for the period	340,641	37,265	93,299	(577,509)
Total comprehensive income/(loss) for the period	744,270	68,060	711,061	(121,644)
Attributable to:				
Equity holders of the Company	683,578	80,288	655,085	(146,920)
Non-controlling interests	60,692	(12,228)	55,976	25,276
	744,270	68,060	711,061	(121,644)

*The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 September 2019.*

**Condensed Consolidated Statement of Financial Position**
**As at 30 June 2020**

(The figures have not been audited.)

	30 June 2020	30 September 2019
	RM'000	RM'000
<b>Assets</b>		
Property, plant and equipment	7,782,916	7,749,121
Right-of-use assets	854,712	-
Prepaid lease payments	-	340,256
Inventories	1,095,014	1,108,296
Goodwill on consolidation	329,371	316,836
Intangible assets	21,958	22,081
Investments in associates	1,545,312	1,489,210
Investments in joint ventures	155,787	156,818
Other investments	365,645	411,950
Other receivable	250,027	233,980
Deferred tax assets	404,068	437,027
<b>Total non-current assets</b>	<b>12,804,810</b>	<b>12,265,575</b>
Inventories	2,067,982	2,124,084
Biological assets	97,231	98,262
Trade and other receivables	2,068,286	2,052,484
Contract assets	14,678	14,867
Tax recoverable	70,277	110,319
Derivative financial assets	78,395	33,967
Short term funds	1,506,153	1,659,171
Cash and cash equivalents	2,392,195	2,040,637
<b>Total current assets</b>	<b>8,295,197</b>	<b>8,133,791</b>
<b>Total assets</b>	<b>21,100,007</b>	<b>20,399,366</b>
<b>Equity</b>		
Share capital	1,373,861	1,067,790
Reserves	9,388,996	9,306,062
	10,762,857	10,373,852
Less: Cost of treasury shares	(13,447)	(13,447)
<b>Total equity attributable to equity holders of the Company</b>	<b>10,749,410</b>	<b>10,360,405</b>
Non-controlling interests	990,790	926,250
<b>Total equity</b>	<b>11,740,200</b>	<b>11,286,655</b>
<b>Liabilities</b>		
Deferred tax liabilities	438,825	424,603
Lease liabilities	128,589	-
Deferred income	105,600	110,320
Provision for retirement benefits	568,463	538,480
Borrowings	5,125,435	5,169,833
<b>Total non-current liabilities</b>	<b>6,366,912</b>	<b>6,243,236</b>
Trade and other payables	1,132,434	1,359,591
Contract liabilities	98,762	91,239
Deferred income	7,918	8,196
Lease liabilities	23,578	-
Borrowings	1,457,525	1,348,993
Tax payable	40,923	40,898
Derivative financial liabilities	69,983	20,558
Dividend payable	161,772	-
<b>Total current liabilities</b>	<b>2,992,895</b>	<b>2,869,475</b>
<b>Total liabilities</b>	<b>9,359,807</b>	<b>9,112,711</b>
<b>Total equity and liabilities</b>	<b>21,100,007</b>	<b>20,399,366</b>
Net assets per share attributable to equity holders of the Company (RM)	9.97	9.73

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 September 2019.*

**Condensed Consolidated Statement of Changes in Equity**  
**For the third quarter ended 30 June 2020**

(The figures have not been audited.)

	← Attributable to the equity holders of the Company →						Non-controlling interests	Total Equity	
	Share capital	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings	Treasury shares			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 October 2019	1,067,790	1,137,869	(4,397)	633,528	7,539,062	(13,447)	10,360,405	926,250	11,286,655
Net change in fair value of equity instruments	-	-	-	(55,920)	-	-	(55,920)	-	(55,920)
Realisation on fair value of equity instruments	-	-	-	(1,229)	1,229	-	-	-	-
Transfer of reserves	-	866	-	-	(866)	-	-	-	-
Share of comprehensive loss in associates	-	-	(16,791)	-	(5,928)	-	(22,719)	-	(22,719)
Currency translation differences	-	82	169,854	-	-	-	169,936	2,002	171,938
Total other comprehensive income/(loss) for the period	-	948	153,063	(57,149)	(5,565)	-	91,297	2,002	93,299
Profit for the period	-	-	-	-	563,788	-	563,788	53,974	617,762
Total comprehensive income/(loss) for the period	-	948	153,063	(57,149)	558,223	-	655,085	55,976	711,061
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	9,116	9,116
Redemption of redeemable preference shares	-	5,000	-	-	(5,000)	-	-	-	-
Effect of changes in shareholdings in a subsidiary	-	-	4,457	-	(42,098)	-	(37,641)	37,641	-
Issuance of new shares pursuant to dividend reinvestment plan	306,071	-	-	-	-	-	306,071	-	306,071
Dividend paid - FY2019 final	-	-	-	-	(372,738)	-	(372,738)	-	(372,738)
Dividend payable - FY2020 interim	-	-	-	-	(161,772)	-	(161,772)	-	(161,772)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(38,193)	(38,193)
Total transactions with owners of the Company	306,071	5,000	4,457	-	(581,608)	-	(266,080)	8,564	(257,516)
At 30 June 2020	1,373,861	1,143,817	153,123	576,379	7,515,677	(13,447)	10,749,410	990,790	11,740,200

**Condensed Consolidated Statement of Changes in Equity  
For the third quarter ended 30 June 2020**

(Continued)

(The figures have not been audited.)

	← Attributable to the equity holders of the Company →						Non-controlling interests	Total Equity	
	Share capital	Capital 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	
At 1 October 2018	1,067,790	1,136,915	(39,509)	1,496,757	7,518,404	(13,447)	11,166,910	878,638	12,045,548
Net change in fair value of equity instruments	-	-	-	(640,789)	-	-	(640,789)	-	(640,789)
Realisation on fair value of equity instruments	-	-	-	5,025	(5,025)	-	-	-	-
Transfer of reserves	-	1,927	-	-	(1,927)	-	-	-	-
Currency translation differences	-	199	51,184	-	-	-	51,383	11,897	63,280
Total other comprehensive income/(loss) for the period	-	2,126	51,184	(635,764)	(6,952)	-	(589,406)	11,897	(577,509)
Profit for the period	-	-	-	-	442,486	-	442,486	13,379	455,865
Total comprehensive income/(loss) for the period	-	2,126	51,184	(635,764)	435,534	-	(146,920)	25,276	(121,644)
Redemption of redeemable preference shares	-	11,415	-	-	(11,415)	-	-	-	-
Effect of changes in shareholdings in subsidiaries	-	-	-	-	(65,526)	-	(65,526)	20,692	(44,834)
Dividend paid - FY2018 final	-	-	-	-	(319,490)	-	(319,490)	-	(319,490)
Dividend payable - FY2019 interim	-	-	-	-	(159,745)	-	(159,745)	-	(159,745)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(34,595)	(34,595)
Total transactions with owners of the Company	-	11,415	-	-	(556,176)	-	(544,761)	(13,903)	(558,664)
At 30 June 2019	1,067,790	1,150,456	11,675	860,993	7,397,762	(13,447)	10,475,229	890,011	11,365,240

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2019.

**Condensed Consolidated Statement of Cash Flows**
**For the third quarter ended 30 June 2020**

(The figures have not been audited.)

	9 months ended 30 June	
	2020	2019
	RM'000	RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	849,440	577,190
Adjustment for non-cash flow:		
Non-cash items	410,813	510,162
Non-operating items	72,060	23,560
Operating profit before working capital changes	1,332,313	1,110,912
Working capital changes:		
Net change in current assets	180,994	171,534
Net change in current liabilities	(289,854)	19,149
Cash generated from operations	1,223,453	1,301,595
Interest paid	(145,638)	(109,334)
Tax paid	(148,911)	(191,316)
Retirement benefits paid	(30,476)	(21,606)
Net cash generated from operating activities	<u>898,428</u>	<u>979,339</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(479,860)	(425,745)
Purchase of right-of-use assets	(189,290)	-
Payments of prepaid lease	-	(4,373)
Property development expenditure	(20,512)	(6,933)
Purchase of additional shares in an associate	(41,050)	-
Purchase of shares from non-controlling interests	-	(46,320)
Purchase of investments	-	(87,955)
Purchase of intangible assets	(1,616)	(2,250)
Proceeds from disposal of property, plant and equipment	4,068	4,648
Compensation from government on land acquired	1,602	49,801
Proceeds from partial disposal of shares in subsidiaries	-	1,373
Proceeds from disposal of investments	3,116	82,700
Decrease in short term funds	156,164	5,910
Dividends received from associates	33,891	1,288
Dividends received from investments	16,815	29,029
Interest received	58,557	48,579
Net cash used in investing activities	<u>(458,115)</u>	<u>(350,248)</u>
<b>Cash Flows from Financing Activities</b>		
Term loans received	7,301	28,814
Repayment of term loans	(26,364)	(136,118)
Lease payments	(26,204)	-
Net drawdown/(repayment) of short term borrowings	33,500	(176,888)
Dividends paid to shareholders of the Company	(66,667)	(319,490)
Dividends paid to non-controlling interests	(38,193)	(34,595)
Issuance of shares to non-controlling interests	9,116	-
(Increase)/Decrease in other receivable	(7,866)	1,724
Net cash used in financing activities	<u>(115,377)</u>	<u>(636,553)</u>
Net increase/(decrease) in cash and cash equivalents	324,936	(7,462)
Cash and cash equivalents at 1 October	1,919,780	1,188,741
	2,244,716	1,181,279
Currency translation differences on opening balances	29,137	13,056
Cash and cash equivalents at 30 June	<u>2,273,853</u>	<u>1,194,335</u>
Cash and cash equivalents consist of:		
Cash and bank balances	550,163	346,912
Deposits with licensed banks	1,031,588	811,162
Fixed income trust funds	810,444	167,099
Bank overdrafts	(118,342)	(130,838)
	<u>2,273,853</u>	<u>1,194,335</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2019.

## 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 Standards 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 2019.

The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the audited financial statements for the year ended 30 September 2019 except for the adoption of the following standards, interpretation and amendments to MFRSs:

#### ***MFRS, Interpretation and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2019***

- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3 *Definition of a Business (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123 *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*

The application of these standards, interpretation and amendments to MFRSs has no significant effect to the financial statements of the Group, except for MFRS 16 described below:

#### **MFRS 16 *Leases***

MFRS 16 replaces the guidance in MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases – Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The Group has adopted MFRS 16 with the date of initial application of 1 October 2019. The Group elected to use the modified retrospective method and to apply a number of practical expedients as provided in MFRS 16.

Under the modified retrospective method, prior year comparative information was not restated and the cumulative effects of initial application of MFRS 16 were recognised as an adjustment to the opening balance of right-of-use ("ROU") assets and lease liabilities as at 1 October 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 and IC Interpretation 4.



**Notes to Interim Financial Report**

(Continued)

As a lessor, the Group is not required to make any adjustment on transition, except for the reassessment of existing operating subleases, if any, at the date of initial application.

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 October 2019.

The associated right-of-use ("ROU") assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 1 October 2019.

The Group has elected not to recognise lease liabilities and ROU assets for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense in profit or loss over its lease terms.

In applying MFRS 16 for the first time, the Group has applied the following practical expedients permitted by the standard to leases previously classified as operating leases under MFRS 117:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at date of initial application as short-term leases;
- the exclusion of initial direct costs for the measurement of the ROU assets at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

***Effect on adoption of MFRS 16 as at 1 October 2019***

	As previously stated	Effect on adoption of MFRS 16	As restated
	RM'000	RM'000	RM'000
<b>Assets</b>			
Property, plant and equipment	7,749,121	(171,483)	7,577,638
Prepaid lease payments	340,256	(340,256)	-
Right-of-use assets	-	673,180	673,180
Trade and other receivables	2,052,484	(342)	2,052,142
Total assets	<u>20,399,366</u>	<u>161,099</u>	<u>20,560,465</u>
<b>Liabilities</b>			
Lease liabilities (non-current)	-	134,143	134,143
Lease liabilities (current)	-	26,956	26,956
Total liabilities	<u>9,112,711</u>	<u>161,099</u>	<u>9,273,810</u>
Total equity and liabilities	<u>20,399,366</u>	<u>161,099</u>	<u>20,560,465</u>

**Notes to Interim Financial Report**

(Continued)

**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**

On 24 February 2020, the Company issued and allotted 13,513,093 new shares pursuant to the dividend reinvestment plan ("DRP") for the final dividend for financial year ended 30 September 2019. With the listing of the new shares pursuant to the DRP, the total enlarged number of issued shares is 1,081,017,785 shares (including 2,539,000 treasury shares).

**A6. Dividends Paid**

	9 months ended 30 June	
	2020	2019
	RM'000	RM'000
Dividend proposed in Year 2019, paid in Year 2020:		
Final single tier dividend 35 sen (2019: 30 sen) per share	<u>372,738</u>	<u>319,490</u>

The Board of Directors of the Company had determined that the DRP which was approved by the shareholders of the Company at the annual general meeting of the Company held on 13 February 2018 should apply to the entire portion of the final dividend for financial year ended 30 September 2019.

The final dividend of RM372,738,000 was paid on 24 February 2020, RM306,071,000 of which was satisfied by the issuance of 13,513,093 new shares of the Company pursuant to the DRP and the balance via cash payment of RM66,667,000.

Dividends are paid on the number of outstanding shares in issue and fully paid of 1,064,965,692 (2019: 1,064,965,692).

**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 RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
<b>9 months ended</b>						
<b>30 June 2020</b>						
Revenue						
External revenue	5,319,971	5,994,422	84,343	193,812	-	11,592,548
Inter-segment revenue	675,441	39	-	207,664	(883,144)	-
Total revenue	<u>5,995,412</u>	<u>5,994,461</u>	<u>84,343</u>	<u>401,476</u>	<u>(883,144)</u>	<u>11,592,548</u>
Results						
Operating results	537,661	318,507	22,163	1,364	-	879,695
Interest income	3,156	2,858	494	111,249	(26,039)	91,718
Finance costs	(13,043)	(37,741)	(120)	(160,337)	26,039	(185,202)
Share of results of associates	7,678	812	1,957	33,413	-	43,860
Share of results of joint ventures	(2,704)	-	-	(1,325)	-	(4,029)
Segment results	<u>532,748</u>	<u>284,436</u>	<u>24,494</u>	<u>(15,636)</u>	<u>-</u>	<u>826,042</u>
Corporate income						<u>23,398</u>
Profit before taxation						<u>849,440</u>
<b>9 months ended</b>						
<b>30 June 2019</b>						
Revenue						
External revenue	4,663,110	6,714,465	121,070	232,839	-	11,731,484
Inter-segment revenue	676,140	-	-	207,926	(884,066)	-
Total revenue	<u>5,339,250</u>	<u>6,714,465</u>	<u>121,070</u>	<u>440,765</u>	<u>(884,066)</u>	<u>11,731,484</u>
Results						
Operating results	274,846	328,509	26,535	72,172	-	702,062
Interest income	3,448	4,237	530	75,237	(32,575)	50,877
Finance costs	(13,146)	(42,639)	-	(95,827)	32,575	(119,037)
Share of results of associates	1,466	256	2,190	-	-	3,912
Share of results of joint ventures	1,581	-	-	(1,299)	-	282
Segment results	<u>268,195</u>	<u>290,363</u>	<u>29,255</u>	<u>50,283</u>	<u>-</u>	<u>638,096</u>
Corporate expense						<u>(60,906)</u>
Profit before taxation						<u>577,190</u>

**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
<b>As at 30 June 2020</b>					
Operating assets	6,892,299	6,754,570	1,554,359	3,723,335	18,924,563
Associates	80,151	9,565	69,360	1,386,236	1,545,312
Joint ventures	152,246	-	-	3,541	155,787
Segment assets	<u>7,124,696</u>	<u>6,764,135</u>	<u>1,623,719</u>	<u>5,113,112</u>	<u>20,625,662</u>
Tax assets					474,345
Total assets					<u>21,100,007</u>
<b>As at 30 September 2019</b>					
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>

**(c) Segment liabilities**

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 30 June 2020</b>					
Segment liabilities	<u>1,413,412</u>	<u>2,286,456</u>	<u>132,328</u>	<u>4,886,091</u>	<u>8,718,287</u>
Tax liabilities and dividend payable					641,520
Total liabilities					<u>9,359,807</u>
<b>As at 30 September 2019</b>					
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>

**A8. Event Subsequent to Reporting Date**

On 23 July 2020, a fire broke out at one of the facilities in an oleochemical subsidiary, Palm-Oleo Klang Sdn Bhd ("POK") and had caused disruption to the production in POK. However, this disruption is mitigated by diverting production shortages to other manufacturing sites to meet customers' requirements.

All losses arising from this fire incident including business interruption are expected to be recovered through insurance. Therefore, the management does not expect this fire incident to have any material impact to the performance of the Group.

**Notes to Interim Financial Report**

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

On 18 May 2020, the Company's subsidiary, Equatorial Palm Oil plc ("EPO") entered into a Share Purchase Agreement to dispose 50% equity interest in Liberian Palm Developments Limited ("LPD") held by its wholly-owned subsidiary, Equatorial Biofuels (Guernsey) Limited to KLK Agro Plantations Pte Ltd ("KLKAP"), a wholly-owned subsidiary of the Company, and transfer an outstanding debt of USD6.2 million in EPO owed by LPD to KLKAP. The consideration for the disposal of shares and transfer of debt was £1.

Following the completion of disposal on 11 June 2020, LPD is now a wholly-owned subsidiary of the Company.

The disposal will not have any material effect on the Company's share capital, the shareholdings of the Company's substantial shareholders, the net assets and the gearing of the Group nor the earnings of the Group for the financial year ending 30 September 2020.

**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**

	30 June 2020	30 September 2019
	RM'000	RM'000
<b>Capital expenditure</b>		
Approved and contracted	157,022	322,372
Approved but not contracted	525,141	882,148
	<u>682,163</u>	<u>1,204,520</u>
<b>Acquisition of shares in a subsidiary</b>		
Approved and contracted	<u>307,395</u>	<u>-</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.

	9 months ended 30 June	
	2020	2019
	RM'000	RM'000
(i) Transactions with associates and joint ventures		
Sale of goods	200,192	163,430
Purchase of goods	880,222	767,019
Service charges paid	2,090	2,053
Research and development services paid	<u>10,302</u>	<u>9,916</u>

**Notes to Interim Financial Report**

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	9 months ended	
	30 June	
	2020	2019
	RM'000	RM'000
(ii) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest		
<b>Sale of goods</b>		
PT Satu Sembilan Delapan	10,083	11,284
Siam Taiko Marketing Co Ltd	1,618	1,771
Taiko Marketing Sdn Bhd	4,896	5,121
Taiko Marketing (Singapore) Pte Ltd	<u>2,149</u>	<u>2,505</u>
<b>Storage tanks rental received</b>		
Taiko Marketing Sdn Bhd	<u>3,024</u>	<u>3,092</u>
<b>Purchases of goods</b>		
Borneo Taiko Clay Sdn Bhd	3,516	3,262
Bukit Katho Estate Sdn Bhd	3,555	2,729
Kampar Rubber & Tin Co Sdn Bhd	3,987	3,926
Kekal Deras Sdn Bhd	1,301	1,110
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	-	1,886
Malay Rubber Plantations (M) Sdn Bhd	4,720	4,157
PT Agro Makmur Abadi	46,141	38,122
PT Bumi Karyatama Raharja	579	1,837
PT Java Taiko Mineralindo	2,659	-
PT Safari Riau	23,484	13,505
PT Satu Sembilan Delapan	28,790	25,260
Taiko Acid Works Sdn Bhd	491	2,052
Taiko Clay Marketing Sdn Bhd	1,532	1,946
Taiko Drum Industries Sdn Bhd	1,203	2,459
Taiko Marketing Sdn Bhd	<u>17,201</u>	<u>23,247</u>
<b>Rental of office paid</b>		
Batu Kawan Holdings Sdn Bhd	<u>3,169</u>	<u>3,465</u>
<b>Management fees paid</b>		
Farming Management Services Pty Ltd	<u>1,751</u>	<u>-</u>
<b>Aircraft operating expenses and management services paid</b>		
Smooth Route Sdn Bhd	<u>1,527</u>	<u>1,748</u>
<b>Supply of contract labour and engineering works</b>		
K7 Engineering Sdn Bhd	<u>-</u>	<u>1,566</u>
<b>IT Services</b>		
E-Komoditi Sdn Bhd	<u>479</u>	<u>1,824</u>
(iii) Transactions between subsidiaries and non-controlling interests		
<b>Sale of goods</b>		
Mitsubishi Corporation	43,293	31,504
Mitsui & Co Ltd	<u>154,918</u>	<u>202,086</u>
<b>Purchases of goods</b>		
Mitsubishi Gas Chemical Singapore Pte Ltd	8,614	12,462
PT Eka Dura Indonesia	12,507	-
PT Tanjung Bina Lestari	882	18,379
PT Tanjung Sarana Lestari	<u>1,108,741</u>	<u>961,615</u>

**Notes to Interim Financial Report**

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**B Explanatory Notes as required by the BMSB Revised Listing Requirements**

**B1. Analysis of Performance**

**3<sup>rd</sup> Quarter FY2020 vs 3<sup>rd</sup> Quarter FY2019**

	Quarter Ended		+ / (-) %
	30/6/2020	30/6/2019	
	RM'000	RM'000	
Revenue	3,711,157	3,704,403	0.2
<b>Segment results</b>			
Plantation	229,390	39,804	476.3
Manufacturing	107,016	99,017	8.1
Property development	6,959	11,014	(36.8)
Investment holding/Others	(22,557)	18,040	-
	320,808	167,875	91.1
Corporate income/(loss)	166,303	(123,122)	-
Profit before taxation	487,111	44,753	988.4

The Group's profit before taxation for the 3<sup>rd</sup> quarter had improved significantly to RM487.1 million (3QFY2019: profit RM44.8 million) whilst revenue was flat at RM3.711 billion. This quarter's profit had accounted for foreign currency exchange gains totalling RM199.3 million (3QFY2019: gains RM29.6 million) which comprised:

- RM171.9 million gain (3QFY2019: gain RM28.2 million) derived from translation of inter-company loans denominated in foreign currencies as a result of appreciation of Indonesian Rupiah exchange rate against RM and USD.
- RM27.4 million gain (3QFY2019: gain RM1.4 million) on translation of USD bank loan in an Indonesian subsidiary with the strengthening of Indonesian Rupiah exchange rate against USD.

Last year's 3<sup>rd</sup> quarter's profit was arrived at after recognition of RM145.3 million provision for impairment of an estate in Liberia.

Excluding the above items, the pre-tax profit of the Group for the current quarter rose 79.3% to RM287.8 million (3QFY2019: profit RM160.5 million).

Comments on the business sectors are as follows:

**Plantation**

Plantation segment recorded a substantially higher profit of RM229.4 million (3QFY2019: profit RM39.8 million) underpinned by:

- Improved CPO and PK selling prices realised as shown below:

	3QFY2020	3QFY2019	% Change
Crude Palm Oil (RM/mt ex-mill)	2,239	1,973	13.5
Palm Kernel (RM/mt ex-mill)	1,316	1,085	21.3

- Increase in FFB production by 5.8% to 1.014 million mt which led to a lower cost of CPO production.
- Higher sales volume of CPO.
- Higher contributions from processing and trading operations.

**Notes to Interim Financial Report**

(Continued)

- Unrealised foreign currency exchange gain of RM27.4 million (3QFY2019: gain RM1.4 million) on translation of USD bank loan in an Indonesian subsidiary.
- Unrealised gain of RM25.7 million (3QFY2019: unrealised loss RM620,000) from changes in fair value on outstanding derivative contracts.

**Manufacturing**

Manufacturing segment's profit was 8.1% higher at RM107.0 million (3QFY2019: profit RM99.0 million) although revenue had decreased 5.9% to RM2.091 billion (3QFY2019: RM2.221 billion) due to lower sales volume. The increase in profit was attributable to unrealised profit of RM20.4 million (3QFY2019: loss RM15.5 million) which arose from changes in fair value of outstanding derivative contracts. Whilst the Malaysia and China operations reported lower profits due to decline in margins caused by higher raw material costs, better performance from Europe operations through improved margins had partly offset the weaker results from Malaysia and China operations.

The oleochemical division's profit was higher at RM101.9 million (3QFY2019: profit RM96.3 million) and the other manufacturing units posted an increase in profit to RM5.1 million (3QFY2019: profit RM2.7 million).

**Property Development**

Property profit retreated by 36.8% to RM7.0 million (3QFY2019: profit RM11.0 million) with a sharp decline in revenue to RM15.1 million (3QFY2019: RM46.5 million).

**Investment Holding/Others**

This segment incurred a loss of RM22.6 million (3QFY2019: profit RM18.0 million). Last year's same quarter had recognised dividend income of RM32.2 million from an overseas investment, Synthomer plc which had become an associate since the 4<sup>th</sup> quarter of FY2019. Recognition of equity profit in Synthomer plc is carried out in the 2<sup>nd</sup> and 4<sup>th</sup> quarters.

**Corporate**

This segment's income of RM166.3 million (3QFY2019: loss RM123.1 million) had included foreign currency exchange gain of RM171.9 million (3QFY2019: gain RM28.2 million) which arose from translation of inter-company loans denominated in foreign currencies. Last year's 3<sup>rd</sup> quarter loss had accounted for impairment of an estate in Liberia amounting to RM145.3 million.

***Todate 3<sup>rd</sup> Quarter FY2020 vs Totate 3<sup>rd</sup> Quarter FY2019***

	Todate Ended		+ / (-) %
	30/6/2020	30/6/2019	
	RM'000	RM'000	
Revenue	<u>11,592,548</u>	<u>11,731,484</u>	(1.2)
<b>Segment results</b>			
Plantation	532,748	268,195	98.6
Manufacturing	284,436	290,363	(2.0)
Property development	24,494	29,255	(16.3)
Investment holding/Others	<u>(15,636)</u>	<u>50,283</u>	-
	826,042	638,096	29.5
Corporate income/(loss)	<u>23,398</u>	<u>(60,906)</u>	-
Profit before taxation	<u>849,440</u>	<u>577,190</u>	47.2



**Notes to Interim Financial Report**

(Continued)

For the 9 months period, the Group's pre-tax profit climbed 47.2% to RM849.4 million (Todate 3QFY2019: profit RM577.2 million) despite a slightly lower revenue of RM11.593 billion (Todate 3QFY2019: RM11.731 billion). Profit for the period under review was aided by foreign currency exchange gains of RM48.8 million (Todate 3QFY2019: gain RM73.4 million) consisting of:

- Gain of RM50.5 million (Todate 3QFY2019: gain RM63.2 million) resulting from translation of inter-company loans denominated in foreign currencies.
- Loss of RM1.7 million (Todate 3QFY2019: gain RM10.2 million) which arose from translation of USD bank loan in an Indonesian subsidiary.

Last year's profit for the 9 months had accounted for RM145.3 million impairment of an estate in Liberia.

Comments on the business sectors are as follows:

Plantation

Plantation profit had almost doubled to RM532.7 million (Todate 3QFY2019: profit RM268.2 million) despite a 5.5% drop in FFB production to 2.883 million mt. This segment's favourable profit was driven by:

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

	Todate 3QFY2020	Todate 3QFY2019	% Change
Crude Palm Oil (RM/mt ex-mill)	2,328	1,925	20.9
Palm Kernel (RM/mt ex-mill)	1,366	1,263	8.2

- Fair value gain of RM8.1 million (Todate 3QFY2019: loss RM19.0 million) on valuation of unharvested FFB.
- Improved profits from processing and trading operations.

Manufacturing

Manufacturing profit had decreased slightly to RM284.4 million (Todate 3QFY2019: profit RM290.4 million) with 10.7% reduction in revenue to RM5.994 billion (Todate 3QFY2019: RM6.714 billion) owing to drop in sales volume. Europe operations posted better profit through higher margins whilst Malaysia and China operations reported lower profits.

The oleochemical division contributed slightly lower profit of RM275.7 million (Todate 3QFY2019: profit RM281.8 million) whilst the other manufacturing units' profit was marginally higher at RM8.7 million (Todate 3QFY2019: profit RM8.6 million).

Property Development

Property segment reported a 16.3% decline in profit to RM24.5 million (Todate 3QFY2019: profit RM29.3 million) on the back of a 30.3% reduction in revenue to RM84.3 million (Todate 3QFY2019: RM121.1 million).

Investment Holding/Others

This segment's loss of RM15.6 million (Todate 3QFY2019: profit RM50.3 million) was largely caused by the farming loss of RM9.2 million (Todate 3QFY2019: profit RM35.8 million) as a result of much lower crop production which was affected by extreme dry season.

**Notes to Interim Financial Report**

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Corporate

Corporate gain of RM23.4 million (Todate 3QFY2019: loss RM60.9 million) had accounted for a lower foreign currency exchange gain of RM50.5 million (Todate 3QFY2019: gain RM63.2 million) derived from translation of inter-company foreign currency loans whilst previous year's 9 months loss had included RM145.3 million impairment of an estate in Liberia.

**B2. Variation of Results to Immediate Preceding Quarter**
**3<sup>rd</sup> Quarter FY2020 vs 2<sup>nd</sup> Quarter FY2020**

	Current Quarter Ended 30/6/2020 RM'000	Immediate Preceding Quarter Ended 31/3/2020 RM'000	+ / (-) %
Revenue	<u>3,711,157</u>	<u>3,803,983</u>	(2.4)
<b>Segment results</b>			
Plantation	229,390	145,700	57.4
Manufacturing	107,016	97,437	9.8
Property development	6,959	3,960	75.7
Investment holding/Others	<u>(22,557)</u>	<u>11,539</u>	-
	320,808	258,636	24.0
Corporate income/(loss)	<u>166,303</u>	<u>(156,066)</u>	-
Profit before taxation	<u>487,111</u>	<u>102,570</u>	374.9

For the quarter under review, the Group posted a sharp rise in profit to RM487.1 million (2QFY2020: profit RM102.6 million) despite a lower revenue of RM3.711 billion (2QFY2020: RM3.804 billion). The results of the current quarter had benefitted from the foreign currency exchange gain of RM199.3 million (2QFY2020: losses RM178.1 million). Excluding the impact of foreign exchange, the Group's 3<sup>rd</sup> quarter profit was slightly higher at RM287.8 million (2QFY2020: profit RM280.7 million).

Plantation

Plantation profit surged 57.4% to RM229.4 million (2QFY2020: profit RM145.7 million). Even though selling prices of CPO and PK had declined, the improvement in profit was attributed to:

- Decrease in CPO production cost as a result of 13.8% increase in FFB production to 1.014 million mt.
- Higher CPO sales volume.
- Better contributions from processing and trading operations.
- Unrealised foreign currency exchange gain of RM27.4 million (2QFY2020: loss RM32.8 million) on translation of USD bank loan in an Indonesian subsidiary.

The selling prices of CPO and PK realised are shown below:

	3QFY2020	2QFY2020	% Change
Crude Palm Oil (RM/mt ex-mill)	2,239	2,572	(12.9)
Palm Kernel (RM/mt ex-mill)	1,316	1,537	(14.4)

**Notes to Interim Financial Report**

(Continued)

Manufacturing

Manufacturing profit improved 9.8% to RM107.0 million (2QFY2020: profit RM97.4 million) on the back of higher revenue at RM2.091 billion (2QFY2020: RM1.977 billion) from better sales volume as economies gradually eased up from movement restrictions caused by the COVID-19 pandemic. Current quarter's profit had also accounted for the unrealised profit from fair value changes on outstanding derivative contracts which amounted to RM20.4 million (2QFY2020: loss RM17.4 million).

The oleochemical division achieved a higher profit at RM101.9 million (2QFY2020: profit RM96.3 million) and the other manufacturing units' profit had increased to RM5.1 million (2QFY2020: profit RM1.1 million).

Property Development

Property segment registered a higher profit of RM7.0 million (2QFY2020: profit RM4.0 million) although revenue had dropped to RM15.1 million (2QFY2020: RM17.0 million).

Investment Holding/Others

This segment recorded a loss of RM22.6 million when compared to the preceding quarter's profit of RM11.5 million as the previous quarter had accounted for equity profit of RM33.4 million from an overseas associate, Synthomer plc.

Corporate

This segment had recognised foreign currency exchange gain of RM171.9 million (2QFY2020: loss RM145.3 million) on translation of inter-company loan denominated in foreign currencies.

**B3. Current Year Prospects**

CPO prices have improved, underpinned by declining palm oil inventories and recovery in demand with the re-opening of global economies. In the light of improvement in CPO prices together with the results achieved to date, plantation profit is anticipated to be higher for the current financial year 2020.

Oleochemical division continues to benefit and focus on the recovery of major markets and expects its profit to be satisfactory for financial year 2020.

Overall, the Group anticipates profit to improve for financial year 2020 in spite of uncertainties arising from the COVID-19 pandemic.

**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**

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**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 June		30 June	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
Malaysian taxation	29,354	30,097	76,427	77,656
Overseas taxation	36,719	15,734	106,585	78,443
	66,073	45,831	183,012	156,099
<b>Deferred tax</b>				
Origination and reversal of temporary differences	11,328	(19,667)	4,858	(21,990)
Relating to changes in tax rate	216	3	36,607	(968)
Under provision in respect of previous years	5,906	3,272	13,117	6
	17,450	(16,392)	54,582	(22,952)
	83,523	29,439	237,594	133,147
(Over)/Under provision in respect of previous years				
Malaysian taxation	(2,826)	(16,639)	(6,742)	(16,877)
Overseas taxation	2,785	1,158	826	5,055
	(41)	(15,481)	(5,916)	(11,822)
<b>Total</b>	<b>83,482</b>	<b>13,958</b>	<b>231,678</b>	<b>121,325</b>
Profit before taxation	487,111	44,753	849,440	577,190
Tax at Malaysian income tax rate of 24% (FY2019: 24%)	116,907	10,741	203,866	138,526
Effect of different tax rates in foreign jurisdictions	(7,571)	(4,725)	(15,314)	(15,391)
Withholding tax on foreign dividend and interest income	6,309	5,888	18,485	19,116
Expenses not deductible for tax purposes	(23,434)	47,947	43,268	86,528
Tax exempt and non-taxable income	(16,025)	(32,754)	(50,713)	(81,468)
Tax incentives	(815)	(203)	(2,517)	(2,426)
Deferred tax assets not recognised during the period	3,985	453	4,118	1,713
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,470)	(1,661)	(9,163)	(16,354)
Tax effect on associates' and joint ventures' results	(3,703)	(110)	(9,559)	(1,007)
Recognition of deferred tax assets not taken up previously	1,285	-	1,285	-
Over provision of tax expense in respect of previous years	(41)	(15,481)	(5,916)	(11,822)
Under provision of deferred tax in respect of previous years	5,906	3,272	13,117	6
Effect of changes in tax rates on deferred tax	216	3	36,607	(968)
Others	1,933	588	4,114	4,872
<b>Tax expense</b>	<b>83,482</b>	<b>13,958</b>	<b>231,678</b>	<b>121,325</b>

**Notes to Interim Financial Report**  
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Effect of changes in tax rates on deferred tax of RM36.6 million resulted from the reversal of deferred tax assets after taking into account the reduction of Indonesian corporate tax rate from 25% to 22%. These deferred tax assets were largely derived from revaluation of bearer plants in financial year 2016.

**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 30 June 2020								
	Long Term		Short Term		Total Borrowings				
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination			
	'000	RM'000	'000	RM'000	'000	RM'000			
<u>Secured</u>									
Term loans	Euro	5,128	24,699	Euro	1,244	5,993	Euro	6,372	30,692
<u>Unsecured</u>									
Bank overdrafts	-	-	-	Euro	24,571	118,342	Euro	24,571	118,342
Revolving credit	-	-	-	Euro	10,000	48,164	Euro	10,000	48,164
	-	-	-	AUD	10,000	29,597	AUD	10,000	29,597
	-	-	-	Rp	85,389,758	25,788	Rp	85,389,758	25,788
	-	-	-	GBP	46,000	244,591	GBP	46,000	244,591
Trade financing	-	-	-	Rmb	35,000	21,238	Rmb	35,000	21,238
	-	-	-	USD	63,908	273,975	USD	63,908	273,975
	-	-	-	-	-	280,335	-	-	280,335
Term loans	USD	71,500	307,857	USD	3,500	15,117	USD	75,000	322,974
	Euro	40,000	192,879	Euro	33,500	161,501	Euro	73,500	354,380
Bankers' acceptance	-	-	-	-	-	232,884	-	-	232,884
Islamic medium term notes	-	-	4,600,000	-	-	-	-	-	4,600,000
<b>Total</b>			<b>5,125,435</b>			<b>1,457,525</b>			<b>6,582,960</b>

	As at 30 June 2019								
	Long Term		Short Term		Total Borrowings				
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination			
	'000	RM'000	'000	RM'000	'000	RM'000			
<u>Secured</u>									
Term loans	Euro	7,300	34,324	Euro	308	1,448	Euro	7,608	35,772
<u>Unsecured</u>									
Bank overdrafts	-	-	-	Euro	27,824	130,838	Euro	27,824	130,838
Revolving credit	-	-	-	Euro	30,000	141,069	Euro	30,000	141,069
	-	-	-	Rp	72,790,504	21,306	Rp	72,790,504	21,306
	-	-	-	Rmb	78,000	46,979	Rmb	78,000	46,979
	-	-	-	GBP	6,500	34,126	GBP	6,500	34,126
Trade financing	-	-	-	USD	40,760	168,543	USD	40,760	168,543
	-	-	-	-	-	53,790	-	-	53,790
Term loans	USD	45,000	186,258	-	-	-	USD	45,000	186,258
	Euro	50,000	235,264	Euro	15,500	72,937	Euro	65,500	308,201
Export credit refinancing	-	-	-	-	-	20,215	-	-	20,215
Bankers' acceptance	-	-	-	-	-	282,500	-	-	282,500
Islamic medium term notes	-	-	2,600,000	-	-	-	-	-	2,600,000
<b>Total</b>			<b>3,055,846</b>			<b>973,751</b>			<b>4,029,597</b>

	As at 30 June	
<u>Exchange Rates Applied</u>	2020	2019
USD / RM	4.2870	4.1350
Euro / RM	4.8164	4.7023
Rp1,000 / RM	0.3020	0.2927
Rmb / RM	0.6068	0.6023
GBP / RM	5.3172	5.2502
AUD / RM	2.9597	2.9032

**Notes to Interim Financial Report**

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**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.

As at 30 June 2020, 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	(1,300,767)	3,237
- 1 year to 3 years	-	-
- More than 3 years	-	-
(ii) Commodity futures contracts		
- Less than 1 year	(123,568)	5,175
- 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 third quarter ended 30 June 2020, 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**

- An interim single tier dividend of 15 sen (2019: 15 sen) per share has been authorised by the Directors in respect of the financial year ending 30 September 2020 and was paid to the shareholders on 4 August 2020.
- The total dividend for the current financial year to-date is single tier dividend of 15 sen (2019: 15 sen) per share.

**Notes to Interim Financial Report**

(Continued)

**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		9 months ended	
	30 June		30 June	
	2020	2019	2020	2019
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	368,697	48,615	563,788	442,486
(b) Weighted average number of shares	1,078,478,785	1,064,965,692	1,071,278,378	1,064,965,692
(c) Earnings per share (sen)	34.2	4.6	52.6	41.5

**B13. Audit Report**

The audit report for the financial year ended 30 September 2019 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		9 months ended	
	30 June		30 June	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(27,212)	(15,734)	(91,718)	(50,877)
Other income including dividend income	(22,948)	(61,274)	(58,470)	(104,486)
Interest expense	59,763	33,941	185,202	119,037
Depreciation and amortisation	154,420	142,230	457,886	417,971
Provision for and write-off of receivables	4,413	1,708	7,248	5,158
Provision for and write-off of inventories	844	5,619	20,118	29,962
Surplus on disposal of land	(88)	(743)	(866)	(1,927)
Surplus on government acquisition of land	(1,152)	(610)	(1,152)	(48,700)
Impairment of assets	-	145,970	-	145,970
Foreign exchange gain	(172,240)	(38,440)	(48,025)	(73,913)
(Gain)/Loss on derivatives	(34,496)	21,681	33,658	594
Exceptional items	-	-	-	-

By Order of the Board  
 YAP MIOU KIEN  
 Company Secretary

19 August 2020