



**KUALA LUMPUR KEPONG BERHAD**

197301001526 (15043-V)

**Interim Financial Report  
For the year ended 30 September 2020**

The Directors are pleased to announce the unaudited financial results of the Group for the year ended 30 September 2020.

**Condensed Consolidated Statement of Profit or Loss**  
**For the year ended 30 September 2020**  
(The figures have not been audited.)

	Individual Quarter		+ / (-) %	Cumulative Quarter		+ / (-) %
	3 months ended			12 months ended		
	2020	2019		2020	2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	4,003,408	3,802,403	5.3	15,595,956	15,533,887	0.4
Operating expenses	(3,758,631)	(3,585,902)	4.8	(14,524,215)	(14,893,104)	(2.5)
Other operating income	165,158	72,495	127.8	333,005	340,246	(2.1)
Finance costs	(57,396)	(46,631)	23.1	(242,598)	(165,668)	46.4
Share of results of associates	(11,291)	10,874	-	32,569	14,786	120.3
Share of results of joint ventures	(4,958)	(6,501)	(23.7)	(8,987)	(6,219)	44.5
Profit before taxation	336,290	246,738	36.3	1,185,730	823,928	43.9
Taxation	(97,003)	(51,870)	87.0	(328,681)	(173,195)	89.8
Net profit for the period	<u>239,287</u>	<u>194,868</u>	22.8	<u>857,049</u>	<u>650,733</u>	31.7
Attributable to:						
Equity holders of the Company	208,816	175,019	19.3	772,604	617,505	25.1
Non-controlling interests	30,471	19,849	53.5	84,445	33,228	154.1
	<u>239,287</u>	<u>194,868</u>	22.8	<u>857,049</u>	<u>650,733</u>	31.7
	Sen	Sen		Sen	Sen	
Earnings per share - basic	<u>19.4</u>	<u>16.4</u>		<u>72.0</u>	<u>58.0</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 year ended 30 September 2020**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 September		30 September	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	239,287	194,868	857,049	650,733
<b>Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss</b>				
Currency translation differences	(196,828)	(22,696)	(24,890)	40,584
Share of other comprehensive profit in associates	23,412	-	5,813	-
	(173,416)	(22,696)	(19,077)	40,584
<b>Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss</b>				
Net change in fair value of equity instruments	34,055	(227,473)	(21,865)	(868,262)
Share of other comprehensive loss in associates	(19,918)	-	(25,038)	-
Remeasurement of defined benefit plans	10,808	(46,212)	10,808	(46,212)
	24,945	(273,685)	(36,095)	(914,474)
Total other comprehensive loss for the period	(148,471)	(296,381)	(55,172)	(873,890)
Total comprehensive income/(loss) for the period	90,816	(101,513)	801,877	(223,157)
Attributable to:				
Equity holders of the Company	72,828	(114,717)	727,913	(261,637)
Non-controlling interests	17,988	13,204	73,964	38,480
	90,816	(101,513)	801,877	(223,157)

*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 September 2020**

(The figures have not been audited.)

	30 September 2020	30 September 2019
	RM'000	RM'000
<b>Assets</b>		
Property, plant and equipment	7,656,584	7,749,121
Right-of-use assets	868,435	-
Prepaid lease payments	-	340,256
Inventories	1,096,046	1,108,296
Goodwill on consolidation	326,345	316,836
Intangible assets	22,324	22,081
Investments in associates	1,544,951	1,489,210
Investments in joint ventures	145,783	156,818
Other investments	416,150	411,950
Other receivable	228,269	233,980
Deferred tax assets	367,758	437,027
<b>Total non-current assets</b>	<b>12,672,645</b>	<b>12,265,575</b>
Inventories	1,972,866	2,124,084
Biological assets	126,922	98,262
Trade and other receivables	2,133,846	2,052,484
Contract assets	10,276	14,867
Tax recoverable	58,497	110,319
Derivative financial assets	98,309	33,967
Short term funds	919,957	1,659,171
Cash and cash equivalents	2,952,981	2,040,637
<b>Total current assets</b>	<b>8,273,654</b>	<b>8,133,791</b>
<b>Total assets</b>	<b>20,946,299</b>	<b>20,399,366</b>
<b>Equity</b>		
Share capital	1,373,861	1,067,790
Reserves	9,466,651	9,306,062
	10,840,512	10,373,852
Less: Cost of treasury shares	(13,447)	(13,447)
<b>Total equity attributable to equity holders of the Company</b>	<b>10,827,065</b>	<b>10,360,405</b>
Non-controlling interests	977,035	926,250
<b>Total equity</b>	<b>11,804,100</b>	<b>11,286,655</b>
<b>Liabilities</b>		
Deferred tax liabilities	452,690	424,603
Lease liabilities	139,856	-
Deferred income	106,564	110,320
Provision for retirement benefits	545,568	538,480
Borrowings	5,110,442	5,169,833
<b>Total non-current liabilities</b>	<b>6,355,120</b>	<b>6,243,236</b>
Trade and other payables	1,212,849	1,359,591
Contract liabilities	85,531	91,239
Deferred income	8,419	8,196
Lease liabilities	32,439	-
Borrowings	1,310,848	1,348,993
Tax payable	39,546	40,898
Derivative financial liabilities	97,447	20,558
<b>Total current liabilities</b>	<b>2,787,079</b>	<b>2,869,475</b>
<b>Total liabilities</b>	<b>9,142,199</b>	<b>9,112,711</b>
<b>Total equity and liabilities</b>	<b>20,946,299</b>	<b>20,399,366</b>
Net assets per share attributable to equity holders of the Company (RM)	10.04	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 year ended 30 September 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			Total
	RM'000	RM'000	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	-	-	-	(21,865)	-	-	(21,865)	-	(21,865)
Realisation on fair value of equity instruments	-	-	-	(1,042)	1,042	-	-	-	-
Transfer of reserves	-	(2,115)	-	-	2,115	-	-	-	-
Share of comprehensive profit/(loss) in associates	-	-	5,813	-	(25,038)	-	(19,225)	-	(19,225)
Remeasurement of defined benefit plans	-	-	-	-	11,418	-	11,418	(610)	10,808
Currency translation differences	-	(7)	(15,012)	-	-	-	(15,019)	(9,871)	(24,890)
Total other comprehensive loss for the year	-	(2,122)	(9,199)	(22,907)	(10,463)	-	(44,691)	(10,481)	(55,172)
Profit for the year	-	-	-	-	772,604	-	772,604	84,445	857,049
Total comprehensive (loss)/income for the year	-	(2,122)	(9,199)	(22,907)	762,141	-	727,913	73,964	801,877
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	14,896	14,896
Redemption of redeemable preference shares	-	187,246	-	-	(187,246)	-	-	-	-
Effect of deemed disposal of shares in a subsidiary	-	-	3,657	-	-	-	3,657	(27,528)	(23,871)
Effect of changes in shareholdings in a subsidiary	-	-	5,617	-	(42,088)	-	(36,471)	36,471	-
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)
- FY2020 interim	-	-	-	-	(161,772)	-	(161,772)	-	(161,772)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(47,018)	(47,018)
Total transactions with owners of the Company	306,071	187,246	9,274	-	(763,844)	-	(261,253)	(23,179)	(284,432)
At 30 September 2020	1,373,861	1,322,993	(4,322)	610,621	7,537,359	(13,447)	10,827,065	977,035	11,804,100

**Condensed Consolidated Statement of Changes in Equity  
For the year ended 30 September 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	-	-	-	(868,262)	-	-	(868,262)	-	(868,262)
Realisation on fair value of equity instruments	-	-	-	5,033	(5,033)	-	-	-	-
Transfer of reserves	-	(10,605)	(181)	-	10,786	-	-	-	-
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	-	(10,461)	35,112	(863,229)	(40,564)	-	(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	-	(10,461)	35,112	(863,229)	576,941	-	(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	1,067,790	1,137,869	(4,397)	633,528	7,539,062	(13,447)	10,360,405	926,250	11,286,655

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 year ended 30 September 2020**

(The figures have not been audited.)

	12 months ended 30 September	
	2020	2019
	RM'000	RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	1,185,730	823,928
Adjustment for non-cash flow:		
Non-cash items	586,481	656,735
Non-operating items	97,526	47,903
Operating profit before working capital changes	1,869,737	1,528,566
Working capital changes:		
Net change in current assets	108,341	13,773
Net change in current liabilities	(158,482)	54,774
Cash generated from operations	1,819,596	1,597,113
Interest paid	(240,582)	(165,976)
Tax paid	(206,582)	(244,426)
Retirement benefits paid	(42,844)	(32,148)
Net cash generated from operating activities	1,329,588	1,154,563
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(666,665)	(630,915)
Purchase of right-of-use assets	(199,358)	-
Payments of prepaid lease	-	(8,562)
Property development expenditure	(21,544)	(7,889)
Subscription of shares in an associate	-	(7,500)
Purchase of additional shares in an associate	(41,484)	-
Purchase of shares from non-controlling interests	-	(46,429)
Purchase of other investments	(12,868)	(335,863)
Purchase of intangible assets	(2,689)	(3,405)
Proceeds from disposal of property, plant and equipment	5,239	33,774
Compensation from government on land acquired	1,508	92,578
Proceeds from disposal of land	84,055	-
Proceeds from partial disposal of shares in subsidiaries	-	1,373
Proceeds from deemed disposal of a subsidiary, net of cash disposed	(3,441)	-
Proceeds from disposal of other investments	3,149	83,780
Decrease/(Increase) in short term funds	735,076	(1,462,285)
Dividends received from associates	22,177	10,288
Dividends received from investments	35,407	63,625
Interest received	91,269	50,157
Net cash generated from/(used in) investing activities	29,831	(2,167,273)
<b>Cash Flows from Financing Activities</b>		
Term loans received	7,284	245,468
Issuance of Islamic medium term notes	-	2,000,000
Repayment of term loans	(135,070)	(175,642)
Lease payments	(38,531)	-
Net (repayment)/drawdown of short term borrowings	(16,681)	155,551
Dividends paid to shareholders of the Company	(228,439)	(479,235)
Dividends paid to non-controlling interests	(47,018)	(49,223)
Issuance of shares to non-controlling interests	14,896	37,663
Increase in other receivable	(4,878)	(5,154)
Net cash (used in)/generated from financing activities	(448,437)	1,729,428
Net increase in cash and cash equivalents	910,982	716,718
Cash and cash equivalents at 1 October	1,919,780	1,188,741
	2,830,762	1,905,459
Currency translation differences on opening balances	(6,986)	14,321
Cash and cash equivalents at 30 September	2,823,776	1,919,780
Cash and cash equivalents consist of:		
Cash and bank balances	536,150	480,853
Deposits with licensed banks	1,406,333	1,230,973
Fixed income trust funds	1,010,498	328,811
Bank overdrafts	(129,205)	(120,857)
	2,823,776	1,919,780

*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 Group had earlier adopted Amendment to MFRS 16 *Covid-19-Related Rent Concessions* on 1 June 2020 and elected to apply the practical expedient to all rent concession relating to leases with similar characteristics and similar circumstances.

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 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	-	709,538	709,538
Trade and other receivables	2,052,484	(4,592)	2,047,892
Total assets	<u>20,399,366</u>	<u>193,207</u>	<u>20,592,573</u>
<b>Liabilities</b>			
Lease liabilities (non-current)	-	160,934	160,934
Lease liabilities (current)	-	32,273	32,273
Total liabilities	<u>9,112,711</u>	<u>193,207</u>	<u>9,305,918</u>
Total equity and liabilities	<u>20,399,366</u>	<u>193,207</u>	<u>20,592,573</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**

	12 months ended 30 September	
	2020	2019
	RM'000	RM'000
Final single tier dividend 35 sen per share for financial year ended 30 September 2019 (single tier dividend of 30 sen per share for year ended 30 September 2018)	372,738	319,490
Interim single tier dividend of 15 sen per share for financial year ended 30 September 2020 (single tier dividend of 15 sen per share for year ended 30 September 2019)	<u>161,772</u>	<u>159,745</u>
	<u>534,510</u>	<u>479,235</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 1,078,478,785 (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>12 months ended</b>						
<b>30 September 2020</b>						
Revenue						
External revenue	6,999,576	8,206,761	154,884	234,735	-	15,595,956
Inter-segment revenue	937,331	43	-	262,175	(1,199,549)	-
Total revenue	<u>7,936,907</u>	<u>8,206,804</u>	<u>154,884</u>	<u>496,910</u>	<u>(1,199,549)</u>	<u>15,595,956</u>
Results						
Operating results	732,863	448,630	51,949	(3,011)	-	1,230,431
Interest income	3,974	3,421	599	139,968	(33,109)	114,853
Finance costs	(15,570)	(49,741)	(177)	(210,219)	33,109	(242,598)
Share of results of associates	11,142	1,022	1,667	18,738	-	32,569
Share of results of joint ventures	(7,222)	-	-	(1,765)	-	(8,987)
Segment results	<u>725,187</u>	<u>403,332</u>	<u>54,038</u>	<u>(56,289)</u>	<u>-</u>	<u>1,126,268</u>
Corporate income						59,462
Profit before taxation						<u>1,185,730</u>
<b>12 months ended</b>						
<b>30 September 2019</b>						
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>

**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 September 2020</b>					
Operating assets	6,825,451	6,776,399	1,558,409	3,669,051	18,829,310
Associates	82,814	9,784	69,070	1,383,283	1,544,951
Joint ventures	142,784	-	-	2,999	145,783
Segment assets	<u>7,051,049</u>	<u>6,786,183</u>	<u>1,627,479</u>	<u>5,055,333</u>	<u>20,520,044</u>
Tax assets					426,255
Total assets					<u>20,946,299</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 September 2020</b>					
Segment liabilities	<u>1,425,007</u>	<u>2,245,465</u>	<u>127,162</u>	<u>4,852,329</u>	<u>8,649,963</u>
Tax liabilities					492,236
Total liabilities					<u>9,142,199</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**

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.

**Notes to Interim Financial Report**

(Continued)

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

(a) On 26 August 2020, Taiko Plantations Pte Ltd (“TPPL”), a Singapore-incorporated wholly-owned subsidiary of the Company entered into two Conditional Shares Sale and Purchase Agreements (“CSSPAs”) with subsidiaries of TSH Resources Berhad (“TSHR”) as follows:-

- (i) TPPL to acquire a 90% equity interest in PT Farinda Bersaudara (“FB”) from TSH Global Plantation Pte Ltd for a total cash consideration of USD76.7 million; and
- (ii) TPPL to acquire a 90% equity interest in PT Teguh Swakarsa Sejahtera (“TSS”) from TSH Oversea Pte Ltd for a total cash consideration of USD 33.4 million.

The proposed acquisitions are expected to be completed in the 1<sup>st</sup> quarter of 2021, subject to the fulfillment of all conditions precedent in the CSSPAs. On completion, FB and TSS shall be subsidiaries of the Company.

Both FB and TSS are companies incorporated in Indonesia and are principally involved in the establishment and operation of palm oil plantations.

The proposed acquisitions represent an opportunity for the Company to acquire two companies with brownfield oil palm plantations. Further, the proposed acquisitions are in the ordinary course of business of the Group and also in line with the Company’s business direction to expand its plantation land bank.

The proposed acquisitions will be funded by a combination of Company’s existing cash reserves and bank borrowings and will not have any effect on the share capital and shareholding of the Company’s substantial shareholders nor have any material effect on the net assets, earnings and gearing on the Group for the financial year ended 30 September 2020.

(b) Following the placement of 100,000,000 new ordinary shares by the Company’s subsidiary, Equatorial Palm Oil Plc (“EPO”) on 10 September 2020, the Group’s equity interest in EPO decreased from 62.9% to 49.1%.

The dilution of the Group’s equity interest to 49.1% with a loss of control in EPO is considered as a deemed disposal of the subsidiary and a surplus on deemed disposal of RM21.1 million was recognised in the profit or loss.

**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 September 2020	30 September 2019
	RM'000	RM'000
<b>Capital expenditure</b>		
Approved and contracted	285,586	322,372
Approved but not contracted	1,334,184	882,148
	<u>1,619,770</u>	<u>1,204,520</u>
<b>Acquisition of shares in a subsidiaries</b>		
Approved and contracted	<u>765,196</u>	<u>-</u>

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

**A12. Significant Related Party Transactions**

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

	12 months ended	
	30 September	
	2020	2019
	RM'000	RM'000
(i) Transactions with associates and joint ventures		
Sale of goods	277,248	224,121
Purchase of goods	1,236,380	1,056,792
Service charges paid	2,489	2,726
Research and development services paid	<u>14,142</u>	<u>13,687</u>
(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	13,242	14,167
Siam Taiko Marketing Co Ltd	2,151	2,591
Taiko Marketing Sdn Bhd	7,281	6,968
Taiko Marketing (Singapore) Pte Ltd	<u>2,364</u>	<u>3,551</u>
<b>Storage tanks rental received</b>		
Taiko Marketing Sdn Bhd	<u>4,062</u>	<u>4,132</u>
<b>Purchases of goods</b>		
Borneo Taiko Clay Sdn Bhd	4,515	4,619
Bukit Katho Estate Sdn Bhd	5,009	3,643
Kampar Rubber & Tin Co Sdn Bhd	6,196	5,554
Kekal Deras Sdn Bhd	1,919	1,512
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	-	2,269
Malay Rubber Plantations (M) Sdn Bhd	7,435	5,859
PT Agro Makmur Abadi	62,877	52,946
PT Bumi Karyatama Raharja	1,152	3,044
PT Java Taiko Mineralindo	3,456	1,140
PT Safari Riau	35,739	20,394
PT Satu Sembilan Delapan	30,879	30,215
Taiko Acid Works Sdn Bhd	521	2,262
Taiko Clay Marketing Sdn Bhd	2,062	2,558
Taiko Drum Industries Sdn Bhd	1,502	3,689
Taiko Marketing Sdn Bhd	<u>21,320</u>	<u>31,391</u>
<b>Rental of office paid</b>		
Batu Kawan Holdings Sdn Bhd	<u>4,502</u>	<u>4,646</u>
<b>Management fees paid</b>		
Farming Management Services Pty Ltd	<u>2,373</u>	<u>2,405</u>
<b>Aircraft operating expenses and management services paid</b>		
Smooth Route Sdn Bhd	<u>1,940</u>	<u>2,228</u>
<b>Supply of contract labour and engineering works</b>		
K7 Engineering Sdn Bhd	-	1,825
Yeow Brothers Engineering Sdn Bhd	<u>536</u>	<u>717</u>
<b>IT Services</b>		
E-Komoditi Sdn Bhd	<u>637</u>	<u>1,824</u>

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

	12 months ended	
	30 September	
	2020	2019
	RM'000	RM'000
(iii) Transactions between subsidiaries and non-controlling interests		
<b>Sale of goods</b>		
Mitsubishi Corporation	59,021	42,980
Mitsui & Co Ltd	205,402	237,160
<b>Purchases of goods</b>		
Mitsubishi Gas Chemical Singapore Pte Ltd	12,036	16,203
PT Eka Dura Indonesia	12,494	-
PT Tanjung Bina Lestari	881	18,408
PT Tanjung Sarana Lestari	1,410,602	1,210,290

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

**B1. Analysis of Performance**

**4<sup>th</sup> Quarter FY2020 vs 4<sup>th</sup> Quarter FY2019**

	Quarter Ended		+ / (-) %
	30/9/2020	30/9/2019	
	RM'000	RM'000	
Revenue	4,003,408	3,802,403	5.3
<b>Segment results</b>			
Plantation	192,439	126,437	52.2
Manufacturing	118,896	95,259	24.8
Property development	29,544	18,100	63.2
Investment holding/Others	(40,653)	(15,769)	157.8
	300,226	224,027	34.0
Corporate income	36,064	22,711	58.8
Profit before taxation	336,290	246,738	36.3

The Group's pre-tax profit for the 4<sup>th</sup> quarter climbed 36.3% to RM336.3 million (4QFY2019: profit RM246.7 million) with revenue higher by 5.3% at RM4.003 billion (4QFY2019: RM3.802 billion).

Comments on the business sectors are as follows:

Plantation

Plantation profit rose 52.2% to RM192.4 million (4QFY2019: profit RM126.4 million), driven by favourable CPO and PK selling prices realised as shown below:

	4QFY2020	4QFY2019	% Change
Crude Palm Oil (RM/mt ex-mill)	2,389	1,920	24.4
Palm Kernel (RM/mt ex-mill)	1,397	1,070	30.6

However, the increase in profit was partially offset by the unrealised loss of RM27.2 million (4QFY2019: unrealised gain RM312,000) from changes in fair value on outstanding derivative contracts.

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

Manufacturing

Manufacturing segment's profit was 24.8% higher at RM118.9 million (4QFY2019: profit RM95.3 million) on the back of a 8.0% increase in revenue to RM2.212 billion (4QFY2019: RM2.049 billion) and a higher unrealised gain of RM20.1 million (4QFY2019: gain RM433,000) arising from fair value changes on outstanding derivative contracts. Improvement in profit contributed by Europe operations through better margins and China operations through higher revenue.

The oleochemical division achieved a higher profit of RM118.8 million (4QFY2019: profit RM94.6 million) whilst the other manufacturing units recorded a lower profit of RM149,000 (4QFY2019: profit RM672,000).

Property Development

Property profit surged 63.2% to RM29.5 million (4QFY2019: profit RM18.1 million) supported by higher revenue of RM70.5 million (4QFY2019: RM49.3 million).

Investment Holding/Others

This segment had accounted for an equity loss of RM14.7 million (4QFY2019: Nil) from an overseas associate, Synthomer plc. The loss reported by Synthomer was mainly caused by non-operating charges incurred on amortisation of acquired intangibles, acquisition and restructuring costs and impairment of fixed assets.

Corporate

This segment's income of RM36.1 million (4QFY2019: income RM22.7 million) had recognised the following items:

- Surplus of RM82.7 million (4QFY2019: surplus RM43.1 million) arising from sale of plantation land and government acquisitions.
- Surplus of RM21.1 million (4QFY2019: Nil) on deemed disposal of a subsidiary, Equatorial Palm Oil plc, resulting from the dilution in shareholding.
- Foreign currency exchange loss of RM48.6 million (4QFY2019: loss RM8.1 million) derived from translation of inter-company loans denominated in foreign currencies due to depreciation of Indonesian Rupiah exchange rate against RM and USD.

**Todate 4<sup>th</sup> Quarter FY2020 vs Todate 4<sup>th</sup> Quarter FY2019**

	Todate Ended		+ / (-) %
	30/9/2020 RM'000	30/9/2019 RM'000	
Revenue	15,595,956	15,533,887	0.4
<b>Segment results</b>			
Plantation	725,187	394,632	83.8
Manufacturing	403,332	385,622	4.6
Property development	54,038	47,355	14.1
Investment holding/Others	(56,289)	34,514	-
	1,126,268	862,123	30.6
Corporate income/(loss)	59,462	(38,195)	-
Profit before taxation	1,185,730	823,928	43.9



## Notes to Interim Financial Report

(Continued)

For financial year 2020, the Group recorded a 43.9% jump in pre-tax profit to RM1.186 billion (Todate 4QFY2019: profit RM823.9 million) whilst revenue was marginally higher at RM15.596 billion (Todate 4QFY2019: RM15.534 billion).

Comments on the business sectors are as follows:

### Plantation

Plantation segment posted a sharp rise of 83.8% in profit to RM725.2 million (Todate 4QFY2019: profit RM394.6 million) despite the following:

- FFB production declined 4.3% to 3.929 million mt.
- Changes in fair value on outstanding derivative contracts had generated an unrealised loss of RM17.5 million (Todate 4QFY2019: unrealised gain RM11.7 million).
- Translation of USD bank loan in an Indonesian subsidiary had resulted in an unrealised foreign currency exchange loss of RM9.80 million (Todate 4QFY2019: unrealised forex gain RM9.84 million).

The improvement in profit was underpinned by:

- Increase in CPO and PK selling prices realised as follows:

	Todate 4QFY2020	Todate 4QFY2019	% Change
Crude Palm Oil (RM/mt ex-mill)	2,344	1,924	21.8
Palm Kernel (RM/mt ex-mill)	1,374	1,210	13.6

- Fair value gain of RM28.6 million (Todate 4QFY2019: loss RM4.3 million) on valuation of unharvested FFB.
- Better profits from processing and trading operations.

### Manufacturing

Despite a 6.4% decline in revenue to RM8.207 billion (Todate 4QFY2019: RM8.763 billion) owing to lower sales volume, manufacturing segment's higher profit of RM403.3 million (Todate 4QFY2019: profit RM385.6 million) was contributed by better profit margins in Malaysia and Europe operations and the unrealised gain from fair value changes on outstanding derivative contracts of RM18.7 million (Todate 4QFY2019: gain RM1.3 million).

The oleochemical division's profit was higher at RM394.4 million (Todate 4QFY2019: profit RM376.3 million) but the other manufacturing units posted a lower profit of RM8.9 million (Todate 4QFY2019: profit RM9.3 million).

### Property Development

Profit from property segment had increased 14.1% to RM54.0 million (Todate 4QFY2019: profit RM47.4 million). Although revenue was 9.1% lower at RM154.9 million (Todate 4QFY2019: RM170.4 million), the higher profit was due to recognition of profit from projects with better margins.

### Investment Holding/Others

This segment's loss of RM56.3 million (Todate 4QFY2019: profit RM34.5 million) was due to the following:

**Notes to Interim Financial Report**

(Continued)

- Farming sector suffered a loss of RM17.5 million (Todate 4QFY2019: profit RM27.5 million) owing to sharp drop in crop production caused by extreme dry season.
- Net interest expense had increased by RM33.7 million owing to reduction in deposit rates.
- Share of profit in an overseas associate, Synthomer plc amounted to RM18.7 million whilst last financial year had recognised dividends of RM32.0 million from Synthomer before it became an associate.

Corporate

Corporate income of RM59.5 million (Todate 4QFY2019: loss RM38.2 million) had included the following items:

- Surplus of RM84.7 million (Todate 4QFY2019: surplus RM93.7 million) which arose from sale of plantation land and government acquisitions.
- Surplus of RM21.1 million (Todate 4QFY2019: Nil) on deemed disposal of a subsidiary.
- Foreign currency exchange gain of RM1.8 million (Todate 4QFY2019: gain RM55.1 million) on translation of inter-company loans denominated in foreign currencies.

Last financial year's corporate loss had included an impairment charge of RM145.5 million on an estate in Liberia.

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

	Current Quarter Ended 30/9/2020 RM'000	Immediate Preceding Quarter Ended 30/6/2020 RM'000	+ / (-) %
Revenue	4,003,408	3,711,157	7.9
<b>Segment results</b>			
Plantation	192,439	229,390	(16.1)
Manufacturing	118,896	107,016	11.1
Property development	29,544	6,959	324.5
Investment holding/Others	(40,653)	(22,557)	80.2
	300,226	320,808	(6.4)
Corporate income	36,064	166,303	(78.3)
Profit before taxation	336,290	487,111	(31.0)

For the 4<sup>th</sup> quarter, the Group reported a 31.0% decline in pre-tax profit to RM336.3 million (3QFY2020: profit RM487.1 million) whilst revenue was higher by 7.9% at RM4.003 billion (3QFY2020: RM3.711 billion).

Plantation

Plantation profit fell 16.1% to RM192.4 million (3QFY2020: profit RM229.4 million) attributable to:

- Unrealised loss arising from fair value changes on outstanding derivative contracts which amounted to RM27.2 million (3QFY2020: unrealised gain RM25.7 million).
- Foreign currency exchange loss of RM8.1 million (3QFY2020: gain RM27.4 million) from translation of USD bank loan in an Indonesian subsidiary.

## Notes to Interim Financial Report

(Continued)

However, the reduction in profit was mitigated by:

- Improved selling prices of CPO and PK at RM2,389/mt and RM1,397/mt (3QFY2020: RM2,239/mt and RM1,316/mt) respectively.
- Drop in CPO production cost.
- Higher fair value gain of RM20.5 million (3QFY2020: gain RM4.6 million) on valuation of unharvested FFB.

### Manufacturing

Manufacturing segment's profit rose 11.1% to RM118.9 million (3QFY2020: profit RM107.0 million) underpinned by a higher revenue of RM2.212 billion (3QFY2020: RM2.091 billion) due to increased sales volume. Malaysia and China operations recorded better profits through improved profit margins whilst Europe operations reported lower profit.

The oleochemical division's profit increased by 16.5% to RM118.8 million (3QFY2020: profit RM101.9 million) whilst the other manufacturing units registered a much lower profit of RM149,000 (3QFY2020: profit RM5.1 million).

### Property Development

Property profit rose significantly to RM29.5 million (3QFY2020: profit RM7.0 million) supported by sharp improvement in revenue to RM70.5 million (3QFY2020: RM15.1 million).

### Investment Holding/Others

This segment had included the share of loss of RM14.7 million (3QFY2020: Nil) from Synthomer plc.

### Corporate

Corporate income of RM36.1 million (3QFY2020: income RM166.3 million) had accounted for:

- Surplus on sale of plantation land and government acquisitions amounting to RM82.7 million (3QFY2020: surplus RM1.2 million).
- Surplus on deemed disposal of a subsidiary which amounted to RM21.1 million (3QFY2020: Nil).
- Foreign currency exchange loss of RM48.6 million as against the previous quarter's gain of RM171.9 million which arose from translation of inter-company loans denominated in foreign currencies.

### **B3. Current Year Prospects**

Prevailing CPO prices are buoyant as palm oil inventories remained tight, supported by higher exports. In view of this, plantation profit for financial year 2021 is expected to be much improved.

With the uncertainties arising from the resurgence of COVID-19 worldwide, oleochemical division anticipates a challenging year ahead.

Overall, the Group expects the profit for financial year 2021 to be better.

### **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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
Malaysian taxation	37,310	11,877	113,737	89,533
Overseas taxation	32,067	28,484	138,652	106,927
	69,377	40,361	252,389	196,460
<b>Deferred tax</b>				
Origination and reversal of temporary differences	16,478	6,700	21,336	(15,290)
Relating to changes in tax rate	(157)	(763)	36,450	(1,731)
Under provision in respect of previous years	11,429	334	24,546	340
	27,750	6,271	82,332	(16,681)
	97,127	46,632	334,721	179,779
(Over)/Under provision in respect of previous years				
Malaysian taxation	(510)	(1,716)	(7,252)	(18,593)
Overseas taxation	386	6,954	1,212	12,009
	(124)	5,238	(6,040)	(6,584)
<b>Total</b>	<b>97,003</b>	<b>51,870</b>	<b>328,681</b>	<b>173,195</b>
<b>Profit before taxation</b>	<b>336,290</b>	<b>246,738</b>	<b>1,185,730</b>	<b>823,928</b>
Tax at Malaysian income tax rate of 24% (FY2019: 24%)	80,710	59,217	284,576	197,743
Effect of different tax rates in foreign jurisdictions	(571)	1,019	(15,885)	(14,372)
Withholding tax on foreign dividend and interest income	3,955	3,123	22,440	22,239
Expenses not deductible for tax purposes	16,791	7,185	60,059	93,713
Tax exempt and non-taxable income	(9,721)	(17,971)	(60,434)	(99,439)
Tax incentives	(1,758)	(2,330)	(4,275)	(4,756)
Deferred tax liabilities not recognised during the period	2,800	431	6,918	2,144
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(5,153)	(2,657)	(14,316)	(19,011)
Tax effect on associates' and joint ventures' results	3,899	(1,049)	(5,660)	(2,056)
Recognition of deferred tax assets not taken up previously	(5,245)	(532)	(3,960)	(532)
(Over)/Under provision of tax expense in respect of previous years	(124)	5,238	(6,040)	(6,584)
Under provision of deferred tax in respect of previous years	11,429	334	24,546	340
Effect of changes in tax rates on deferred tax	(157)	(763)	36,450	(1,731)
Others	148	625	4,262	5,497
<b>Tax expense</b>	<b>97,003</b>	<b>51,870</b>	<b>328,681</b>	<b>173,195</b>

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

Effect of changes in tax rates on deferred tax of RM36.5 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 September 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
<b>Secured</b>						
Term loans	Euro 4,815	23,471	Euro 1,247	6,077	Euro 6,062	29,548
<b>Unsecured</b>						
Bank overdrafts	-	-	Euro 26,509	129,205	Euro 26,509	129,205
Revolving credit	-	-	Euro 23,000	112,102	Euro 23,000	112,102
	-	-	AUD 10,000	29,788	AUD 10,000	29,788
	-	-	Rp 57,616,000	16,144	Rp 57,616,000	16,144
	-	-	Rmb 30,554	18,711	Rmb 30,554	18,711
	-	-	GBP 39,000	209,563	GBP 39,000	209,563
Trade financing	-	-	Rmb 33,424	20,469	Rmb 33,424	20,469
	-	-	USD 49,518	205,896	USD 49,518	205,896
	-	-	-	311,464	-	311,464
Term loans	USD 70,000	291,941	USD 5,000	20,900	USD 75,000	312,841
	Euro 40,000	195,030	Euro 11,500	56,088	Euro 51,500	251,118
Bankers' acceptance	-	-	-	174,441	-	174,441
Islamic medium term notes	-	4,600,000	-	-	-	4,600,000
<b>Total</b>		<b>5,110,442</b>		<b>1,310,848</b>		<b>6,421,290</b>

	As at 30 September 2019					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
<b>Secured</b>						
Term loans	Euro 6,063	27,676	Euro 1,237	5,648	Euro 7,300	33,324
<b>Unsecured</b>						
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
<b>Total</b>		<b>5,169,833</b>		<b>1,348,993</b>		<b>6,518,826</b>

Exchange Rates Applied	As at 30 September	
	2020	2019
USD / RM	4.1580	4.1890
Euro / RM	4.8740	4.5652
Rp1,000 / RM	0.2802	0.2952
Rmb / RM	0.6124	0.5864
GBP / RM	5.3734	5.1546
AUD / RM	2.9788	2.8284

## Notes to Interim Financial Report

(Continued)

### 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 September 2020, the values and maturity analysis of the outstanding derivatives are as follows:

<u>Derivatives</u>	Contract/Notional	
	Value	Fair value
	Net long/(short)	Net gains/(losses)
	RM'000	RM'000
(i) Forward foreign exchange contracts		
- Less than 1 year	(1,301,395)	19,057
- 1 year to 3 years	-	-
- More than 3 years	-	-
(ii) Commodity futures contracts		
- Less than 1 year	(227,035)	(18,195)
- 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 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

- The Directors will recommend the payment of a final dividend for the financial year ended 30 September 2020 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 2019: interim dividend of 15 sen per share and final dividend of 35 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 30 September		12 months ended 30 September	
	2020	2019	2020	2019
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	208,816	175,019	772,604	617,505
(b) Weighted average number of shares	1,078,478,785	1,064,965,692	1,073,088,316	1,064,965,692
(c) Earnings per share (sen)	19.4	16.4	72.0	58.0

**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 30 September		12 months ended 30 September	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(23,135)	(16,915)	(114,853)	(67,792)
Other income including dividend income	(58,324)	(20,403)	(116,794)	(124,889)
Interest expense	57,396	46,631	242,598	165,668
Depreciation and amortisation	158,580	146,170	616,466	564,141
Provision for and write-off/(Reversal of write-off) of receivables	11,764	(2,119)	19,012	3,039
Provision for and write-off of inventories	1,403	21,392	21,521	51,354
Surplus on disposal of land	(82,789)	(586)	(83,655)	(2,513)
Loss/(Surplus) on government acquisition of land	94	(42,509)	(1,058)	(91,209)
Impairment of assets	-	201	-	131,654
Write-off of prepaid lease payment	-	6,025	-	6,025
Foreign exchange loss/(gain)	57,808	8,319	9,783	(65,594)
(Gain)/Loss on derivatives	(2,520)	5,675	31,138	6,269
Exceptional items	-	-	-	-

By Order of the Board  
YAP MIOU KIEN  
Company Secretary

18 November 2020