



KUALA LUMPUR KEPONG BERHAD

197301001526 (15043-V)

**Interim Financial Report
For the year ended 30 September 2021**

The Directors are pleased to announce the unaudited financial results of the Group for the year ended 30 September 2021.

Condensed Consolidated Statement of Profit or Loss
For the year ended 30 September 2021

(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	12 months ended		+ / (-)
	30 September			30 September		
	2021	2020		2021	2020	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5,934,533	4,003,408	48.2	19,915,796	15,595,956	27.7
Operating expenses	(5,315,324)	(3,751,071)	41.7	(17,836,499)	(14,505,455)	23.0
Other operating income	46,988	164,792	(71.5)	814,216	327,519	148.6
Finance costs	(63,283)	(57,396)	10.3	(237,707)	(242,598)	(2.0)
Net impairment reversals/(losses) on financial assets	3,287	(7,194)	N/M	1,184	(13,274)	N/M
Share of results of associates	256,483	(11,291)	N/M	287,301	32,569	782.1
Share of results of joint ventures	17,270	(4,958)	N/M	32,134	(8,987)	N/M
Profit before taxation	879,954	336,290	161.7	2,976,425	1,185,730	151.0
Taxation	(184,311)	(97,003)	90.0	(524,373)	(328,681)	59.5
Net profit for the period	<u>695,643</u>	<u>239,287</u>	190.7	<u>2,452,052</u>	<u>857,049</u>	186.1
Attributable to:						
Equity holders of the Company	625,800	208,816	199.7	2,257,584	772,604	192.2
Non-controlling interests	<u>69,843</u>	<u>30,471</u>	129.2	<u>194,468</u>	<u>84,445</u>	130.3
	<u>695,643</u>	<u>239,287</u>	190.7	<u>2,452,052</u>	<u>857,049</u>	186.1
	Sen	Sen		Sen	Sen	
Earnings per share - basic	<u>58.0</u>	<u>19.4</u>		<u>209.3</u>	<u>72.0</u>	
Earnings per share - diluted	<u>N/A</u>	<u>N/A</u>		<u>N/A</u>	<u>N/A</u>	

N/M - Not meaningful

Comments on Results

Included in profit before taxation for the current quarter and 12-month todate ended 30 September 2021 are the following non-operational items:

	Current Quarter	Year Todate
	RM'000	RM'000
Fair value surplus on deemed disposal of an associate, Aura Muhibah Sdn Bhd	-	324,260
Surplus on sales of land and government acquisitions	4,264	162,642
Foreign exchange gain from translation of inter-company loans denominated in foreign currencies	962	52,223
Fair value surplus of an ordinary investment which was previously an associate	-	12,606
Negative goodwill from acquisition of Aura Muhibah Sdn Bhd	-	2,941
Impairment on an estate in Liberia	<u>(61,887)</u>	<u>(61,887)</u>
Total	<u>(56,661)</u>	<u>492,785</u>

Excluding the above non-operational items, profit before tax of the Group for the current quarter and 12-months ended 30 September 2021 would be RM936.6 million and RM2.484 billion respectively and earnings per share would be 63.3 sen and 163.8 sen respectively.

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the year ended 30 September 2020.

**Condensed Consolidated Statement of Other Comprehensive Income
For the year ended 30 September 2021**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	695,643	239,287	2,452,052	857,049
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss				
Currency translation differences	46,868	(196,828)	193,718	(24,890)
Share of other comprehensive (loss)/income in associates	(11,034)	23,412	(62,827)	5,813
	35,834	(173,416)	130,891	(19,077)
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity instruments	57,602	34,055	134,473	(21,865)
Share of other comprehensive income/(loss) in associates	48,755	(19,918)	65,300	(25,038)
Remeasurement of defined benefit plans	(3,632)	10,808	(3,632)	10,808
	102,725	24,945	196,141	(36,095)
Total other comprehensive income/(loss) for the period	138,559	(148,471)	327,032	(55,172)
Total comprehensive income for the period	834,202	90,816	2,779,084	801,877
Attributable to:				
Equity holders of the Company	754,259	72,828	2,571,800	727,913
Non-controlling interests	79,943	17,988	207,284	73,964
	834,202	90,816	2,779,084	801,877

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 September 2020.

Condensed Consolidated Statement of Financial Position

As at 30 September 2021

(The figures have not been audited.)

	30 September 2021	30 September 2020
	RM'000	RM'000
Assets		
Property, plant and equipment	11,014,851	7,656,584
Right-of-use assets	1,316,628	868,435
Inventories	2,035,257	1,096,046
Goodwill on consolidation	327,417	326,345
Intangible assets	20,907	22,324
Investments in associates	1,777,894	1,544,951
Investments in joint ventures	179,649	145,783
Other investments	598,959	416,150
Other receivable	444,389	228,269
Deferred tax assets	338,660	367,758
Total non-current assets	18,054,611	12,672,645
Inventories	2,991,026	1,972,866
Biological assets	210,218	126,922
Trade and other receivables	3,167,272	2,133,846
Contract assets	7,448	10,276
Tax recoverable	25,021	58,497
Derivative financial assets	162,459	98,309
Short term funds	253,405	919,957
Cash and cash equivalents	3,205,971	2,952,981
Total current assets	10,022,820	8,273,654
Total assets	28,077,431	20,946,299
Equity		
Share capital	1,375,695	1,373,861
Reserves	10,510,376	9,466,651
	11,886,071	10,840,512
Less: Cost of treasury shares	(26,809)	(13,447)
Total equity attributable to equity holders of the Company	11,859,262	10,827,065
Non-controlling interests	2,347,778	977,035
Total equity	14,207,040	11,804,100
Liabilities		
Deferred tax liabilities	965,959	452,690
Lease liabilities	148,449	139,856
Deferred income	98,465	106,564
Provision for retirement benefits	559,576	545,568
Borrowings	5,612,880	5,110,442
Total non-current liabilities	7,385,329	6,355,120
Trade and other payables	2,734,106	1,212,849
Contract liabilities	120,584	85,531
Deferred income	8,598	8,419
Lease liabilities	9,983	32,439
Borrowings	3,152,482	1,310,848
Tax payable	221,142	39,546
Derivative financial liabilities	238,167	97,447
Total current liabilities	6,485,062	2,787,079
Total liabilities	13,870,391	9,142,199
Total equity and liabilities	28,077,431	20,946,299
Net assets per share attributable to equity holders of the Company (RM)	11.00	10.04

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 September 2020.

**Condensed Consolidated Statement of Changes in Equity
For the year ended 30 September 2021**

(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	Other reserve	Treasury shares			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2020	1,373,861	1,322,993	(4,322)	610,621	7,537,359	-	(13,447)	10,827,065	977,035	11,804,100
Net change in fair value of equity instruments	-	-	-	134,473	-	-	-	134,473	-	134,473
Realisation on fair value of equity instruments	-	-	-	(1,339)	1,339	-	-	-	-	-
Transfer of reserves	-	16,892	-	-	(16,892)	-	-	-	-	-
Share of comprehensive (loss)/income in associates	-	-	(62,827)	-	65,300	-	-	2,473	-	2,473
Remeasurement of defined benefit plans	-	-	-	-	(3,699)	-	-	(3,699)	67	(3,632)
Currency translation differences	-	451	180,518	-	-	-	-	180,969	12,749	193,718
Total other comprehensive income for the year	-	17,343	117,691	133,134	46,048	-	-	314,216	12,816	327,032
Profit for the year	-	-	-	-	2,257,584	-	-	2,257,584	194,468	2,452,052
Total comprehensive income for the year	-	17,343	117,691	133,134	2,303,632	-	-	2,571,800	207,284	2,779,084
Acquisition through business combination	-	-	-	-	-	-	-	-	1,560,148	1,560,148
Unconditional Mandatory General Offer ("MGO") on acquisition of a subsidiary *	-	-	-	-	-	(935,048)	-	(935,048)	-	(935,048)
Purchase of shares from non-controlling interests	-	-	-	-	-	-	-	-	(250,470)	(250,470)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	17,472	17,472
Redemption of redeemable preference shares	-	228,000	-	-	(220,000)	-	-	8,000	(8,000)	-
Employees' share grant scheme	1,834	-	-	-	-	-	558	2,392	-	2,392
Shares buy back	-	-	-	-	-	-	(13,920)	(13,920)	-	(13,920)
Effect of deemed disposal of shares in an associate	-	-	2	-	(2)	-	-	-	-	-
Effect of changes in shareholdings in a subsidiary	-	-	-	-	(7,876)	-	-	(7,876)	(15,635)	(23,511)
Dividend paid - FY2020 final	-	-	-	-	(377,494)	-	-	(377,494)	-	(377,494)
- FY2021 interim	-	-	-	-	(215,657)	-	-	(215,657)	-	(215,657)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(140,056)	(140,056)
Total transactions with owners of the Company	1,834	228,000	2	-	(821,029)	(935,048)	(13,362)	(1,539,603)	1,163,459	(376,144)
At 30 September 2021	1,375,695	1,568,336	113,371	743,755	9,019,962	(935,048)	(26,809)	11,859,262	2,347,778	14,207,040

* Upon the closing of MGO on 18 November 2021, Other Reserve amounting to RM795,530,000, representing the shares acquired during the MGO period, would be set off against non-controlling interests and the remaining balance of RM139,518,000 would be reversed against other payable.

Condensed Consolidated Statement of Changes in Equity
For the year ended 30 September 2021

(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 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 income/(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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2020.

Condensed Consolidated Statement of Cash Flows
For the year ended 30 September 2021
(The figures have not been audited.)

	<u>12 months ended 30 September</u>	
	2021	2020
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	2,976,425	1,185,730
Adjustment for non-cash flow:		
Depreciation and amortisation	633,647	616,466
Fair value surplus on deemed disposal of an associate	(324,260)	-
Surplus on disposal of land and government acquisitions	(162,642)	(84,713)
Share of profits of associates and joint ventures, net of tax	(319,435)	(23,582)
Other non-cash items	72,471	78,309
Non-operating items	<u>141,619</u>	<u>97,527</u>
Operating profit before working capital changes	3,017,825	1,869,737
Working capital changes:		
Net change in current assets	(1,841,902)	108,341
Net change in current liabilities	<u>505,085</u>	<u>(158,482)</u>
Cash generated from operations	1,681,008	1,819,596
Interest paid	(230,815)	(240,582)
Tax paid	(255,705)	(206,582)
Retirement benefits paid	<u>(37,862)</u>	<u>(42,844)</u>
Net cash generated from operating activities	<u><u>1,156,626</u></u>	<u><u>1,329,588</u></u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(957,920)	(666,665)
Purchase of right-of-use assets	(5,479)	(199,358)
Property development expenditure	(37,837)	(21,545)
Purchase of shares in subsidiaries, net of cash acquired	(1,561,570)	-
Purchase of additional shares in an associate	(39,795)	(41,484)
Purchase of shares from non-controlling interests	(250,470)	-
Purchase of other investments	(38,730)	(12,868)
Purchase of intangible assets	(2,547)	(2,689)
Proceeds from disposal of property, plant and equipment	5,180	5,239
Compensation from government on land acquired	11,209	1,508
Proceeds from disposal of land	149,401	84,055
Proceeds from deemed disposal of a subsidiary, net of cash disposed	-	(3,441)
Proceeds from disposal of investments	25,132	3,149
Decrease in short term funds	681,434	735,077
Increase in other receivable	(27,690)	(4,878)
Dividends received from associates	85,044	27,590
Dividends received from investments	47,135	29,994
Interest received	<u>49,377</u>	<u>91,269</u>
Net cash (used in)/generated from investing activities	<u><u>(1,868,126)</u></u>	<u><u>24,953</u></u>
Cash Flows from Financing Activities		
Term loans received	1,463,730	7,284
Repayment of term loans	(245,161)	(135,070)
Payment of lease liabilities	(29,499)	(33,015)
Payment of lease interest	(5,434)	(5,516)
Net drawdown/(repayment) of short term borrowings	489,437	(16,681)
Dividends paid to shareholders of the Company	(593,151)	(228,439)
Dividends paid to non-controlling interests	(140,056)	(47,018)
Issuance of shares to non-controlling interests	17,472	14,896
Shares buy back	<u>(13,920)</u>	<u>-</u>
Net cash generated from/(used in) financing activities	<u><u>943,418</u></u>	<u><u>(443,559)</u></u>
Net increase in cash and cash equivalents	231,918	910,982
Cash and cash equivalents at 1 October	<u>2,823,776</u>	<u>1,919,780</u>
	3,055,694	2,830,762
Currency translation differences on opening balances	<u>27,044</u>	<u>(6,986)</u>
Cash and cash equivalents at 30 September	<u><u>3,082,738</u></u>	<u><u>2,823,776</u></u>
Cash and cash equivalents consist of:		
Cash and bank balances	1,122,710	536,150
Deposits with licensed banks	860,291	1,406,333
Fixed income trust funds	1,222,970	1,010,498
Bank overdrafts	<u>(123,233)</u>	<u>(129,205)</u>
	<u><u>3,082,738</u></u>	<u><u>2,823,776</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2020.

Notes to Interim Financial Report

A Explanatory Notes as required by MFRS 134 Interim Financial Reporting

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 ("BMSB"). The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2020.

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 2020 except for the adoption of the following amendments to MFRSs:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2020

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 *Definition of a Business*
- Amendments to MFRS 101 and MFRS 108 *Definition of Material*
- Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*

Amendments to MFRS effective for annual periods beginning on or after 17 August 2020

- Amendments to MFRS 4 *Insurance Contract – Extension of the Temporary Exemption from Applying MFRS 9*

The Group had early adopted Amendment to MFRS 16 *COVID-19 Related Rent Concessions* on 1 June 2020 and *COVID-19 Related Rent Concessions beyond 30 June 2021* on 1 April 2021, and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and similar circumstances.

The application of these amendments to MFRSs has no significant effect to the financial statements of the Group.

A2. Seasonal and Cyclical Factors

The Group's plantation and farming 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

During the financial year ended 30 September 2021, the Company repurchased from the open market 697,000 of its issued shares at average cost of RM19.97 per share including transaction costs. The repurchase transactions were financed by internally generated funds and the repurchased shares are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Notes to Interim Financial Report
(Continued)

During the same financial year, a total of 105,216 treasury shares were transferred to eligible senior management employees at a transfer price of RM22.72 under the employees' share grant scheme.

As at 30 September 2021, total issued and fully paid shares amounted to 1,081,017,785 (30 September 2020: 1,081,017,785), out of which 3,130,784 (30 September 2020: 2,539,000) shares are held as treasury shares by the Company and the number of outstanding shares in issue and fully paid was 1,077,887,001 (30 September 2020: 1,078,478,785) shares.

Other than as disclosed above, there were no other issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter ended 30 September 2021.

A6. Dividends Paid

	12 months ended 30 September	
	2021	2020
	RM'000	RM'000
Final single tier dividend 35 sen per share for financial year ended 30 September 2020 (single tier dividend of 35 sen per share for year ended 30 September 2019)	377,494	372,738
Interim single tier dividend of 20 sen per share for financial year ended 30 September 2021 (single tier dividend of 15 sen per share for year ended 30 September 2020)	<u>215,657</u>	<u>161,772</u>
	<u>593,151</u>	<u>534,510</u>

For the final dividend of RM372,738,000 paid in Year 2020, RM306,071,000 was satisfied by the issuance of 13,513,093 new shares of the Company pursuant to the dividend reinvestment plan and the balance via cash payment of RM66,667,000.

Final dividend was paid on the number of outstanding shares in issue and fully paid of 1,078,554,001 (2020: 1,064,965,692).

Interim dividend was paid on the number of outstanding shares in issue and fully paid of 1,078,284,001 (2020: 1,078,478,785).

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
12 months ended						
30 September 2021						
Revenue						
External revenue	8,692,670	10,782,326	195,070	245,730	-	19,915,796
Inter-segment revenue	1,685,777	-	-	557,071	(2,242,848)	-
Total revenue	<u>10,378,447</u>	<u>10,782,326</u>	<u>195,070</u>	<u>802,801</u>	<u>(2,242,848)</u>	<u>19,915,796</u>
Results						
Operating results	1,542,871	727,106	59,340	67,455	-	2,396,772
Interest income	2,250	2,775	366	74,858	(28,029)	52,220
Finance costs	(10,472)	(48,558)	(53)	(206,653)	28,029	(237,707)
Share of results of associates	16,495	1,081	9,147	260,578	-	287,301
Share of results of joint ventures	33,860	-	-	(1,726)	-	32,134
Segment results	<u>1,585,004</u>	<u>682,404</u>	<u>68,800</u>	<u>194,512</u>	<u>-</u>	<u>2,530,720</u>
Corporate income						445,705
Profit before taxation						<u>2,976,425</u>
12 months ended						
30 September 2020						
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>

Notes to Interim Financial Report
(Continued)

(b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 September 2021					
Operating assets	12,300,768	7,656,453	2,663,988	3,134,998	25,756,207
Associates	90,638	10,814	17,689	1,658,753	1,777,894
Joint ventures	178,381	-	-	1,268	179,649
Segment assets	<u>12,569,787</u>	<u>7,667,267</u>	<u>2,681,677</u>	<u>4,795,019</u>	<u>27,713,750</u>
Tax assets					363,681
Total assets					<u>28,077,431</u>
As at 30 September 2020					
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>

(c) Segment liabilities

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 September 2021					
Segment liabilities	<u>4,747,856</u>	<u>3,040,674</u>	<u>149,627</u>	<u>4,745,133</u>	<u>12,683,290</u>
Tax liabilities					1,187,101
Total liabilities					<u>13,870,391</u>
As at 30 September 2020					
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>

A8. Event Subsequent to Reporting Date

- (a) The proposed acquisition of 60% equity interest in PT Pinang Witmas Sejati ("PWS") by the Company's wholly-owned subsidiary, Taiko Plantations Pte Ltd was completed on 1 October 2021. Following the completion, PWS is now a subsidiary of the Group.
- (b) The Mandatory General Offer ("MGO") to acquire all the remaining shares in IJM Plantations Berhad ("IJMP") not already held by the Company has closed on 18 November 2021. As of 18 November 2021, total valid acceptances the Company received under the MGO together with the shares acquired from the open market and shares already held by the Company is 835,574,615 shares, representing 94.89% of the total issued shares of IJMP.

A9. Changes in the Composition of the Group

- (a) The proposed acquisition of 100% equity interest in Batu Kawan Holdings Sdn Bhd ("BKH") by the Company's wholly-owned subsidiary, KLK Land Sdn Bhd was completed on 4 August 2021. Following the completion, BKH is now a subsidiary of the Group.

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- (b) The proposed acquisition of 494,865,786 ordinary shares in IJM Plantations Berhad ("IJMP") by the Company was completed on 6 September 2021. Following the completion of the acquisition, the Company's direct shareholding in IJMP has increased from nil to 56.20%, and the Group holds a total of 498,155,286 IJMP shares, representing 56.57% equity interest in IJMP. Accordingly, IJMP is a subsidiary of the Company.

Subsequent to completion of the above acquisition until 30 September 2021, the Company further acquired 80,796,733 ordinary shares in IJMP, representing 9.18% equity interest in IJMP. Accordingly, the Group holds a total of 578,952,019 IJMP shares, representing 65.75% equity interest in IJMP as at 30 September 2021.

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 2021	30 September 2020
	RM'000	RM'000
Capital expenditure		
Approved and contracted	396,800	285,586
Approved but not contracted	<u>1,495,817</u>	<u>1,334,184</u>
	<u>1,892,617</u>	<u>1,619,770</u>
Acquisition of shares in subsidiaries		
Approved and contracted	<u>-</u>	<u>765,196</u>

A12. Significant Related Party Transactions

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

	12 months ended 30 September	
	2021	2020
	RM'000	RM'000
(i) Transactions with associates and joint ventures		
Sale of goods	402,882	277,248
Purchase of goods	1,815,173	1,236,380
Service charges paid	1,610	2,489
Research and development services paid	<u>13,891</u>	<u>14,142</u>

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	12 months ended	
	30 September	
	2021	2020
	RM'000	RM'000
(ii) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest		
Sale of goods		
PT Satu Sembilan Delapan	19,918	13,242
Siam Taiko Marketing Co Ltd	3,499	2,151
Taiko Marketing Sdn Bhd	10,661	7,281
Taiko Marketing (Singapore) Pte Ltd	<u>1,384</u>	<u>2,364</u>
Storage tanks rental received		
Taiko Marketing Sdn Bhd	<u>4,098</u>	<u>4,062</u>
Purchases of goods		
Borneo Taiko Clay Sdn Bhd	3,398	4,515
Bukit Katho Estate Sdn Bhd	8,300	5,009
Kampar Rubber & Tin Co Sdn Bhd	10,559	6,196
Kekal Deras Sdn Bhd	2,972	1,919
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	5,339	-
Malay Rubber Plantations (M) Sdn Bhd	12,713	7,435
PT Agro Makmur Abadi	102,146	62,877
PT Bumi Karyatama Raharja	2,281	1,152
PT Java Taiko Mineralindo	1,128	3,456
PT Safari Riau	48,501	35,739
PT Satu Sembilan Delapan	18,972	30,879
Taiko Acid Works Sdn Bhd	1,222	521
Taiko Clay Marketing Sdn Bhd	3,227	2,062
Taiko Drum Industries Sdn Bhd	3,263	1,502
Taiko Marketing Sdn Bhd	<u>16,545</u>	<u>21,320</u>
Rental of office paid		
Batu Kawan Holdings Sdn Bhd	<u>4,023</u>	<u>4,502</u>
Management fees paid		
Farming Management Services Pty Ltd	<u>2,913</u>	<u>2,373</u>
Aircraft operating expenses and management services paid		
Smooth Route Sdn Bhd	<u>1,395</u>	<u>1,940</u>
Supply of contract labour and engineering works		
Yeow Brothers Engineering Sdn Bhd	<u>419</u>	<u>536</u>
IT Services		
E-Komoditi Sdn Bhd	<u>688</u>	<u>637</u>
(iii) Transactions between subsidiaries and non-controlling interests		
Sale of goods		
Mitsubishi Corporation	-	59,021
Agrex Asia Pte Ltd	77,518	-
Mitsui & Co Ltd	<u>296,110</u>	<u>205,402</u>
Purchases of goods		
Mitsubishi Gas Chemical Singapore Pte Ltd	14,578	12,036
PT Eka Dura Indonesia	8,499	12,494
PT Tanjung Bina Lestari	38,201	881
PT Tanjung Sarana Lestari	1,769,924	1,410,602
PT Sari Lembah Subur	16,844	-
PT Kimia Tirta Utama	4,219	-
PT Nirmala Agro Lestari	<u>4,125</u>	<u>-</u>

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B Explanatory Notes as required by the BMSB Revised Listing Requirements

B1. Analysis of Performance

4th Quarter FY2021 vs 4th Quarter FY2020

	Quarter Ended		+ / (-) %
	30/9/2021	30/9/2020	
	RM'000	RM'000	
Revenue	5,934,533	4,003,408	48.2
Segment results			
Plantation	585,557	192,439	204.3
Manufacturing	144,260	118,896	21.3
Property development	14,569	29,544	(50.7)
Investment holding/Others	208,874	(40,653)	-
	953,260	300,226	217.5
Corporate income	(73,306)	36,064	-
Profit before taxation	879,954	336,290	161.7

The Group's profit before tax for the current quarter surged 161.7% to RM880.0 million (4QFY2020: profit RM336.3 million) after taken into consideration of the following non-operational items which are included under Corporate expense/income:

- Surplus of RM4.3 million (4QFY2020: surplus RM82.7 million) on sales of land and government acquisitions.
- Foreign exchange gain of RM962,000 (4QFY2020: loss RM48.6 million) from translation of inter-company loans denominated in foreign currencies.
- Impairment on an estate in Liberia amounted to RM61.9 million (4QFY2020: Nil).

In previous year's 4th quarter, non-operational items included also a surplus of RM21.1 million on deemed disposal of a subsidiary, Equatorial Palm Oil plc, resulted from dilution in shareholding.

Excluding the above non-operational items, the Group's profit before tax for the current quarter would be much higher at RM936.6 million (4QFY2020: profit RM281.1 million) on the back of improved revenue of RM5.935 billion (4QFY2020: RM4.003 billion).

Comments on the business sectors are as follows:

Plantation

Plantation profit rose 3-fold to RM585.6 million (4QFY2020: profit RM192.4 million) achieved through:

- Improvement in CPO and PK selling prices realised.

	4QFY2021	4QFY2020	% Change
Crude Palm Oil (RM/mt ex-mill)	3,631	2,389	52.0
Palm Kernel (RM/mt ex-mill)	2,213	1,397	58.4

- Higher CPO sales volume.
- Profit contribution from a newly acquired subsidiary, IJM Plantations Berhad.
- Better profit contribution from processing and trading operations.

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Manufacturing

Manufacturing profit rose 21.3% to RM144.3 million (4QFY2020: profit RM118.9 million) on the back of 35.4% increase in revenue to RM2.994 billion (4QFY2020: RM2.212 billion). However, profit was partially offset by:

- Impairment of RM29.1 million (4QFY2020: Nil) on an under-performing specialized oleochemical plant.
- Lower unrealised gain of RM4.2 million (4QFY2020: unrealised gain RM20.1 million) from fair value changes on outstanding derivative contracts.

Improvement in profit was contributed by better performance from China and Europe operations while profit of the Malaysia operations was lower.

The oleochemical division's profit was 21.6% higher at RM144.4 million (4QFY2020: profit RM118.8 million) whilst other manufacturing units posted a loss of RM118,000 (4QFY2020: profit RM149,000).

Property Development

Property segment's profit fell 50.7% to RM14.6 million (4QFY2020: profit RM29.5 million) with a lower revenue of RM66.6 million (4QFY2020: RM70.5 million).

Investment Holding/Others

This segment's current quarter profit was supported by the recognition of equity profit of RM242.0 million (4QFY2020: loss RM14.7 million) from an overseas associate, Synthomer plc.

Corporate

This segment has included the non-operational items mentioned above.

Todate 4th Quarter FY2021 vs Totate 4th Quarter FY2020

	Todate Ended		+ / (-) %
	30/9/2021 RM'000	30/9/2020 RM'000	
Revenue	<u>19,915,796</u>	<u>15,595,956</u>	27.7
Segment results			
Plantation	1,585,004	725,187	118.6
Manufacturing	682,404	403,332	69.2
Property development	68,800	54,038	27.3
Investment holding/Others	<u>194,512</u>	<u>(56,289)</u>	-
	2,530,720	1,126,268	124.7
Corporate income	<u>445,705</u>	<u>59,462</u>	649.6
Profit before taxation	<u>2,976,425</u>	<u>1,185,730</u>	151.0

The Group's pre-tax profit for financial year 2021 surged 151.0% to RM2.976 billion (Todate 4QFY2020: profit RM1.186 billion) and has accounted for the following non-operational items which are included under Corporate income:

- Fair value surplus amounted to RM324.3 million (Todate 4QFY2020: Nil) on deemed disposal of an associate, Aura Muhibah Sdn Bhd ("Aura Muhibah").
- Surplus of RM162.6 million (Todate 4QFY2020: surplus RM84.7 million) on sales of land and government acquisitions.

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- Foreign exchange gain of RM52.2 million (Todate 4QFY2020: gain RM1.8 million) from translation of inter-company loans denominated in foreign currencies.
- Surplus of RM12.6 million (Todate 4QFY2020: Nil) on fair value of an ordinary investment which was previously an associate.
- Negative goodwill of RM2.9 million (Todate 4QFY2020: Nil) arising from acquisition of Aura Muhibah.
- Impairment on an estate in Liberia amounted to RM61.9 million (Todate 4QFY2020: Nil).

In previous financial year, the non-operational items included a surplus of RM21.1 million on deemed disposal of a subsidiary, Equatorial Palm Oil plc, resulted from the dilution in shareholding.

Excluding the above non-operational items, profit before tax of the Group for the financial year 2021 rose 130.4% to RM2.484 billion (Todate 4QFY2020: profit RM1.078 billion) with higher revenue of RM19.916 billion (Todate 4QFY2020: RM15.596 billion).

Comments on the business sectors are as follows:

Plantation

Plantation profit had more than doubled to RM1.585 billion (Todate 4QFY2020: profit RM725.2 million) boosted by:

- Higher selling prices of CPO and PK realised.

	Todate 4QFY2021	Todate 4QFY2020	% Change
Crude Palm Oil (RM/mt ex-mill)	3,211	2,344	37.0
Palm Kernel (RM/mt ex-mill)	2,135	1,374	55.4

- Profit contribution from a newly acquired subsidiary, IJM Plantations Berhad.
- Improved profit from processing and trading operations.

However, increase in profit was partially offset by:

- Decrease in CPO and PK sales volume.
- Higher unrealised loss of RM74.6 million (Todate 4QFY2020: unrealised loss RM17.5 million) from changes in fair value of outstanding derivative contracts.

Manufacturing

Manufacturing profit jumped sharply to RM682.4 million (Todate 4QFY2020: profit RM403.3 million) underpinned by higher revenue of RM10.782 billion (Todate 4QFY2020: RM8.207 billion), despite an impairment loss of RM29.1 million (Todate 4QFY2020: Nil) which was provided on an under-performing specialized oleochemical plant. The strong performance of the China and Europe operations had contributed positively to the profit of this segment.

The oleochemical division registered higher profit of RM680.6 million (Todate 4QFY2020: profit RM394.4 million) whilst other manufacturing units recorded a lower profit of RM1.8 million (Todate 4QFY2020: profit RM8.9 million).

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Property Development

Property segment reported a higher profit of RM68.8 million (Todate 4QFY2020: profit RM54.0 million) on the back of improvement in revenue to RM195.1 million (Todate 4QFY2020: RM154.9 million).

Investment Holding/Others

This segment's profit of RM194.5 million (Todate 4QFY2020: loss RM56.3 million) mainly derived from:

- Farming sector's profit of RM28.5 million (Todate 4QFY2020: loss RM17.5 million) owing to increase in crop production due to improvement in yields and higher cropped area.
- Significantly higher share of equity profit from an overseas associate, Synthomer plc amounted to RM260.6 million (Todate 4QFY2020: profit RM18.7 million).

Corporate

This segment has accounted for the non-operational items mentioned above.

B2. Variation of Results to Immediate Preceding Quarter

4th Quarter FY2021 vs 3rd Quarter FY2021

	Current Quarter Ended 30/9/2021 RM'000	Immediate Preceding Quarter Ended 30/6/2021 RM'000	+ / (-) %
Revenue	<u>5,934,533</u>	<u>5,172,758</u>	14.7
Segment results			
Plantation	585,557	432,554	35.4
Manufacturing	144,260	207,520	(30.5)
Property development	14,569	15,385	(5.3)
Investment holding/Others	<u>208,874</u>	<u>(24,541)</u>	-
	953,260	630,918	51.1
Corporate income	<u>(73,306)</u>	<u>322,398</u>	-
Profit before taxation	<u>879,954</u>	<u>953,316</u>	(7.7)

The Group's 4th quarter pre-tax profit was lower at RM880.0 million (3QFY2021: profit RM953.3 million) after accounting for following exceptional items:

- Impairment on an estate in Liberia of RM61.9 million (3QFY2021: Nil).
- Surplus of RM4.3 million (3QFY2021: surplus RM3.6 million) on sales of land and government acquisitions.
- Foreign exchange gain of RM962,000 (3QFY2020: gain RM613,000) from translation of inter-company loans denominated in foreign currencies.

Previous quarter's pre-tax profit had also included the following non-operational items:

- Fair value surplus amounted to RM324.3 million on deemed disposal of an associate, Aura Muhibah.
- Negative goodwill of RM2.9 million arising from acquisition of Aura Muhibah.

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However, after excluding the above non-operational items, the Group's current quarter pre-tax profit would be 50.6% higher at RM936.6 million (3QFY2021: profit RM621.9 million) supported by increase in revenue to RM5.935 billion (3QFY2021: RM5.173 billion).

Plantation

Plantation profit was 35.4% higher at RM585.6 million (3QFY2021: profit RM432.6 million) mainly attributable to:

- Stronger CPO selling prices of RM3,631/mt (3QFY2021: RM3,444/mt).
- Increase in CPO and PK sales volume.
- Fair value surplus of RM32.8 million (3QFY2021: loss RM3.5 million) on valuation of unharvested FFB.
- Profit contribution from a newly acquired subsidiary, IJM Plantations Berhad.
- Higher contribution from processing and trading operations.

However, the increase in profit was partially offset by:

- Lower PK selling price of RM2,213/mt (3QFY2021: RM2,387/mt).
- Unrealised loss from changes in fair value on outstanding derivative contracts amounted to RM39.9 million (3QFY2021: unrealised gain RM7.0 million).

Manufacturing

Notwithstanding higher revenue of RM2.994 billion (3QFY2021: RM2.827 billion), Manufacturing's profit was 30.5% lower at RM144.3 million (3QFY2021: profit RM207.5 million) affected by:

- Squeeze in profit margin on rising raw material cost.
- Impairment of RM29.1 million (3QFY2021: Nil) on an under-performing specialized oleochemical plant.

Profit from the oleochemical division was lower at RM144.4 million (3QFY2021: profit RM207.8 million) and other manufacturing units incurred a lower loss of RM118,000 (3QFY2021: loss RM303,000).

Property Development

Profit of the Property segment dropped marginally to RM14.6 million (3QFY2021: profit RM15.4 million) whilst revenue was higher at RM66.6 million (3QFY2021: RM33.4 million).

Investment Holding/Others

This segment's profit for the current quarter derived mainly from the equity profit of RM242.0 million (3QFY2021: Nil) from an overseas associate, Synthomer plc.

Corporate

This segment has taken into account the non-operational items mentioned above.

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B3. Current Year Prospects

The performance of plantation segment for financial year 2022 is expected to be better on the back of strong prevailing CPO prices and profit contribution from the newly acquired plantation subsidiaries.

Despite challenges from volatile raw material price movements and logistic issues caused by the pandemic, Oleochemical division expects to maintain its performance in financial year 2022.

Overall, the Group is expected to sustain its strong performance going into financial year 2022.

B4. Profit Forecast and Profit Guarantee

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

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian taxation	71,380	37,310	185,971	113,737
Overseas taxation	90,395	32,067	276,689	138,652
	161,775	69,377	462,660	252,389
Deferred tax				
Origination and reversal of temporary differences	44,058	44,110	63,052	48,968
Relating to changes in tax rate	(20,452)	(157)	21	36,450
(Over)/Under provision in respect of previous years	(10,069)	(16,203)	(5,779)	(3,086)
	13,537	27,750	57,294	82,332
	175,312	97,127	519,954	334,721
(Over)/Under provision in respect of previous years				
Malaysian taxation	(152)	(510)	(12,682)	(7,252)
Overseas taxation	9,151	386	17,101	1,212
	8,999	(124)	4,419	(6,040)
Total	184,311	97,003	524,373	328,681

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	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	<u>879,954</u>	<u>336,290</u>	<u>2,976,425</u>	<u>1,185,730</u>
Tax at Malaysian income tax rate of 24% (FY2020: 24%)	211,189	80,710	714,342	284,575
Effect of different tax rates in foreign jurisdictions	(5,484)	(571)	(29,084)	(15,885)
Withholding tax on foreign dividend and interest income	9,026	3,955	19,550	22,440
Expenses not deductible for tax purposes	54,023	16,790	81,247	60,058
Tax exempt and non-taxable income	(2,811)	(9,721)	(156,345)	(60,434)
Tax incentives	(8,308)	(1,758)	(11,223)	(4,275)
Deferred tax assets not recognised during the period	5,623	2,800	6,858	6,918
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(364)	(5,153)	(29,927)	(14,316)
Expiry of tax losses	7,110	27,632	7,110	27,632
Tax effect on associates' and joint ventures' results	(65,700)	3,899	(76,664)	(5,660)
Recognition of deferred tax assets not taken up previously	-	(5,245)	-	(3,960)
Under/(Over) provision of tax expense in respect of previous years	8,999	(124)	4,419	(6,040)
Over provision of deferred tax in respect of previous years	(10,069)	(16,203)	(5,779)	(3,086)
Effect of changes in tax rates on deferred tax	(20,452)	(157)	21	36,450
Others	<u>1,529</u>	<u>149</u>	<u>(152)</u>	<u>4,264</u>
Tax expense	<u>184,311</u>	<u>97,003</u>	<u>524,373</u>	<u>328,681</u>

On 7 October 2021, the Indonesian authorities decided not to proceed with the planned reduction in the Indonesian corporate tax rate from 22% to 20% effective from financial year 2022. Therefore, the effect of changes in tax rates on deferred tax that was recognised in prior quarters totalling RM20.5 million was reversed in the current quarter ended 30 September 2021.

For the year ended 30 September 2020, 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 prior years.

B6. Status of Corporate Proposals Announced

There were no corporate proposals announced.

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B7. Group Borrowings

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

	As at 30 September 2021					
	Long Term		Short Term		Total Borrowings	
	Foreign	RM	Foreign	RM	Foreign	RM
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Term loans	Euro 3,559	17,259	Euro 1,256	6,092	Euro 4,815	23,351
	USD 67,150	281,009	USD 17,925	75,013	USD 85,075	356,022
	JPY 3,410,680	128,210	JPY 787,080	29,587	JPY 4,197,760	157,797
Revolving credit	-	-	-	100,000	-	100,000
Unsecured						
Bank overdrafts	-	-	Euro 25,413	123,233	Euro 25,413	123,233
Revolving credit	-	-	Euro 35,000	169,722	Euro 35,000	169,722
	-	-	AUD 18,800	56,881	AUD 18,800	56,881
	-	-	GBP 13,500	76,152	GBP 13,500	76,152
Trade financing	-	-	USD 60,436	253,014	USD 60,436	253,014
	-	-	-	297,600	-	297,600
Term loans	-	1,200,000	-	-	-	1,200,000
	USD 57,500	240,790	USD 29,500	123,526	USD 87,000	364,316
	Euro 30,000	145,612	Euro 19,000	92,393	Euro 49,000	238,005
Bankers' acceptance	-	-	-	749,269	-	749,269
Islamic medium term notes	-	3,600,000	-	1,000,000	-	4,600,000
Total		5,612,880		3,152,482		8,765,362

	As at 30 September 2020					
	Long Term		Short Term		Total Borrowings	
	Foreign	RM	Foreign	RM	Foreign	RM
	Denomination	Denomination	Denomination	Denomination	Denomination	Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Term loans	Euro 4,815	23,471	Euro 1,247	6,077	Euro 6,062	29,548
Unsecured						
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
Total		5,110,442		1,310,848		6,421,290

Exchange Rates Applied	As at 30 September	
	2021	2020
USD / RM	4.1865	4.1580
Euro / RM	4.8492	4.8740
Rp1,000 / RM	0.2925	0.2802
Rmb / RM	0.6494	0.6124
GBP / RM	5.6409	5.3734
AUD / RM	3.0256	2.9788

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 2021, the values and maturity analysis of the outstanding derivatives are as follows:

Derivatives	Contract/Notional	Fair value
	Value Net long/(short) RM'000	Net gains/(losses) RM'000
(i) Forward foreign exchange contracts		
- Less than 1 year	(2,122,416)	6,114
- 1 year to 3 years	-	-
- More than 3 years	-	-
(ii) Commodity futures contracts		
- Less than 1 year	(317,455)	(81,822)
- 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 2021, 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 2021 at a later date.
- The total interim dividend paid for the current financial year to-date is single tier dividend of 20 sen per share (Financial year ended 30 September 2020: 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		12 months ended	
	30 September		30 September	
	2021	2020	2021	2020
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	625,800	208,816	2,257,584	772,604
(b) Weighted average number of shares	1,078,062,665	1,078,478,785	1,078,401,228	1,073,088,316
(c) Earnings per share (sen)	58.0	19.4	209.3	72.0

B13. Audit Report

The audit report for the financial year ended 30 September 2020 was not subject to any qualifications.

B14. Profit Before Taxation

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(14,227)	(23,135)	(52,220)	(114,853)
Other income including dividend income	(14,554)	(58,324)	(152,715)	(116,794)
Interest expense	63,283	57,396	237,707	242,598
Depreciation and amortisation	173,595	158,580	633,647	616,466
Write-off of receivables	1,277	4,570	3,301	5,738
(Reversal of write-off)/Provision for and write-off of inventories	(810)	1,403	15,685	21,521
Fair value surplus on deemed disposal of an associate	-	-	(324,260)	-
Surplus on disposal of land	(1,404)	(82,789)	(151,433)	(83,655)
(Surplus)/Loss arising from government acquisition of land	(2,860)	94	(11,209)	(1,058)
Impairment of property, plant and equipment	95,170	-	95,170	-
Foreign exchange (gain)/loss	(404)	57,808	(98,150)	9,783
Loss/(Gain) on derivatives	3,239	(2,520)	(88,166)	31,138
Exceptional items	-	-	-	-

By Order of the Board
YAP MIOU KIEN
Company Secretary

23 November 2021