

# **BATU KAWAN BERHAD**

(6292-U)  
(Incorporated in Malaysia)

**Interim Financial Report  
For the second quarter ended 31 March 2016**

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

Directors are pleased to announce the unaudited financial results of the Group for the second quarter ended 31 March 2016.

## Condensed Consolidated Statement of Profit or Loss

|   | Individual Quarter         |                | Cumulative Quarter         |                |
|---|----------------------------|----------------|----------------------------|----------------|
|   | 3 months ended<br>31 March |                | 6 months ended<br>31 March |                |
|   | 2016                       | 2015           | 2016                       | 2015           |
|   | RM'000                     | RM'000         | RM'000                     | RM'000         |
| Revenue   | 3,814,450                  | 3,159,630      | 8,264,709                  | 6,374,177      |
| Operating expenses  | (3,604,170)                | (2,901,977)    | (7,761,625)                | (5,804,273)    |
| Other operating income  | 102,005                    | 96,599         | 788,763                    | 129,657        |
| Finance costs   | (43,678)                   | (28,338)       | (85,310)                   | (57,778)       |
| Share of results of associates  | 1,508                      | (2,455)        | (3,946)                    | (50)           |
| Share of results of joint ventures  | (1,627)                    | (2,651)        | 4,558                      | (2,651)        |
| <b>Profit before taxation</b>   | <b>268,488</b>             | <b>320,808</b> | <b>1,207,149</b>           | <b>639,082</b> |
| Income tax expense  | (62,761)                   | (74,538)       | (151,129)                  | (146,010)      |
| <b>NET PROFIT FOR THE PERIOD</b>  | <b>205,727</b>             | <b>246,270</b> | <b>1,056,020</b>           | <b>493,072</b> |
| Profit attributable to:   |                            |                |                            |                |
| Owners of the Company   | 94,435                     | 120,892        | 481,961                    | 237,846        |
| Non-controlling interests   | 111,292                    | 125,378        | 574,059                    | 255,226        |
|   | 205,727                    | 246,270        | 1,056,020                  | 493,072        |
| Earnings per share for profit attributable to owners of the Company (sen) |                            |                |                            |                |
| Basic   | 23.3                       | 29.6           | 118.7                      | 58.3           |
| Diluted   | Not applicable             | Not applicable | Not applicable             | Not applicable |

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Report for the year ended 30 September 2015.

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

**Condensed Consolidated Statement of Other Comprehensive Income**

|  | Individual Quarter         |                | Cumulative Quarter         |                  |
|--|----------------------------|----------------|----------------------------|------------------|
|  | 3 months ended<br>31 March |                | 6 months ended<br>31 March |                  |
|  | 2016                       | 2015           | 2016                       | 2015             |
|  | RM'000                     | RM'000         | RM'000                     | RM'000           |
| <b>Net profit for the period</b>   | <b>205,727</b>             | <b>246,270</b> | <b>1,056,020</b>           | <b>493,072</b>   |
| Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss |                            |                |                            |                  |
| Currency translation differences   | (393,181)                  | 70,266         | (410,235)                  | 285,625          |
| Net change in fair value of available-for-sale investments                                 | 41,956                     | 257,593        | (88,180)                   | 349,490          |
| Realisation on fair value of available-for-sale investments                                | (348)                      | (762)          | (1,726)                    | (1,466)          |
| Currency translation differences on deemed disposal of a subsidiary                        | -                          | 4,319          | -                          | 4,319            |
| <b>Total other comprehensive (loss)/income for the period</b>                              | <b>(351,573)</b>           | <b>331,416</b> | <b>(500,141)</b>           | <b>637,968</b>   |
| <b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>                                    | <b>(145,846)</b>           | <b>577,686</b> | <b>555,879</b>             | <b>1,131,040</b> |
| Total comprehensive (loss)/income attributable to:   |                            |                |                            |                  |
| Owners of the Company  | (77,039)                   | 274,625        | 258,075                    | 534,663          |
| Non-controlling interests  | (68,807)                   | 303,061        | 297,804                    | 596,377          |
|  | <b>(145,846)</b>           | <b>577,686</b> | <b>555,879</b>             | <b>1,131,040</b> |

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Report for the year ended 30 September 2015.

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

|                                    | <b>At<br/>31<br/>March<br/>2016</b> | <b>At<br/>30<br/>September<br/>2015</b> |
|------------------------------------|-------------------------------------|---|
|                                    | <b>RM'000</b>                       | <b>RM'000</b>                           |
| <b>ASSETS</b>                      |                                     |   |
| <b>Non-current assets</b>          |                                     |   |
| Property, plant & equipment        | 5,114,688                           | 5,095,818                               |
| Investment property                | 50,656                              | 51,120                                  |
| Prepaid lease payments             | 306,589                             | 296,303                                 |
| Biological assets                  | 2,480,679                           | 2,480,204                               |
| Land held for property development | 1,121,481                           | 226,353                                 |
| Goodwill on consolidation          | 341,586                             | 359,064                                 |
| Intangible assets                  | 12,011                              | 15,297                                  |
| Investment in associates           | 180,924                             | 160,974                                 |
| Investment in joint ventures       | 217,886                             | 181,169                                 |
| Available-for-sale investments     | 1,718,060                           | 1,836,879                               |
| Deferred tax assets                | 138,555                             | 148,496                                 |
| Other receivables                  | 223,026                             | 204,825                                 |
|                                    | <b>11,906,141</b>                   | <b>11,056,502</b>                       |
| <b>Current assets</b>              |                                     |   |
| Inventories                        | 1,825,874                           | 1,657,476                               |
| Biological assets                  | 4,983                               | 32,599                                  |
| Trade and other receivables        | 2,253,202                           | 2,763,098                               |
| Property development costs         | 88,968                              | 59,964                                  |
| Tax recoverable                    | 53,735                              | 38,290                                  |
| Derivative financial assets        | 300,374                             | 315,825                                 |
| Short term funds                   | 43,457                              | -                                       |
| Cash and cash equivalents          | 2,097,260                           | 2,696,606                               |
|                                    | <b>6,667,853</b>                    | <b>7,563,858</b>                        |
| <b>TOTAL ASSETS</b>                | <b>18,573,994</b>                   | <b>18,620,360</b>                       |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 30 September 2015.

**Interim Financial Report for the second quarter ended 31 March 2016**  
(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position**

|   | <b>At<br/>31<br/>March<br/>2016</b> | <b>At<br/>30<br/>September<br/>2015</b> |
|---|-------------------------------------|---|
|   | <b>RM'000</b>                       | <b>RM'000</b>                           |
| <b>EQUITY AND LIABILITIES</b>                                   |                                     |   |
| <b>Current liabilities</b>                                      |                                     |   |
| Trade and other payables  | 1,183,834                           | 1,469,501                               |
| Deferred income   | 7,160                               | 6,728                                   |
| Tax payable   | 55,571                              | 32,556                                  |
| Borrowings  | 2,025,657                           | 1,914,940                               |
| Derivative financial liabilities                                | 242,856                             | 356,479                                 |
|   | <u>3,515,078</u>                    | <u>3,780,204</u>                        |
| <b>Net current assets</b>                                       | <b><u>3,152,775</u></b>             | <b><u>3,783,654</u></b>                 |
| <b>Non-current liabilities</b>                                  |                                     |   |
| Provision for retirement benefits                               | 395,713                             | 363,079                                 |
| Deferred tax liabilities  | 293,030                             | 285,066                                 |
| Deferred income   | 120,479                             | 113,154                                 |
| Borrowings  | 2,818,768                           | 3,181,221                               |
|   | <u>3,627,990</u>                    | <u>3,942,520</u>                        |
| <b>Total liabilities</b>  | <b><u>7,143,068</u></b>             | <b><u>7,722,724</u></b>                 |
| <b>Net assets</b>   | <b><u>11,430,926</u></b>            | <b><u>10,897,636</u></b>                |
| <b>Equity attributable to owners of the Company</b>             |                                     |   |
| Share capital   | 435,951                             | 435,951                                 |
| Treasury shares   | (394,889)                           | (382,208)                               |
| Reserves  | 5,670,507                           | 5,554,449                               |
|   | <u>5,711,569</u>                    | <u>5,608,192</u>                        |
| Non-controlling interests                                       | 5,719,357                           | 5,289,444                               |
| <b>Total equity</b>   | <b><u>11,430,926</u></b>            | <b><u>10,897,636</u></b>                |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <b><u>18,573,994</u></b>            | <b><u>18,620,360</u></b>                |
| Net assets per share attributable to owners of the Company (RM) | 14.08                               | 13.80                                   |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 30 September 2015.

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

## Condensed Consolidated Statement of Changes in Equity

|  | ← Attributable to Owners of the Company → |                 |                     |                  |                            |                              |                    |                 |                   |           | Non-controlling interests | Total equity |
|--|---|-----------------|---------------------|------------------|----------------------------|------------------------------|--------------------|-----------------|-------------------|-----------|---------------------------|--------------|
|  | ← Non-distributable →                     |                 |                     |                  |                            | ↔ Distributable ↔            |                    |                 |                   |           |                           |              |
|  | Share capital                             | Treasury shares | Revaluation reserve | Capital reserve* | Capital redemption reserve | Exchange fluctuation reserve | Fair value reserve | General reserve | Retained earnings | Total     |                           |              |
|  | RM'000                                    | RM'000          | RM'000              | RM'000           | RM'000                     | RM'000                       | RM'000             | RM'000          | RM'000            | RM'000    | RM'000                    | RM'000       |
| <b>At 1 October 2015</b>                         | 435,951                                   | (382,208)       | 4,810               | 821,732          | 27,743                     | 233,463                      | 633,402            | 7,035           | 3,826,264         | 5,608,192 | 5,289,444                 | 10,897,636   |
| Total comprehensive income/(loss) for the period | -   | -               | 24                  | 755              | 231                        | (190,116)                    | (33,658)           | -               | 480,839           | 258,075   | 297,804                   | 555,879      |
| Transactions with owners:                        |   |                 |                     |                  |                            |                              |                    |                 |                   |           |                           |              |
| Issuance of shares to non-controlling interests  | -   | -               | -                   | -                | -                          | -                            | -                  | -               | -                 | -         | 324,800                   | 324,800      |
| Share buy back                                   | -   | (12,681)        | -                   | -                | -                          | -                            | -                  | -               | -                 | (12,681)  | -                         | (12,681)     |
| Dividend paid                                    | -   | -               | -                   | -                | -                          | -                            | -                  | -               | (142,017)         | (142,017) | -                         | (142,017)    |
| Dividends paid to non-controlling interests      | -   | -               | -                   | -                | -                          | -                            | -                  | -               | -                 | -         | (192,691)                 | (192,691)    |
|  | -   | (12,681)        | -                   | -                | -                          | -                            | -                  | -               | (142,017)         | (154,698) | 132,109                   | (22,589)     |
| <b>At 31 March 2016</b>                          | 435,951                                   | (394,889)       | 4,834               | 822,487          | 27,974                     | 43,347                       | 599,744            | 7,035           | 4,165,086         | 5,711,569 | 5,719,357                 | 11,430,926   |

\* Included in Capital Reserve is RM490,745,000 which is distributable.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 30 September 2015.

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

**Condensed Consolidated Statement of Changes in Equity**

|   | ← Attributable to Owners of the Company → |                 |                     |                  |                            |                              |                    |                 |                   | Non-controlling interests | Total equity |           |
|---|---|-----------------|---------------------|------------------|----------------------------|------------------------------|--------------------|-----------------|-------------------|---------------------------|--------------|-----------|
|   | ← Non-distributable →                     |                 |                     |                  |                            | ← Distributable →            |                    |                 |                   |                           |              |           |
|   | Share capital                             | Treasury shares | Revaluation reserve | Capital reserve* | Capital redemption reserve | Exchange fluctuation reserve | Fair value reserve | General reserve | Retained earnings | Total                     |              |           |
|   | RM'000                                    | RM'000          | RM'000              | RM'000           | RM'000                     | RM'000                       | RM'000             | RM'000          | RM'000            | RM'000                    | RM'000       | RM'000    |
| <b>At 1 October 2014</b>                    | 435,951                                   | (330,723)       | 4,809               | 819,976          | 27,682                     | (195,851)                    | 325,004            | 7,035           | 3,543,118         | 4,637,001                 | 4,234,247    | 8,871,248 |
| Total comprehensive income for the period   | -   | -               | -                   | 457              | 2                          | 134,421                      | 162,204            | -               | 237,579           | 534,663                   | 596,377      | 1,131,040 |
| Transactions with owners:                   |   |                 |                     |                  |                            |                              |                    |                 |                   |                           |              |           |
| Effect of changes in shareholdings          | -   | -               | -                   | -                | -                          | -                            | -                  | -               | (778)             | (778)                     | 684          | (94)      |
| Share buy back                              | -   | (31,509)        | -                   | -                | -                          | -                            | -                  | -               | -                 | (31,509)                  | -            | (31,509)  |
| Dividend paid                               | -   | -               | -                   | -                | -                          | -                            | -                  | -               | (183,453)         | (183,453)                 | -            | (183,453) |
| Dividends paid to non-controlling interests | -   | -               | -                   | -                | -                          | -                            | -                  | -               | -                 | -                         | (258,338)    | (258,338) |
|   | -   | (31,509)        | -                   | -                | -                          | -                            | -                  | -               | (184,231)         | (215,740)                 | (257,654)    | (473,394) |
| <b>At 31 March 2015</b>                     | 435,951                                   | (362,232)       | 4,809               | 820,433          | 27,684                     | (61,430)                     | 487,208            | 7,035           | 3,596,466         | 4,955,924                 | 4,572,970    | 9,528,894 |

\* Included in Capital Reserve is RM488,690,000 which is distributable.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 30 September 2015.

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

|  | <b>6 months ended 31 March</b> |                  |
|--|--------------------------------|------------------|
|  | <b>2016</b>                    | <b>2015</b>      |
|  | <b>RM'000</b>                  | <b>RM'000</b>    |
| <b>Cash flows from operating activities</b>                            |                                |                  |
| Profit before taxation   | 1,207,149                      | 639,082          |
| Adjustments for:   |                                |                  |
| Non-cash items   | 263,203                        | 216,666          |
| Non-operating items  | (568,554)                      | (45,337)         |
| Operating cash flows before changes in working capital                 | 901,798                        | 810,411          |
| Changes in working capital   |                                |                  |
| Net change in current assets   | 121,920                        | (178,311)        |
| Net change in current liabilities                                      | (271,775)                      | 241,020          |
| Cash flows from operations   | 751,943                        | 873,120          |
| Interest received  | 1,467                          | 528              |
| Interest paid  | (86,116)                       | (58,385)         |
| Tax paid   | (122,497)                      | (161,901)        |
| Retirement benefits paid   | (13,554)                       | (9,985)          |
| <b>Net cash flows from operating activities</b>                        | <b>531,243</b>                 | <b>643,377</b>   |
| <b>Cash flows from investing activities</b>                            |                                |                  |
| Purchase of property, plant and equipment                              | (407,423)                      | (301,987)        |
| Payments of prepaid lease  | (20,309)                       | (13,711)         |
| Plantation development expenditure                                     | (82,411)                       | (97,284)         |
| Property development expenditure                                       | (895,128)                      | (1,995)          |
| Subscription of shares in an associate                                 | (324,873)                      | -                |
| Subscription of shares in a joint venture                              | (54,440)                       | -                |
| Purchase of a joint venture  | (22,007)                       | -                |
| Purchase of available-for-sale investments                             | (38,682)                       | (22,270)         |
| Purchase of shares from non-controlling interests                      | -                              | (94)             |
| Purchase of intangible assets  | (291)                          | (621)            |
| Share buy back   | (12,681)                       | (31,509)         |
| Proceeds from sale of property, plant and equipment                    | 1,681                          | 5,923            |
| Compensation from government on land acquired                          | 41,832                         | 14,408           |
| Proceeds from disposal of land   | 825,135                        | -                |
| Proceeds from disposal of available-for-sale investments               | 5,452                          | 7,642            |
| Proceeds from disposal of shares in a subsidiary, net of cash disposed | -                              | (35,089)         |
| Increase in short term funds   | (43,457)                       | -                |
| Dividends received   | 49,856                         | 22,629           |
| Interest received  | 20,325                         | 13,194           |
| Repayment from a joint venture   | 25,341                         | 38,642           |
| Proceeds from investment in quoted shares                              | 2                              | -                |
| <b>Net cash flows used in investing activities</b>                     | <b>(932,078)</b>               | <b>(402,122)</b> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the year ended 30 September 2015.



**Interim Financial Report for the second quarter ended 31 March 2016**  
(The figures have not been audited)

**Condensed Consolidated Statement of Cash Flows**

|  | <b>6 months ended 31 March</b> |                  |
|--|--------------------------------|------------------|
|  | <b>2016</b>                    | <b>2015</b>      |
|  | <b>RM'000</b>                  | <b>RM'000</b>    |
| <b>Cash flows from financing activities</b>              |                                |                  |
| Term loans received                                      | 9,786                          | -                |
| Repayment of term loans                                  | (717)                          | (6,661)          |
| (Repayment)/Drawdown of short term borrowings            | (109,322)                      | 122,111          |
| Dividend paid  | (142,017)                      | (183,453)        |
| Dividends paid to non-controlling interests              | (192,691)                      | (258,338)        |
| Issuance of shares to non-controlling interests          | 324,800                        | -                |
| Increase in other receivables                            | (4,707)                        | (9,108)          |
| <b>Net cash flows used in financing activities</b>       | <b>(114,868)</b>               | <b>(335,449)</b> |
| <b>Net decrease in cash and cash equivalents</b>         | <b>(515,703)</b>               | <b>(94,194)</b>  |
| Effects of exchange rate changes                         | (97,879)                       | 70,254           |
| Cash and cash equivalents at 1 October                   | 2,669,438                      | 1,869,401        |
| <b>Cash and cash equivalents at 31 March</b>             | <b>2,055,856</b>               | <b>1,845,461</b> |
| <br>   |                                |                  |
| Cash and cash equivalents at 31 March is represented by: |                                |                  |
| Cash and cash equivalents                                | 2,097,260                      | 1,909,838        |
| Borrowings - Bank overdraft                              | (41,404)                       | (64,377)         |
|  | <b>2,055,856</b>               | <b>1,845,461</b> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the year ended 30 September 2015.

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

**Notes to Interim Financial Report****A. Explanatory Notes as required by Financial Reporting Standard (“FRS”) 134****A1. Statement of compliance**

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standard (“FRS”) 134 *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements.

**A2. Accounting policies**

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2015. 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 2015.

**A3. Seasonal and cyclical operations**

The Group’s operations are affected to the extent that the plantation operations are influenced by seasonal crop production, weather conditions and fluctuations in commodity prices.

**A4. 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.

**A5. Material changes in estimates**

There were no material changes in the estimates of amounts reported in prior interim period of the current and prior financial year.

**A6. Issuance and repayment of debt and equity securities**

There were no issuances and repayments of debt securities, share buybacks, share cancellations or resale of treasury shares for the financial year to-date except for share buybacks of 720,100 shares in the Company from the open market. The average price paid for the shares repurchased was RM17.54 per share and the total consideration paid, including transaction costs, was RM12,681,010. The shares bought back were financed by internally generated funds and borrowings and held as treasury shares.

**A7. Dividends paid**

|  | <b>6 months ended<br/>31 March</b> |                |
|--|------------------------------------|----------------|
|  | <b>2016</b>                        | <b>2015</b>    |
|  | <b>RM’000</b>                      | <b>RM’000</b>  |
| Dividends proposed in financial year (“FY”) 2015, paid in FY 2016: |                                    |                |
| Final 35 sen per share single tier                                 | 142,017                            | -              |
| Dividends proposed in FY 2014, paid in FY 2015:                    |                                    |                |
| Final 45 sen per share single tier                                 | -                                  | 183,453        |
|  | <b>142,017</b>                     | <b>183,453</b> |

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

**A8. 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

|                                     | Plantations      | Manufacturing    | Property Development | Investment Holding/Others | Elimination      | Consolidated     |
|-------------------------------------|------------------|------------------|----------------------|---------------------------|------------------|------------------|
|                                     | RM'000           | RM'000           | RM'000               | RM'000                    | RM'000           | RM'000           |
| <b>6 months ended 31 March 2016</b> |                  |                  |                      |                           |                  |                  |
| Revenue                             |                  |                  |                      |                           |                  |                  |
| External revenue                    | 4,283,830        | 3,824,530        | 25,914               | 130,435                   | -                | 8,264,709        |
| Inter-segment revenue               | 418,694          | -                | -                    | 111,434                   | (530,128)        | -                |
| <b>Total revenue</b>                | <b>4,702,524</b> | <b>3,824,530</b> | <b>25,914</b>        | <b>241,869</b>            | <b>(530,128)</b> | <b>8,264,709</b> |
| Results                             |                  |                  |                      |                           |                  |                  |
| Operating results                   | 403,358          | 300,494          | 2,420                | 604,323                   | (18,748)         | 1,291,847        |
| Finance costs                       | (3,053)          | (19,770)         | -                    | (81,235)                  | 18,748           | (85,310)         |
| Share of results of associates      | 1,710            | (15)             | 1,834                | (7,475)                   | -                | (3,946)          |
| Share of results of joint ventures  | 5,763            | -                | -                    | (1,205)                   | -                | 4,558            |
| <b>Segment results</b>              | <b>407,778</b>   | <b>280,709</b>   | <b>4,254</b>         | <b>514,408</b>            | <b>-</b>         | <b>1,207,149</b> |
| Profit before taxation              |                  |                  |                      |                           |                  | <b>1,207,149</b> |
| <b>6 months ended 31 March 2015</b> |                  |                  |                      |                           |                  |                  |
| Revenue                             |                  |                  |                      |                           |                  |                  |
| External revenue                    | 3,097,747        | 3,104,335        | 72,578               | 99,517                    | -                | 6,374,177        |
| Inter-segment revenue               | 369,957          | -                | -                    | 256,918                   | (626,875)        | -                |
| <b>Total revenue</b>                | <b>3,467,704</b> | <b>3,104,335</b> | <b>72,578</b>        | <b>356,435</b>            | <b>(626,875)</b> | <b>6,374,177</b> |
| Results                             |                  |                  |                      |                           |                  |                  |
| Operating results                   | 412,928          | 138,377          | 41,970               | 120,277                   | (13,991)         | 699,561          |
| Finance costs                       | (1,940)          | (13,768)         | -                    | (56,061)                  | 13,991           | (57,778)         |
| Share of results of associates      | 3,055            | 245              | 809                  | (4,159)                   | -                | (50)             |
| Share of results of a joint venture | (2,651)          | -                | -                    | -                         | -                | (2,651)          |
| <b>Segment results</b>              | <b>411,392</b>   | <b>124,854</b>   | <b>42,779</b>        | <b>60,057</b>             | <b>-</b>         | <b>639,082</b>   |
| Profit before taxation              |                  |                  |                      |                           |                  | <b>639,082</b>   |

## b) Segment assets

|                         | Plantations      | Manufacturing    | Property Development | Investment Holding/Others | Consolidated      |
|-------------------------|------------------|------------------|----------------------|---------------------------|-------------------|
|                         | RM'000           | RM'000           | RM'000               | RM'000                    | RM'000            |
| <b>At 31 March 2016</b> |                  |                  |                      |                           |                   |
| Operating assets        | 6,485,187        | 6,766,945        | 1,291,808            | 3,438,954                 | 17,982,894        |
| Associates              | 60,191           | 7,682            | 71,394               | 41,657                    | 180,924           |
| Joint ventures          | 154,789          | -                | -                    | 63,097                    | 217,886           |
| <b>Segment assets</b>   | <b>6,700,167</b> | <b>6,774,627</b> | <b>1,363,202</b>     | <b>3,543,708</b>          | <b>18,381,704</b> |
| Tax assets              |                  |                  |                      |                           | 192,290           |
| <b>Total assets</b>     |                  |                  |                      |                           | <b>18,573,994</b> |

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(The figures have not been audited)

|                             | <b>Plantations</b> | <b>Manufacturing</b> | <b>Property Development</b> | <b>Investment Holding/Others</b> | <b>Consolidated</b> |
|-----------------------------|--------------------|----------------------|-----------------------------|----------------------------------|---------------------|
|                             | <b>RM'000</b>      | <b>RM'000</b>        | <b>RM'000</b>               | <b>RM'000</b>                    | <b>RM'000</b>       |
| <b>At 30 September 2015</b> |                    |                      |                             |                                  |                     |
| Operating assets            | 6,655,171          | 6,945,029            | 450,441                     | 4,040,790                        | 18,091,431          |
| Associates                  | 61,826             | 8,279                | 68,466                      | 22,403                           | 160,974             |
| Joint ventures              | 144,658            | -                    | -                           | 36,511                           | 181,169             |
| Segment assets              | <u>6,861,655</u>   | <u>6,953,308</u>     | <u>518,907</u>              | <u>4,099,704</u>                 | <u>18,433,574</u>   |
| Tax assets                  |                    |                      |                             |                                  | 186,786             |
| Total assets                |                    |                      |                             |                                  | <u>18,620,360</u>   |

## c) Segment liabilities

|                             | <b>Plantations</b> | <b>Manufacturing</b> | <b>Property Development</b> | <b>Investment Holding/Others</b> | <b>Consolidated</b> |
|-----------------------------|--------------------|----------------------|-----------------------------|----------------------------------|---------------------|
|                             | <b>RM'000</b>      | <b>RM'000</b>        | <b>RM'000</b>               | <b>RM'000</b>                    | <b>RM'000</b>       |
| <b>At 31 March 2016</b>     |                    |                      |                             |                                  |                     |
| Segment liabilities         | <u>1,632,421</u>   | <u>2,188,725</u>     | <u>49,575</u>               | <u>2,923,746</u>                 | <u>6,794,467</u>    |
| Unallocated liabilities     |                    |                      |                             |                                  | 348,601             |
| Total liabilities           |                    |                      |                             |                                  | <u>7,143,068</u>    |
| <b>At 30 September 2015</b> |                    |                      |                             |                                  |                     |
| Segment liabilities         | <u>2,177,229</u>   | <u>2,253,946</u>     | <u>24,744</u>               | <u>2,949,183</u>                 | <u>7,405,102</u>    |
| Unallocated liabilities     |                    |                      |                             |                                  | 317,622             |
| Total liabilities           |                    |                      |                             |                                  | <u>7,722,724</u>    |

**A9. Material events subsequent to end of period**

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 financial report.

**A10. Changes in composition of the Group**

During the current quarter, Satterley Forrestfield Pty Ltd ("SFPL"), previously accounted as an investment, became an associate of the Group, with the appointment of a director on 15 February 2016 in SFPL, representing the Group's 40% interest.

Subsequent to the period end, the changes to the composition of the Group were:

- On 15 April 2016, KLK Land Sdn Bhd ("KLK Land"), a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad ("KLK"), acquired two wholly-owned subsidiaries, namely KLK Park Homes Sdn Bhd ("KLKPH") and KLK Landscape Services Sdn Bhd ("KLKLS"), which each has an issued and paid-up capital of RM2. The intended principal activity of KLKPH and KLKLS is property development and provision of landscaping services, respectively; and
- On 5 May 2016, KLK Land acquired another two wholly-owned subsidiaries, namely KLK Security Services Sdn Bhd ("KLKSS") and KLK Retail Centre Sdn Bhd ("KLKRC"), which each has an issued and paid-up capital of RM2. The intended principal activity of KLKSS is provision of security services whilst that of KLKRC is provision of property development and property management.

**A11. Changes in contingent liabilities and contingent assets**

There were no material contingent liabilities or contingent assets since the date of the last annual financial statements for the year ended 30 September 2015.

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(The figures have not been audited)

**A12. Capital commitments**

At the end of the reporting period, the Group's capital commitments were as follows:

|  | <b>At<br/>31 March<br/>2016<br/>RM'000</b> | <b>At<br/>30 September<br/>2015<br/>RM'000</b> |
|--|--|--|
| Capital expenditure                          |  |  |
| Approved and contracted                      | 234,703                                    | 195,474  |
| Approved but not contracted                  | 706,090                                    | 947,260  |
|  | <b>940,793</b>                             | <b>1,142,734</b>                               |
| Acquisitions of shares in sub-subsidiaries   |  |  |
| Approved and contracted                      | 1,243                                      | 1,268  |
| Acquisition of land for property development |  |  |
| Approved and contracted                      | -  | 784,080  |

**A13. Significant Related Party Transactions**

The following significant related party transactions of the Group have been entered into in the ordinary course of business at prices mutually agreed upon between the parties on terms not more favourable to the related party than those generally available to the public and are not detrimental to the non-controlling interests of the Company:

|  | <b>Cumulative Quarter<br/>6 months ended<br/>31 March</b> |                        |
|--|---|------------------------|
|  | <b>2016<br/>RM'000</b>                                    | <b>2015<br/>RM'000</b> |
| a) Transactions with associates and joint venture: |   |                        |
| Sales of finished goods                            | 6,276   | 4,247                  |
| Purchase of goods                                  | 389,383   | 1,615                  |
| Service charges paid                               | 2,702   | 1,081                  |
| Research and development services paid             | 7,021   | 6,759                  |

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(The figures have not been audited)

|    |  | <b>Cumulative Quarter</b> |               |
|----|--|---------------------------|---------------|
|    |  | <b>6 months ended</b>     |               |
|    |  | <b>31 March</b>           |               |
|    |  | <b>2016</b>               | <b>2015</b>   |
|    |  | <b>RM'000</b>             | <b>RM'000</b> |
| b) | Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest: |                           |               |
|    | Sales of goods:  |                           |               |
|    | Taiko Marketing Sdn Bhd  | 130,366                   | 118,696       |
|    | Taiko Marketing (S) Pte Ltd  | 2,048                     | 2,158         |
|    | Chlor-Al Chemical Pte Ltd  | 9,461                     | 9,771         |
|    | Siam Taiko Marketing Co Ltd  | 1,624                     | 1,240         |
|    | Purchases of goods:  |                           |               |
|    | Taiko Marketing Sdn Bhd  | 17,947                    | 17,613        |
|    | Taiko Marketing (S) Pte Ltd  | 22,356                    | 12,696        |
|    | Taiko Acid Works Sdn Bhd   | 10,227                    | 121           |
|    | Borneo Taiko Clay Sdn Bhd  | 2,299                     | 2,187         |
|    | Bukit Katho Estate Sdn Bhd   | 1,342                     | 1,463         |
|    | Kampar Rubber & Tin Co Sdn Bhd   | 3,597                     | 4,044         |
|    | Ladang Tai Tak (Kota Tinggi) Sdn Bhd   | 1,145                     | -             |
|    | Malay Rubber Plantations (M) Sdn Bhd   | 2,001                     | 2,707         |
|    | PT Agro Makmur Abadi   | 26,745                    | 35,272        |
|    | PT Bumi Karyatama Raharja  | 1,121                     | -             |
|    | PT Safari Riau   | 11,366                    | 14,628        |
|    | PT Taiko Persada Indoprima   | -                         | 3,897         |
|    | Taiko Drum Industries Sdn Bhd  | 1,651                     | 1,330         |
|    | Taiko Fertiliser Marketing Sdn Bhd   | 16                        | 1,805         |
|    | Storage tanks rental received:   |                           |               |
|    | Taiko Marketing Sdn Bhd  | 1,504                     | 1,377         |
|    | Supply of contract labours and engineering works:  |                           |               |
|    | K7 Engineering Sdn Bhd   | 2,238                     | 1,431         |
|    | Sales commissions charged by:  |                           |               |
|    | Taiko Marketing Sdn Bhd  | 26                        | 3,903         |
|    |  |                           |               |
| c) | Transactions between subsidiaries and their non-controlling interests:   |                           |               |
|    | Sales of goods:  |                           |               |
|    | Mitsubishi Corporation   | 123,398                   | 35,209        |
|    | Mitsui & Co Ltd  | 143,654                   | 139,687       |
|    | Tejana Trading & Management Services Sdn Bhd   | 1,007                     | 1,037         |
|    |  |                           |               |
|    | Purchases of goods:  |                           |               |
|    | PT Eka Dura Indonesia  | 23,836                    | -             |
|    | PT Letawa  | 31,541                    | -             |
|    | PT Tanjung Sarana Lestari  | 629,951                   | -             |
|    |  |                           |               |

**Interim Financial Report for the second quarter ended 31 March 2016**

(The figures have not been audited)

**B. Explanatory Notes as required by the Bursa Securities' Listing Requirements**

**B1. Detailed analysis of performance**

**2<sup>nd</sup> Quarter FY 2016 vs 2<sup>nd</sup> Quarter FY 2015**

The Group's revenue for the current quarter was RM3,814.45 million, 21% higher than RM3,159.63 million in the corresponding quarter last year as Plantations and Manufacturing reported higher revenues. However, Group profit before tax was 16% lower at RM268.49 million (2015: RM320.81 million). Comments on the respective business segments are as follows:

**Plantations** reported a profit of RM130.86 million, 21% lower compared to last year's corresponding quarter's profit of RM165.16 million resulting from net unrealised foreign exchange loss. However, the impact of the lower profit was mitigated by improved performance from the processing operations.

**Manufacturing's** profit for this quarter was RM126.23 million, significantly higher than last year's corresponding quarter's profit of RM78.47 million due to a 21% higher revenue at RM1,932.58 million (2015: RM1,595.00 million). The oleochemical division's profit improved to RM94.28 million (2015: RM56.49 million) while the chemicals division posted a profit of RM26.00 million (2015: RM16.19 million).

**Property Development** registered a profit of RM4.95 million (2015: RM28.91 million) from a revenue of RM15.65 million, 63% lower than last year's corresponding quarter's RM42.66 million due to the slowdown in the property market.

**Todate 2<sup>nd</sup> Quarter FY 2016 vs Todate 2<sup>nd</sup> Quarter FY 2015**

For the first half financial year 2016, Group revenue was RM8,264.71 million, 30% higher than RM6,374.18 million in the corresponding period last year as Plantations and Manufacturing reported higher revenues. Group profit before tax increased 89% to RM1,207.15 million (2015: RM639.08 million) after accounting for a surplus of RM485.69 million from sale of plantation land to an associate. Comments on the business segments are as follows:

**Plantations** reported a profit of RM407.78 million, slightly lower than last year's corresponding period's profit of RM411.39 million due to lower profits from estate operations off-set the higher profit of the processing operations.

**Manufacturing's** profit was significantly higher at RM280.71 million (2015: RM124.85 million) as revenue rose 23% to RM3,824.53 million (2015: RM3,104.34 million). The oleochemical division recorded a profit of RM211.28 million (2015: RM85.29 million) and the chemicals division also posted a higher profit of RM54.59 million (2015: RM33.06 million).

**Property Development** reported a much lower revenue of RM25.91 million (2015: RM72.58 million) which generated a profit of RM4.25 million (2015: RM42.78 million) due to slow sales. In last year's same period, there were surpluses recorded from sale of lands.

**B2. Comparison of current quarter's results to the preceding quarter**

**2<sup>nd</sup> Quarter FY 2016 vs 1<sup>st</sup> Quarter FY 2016**

This quarter, Group pre-tax profit was RM268.49 million, much lower than the RM938.66 million reported in the preceding quarter. The preceding quarter's profit included the recognition of RM485.69 million surplus from disposal of plantation land to an associate. Profits from all segments were also lower. Plantations profit decreased 53% due to net unrealised foreign exchange loss, lower FFB production and higher CPO production cost. Despite higher revenue, Manufacturing's profit was lower due to higher raw material cost.

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(The figures have not been audited)

**B3. Current year's prospects**

The Group's Plantations performance for financial year 2016 is expected to be challenging in view of the uncertain economic and weather conditions and the anticipated higher FFB production in the coming months which may impact the palm oil price.

Notwithstanding the current difficult business environment, the Group anticipates its oleochemical division's profit for financial year 2016 to be favourable, with increased capacities from plant expansions coming fully on-stream and a continuing drive for operational efficiency and productivity enhancement. As for the chemicals division, profit from the chlor-alkali business is projected to be satisfactory whilst the sulphuric acid business remains challenging due to competition.

Despite the challenges, the Group expects a satisfactory profit for financial year 2016.

**B4. Variance of actual profit from forecast profit**

The Group did not issue any forecast profit or profit guarantee for the quarter ended 31 March 2016.

**B5. Income tax expense**

|   | Individual Quarter         |               | Cumulative Quarter         |                |
|---|----------------------------|---------------|----------------------------|----------------|
|   | 3 months ended<br>31 March |               | 6 months ended<br>31 March |                |
|   | 2016                       | 2015          | 2016                       | 2015           |
|   | RM'000                     | RM'000        | RM'000                     | RM'000         |
| Current tax   |                            |               |                            |                |
| Malaysian income tax  | 29,575                     | 42,108        | 75,263                     | 96,172         |
| Foreign income tax  | 30,372                     | 22,104        | 58,673                     | 46,170         |
|   | <u>59,947</u>              | <u>64,212</u> | <u>133,936</u>             | <u>142,342</u> |
| Deferred tax  |                            |               |                            |                |
| Relating to origination and reversal of temporary differences | 1,661                      | 1,533         | 15,963                     | (5,613)        |
| Relating to changes in tax rates                              | 548                        | -             | 548                        | -              |
| (Over)/Under provision in respect of previous years           | (380)                      | 7,749         | (417)                      | 8,025          |
|   | <u>1,829</u>               | <u>9,282</u>  | <u>16,094</u>              | <u>2,412</u>   |
| Under/(Over) provision in respect of previous years           |                            |               |                            |                |
| Malaysian income tax  | 113                        | 1             | 113                        | 260            |
| Foreign income tax  | 872                        | 1,043         | 986                        | 996            |
|   | <u>985</u>                 | <u>1,044</u>  | <u>1,099</u>               | <u>1,256</u>   |
|   | <u>62,761</u>              | <u>74,538</u> | <u>151,129</u>             | <u>146,010</u> |

The effective tax rate for the current quarter and financial year to-date is lower than the statutory tax rate mainly due to non-taxable income.

**B6. Status of corporate proposals**

There were no corporate proposals announced.



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(The figures have not been audited)

**B7. Group borrowings**

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

|                                  | At<br>31 March 2016 |  | At<br>30 September 2015 |  |
|----------------------------------|---------------------|--|-------------------------|--|
|                                  | RM'000              | Amount in<br>Foreign<br>Currency<br>'000 | RM'000                  | Amount in<br>Foreign<br>Currency<br>'000 |
| a) Repayable within 12 months:   |                     |  |                         |  |
| (i) Term Loans                   |                     |  |                         |  |
| - Secured                        | 4,140               | Euro931                                  | 1,001                   | Euro204                                  |
|                                  | 4,140               |  | 1,001                   |  |
| - Unsecured                      | 117,493             | USD30,000                                | 88,235                  | USD20,000                                |
|                                  | 88,962              | Euro20,000                               | 98,388                  | Euro20,000                               |
|                                  | 206,455             |  | 186,623                 |  |
|                                  | 210,595             |  | 187,624                 |  |
| (ii) Islamic Medium Term Notes   |                     |  |                         |  |
| - Unsecured                      | 300,000             |  | -                       |  |
| (ii) Bank Overdraft              |                     |  |                         |  |
| - Unsecured                      | 41,404              | Euro9,308                                | 27,168                  | Euro5,523                                |
| (iii) Short Term Borrowings      |                     |  |                         |  |
| - Unsecured                      | 576,841             | USD147,538                               | 813,493                 | USD184,843                               |
|                                  | 11,228              | GBP2,000                                 | 26,637                  | GBP4,000                                 |
|                                  | 173,472             | Euro39,000                               | 167,281                 | Euro34,000                               |
|                                  | 712,117             |  | 692,737                 |  |
|                                  | 1,473,658           |  | 1,700,148               |  |
| Total repayable within 12 months | 2,025,657           |  | 1,914,940               |  |
| b) Repayable after 12 months:    |                     |  |                         |  |
| (i) Term Loans                   |                     |  |                         |  |
| - Secured                        | 6,997               | Euro1,573                                | 1,286                   | Euro261                                  |
| - Unsecured                      | 133,443             | Euro30,000                               | 147,582                 | Euro30,000                               |
|                                  | 78,328              | USD20,000                                | 132,353                 | USD30,000                                |
|                                  | 211,771             |  | 279,935                 |  |
|                                  | 218,768             |  | 281,221                 |  |
| (ii) Islamic Medium Term Notes   |                     |  |                         |  |
| - Unsecured                      | 2,600,000           |  | 2,900,000               |  |
| Total repayable after 12 months  | 2,818,768           |  | 3,181,221               |  |
| Total Group borrowings           | 4,844,425           |  | 5,096,161               |  |

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(The figures have not been audited)

**B8. Derivative financial instruments**

The Group has entered into forward foreign exchange contracts 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 31 March 2016, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

|  | <b>Contract /<br/>Notional value<br/>Net long/(short)</b> | <b>Fair value<br/>Net gains/(losses)</b> |
|--|---|--|
|  | <b>RM'000</b>   | <b>RM'000</b>                            |
| a) Forward foreign exchange contracts: |   |  |
| - Less than 1 year                     | (582,267)   | 39,239                                   |
| - 1 year to 3 years                    | -   | -  |
| - More than 3 years                    | -   | -  |
| b) Commodity futures contracts:        |   |  |
| - Less than 1 year                     | (169,324)   | 18,182                                   |
| - 1 year to 3 years                    | -   | -  |
| - More than 3 years                    | -   | -  |

With the adoption of FRS 139 *Financial Instruments: Recognition and Measurement*, derivative financial instruments are recognised at fair value on contract dates and 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 current quarter ended 31 March 2016, 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**

The BKB Group is not engaged in any material litigation either as plaintiff or defendant and the Directors of BKB do not know of any proceedings, pending or threatened against the BKB Group or of any fact likely to give rise to any proceedings which might materially affect the position or business of the BKB Group.

**B11. Dividend**

a) An interim single tier dividend of 15 sen per share has been declared by the Directors in respect of the financial year ending 30 September 2016 (2015: single tier dividend of 15 sen per share) and will be paid on 11 August 2016 to shareholders registered in the Company's Register as at 20 July 2016.

A Depositor with the Bursa Malaysia Depository Sdn Bhd shall qualify for entitlement to the dividend only in respect of:

- (i) Securities deposited into the Depositor's Securities Account before 12.30 p.m. on 18 July 2016, in respect of securities which are exempted from mandatory deposit;
- (ii) Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 20 July 2016, in respect of transfers; and

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(iii) Securities bought on the Bursa Malaysia Securities Berhad (“Bursa Securities”) on a cum entitlement basis according to the Rules of the Bursa Securities.

b) Total dividend for the current financial year to-date is single tier dividend of 15 sen per share (2015: single tier dividend of 15 sen per share).

**B12. Earnings Per Share**
*Basic earnings per share*

The earnings per share is calculated by dividing the net profit for the period attributable to owners 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<br>31 March |         | 6 months ended<br>31 March |         |
|  | 2016                       | 2015    | 2016                       | 2015    |
| Net profit for the period attributable to owners of the Company (RM'000) | 94,435                     | 120,892 | 481,961                    | 237,846 |
| Weighted average number of shares ('000)                                 | 406,040                    | 408,112 | 406,040                    | 408,112 |
| Earnings per share (sen)   | 23.3                       | 29.6    | 118.7                      | 58.3    |

**B13. Audit report of preceding annual financial statements**

The auditors' report on the financial statements for the year ended 30 September 2015 was not subject to any qualifications.

**B14. Condensed Consolidated Statement of Profit or Loss**

Profit before taxation for the period is arrived at after charging/(crediting) the following items:

|   | Individual Quarter         |          | Cumulative Quarter         |           |
|---|----------------------------|----------|----------------------------|-----------|
|   | 3 months ended<br>31 March |          | 6 months ended<br>31 March |           |
|   | 2016                       | 2015     | 2016                       | 2015      |
|   | RM'000                     | RM'000   | RM'000                     | RM'000    |
| Interest income                                       | (15,530)                   | (12,293) | (31,561)                   | (21,385)  |
| Dividend income                                       | (15,645)                   | (6,850)  | (29,565)                   | (16,372)  |
| Other income  | (102,005)                  | (96,599) | (788,763)                  | (129,657) |
| Interest expense                                      | 43,678                     | 28,338   | 85,310                     | 57,778    |
| Depreciation and amortisation                         | 124,652                    | 104,372  | 246,522                    | 206,107   |
| Write-back of receivables                             | 207                        | (687)    | (28)                       | (1,262)   |
| Provision for and write down of inventories           | 4,549                      | 1,049    | 11,919                     | 11,235    |
| Surplus on disposal of quoted or unquoted investments | (321)                      | (1,484)  | (1,795)                    | (2,179)   |
| Surplus on disposal of land                           | (4,185)                    | (282)    | (491,576)                  | (994)     |
| Surplus arising from government acquisition of land   | (18,555)                   | (10,702) | (40,999)                   | (13,061)  |
| Surplus on deemed disposal of a subsidiary            | -                          | (12,266) | -                          | (12,266)  |
| Foreign exchange loss/(gain)                          | 100,161                    | (13,803) | 119,162                    | (38,434)  |
| (Gain)/Loss on derivatives                            | 6,457                      | (3,508)  | (111,796)                  | 25,971    |
| Exceptional items                                     | -                          | -        | -                          | -         |

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(The figures have not been audited)

**B15. Breakdown of realised and unrealised profits or losses**

|   | <b>At<br/>31 March<br/>2016<br/>RM'000</b> | <b>At<br/>30 September<br/>2015<br/>RM'000</b> |
|---|--|--|
| Total retained profits of the Company and its subsidiaries:             |  |  |
| - Realised  | 7,598,802                                  | 6,751,335                                      |
| - Unrealised  | 158,552                                    | 322,044  |
|   | <u>7,757,354</u>                           | <u>7,073,379</u>                               |
| Total share of retained profits from associates:                        |  |  |
| - Realised  | 63,913                                     | 73,854   |
| - Unrealised  | 231  | 287  |
|   | <u>64,144</u>                              | <u>74,141</u>                                  |
| Total share of (accumulated loss)/retained profits from joint ventures: |  |  |
| - Realised  | (19,705)                                   | (25,082)                                       |
| - Unrealised  | 9,786                                      | 10,606   |
|   | <u>(9,919)</u>                             | <u>(14,476)</u>                                |
| Consolidation adjustments   | <u>(3,646,493)</u>                         | <u>(3,306,780)</u>                             |
| Total group retained profits as per consolidated accounts               | <u>4,165,086</u>                           | <u>3,826,264</u>                               |

By Order of the Board

CHONG SEE TECK  
YAP MIOW KIEN  
CHIEW CINDY  
Company Secretaries

16 May 2016