



KUALA LUMPUR KEPONG BERHAD

197301001526 (15043-V)

**Interim Financial Report
For the year ended 30 September 2022**

The Directors are pleased to announce the unaudited financial results of the Group for the year ended 30 September 2022.

Condensed Consolidated Statement of Profit or Loss
For the year ended 30 September 2022
(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	12 months ended		+ / (-)
	30 September			30 September		
	2022	2021		2022	2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6,976,704	5,934,533	17.6	27,149,474	19,915,796	36.3
Operating expenses	(6,418,203)	(5,315,324)	20.7	(24,236,304)	(17,836,499)	35.9
Other operating income	138,206	46,988	194.1	468,843	814,216	(42.4)
Finance costs	(105,818)	(63,283)	67.2	(358,130)	(237,707)	50.7
Net (impairment losses)/reversals of impairment on financial assets	(11,624)	3,287	N/M	11,962	1,184	N/M
Share of results of associates	112,432	256,483	(56.2)	142,617	287,301	(50.4)
Share of results of joint ventures	35,693	17,270	106.7	41,016	32,134	27.6
Profit before taxation	727,390	879,954	(17.3)	3,219,478	2,976,425	8.2
Taxation	(189,293)	(184,311)	2.7	(781,121)	(524,373)	49.0
Net profit for the period	<u>538,097</u>	<u>695,643</u>	(22.6)	<u>2,438,357</u>	<u>2,452,052</u>	(0.6)
Attributable to:						
Equity holders of the Company	462,130	625,800	(26.2)	2,166,290	2,257,584	(4.0)
Non-controlling interests	75,967	69,843	8.8	272,067	194,468	39.9
	<u>538,097</u>	<u>695,643</u>	(22.6)	<u>2,438,357</u>	<u>2,452,052</u>	(0.6)
	Sen	Sen		Sen	Sen	
Earnings per share - basic	<u>42.9</u>	<u>58.0</u>		<u>200.9</u>	<u>209.3</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

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 2021.

**Condensed Consolidated Statement of Other Comprehensive Income
For the year ended 30 September 2022**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	538,097	695,643	2,438,357	2,452,052
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss				
Currency translation differences	168,269	46,868	182,713	193,718
Share of other comprehensive income/(loss) in associates	90,125	(11,034)	112,610	(62,827)
	258,394	35,834	295,323	130,891
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity instruments	(46,444)	57,602	7,330	134,473
Share of other comprehensive income in associates	43,876	48,755	63,420	65,300
Remeasurement of defined benefit plans	70,757	(3,632)	70,757	(3,632)
	68,189	102,725	141,507	196,141
Total other comprehensive income for the period	326,583	138,559	436,830	327,032
Total comprehensive income for the period	864,680	834,202	2,875,187	2,779,084
Attributable to:				
Equity holders of the Company	787,723	754,259	2,608,423	2,571,800
Non-controlling interests	76,957	79,943	266,764	207,284
	864,680	834,202	2,875,187	2,779,084

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 September 2021.

Condensed Consolidated Statement of Financial Position

As at 30 September 2022

(The figures have not been audited.)

	30 September 2022	30 September 2021
	RM'000	RM'000
Assets		
Property, plant and equipment	12,123,317	11,014,851
Right-of-use assets	1,338,533	1,316,628
Inventories	1,991,597	2,035,257
Goodwill on consolidation	336,241	327,417
Intangible assets	17,142	20,907
Investments in associates	2,366,997	1,777,894
Investments in joint ventures	215,962	179,649
Other investments	595,711	598,959
Other receivables	425,925	444,389
Deferred tax assets	322,289	338,660
Total non-current assets	19,733,714	18,054,611
Inventories	4,024,163	2,991,026
Biological assets	209,344	210,218
Trade and other receivables	2,750,026	3,167,272
Contract assets	83,186	7,448
Tax recoverable	41,253	25,021
Derivative financial assets	545,266	162,459
Short term funds	66,375	253,405
Cash and cash equivalents	2,785,198	3,205,971
Total current assets	10,504,811	10,022,820
Total assets	30,238,525	28,077,431
Equity		
Share capital	1,379,249	1,375,695
Reserves	12,932,297	10,510,376
	14,311,546	11,886,071
Less: Cost of treasury shares	(24,504)	(26,809)
Total equity attributable to equity holders of the Company	14,287,042	11,859,262
Non-controlling interests	1,764,780	2,347,778
Total equity	16,051,822	14,207,040
Liabilities		
Deferred tax liabilities	1,098,679	965,959
Lease liabilities	158,322	133,457
Deferred income	90,149	98,465
Provision for retirement benefits	482,598	559,576
Borrowings	7,208,861	5,612,880
Total non-current liabilities	9,038,609	7,370,337
Trade and other payables	2,106,407	2,734,106
Contract liabilities	138,121	120,584
Deferred income	8,628	8,598
Lease liabilities	22,514	24,975
Borrowings	2,173,427	3,152,482
Tax payable	154,681	221,142
Derivative financial liabilities	544,316	238,167
Total current liabilities	5,148,094	6,500,054
Total liabilities	14,186,703	13,870,391
Total equity and liabilities	30,238,525	28,077,431
Net assets per share attributable to equity holders of the Company (RM)	13.25	11.00

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 September 2021.

Condensed Consolidated Statement of Changes in Equity
For the year ended 30 September 2022

(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 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
Net change in fair value of equity instruments	-	-	-	7,330	-	-	-	7,330	-	7,330
Realisation on fair value of equity instruments	-	-	-	(162)	162	-	-	-	-	-
Transfer of reserves	-	84,515	-	-	(84,515)	-	-	-	-	-
Share of comprehensive income in associates	-	-	112,610	-	63,420	-	-	176,030	-	176,030
Remeasurement of defined benefit plans	-	-	-	-	70,083	-	-	70,083	674	70,757
Currency translation differences	-	1,490	187,200	-	-	-	-	188,690	(5,977)	182,713
Total other comprehensive income/(loss) for the year	-	86,005	299,810	7,168	49,150	-	-	442,133	(5,303)	436,830
Profit for the year	-	-	-	-	2,166,290	-	-	2,166,290	272,067	2,438,357
Total comprehensive income for the year	-	86,005	299,810	7,168	2,215,440	-	-	2,608,423	266,764	2,875,187
Acquisition through business combination	-	-	-	-	-	-	-	-	213,189	213,189
Expiry of unconditional mandatory general offer on acquisition of a subsidiary	-	-	-	-	-	125,590	-	125,590	-	125,590
Purchase of shares from non-controlling interests	-	-	(1,431)	-	(27,371)	809,458	-	780,656	(893,647)	(112,991)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	10	10
Redemption of redeemable preference shares in a subsidiary	-	-	-	-	-	-	-	-	(6,400)	(6,400)
Employees' share grant scheme	3,554	-	-	-	-	-	2,305	5,859	-	5,859
Effect of changes in shareholdings in subsidiaries	-	-	1,163	-	(15,755)	-	-	(14,592)	11,083	(3,509)
Dividend paid - FY2021 final	-	-	-	-	(862,525)	-	-	(862,525)	-	(862,525)
- FY2022 interim	-	-	-	-	(215,631)	-	-	(215,631)	-	(215,631)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(173,997)	(173,997)
Total transactions with owners of the Company	3,554	-	(268)	-	(1,121,282)	935,048	2,305	(180,643)	(849,762)	(1,030,405)
At 30 September 2022	1,379,249	1,654,341	412,913	750,923	10,114,120	-	(24,504)	14,287,042	1,764,780	16,051,822

**Condensed Consolidated Statement of Changes in Equity
For the year ended 30 September 2022**

(Continued)

(The figures have not been audited.)

	← Attributable to the equity holders of the Company →							Total	Non-controlling interests	Total Equity
	Share capital	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings	Other reserve	Treasury shares			
	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 on acquisition of a subsidiary	-	-	-	-	-	(1,185,518)	-	(1,185,518)	-	(1,185,518)
Purchase of shares from non-controlling interests	-	-	-	-	-	250,470	-	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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2021.

Condensed Consolidated Statement of Cash Flows
For the year ended 30 September 2022

(The figures have not been audited.)

	12 months ended 30 September	
	2022	2021
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	3,219,478	2,976,425
Adjustment for non-cash flow items:		
Depreciation and amortisation	930,736	633,647
Fair value surplus on deemed disposal of an associate	-	(324,260)
Surplus on government acquisition of land	(4,049)	(11,209)
Surplus on disposal of land	(3,698)	(151,433)
Impairment of property, plant and equipment	43,313	95,170
Share of profits of associates and joint ventures, net of tax	(183,633)	(319,435)
Other non-cash items	277,103	(22,699)
Non-operating items	262,909	141,619
Operating profit before working capital changes	4,542,159	3,017,825
Working capital changes:		
Net change in current assets	(873,231)	(1,841,902)
Net change in current liabilities	295,621	505,085
Cash generated from operations	3,964,549	1,681,008
Interest paid	(355,677)	(230,815)
Tax paid	(884,973)	(255,705)
Retirement benefits paid	(51,157)	(37,862)
Net cash generated from operating activities	<u>2,672,742</u>	<u>1,156,626</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(1,252,203)	(957,920)
Purchase of right-of-use assets	(15,470)	(5,479)
Property development expenditure	(8,695)	(37,838)
Purchase of shares in subsidiaries, net of cash acquired	(303,834)	(1,561,570)
Subscription and purchase of shares in an associate	(479,062)	(39,795)
Purchase of shares from non-controlling interests	(922,449)	(250,470)
Purchase of other investments	(27,822)	(38,730)
Purchase of intangible assets	(1,151)	(2,547)
Proceeds from disposal of property, plant and equipment	9,689	5,180
Compensation from government on land acquired	4,123	11,209
Proceeds from disposal of land	-	149,401
Proceeds from disposal of a subsidiary, net of cash disposed	1,964	-
Proceeds from disposal of other investments	514	25,132
Repayment of advances from a joint venture	20,993	-
Decrease in short term funds	205,464	681,434
Decrease/(Increase) in other receivables	43,333	(27,690)
Dividends received from associates	184,720	85,044
Dividends received from investments	33,679	47,135
Interest received	44,363	49,378
Net cash used in investing activities	<u>(2,461,844)</u>	<u>(1,868,126)</u>

Condensed Consolidated Statement of Cash Flows
For the year ended 30 September 2022

(Continued)

(The figures have not been audited.)

	12 months ended 30 September	
	2022	2021
	RM'000	RM'000
Cash Flows from Financing Activities		
Term loans received	1,055,033	1,463,730
Issuance of Islamic medium term notes	2,000,000	-
Repayment of term loans	(1,425,468)	(245,161)
Redemption of Islamic medium term notes	(1,000,000)	-
Payments of lease liabilities	(18,239)	(29,499)
Payments of lease interest	(5,569)	(5,434)
Net (repayment)/drawdown of short term borrowings	(85,637)	489,437
Dividends paid to shareholders of the Company	(1,078,156)	(593,151)
Dividends paid to non-controlling interests	(173,997)	(140,056)
Issuance of shares to non-controlling interests	10	17,472
Redemption of redeemable preference shares from non-controlling interests	(6,400)	-
Shares buy back	-	(13,920)
Net cash (used in)/generated from financing activities	(738,423)	943,418
Net (decrease)/increase in cash and cash equivalents	(527,525)	231,918
Cash and cash equivalents at 1 October	3,082,738	2,823,776
	2,555,213	3,055,694
Currency translation differences on opening balances	59,691	27,044
Cash and cash equivalents at 30 September	2,614,904	3,082,738
Cash and cash equivalents consist of:		
Cash and bank balances	836,685	1,122,710
Deposits with licensed banks	1,169,511	860,291
Money market funds	779,002	1,222,970
Bank overdrafts	(170,294)	(123,233)
	2,614,904	3,082,738

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2021.

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 2021.

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 2021 except for the adoption of the following amendments to MFRSs:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest Rate Benchmark Reform - Phase 2*

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

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter ended 30 September 2022.

A6. Dividends Paid

	12 months ended 30 September	
	2022	2021
	RM'000	RM'000
Dividend paid in Year 2022:		
Final single tier dividend 80 sen per share for financial year ended 30 September 2021 (single tier dividend of 35 sen per share for financial year ended 30 September 2020)	862,525	377,494
Interim single tier dividend of 20 sen per share for financial year ended 30 September 2022 (single tier dividend of 20 sen per share for financial year ended 30 September 2021)	215,631	215,657
	<u>1,078,156</u>	<u>593,151</u>

Notes to Interim Financial Report

(Continued)

Final dividends were paid on the number of outstanding shares in issue and fully paid of 1,078,156,123 (2021: 1,078,554,001).

Interim dividends were paid on the number of outstanding shares in issue and fully paid of 1,078,156,123 (2021: 1,078,284,001).

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. Effective from 1 October 2021, refineries and kernel crushing operations are classified from plantation to manufacturing segment to better reflect the performance of the upstream business.

(a) Segment revenue and results

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended						
30 September 2022						
Revenue						
External revenue	4,082,366	22,605,225	195,199	266,684	-	27,149,474
Inter-segment revenue	1,835,403	15,192	-	509,802	(2,360,397)	-
Total revenue	5,917,769	22,620,417	195,199	776,486	(2,360,397)	27,149,474
Results						
Operating results	2,144,107	1,084,654	64,790	87,656	-	3,381,207
Interest income	7,165	3,991	4,749	85,273	(39,811)	61,367
Finance costs	(17,685)	(80,746)	(815)	(298,695)	39,811	(358,130)
Share of results of associates	5,471	20,352	2,134	114,660	-	142,617
Share of results of joint ventures	-	42,319	-	(1,303)	-	41,016
Segment results	2,139,058	1,070,570	70,858	(12,409)	-	3,268,077
Corporate expense						(48,599)
Profit before taxation						3,219,478
12 months ended						
30 September 2021						
Revenue						
External revenue	2,646,618	16,828,378	195,070	245,730	-	19,915,796
Inter-segment revenue	700,738	1,116	-	557,071	(1,258,925)	-
Total revenue	3,347,356	16,829,494	195,070	802,801	(1,258,925)	19,915,796
Results						
Operating results	1,354,638	915,339	59,340	67,455	-	2,396,772
Interest income	2,188	2,837	366	74,858	(28,029)	52,220
Finance costs	(7,588)	(51,442)	(53)	(206,653)	28,029	(237,707)
Share of results of associates	1,722	15,854	9,147	260,578	-	287,301
Share of results of joint ventures	-	33,860	-	(1,726)	-	32,134
Segment results	1,350,960	916,448	68,800	194,512	-	2,530,720
Corporate income						445,705
Profit before taxation						2,976,425

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 2022					
Operating assets	11,212,000	10,498,732	2,720,186	2,861,106	27,292,024
Associates	31,403	73,887	10,323	2,251,384	2,366,997
Joint ventures	-	215,962	-	-	215,962
Segment assets	<u>11,243,403</u>	<u>10,788,581</u>	<u>2,730,509</u>	<u>5,112,490</u>	<u>29,874,983</u>
Tax assets					363,542
Total assets					<u>30,238,525</u>
As at 30 September 2021					
Operating assets	10,976,232	8,980,990	2,663,988	3,134,997	25,756,207
Associates	31,920	69,532	17,689	1,658,753	1,777,894
Joint ventures	-	178,381	-	1,268	179,649
Segment assets	<u>11,008,152</u>	<u>9,228,903</u>	<u>2,681,677</u>	<u>4,795,018</u>	<u>27,713,750</u>
Tax assets					363,681
Total assets					<u>28,077,431</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 2022					
Segment liabilities	<u>1,373,621</u>	<u>4,347,938</u>	<u>192,180</u>	<u>7,019,604</u>	<u>12,933,343</u>
Tax liabilities					1,253,360
Total liabilities					<u>14,186,703</u>
As at 30 September 2021					
Segment liabilities	<u>2,753,718</u>	<u>3,834,811</u>	<u>149,627</u>	<u>5,945,134</u>	<u>12,683,290</u>
Tax liabilities					1,187,101
Total liabilities					<u>13,870,391</u>

A8. Event Subsequent to Reporting Date

In the interval between the end of the reporting period and the date of this report, no material events have arisen which have not been reflected in the interim report.

A9. Changes in the Composition of the Group

For the year ended 30 September 2022, the Company further acquired 261,115,471 ordinary shares in KLK Sawit Nusantara Berhad ("KSN") (formerly known as IJM Plantations Berhad) representing 29.65% equity interest in KSN. Accordingly, the Group holds a total of 840,067,490 KSN shares, representing 95.40% equity interest in KSN as at 30 September 2022.

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.

Notes to Interim Financial Report

(Continued)

A11. Capital Commitments

	30 September 2022	30 September 2021
	RM'000	RM'000
Capital expenditure		
Approved and contracted	790,545	376,422
Approved but not contracted	2,065,139	1,503,456
	<u>2,855,684</u>	<u>1,879,878</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	
	2022	2021
	RM'000	RM'000
(i) Transactions with associates and joint ventures		
Sale of goods	712,886	402,882
Purchase of goods	2,152,219	1,815,173
Service charges paid	1,510	1,610
Research and development services paid	15,803	13,891
(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	34,673	19,918
Siam Taiko Marketing Co Ltd	4,855	3,499
Taiko Marketing Sdn Bhd	13,685	10,661
Taiko Marketing (Singapore) Pte Ltd	2,075	1,384
Storage tanks rental received		
Taiko Marketing Sdn Bhd	4,450	4,098
Purchases of goods		
Borneo Taiko Clay Sdn Bhd	3,931	3,398
Bukit Katho Estate Sdn Bhd	11,314	8,300
Kampar Rubber & Tin Co Sdn Bhd	15,309	10,559
Kekal Deras Sdn Bhd	4,057	2,972
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	4,210	5,339
Malay Rubber Plantations (M) Sdn Bhd	18,746	12,713
PT Agro Makmur Abadi	118,036	102,146
PT Bumi Karyatama Raharja	-	2,281
PT Java Taiko Mineralindo	3,604	1,128
PT Safari Riau	55,444	48,501
PT Satu Sembilan Delapan	24,308	18,972
Taiko Acid Works Sdn Bhd	882	1,222
Taiko Clay Marketing Sdn Bhd	4,057	3,227
Taiko Drum Industries Sdn Bhd	3,230	3,263
Taiko Marketing Sdn Bhd	31,415	16,545

Notes to Interim Financial Report
(Continued)

		12 months ended 30 September	
		2022	2021
		RM'000	RM'000
(ii)	Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest		
	Rental of office paid		
	Menara KLK Sdn Bhd	-	4,023
	Management fees paid		
	Farming Management Services Pty Ltd	3,951	2,913
	Aircraft operating expenses and management services paid		
	Smooth Route Sdn Bhd	1,666	1,395
	Supply of contract labour and engineering works		
	Yeow Brothers Engineering Sdn Bhd	-	419
	IT Services		
	E-Komoditi Sdn Bhd	-	688
(iii)	Transactions between subsidiaries and non-controlling interests		
	Sale of goods		
	Agrex Asia Pte Ltd	-	77,518
	Mitsui & Co Ltd	458,878	296,110
	Purchases of goods		
	Mitsubishi Gas Chemical Singapore Pte Ltd	10,738	14,578
	PT Eka Dura Indonesia	-	8,499
	PT Tanjung Bina Lestari	-	38,201
	PT Tanjung Sarana Lestari	1,531,111	1,769,924
	PT Sari Lembah Subur	-	16,844
	PT Kimia Tirta Utama	-	4,219
	PT Nirmala Agro Lestari	-	4,125

Notes to Interim Financial Report
(Continued)

B Explanatory Notes as required by the BMSB Revised Listing Requirement

B1. Analysis of Performance

4th Quarter FY2022 vs 4th Quarter FY2021

	Quarter Ended		+ / (-) %
	30/9/2022 RM'000	30/9/2021 RM'000	
Revenue	6,976,704	5,934,533	17.6
Segment results			
Plantation	513,554	453,186	13.3
Manufacturing	164,192	276,631	(40.6)
Property development	18,748	14,569	28.7
Investment holding/Others	48,324	208,874	(76.9)
	744,818	953,260	(21.9)
Corporate expense	(17,428)	(73,306)	(76.2)
Profit before taxation	727,390	879,954	(17.3)

The Group profit before tax for the 4th quarter fell 17.3% to RM727.4 million (4QFY2021: profit RM880.0 million) whilst revenue jumped 17.6% to RM6.977 billion (4QFY2021: RM5.935 billion).

Comments on the business sectors are as follows:

Plantation

Plantation profit improved 13.3% to RM513.6 million (4QFY2021: profit RM453.2 million) aided by:

- Higher CPO selling prices realised at RM3,815/mt (4QFY2021: RM3,631/mt).
- Increase in CPO and PK sales volume.

However, the improvement of result was partially offset by:

- Fair value loss of RM10.0 million (4QFY2021: fair value surplus RM32.8 million) on valuation of unharvested FFB.
- Higher CPO production cost.

Manufacturing

Notwithstanding an increase in revenue to RM5.936 billion (4QFY2021: RM4.993 billion), manufacturing profit slipped 40.6% to RM164.2 million (4QFY2021: profit RM276.6 million) caused by:

- Lower profit contributions from Oleochemical division.
- Unrealised loss of RM57.7 million (4QFY2021: unrealised gain RM53.7 million) from fair value changes on outstanding derivative contracts.

However, higher profit from refineries and kernel crushing operations had partially mitigated the drop in profit.

Notes to Interim Financial Report

(Continued)

Property Development

Property segment's profit surged 28.7% to RM18.7 million (4QFY2021: profit RM14.6 million) despite lower revenue of RM48.8 million (4QFY2021: RM66.6 million).

Investment Holding/Others

This segment's profit dropped sharply to RM48.3 million (4QFY2021: profit RM208.9 million) mainly attributable to:

- Significantly lower share of equity profit from an overseas associate, Synthomer plc amounted to RM104.5 million (4QFY2021: profit RM242.0 million).
- Higher interest expense on increased borrowings.

Corporate

In previous year, corporate expense had included an impairment on an estate in Liberia amounted to RM61.9 million.

Todate 4th Quarter FY2022 vs Todate 4th Quarter FY2021

	Todate Ended		+ / (-) %
	30/9/2022 RM'000	30/9/2021 RM'000	
Revenue	27,149,474	19,915,796	36.3
Segment results			
Plantation	2,139,058	1,350,960	58.3
Manufacturing	1,070,570	916,448	16.8
Property development	70,858	68,800	3.0
Investment holding/Others	(12,409)	194,512	-
	3,268,077	2,530,720	29.1
Corporate (expense)/ income	(48,599)	445,705	-
Profit before taxation	3,219,478	2,976,425	8.2

The Group registered a higher pre-tax profit for financial year 2022 of RM3.219 billion (Todate 4QFY2021: profit RM2.976 billion) and has accounted for the following non-operational items which are included under Corporate (expense)/income:

- Foreign exchange gain of RM1.5 million (Todate 4QFY2021: gain RM52.2 million) from translation of inter-company loans denominated in foreign currencies.
- Surplus of RM7.7 million (Todate 4QFY2021: surplus RM162.6 million) on sales of land and government acquisitions.

In previous financial year, the non-operational items included the following:

- Fair value surplus amounted to RM324.3 million on deemed disposal of an associate, Aura Muhibah Sdn Bhd ("Aura Muhibah").
- Surplus of RM12.6 million on fair value of an ordinary investment which was previously an associate.
- Negative goodwill of RM2.9 million arising from acquisition of Aura Muhibah.
- Impairment on an estate in Liberia amounted to RM61.9 million.

Notes to Interim Financial Report
(Continued)

Excluding the above non-operational items, profit before tax of the Group for the financial year 2022 would be 29.3% higher at RM3.210 billion (Todate 4QFY2021: profit RM2.484 billion) with increased revenue of RM27.149 billion (Todate 4QFY2021: RM19.916 billion).

Comments on the business sectors are as follows:

Plantation

Plantation segment reported a sharp rise in profit to RM2.139 billion (Todate 4QFY2021: profit RM1.351 billion) driven by:

- Stronger CPO and PK selling prices realised as follows:

	Todate 4QFY2022	Todate 4QFY2021	% Change
Crude Palm Oil (RM/mt ex-mill)	4,227	3,211	31.6
Palm Kernel (RM/mt ex-mill)	2,972	2,135	39.2

- Profit contribution from a newly acquired subsidiary, PT Pinang Witmas Sejati.
- Higher profit contribution from KLK Sawit Nusantara Berhad (“KSN”) for the full year as opposed to one month profit contribution from KSN in the previous year.
- Higher CPO and PK sales volume.
- Unrealised gain of RM80.6 million (Todate 4QFY2021: unrealised loss RM77.2 million) from changes in fair value of outstanding derivative contracts.

However, the higher profit was partly offset by fair value loss of RM17.4 million (Todate 4QFY2021: fair value surplus RM44.0 million) on valuation of unharvested FFB and higher CPO production cost.

Manufacturing

Manufacturing profit surged 16.8% to RM1.071 billion (Todate 4QFY2021: profit RM916.4 million) underpinned by higher revenue of RM22.605 billion (Todate 4QFY2021: RM16.828 billion) and improved contribution from Oleochemical division.

However, results were partially offset by:

- Drop in profits from refineries and KCP operations.
- Unrealised loss of RM86.6 million (Todate 4QFY2021: unrealised gain RM2.9 million) from fair value changes on outstanding derivative contracts.

Property Development

Property profit inched higher at RM70.9 million (Todate 4QFY2021: profit RM68.8 million) with a flat revenue of RM195.2 million (Todate 4QFY2021: RM195.1 million).

Investment Holding/Others

This segment suffered a loss of RM12.4 million (Todate 4QFY2021: profit RM194.5 million) largely attributable to:

- Significantly lower share of equity profit from an overseas associate, Synthomer plc amounted to RM114.7 million (Todate 4QFY2021: profit RM260.6 million).
- Higher interest expense on increased borrowings.

Notes to Interim Financial Report
(Continued)

However, the results were partly mitigated by higher Farming sector's profit of RM37.0 million (Todate 4QFY2021: profit RM28.5 million) mainly due to improvement in crop selling prices.

Corporate

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

B2. Variation of Results to Immediate Preceding Quarter
4th Quarter FY2022 vs 3rd Quarter FY2022

	Current Quarter Ended 30/9/2022 RM'000	Immediate Preceding Quarter Ended 30/06/2022 RM'000	+ / (-) %
Revenue	6,976,704	6,961,351	0.2
Segment results			
Plantation	513,554	594,279	(13.6)
Manufacturing	164,192	208,913	(21.4)
Property development	18,748	17,456	7.4
Investment holding/Others	48,324	(54,446)	-
	744,818	766,202	(2.8)
Corporate expense	(17,428)	(12,537)	39.0
Profit before taxation	727,390	753,665	(3.5)

The Group's 4th quarter pre-tax profit was lower at RM727.4 million (3QFY2022: profit RM753.7 million) and revenue was flat at RM6.977 billion (3QFY2022: RM6.961 billion).

Comments on various business sectors are as follows:

Plantation

Plantation profit fell 13.6% to RM513.6 million (3QFY2022: profit RM594.3 million) mainly affected by:

- Lower CPO and PK selling prices realised as follows:

	4QFY2022	3QFY2022	% Change
Crude Palm Oil (RM/mt ex-mill)	3,815	4,857	(21.5)
Palm Kernel (RM/mt ex-mill)	2,082	3,364	(38.1)

However, decrease in profit was partially mitigated by:

- Higher unrealised gain of RM107.5 million (3QFY2022: unrealised gain RM86.7 million) from changes in fair value on outstanding derivative contracts.
- Increase in CPO and PK sales volume.

Notes to Interim Financial Report

(Continued)

Manufacturing

Despite marginal increase in revenue to RM5.936 billion (3QFY2022: RM5.864 billion), manufacturing profit was lower at RM164.2 million (3QFY2022: profit RM208.9 million) attributable to lower profit contributions from Oleochemical division and higher unrealised loss of RM57.7 million (3QFY2022: unrealised loss RM33.7 million) from fair value changes on outstanding derivative contracts. However, turnaround in profit of the refineries and kernel crushing operations had partially mitigated the drop in this segment's profit.

Property Development

Property profit was slightly higher at RM18.7 million (3QFY2022: profit RM17.5 million) despite revenue was lower at RM48.8 million (3QFY2022: RM53.5 million).

Investment Holding/Others

This segment reported a profit of RM48.3 million (3QFY2022: loss RM54.4 million) mainly due to current quarter had accounted for an equity profit of RM104.5 million (3QFY2022: Nil) from an overseas associate, Synthomer plc.

B3. Prospects

Crude palm oil ("CPO") prices have eased since June 2022 due to the heightening global recession risk, which is in turn driven by rising interest rates to restrain inflation that followed quantitative easing and exacerbated by the Russian-Ukrainian conflict. The downward pressure on CPO prices was aggravated further by release of Indonesian CPO inventories following its restriction, ban, and then boost export policies.

The Plantation segment profit in FY2023 will likely be affected by the normalisation of CPO prices while costs are escalating under inflationary pressures on fuel, fertilisers and agrochemicals. The Group continues to aggressively boost productivity and enhance its mechanisation efforts to improve the yield going forward as a constructive means of mitigating the rising costs.

The Manufacturing segment foresees headwinds ahead in FY2023 with volatility in raw material prices, high energy costs and softening demand driven by persistent fear of global recession, coupled with sluggish economic growth in China. The Group will continue to focus on improving its operational efficiency and consistently delivering high-quality, value-added and specialty ingredients to meet the growing customer demand for innovative as well as green products. In addition, the Group also works closely with its customers on expanding and customising its product applications to expand its reach to a wider user base.

Overall, the Group expects its financial performance for FY2023 to be challenging.

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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian taxation	109,172	71,380	361,310	185,971
Overseas taxation	59,693	90,395	436,682	276,689
	168,865	161,775	797,992	462,660
(Over)/Under provision in respect of previous year				
Malaysian taxation	(234)	(152)	(28,186)	(12,682)
Overseas taxation	5,590	9,151	25,834	17,101
	5,356	8,999	(2,352)	4,419
	174,221	170,774	795,640	467,079
Deferred tax				
Origination and reversal of temporary differences	38,916	44,058	(3,888)	63,052
Relating to changes in tax rate	-	(20,452)	-	21
Over provision in respect of previous year	(23,844)	(10,069)	(10,631)	(5,779)
	15,072	13,537	(14,519)	57,294
Total	189,293	184,311	781,121	524,373
Profit before taxation	727,390	879,954	3,219,478	2,976,425
Tax at Malaysian income tax rate of 24% (FY2021: 24%)	174,574	211,189	772,675	714,342
Effect of different tax rates in foreign jurisdictions	42,693	(5,484)	(11,964)	(29,084)
Withholding tax on foreign dividend and interest income	7,162	9,026	88,146	19,550
Expenses not deductible for tax purposes	85,762	54,023	115,514	81,247
Tax exempt and non-taxable income	(20,333)	(2,811)	(53,618)	(156,345)
Tax incentives	(4,485)	(8,308)	(9,100)	(11,223)
Deferred tax assets not recognised during the period	256	5,623	3,058	6,858
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	1,833	(364)	(45,961)	(29,927)
Expiry of tax losses	(349)	7,110	3,671	7,110
Tax effect on associates' and joint ventures' results	(35,550)	(65,700)	(44,072)	(76,664)
Recognition of deferred tax assets not taken up previously	(64,193)	-	(68,586)	-
Under/(Over) provision of tax expense in respect of previous year	5,356	8,999	(2,352)	4,419
Over provision of deferred tax in respect of previous year	(23,844)	(10,069)	(10,631)	(5,779)
Effect of changes in tax rates on deferred tax	-	(20,452)	-	21
Prosperity tax	19,350	-	40,630	-
Others	1,061	1,529	3,711	(152)
Tax expense	189,293	184,311	781,121	524,373

Notes to Interim Financial Report
(Continued)

B6. Status of Corporate Proposals Announced

There were no corporate proposals announced.

B7. Group Borrowings

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

	As at 30 September 2022					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Term loans	Euro 2,293	10,421	Euro 1,266	5,754	Euro 3,559	16,175
Unsecured						
Bank overdrafts	-	-	Euro 37,471	170,294	Euro 37,471	170,294
Revolving credit	-	-	Euro 35,000	159,065	Euro 35,000	159,065
	-	-	AUD 25,000	74,238	AUD 25,000	74,238
	-	-	GBP 25,500	131,985	GBP 25,500	131,985
	-	-	-	51,650	-	51,650
Trade financing	-	-	USD 51,205	237,436	USD 51,205	237,436
	-	-	-	691,300	-	691,300
Term loans	-	1,200,000	-	-	-	1,200,000
	-	-	Rmb 66,000	43,006	Rmb 66,000	43,006
	USD 56,500	262,099	USD 38,600	179,163	USD 95,100	441,262
	Euro 30,000	136,341	Euro 33,000	148,972	Euro 63,000	285,313
Bankers' acceptance	-	-	-	280,564	-	280,564
Islamic medium term notes	-	5,600,000	-	-	-	5,600,000
Total		7,208,861		2,173,427		9,382,288

	As at 30 September 2021					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Term loans	Euro 3,559	17,259	Euro 1,256	6,092	Euro 4,815	23,351
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
	-	-	-	100,000	-	100,000
Trade financing	-	-	USD 60,436	253,014	USD 60,436	253,014
	-	-	-	297,600	-	297,600
Term loans	USD 124,650	521,799	USD 47,425	198,539	USD 172,075	720,338
	JPY 3,410,680	128,210	JPY 787,080	29,587	JPY 4,197,760	157,797
	Euro 30,000	145,612	Euro 19,000	92,393	Euro 49,000	238,005
Bankers' acceptance	-	1,200,000	-	-	-	1,200,000
	-	-	-	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

<u>Exchange Rates Applied</u>	As at 30 September	
	2022	2021
USD / RM	4.6370	4.1865
Euro / RM	4.5447	4.8492
Rp1,000 / RM	0.3045	0.2925
Rmb / RM	0.6516	0.6494
GBP / RM	5.1759	5.6409
AUD / RM	2.9695	3.0256
JPY 100 / RM	3.2031	3.7620

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 2022, the values and maturity analysis of the outstanding derivatives are as follows:

<u>Derivatives</u>	Contract/Notional	Fair value
	Value Net long/(short)	Net gains/(losses)
	RM'000	RM'000
(i) Forward foreign exchange contracts		
- Less than 1 year	<u>(2,219,925)</u>	<u>(76,103)</u>
(ii) Commodity futures contracts		
- Less than 1 year	<u>(235,480)</u>	<u>77,053</u>

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 2022, 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

- (a) The Directors will recommend the payment of a final dividend for the financial year ended 30 September 2022 at a later date.
- (b) The total interim dividend paid for the current financial year to-date is a single tier dividend of 20 sen per share (Financial year ended 30 September 2021: interim dividend of 20 sen per share and final dividend of 80 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	
	2022	2021	2022	2021
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	462,130	625,800	2,166,290	2,257,584
(b) Weighted average number of shares	1,078,156,123	1,078,062,665	1,078,055,848	1,078,401,228
(c) Earnings per share (sen)	42.9	58.0	200.9	209.3

B13. Audit Report

The audit report for the financial year ended 30 September 2021 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(19,312)	(14,227)	(61,367)	(52,220)
Other income including dividend income	(77,268)	(14,554)	(177,635)	(152,715)
Interest expense	105,818	63,283	358,130	237,707
Depreciation and amortisation	240,566	173,595	930,736	633,647
Write-off of receivables	11,062	1,277	11,078	3,301
Provision for and write-off of inventories	67,353	(810)	278,002	15,685
Surplus on disposal of land	(1,444)	(1,404)	(3,698)	(151,433)
Surplus on government acquisition of land	-	(2,860)	(4,049)	(11,209)
Impairment of assets	32,108	95,170	43,313	95,170
Foreign exchange loss/(gain)	55,754	(404)	10,311	(98,150)
(Gain)/Loss on derivatives	(56,647)	3,239	(144,111)	(88,166)
Fair value surplus on deemed disposal of an associate	-	-	-	(324,260)
Exceptional items	-	-	-	-

By Order of the Board
YAP MIOU KIEN
Company Secretary

23 November 2022