

BATU KAWAN BERHAD

196501000504 (6292-U)
(Incorporated in Malaysia)

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

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			Year ended		
	30 September			30 September		
	2022	2021	+ / (-)	2022	2021	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	7,218,613	6,156,606	17.2	28,223,929	20,717,928	36.2
Operating expenses	(6,636,756)	(5,524,006)	20.1	(25,113,989)	(18,564,966)	35.3
Other operating income	149,950	50,112	199.2	519,890	863,139	(39.8)
Finance costs	(116,367)	(70,991)	63.9	(397,207)	(266,363)	49.1
Net (impairment losses)/ reversal of impairment on financial assets	(11,357)	5,289	N/M	13,486	3,447	N/M
Share of results of associates	114,964	257,653	(55.4)	148,303	292,956	(49.4)
Share of results of joint ventures	36,755	16,951	116.8	50,666	39,865	27.1
Profit before taxation	755,802	891,614	(15.2)	3,445,078	3,086,006	11.6
Taxation	(215,492)	(183,274)	17.6	(860,852)	(546,422)	57.5
NET PROFIT FOR THE PERIOD/YEAR	540,310	708,340	(23.7)	2,584,226	2,539,584	1.8
Profit attributable to:						
Equity holders of the Company	222,785	308,037	(27.7)	1,174,346	1,146,934	2.4
Non-controlling interests	317,525	400,303	(20.7)	1,409,880	1,392,650	1.2
	540,310	708,340	(23.7)	2,584,226	2,539,584	1.8
Earnings per share for profit attributable to equity holders of the Company (sen)						
Basic	56.6	77.8		298.1	289.6	
Diluted	N/A	N/A		N/A	N/A	

N/M - Not meaningful

N/A - 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 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		Year ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the period/year	540,310	708,340	2,584,226	2,539,584
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss				
Currency translation differences	169,319	46,739	182,827	202,533
Share of other comprehensive income/(loss) in associates	90,125	(11,034)	112,610	(62,827)
	259,444	35,705	295,437	139,706
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity instruments	(47,580)	60,967	26,306	158,085
Share of other comprehensive income in associates	43,876	48,756	63,420	65,300
Remeasurement of defined benefit plans	71,573	(3,838)	71,573	(3,838)
	67,869	105,885	161,299	219,547
Total other comprehensive income for the period/year	327,313	141,590	456,736	359,253
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	867,623	849,930	3,040,962	2,898,837
Total comprehensive income attributable to:				
Equity holders of the Company	378,629	371,692	1,404,542	1,326,985
Non-controlling interests	488,994	478,238	1,636,420	1,571,852
	867,623	849,930	3,040,962	2,898,837

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual 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.)

	At 30 September 2022	At 30 September 2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	12,613,544	11,520,015
Right-of-use assets	1,401,384	1,381,622
Investment property	6,881	7,170
Inventories	1,991,597	2,035,257
Goodwill on consolidation	446,181	437,357
Intangible assets	100,193	129,906
Investments in associates	2,381,817	1,795,476
Investments in joint ventures	424,316	343,423
Other investments	782,365	803,190
Other receivable	428,863	446,418
Deferred tax assets	334,887	350,777
	<u>20,912,028</u>	<u>19,250,611</u>
Current assets		
Inventories	4,141,014	3,080,319
Biological assets	211,912	212,989
Trade and other receivables	2,937,027	3,332,046
Contract assets	83,186	7,448
Tax recoverable	61,192	40,497
Derivative financial assets	545,729	162,486
Short term funds	267,937	253,444
Cash and cash equivalents	3,201,583	3,529,227
	<u>11,449,580</u>	<u>10,618,456</u>
TOTAL ASSETS	<u>32,361,608</u>	<u>29,869,067</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with
the Annual 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.)

	At 30 September 2022 RM'000	At 30 September 2021 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	2,232,372	2,850,424
Contract liabilities	142,625	121,098
Deferred income	8,628	8,598
Lease liabilities	25,630	29,443
Borrowings	2,682,318	3,407,619
Tax payable	157,557	223,082
Derivative financial liabilities	544,316	238,167
	5,793,446	6,878,431
Net current assets	5,656,134	3,740,025
Non-current liabilities		
Deferred tax liabilities	1,167,024	1,016,689
Lease liabilities	158,527	134,081
Deferred income	90,149	98,465
Provision for retirement benefits	496,646	572,717
Borrowings	7,724,349	6,217,293
	9,636,695	8,039,245
Total liabilities	15,430,141	14,917,676
Net assets	16,931,467	14,951,391
Equity attributable to owners of the Company		
Share capital	507,587	507,587
Treasury shares	(109,400)	(83,334)
Reserves	7,268,999	5,906,031
	7,667,186	6,330,284
Non-controlling interests	9,264,281	8,621,107
Total equity	16,931,467	14,951,391
TOTAL EQUITY AND LIABILITIES	32,361,608	29,869,067
Net assets per share attributable to equity holders of the Company (RM)	19.48	16.04

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual 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 equity holders of the Company →							Non- controlling interests	Total equity	
	Share capital	Treasury shares	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Other reserve	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
At 1 October 2021	507,587	(83,334)	886,552	38,659	615,771	(443,155)	4,808,204	6,330,284	8,621,107	14,951,391
Total comprehensive income for the period	-	-	48,794	142,883	(36,484)	-	1,249,349	1,404,542	1,636,420	3,040,962
Transactions with owners:										
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	-	10	10
Purchase of shares from non-controlling interests	-	-	-	(683)	-	383,633	(13,054)	369,896	(482,887)	(112,991)
Redemption of redeemable preference shares	-	-	-	-	-	-	-	-	(6,400)	(6,400)
Effect of changes in shareholdings in subsidiaries	-	-	(493)	543	(108)	-	(37,534)	(37,592)	(41,486)	(79,078)
Acquisition through business combination	-	-	-	-	-	-	-	-	213,189	213,189
Expiry of unconditional mandatory takeover offer on acquisition of a subsidiary	-	-	-	-	-	59,522	-	59,522	66,068	125,590
Shares buy back	-	(26,066)	-	-	-	-	-	(26,066)	-	(26,066)
Employees' share grant scheme	-	-	-	-	-	-	-	-	5,859	5,859
Dividend paid - FY2021 final	-	-	-	-	-	-	(354,688)	(354,688)	-	(354,688)
Dividend paid - FY2022 interim	-	-	-	-	-	-	(78,712)	(78,712)	-	(78,712)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(747,599)	(747,599)
	-	(26,066)	(493)	(140)	(108)	443,155	(483,988)	(67,640)	(993,246)	(1,060,886)
At 30 September 2022	507,587	(109,400)	934,853	181,402	579,179	-	5,573,565	7,667,186	9,264,281	16,931,467

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with
the Annual 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 equity holders of the Company →							Non-controlling interests	Total equity	
	Share capital	Treasury shares	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Other reserve	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
At 1 October 2020	507,587	(23,957)	771,417	(25,443)	525,067	-	4,122,259	5,876,930	6,744,349	12,621,279
Total comprehensive income for the period	-	-	6,716	64,072	90,515	-	1,165,682	1,326,985	1,571,852	2,898,837
Transactions with owners:										
Issuance of shares to non-controlling interest	-	-	-	-	-	-	-	-	18,272	18,272
Purchase of shares from non-controlling interests	-	-	-	-	-	-	-	-	(250,470)	(250,470)
Effect of deemed acquisition of shares in a subsidiary	-	-	-	-	-	-	(117,016)	(117,016)	(3,144)	(120,160)
Effect of changes in shareholdings in subsidiaries	-	-	390	29	189	171	(20,983)	(20,204)	(53,246)	(73,450)
Effect of changes in shareholdings in an associate	-	-	-	1	-	-	(1)	-	-	-
Acquisition through business combination	-	-	-	-	-	-	-	-	1,562,854	1,562,854
Redemption of redeemable preference shares	-	-	108,029	-	-	-	(104,236)	3,793	(3,793)	-
Unconditional mandatory takeover offer on acquisition of a subsidiary *	-	-	-	-	-	(443,326)	-	(443,326)	(491,722)	(935,048)
Shares buy back	-	(59,377)	-	-	-	-	-	(59,377)	(13,920)	(73,297)
Employees' share grant scheme	-	-	-	-	-	-	-	-	2,392	2,392
Dividend paid - FY2020 final	-	-	-	-	-	-	(158,428)	(158,428)	-	(158,428)
Dividend paid - FY2021 Interim	-	-	-	-	-	-	(79,073)	(79,073)	-	(79,073)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(462,317)	(462,317)
	-	(59,377)	108,419	30	189	(443,155)	(479,737)	(873,631)	304,906	(568,725)
At 30 September 2021	507,587	(83,334)	886,552	38,659	615,771	(443,155)	4,808,204	6,330,284	8,621,107	14,951,391

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

Condensed Consolidated Statement of Cash Flows As at 30 September 2022

(The figures have not been audited.)

	Year ended 30 September	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	3,445,078	3,086,006
Adjustments for:		
Non-cash items	1,161,739	(53,321)
Non-operating items	286,005	157,375
Operating cash flows before changes in working capital	4,892,822	3,190,060
Changes in working capital		
Net change in current assets	(929,981)	(1,843,350)
Net change in current liabilities	304,421	494,692
Cash flows generated from operations	4,267,262	1,841,402
Interest received	9,110	5,461
Interest paid	(399,473)	(264,252)
Tax paid	(943,738)	(270,989)
Retirement benefits paid	(52,042)	(38,967)
Net cash flows generated from operating activities	2,881,119	1,272,655
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,308,506)	(918,727)
Purchase of right-of-use assets	(15,470)	(6,375)
Property development expenditure	(8,695)	(37,837)
Addition to investment property	-	(26)
Purchase of shares in subsidiaries, net of cash	(303,834)	(1,770,832)
Purchase of additional shares in a subsidiary	(75,270)	(259,288)
Subscription and purchase of shares in an associate	(479,062)	(39,795)
Subscription of shares in joint ventures	(26,023)	(23,255)
Purchase of shares from non-controlling interests	(922,449)	(250,470)
Purchase of other investments	(27,823)	(45,058)
Purchase of intangible assets	(1,151)	(2,590)
Proceeds from disposal of property, plant and equipment	11,568	5,849
Compensation from government on land acquired	4,123	11,209
Proceed from disposal of land	-	149,401
Proceeds from disposal of subsidiaries	1,964	-
Proceeds from disposal of other investments	67,875	81,646
Repayment from associates	-	24,809
Advance to joint ventures	(12,767)	(17,373)
Advances to investee companies	(29,423)	(12,175)
Net withdrawal of short term funds	3,982	681,433
Decrease/(Increase) in other receivables	44,298	(20,647)
Dividends received	245,181	158,812
Repayment of capital to non-controlling interest	-	(3,144)
Interest received	45,718	50,382
Net cash flows used in investing activities	(2,785,764)	(2,244,051)

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

Condensed Consolidated Statement of Cash Flows As at 30 September 2022

(The figures have not been audited.)

	Year ended 30 September	
	2022	2021
	RM'000	RM'000
Cash flows from financing activities		
Issuance of Islamic Medium Term Notes	2,500,000	-
Drawdown of term loans	1,060,638	1,529,959
Repayment of Islamic Medium Term Notes	(1,000,000)	-
Repayment of term loans	(1,549,663)	(359,470)
Lease payments	(26,803)	(34,995)
Net (repayment)/drawdown of short term borrowings	(302,217)	685,900
Dividends paid to shareholders of the Company	(433,400)	(237,501)
Dividends paid to non-controlling interests	(747,599)	(462,317)
Shares buy back	(26,066)	(73,297)
Redemption of redeemable preference shares from non-controlling interests	(6,400)	-
Issuance of shares to non-controlling interests	10	18,272
Net cash flows (used in)/generated from financing activities	(531,500)	1,066,551
Net (decrease)/increase in cash and cash equivalents	(436,145)	95,155
Effects of exchange rate changes	61,440	27,778
Cash and cash equivalents at beginning of year	3,405,994	3,283,061
Cash and cash equivalents at end of year	3,031,289	3,405,994
Cash and cash equivalents at 30 September is represented by:		
Deposits with licensed banks	1,350,479	946,012
Money market funds	926,914	1,352,409
Cash and bank balances	924,190	1,230,806
Bank overdrafts	(170,294)	(123,233)
	3,031,289	3,405,994

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

Notes to Interim Financial Report

A. Explanatory Notes as required by Malaysian Financial Reporting Standard (“MFRS”) 134

A1. Statement of compliance

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 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 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 standards, interpretation and amendments to MFRSs:

MFRS, Interpretation and 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.

The following comparative amounts as at 30 September 2021 have been reclassified to conform with the current year’s presentation:

	Previously stated RM '000	Adjustments RM '000	As restated RM '000
Statement of financial position			
Current assets			
Other investments	121,048	(121,048)	-
Cash and cash equivalents	3,408,179	121,048	3,529,227
Statement of cash flows			
Net cash flows generated from operating activities	1,272,591	64	1,272,655
Net cash flows used in investing activities	(2,192,520)	(51,531)	(2,244,051)
Net increase in cash and cash equivalents	146,622	(51,467)	95,155
Effects of exchange rate changes	27,773	5	27,778
Cash and cash equivalents at 31 October 2020	3,110,551	172,510	3,283,061
Cash and cash equivalents at 30 September 2021	3,284,946	121,048	3,405,994

A3. Seasonal and cyclical operations

The Group’s plantation operations are affected 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 significant changes in the amounts of estimates reported in prior interim periods or prior financial years that have a material effect in the current interim period.

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 1,070,000 shares in the Company from the open market. The average price paid for the shares repurchased was RM24.31 per share and the total consideration paid, including transaction costs, was RM26,065,902. The shares bought back were financed by internally generated funds and held as treasury shares.

A7. Dividends paid

	Year ended 30 September	
	2022 RM'000	2021 RM'000
Interim 20 sen per share single tier (2021: 20 sen per share single tier)	78,712	79,073
Dividends proposed in financial year ("FY") 2021, paid in FY 2022:		
Final 90 sen per share single tier	354,688	-
Dividends proposed in FY 2020, paid in FY 2021:		
Final 40 sen per share single tier	-	158,428
	433,400	237,501

Final dividends were paid on the number of outstanding shares in issue and fully paid of 394,097,363 (2021: 396,070,563), net of treasury shares.

Interim dividends were paid on the number of outstanding shares in issue and fully paid of 393,561,863 (2021:395,361,563), net of treasury shares.

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. 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
Year ended 30 September 2022						
Revenue						
External revenue	4,208,665	23,538,268	195,199	281,797	-	28,223,929
Inter-segment revenue	1,835,403	41,582	-	1,263,705	(3,140,690)	-
Total revenue	6,044,068	23,579,850	195,199	1,545,502	(3,140,690)	28,223,929
Results						
Operating results	2,188,520	1,300,496	70,263	126,319	(42,282)	3,643,316
Finance costs	(17,685)	(85,216)	(815)	(335,773)	42,282	(397,207)
Share of results of associates	5,471	21,941	2,134	118,757	-	148,303
Share of results of joint ventures	-	42,319	-	8,347	-	50,666
Segment results	2,176,306	1,279,540	71,582	(82,350)	-	3,445,078
Profit before taxation						3,445,078

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended						
30 September 2021						
Revenue						
External revenue	2,767,112	17,496,087	195,070	259,659	-	20,717,928
Inter-segment revenue	700,738	8,523	-	1,080,044	(1,789,305)	-
Total revenue	3,467,850	17,504,610	195,070	1,339,703	(1,789,305)	20,717,928
Results						
Operating results	1,392,897	1,022,450	60,098	572,318	(28,215)	3,019,548
Finance costs	(7,436)	(53,049)	(1)	(234,092)	28,215	(266,363)
Share of results of associates	1,722	16,711	9,147	265,376	-	292,956
Share of results of joint ventures	-	33,860	-	6,005	-	39,865
Segment results	1,387,183	1,019,972	69,244	609,607	-	3,086,006
Profit before taxation						3,086,006

b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 September 2022					
Operating assets	11,398,863	11,374,534	2,665,744	3,720,255	29,159,396
Associates	31,403	92,022	10,323	2,248,069	2,381,817
Joint ventures	-	215,962	-	208,354	424,316
Segment assets	11,430,266	11,682,518	2,676,067	6,176,678	31,965,529
Tax assets					396,079
Total assets					32,361,608
At 30 September 2021					
Operating assets	11,138,611	9,883,169	2,664,029	3,653,085	27,338,894
Associates	31,920	86,145	17,689	1,659,722	1,795,476
Joint ventures	-	178,381	-	165,042	343,423
Segment assets	11,170,531	10,147,695	2,681,718	5,477,849	29,477,793
Tax assets					391,274
Total assets					29,869,067

c) Segment liabilities

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 September 2022					
Segment liabilities	1,401,752	4,482,483	187,452	8,033,873	14,105,560
Tax liabilities					1,324,581
Total liabilities					15,430,141
At 30 September 2021					
Segment liabilities	2,769,168	4,042,415	149,627	6,716,695	13,677,905
Tax liabilities					1,239,771
Total liabilities					14,917,676

A9. Material 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.

A10. Changes in composition of the Group

There were no other changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinued operations during the current quarter review except for the following:

For the year ended 30 September 2022, the Company's subsidiary, Kuala Lumpur Kepong Berhad ("KLKB"), 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, KLKB holds a total of 840,067,490 KSN shares, representing 95.40% equity interest in KLKSN as at 30 September 2022.

A11. Changes in contingent liabilities and contingent assets

There were no material changes in the contingent liabilities or contingent assets since the last annual financial statements for the year ended 30 September 2021.

A12. Capital commitments

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

	At 30 September 2022	At 30 September 2021
	RM'000	RM'000
Capital expenditure		
Approved and contracted	835,989	393,409
Approved but not contracted	2,119,389	1,582,515
	<u>2,955,378</u>	<u>1,975,924</u>
Joint venture		
Share of capital commitment of a joint venture	14,784	83,723
	<u>14,784</u>	<u>83,723</u>

A13. 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.

	Year ended 30 September	
	2022	2021
	RM'000	RM'000
a) Transactions with associates and joint ventures:		
Sales of goods	721,594	410,679
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
	<u>15,803</u>	<u>13,891</u>

	Year ended 30 September	
	2022 RM'000	2021 RM'000
b) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest:		
Sales of goods		
Chlor-Al Chemical Pte Ltd	18,115	8,350
Siam Taiko Marketing Co Ltd	4,855	3,499
Taiko Acid Works Sdn Bhd	10,628	8,724
Taiko Marketing (S) Pte Ltd	2,075	1,384
Taiko Marketing Sdn Bhd	312,861	231,646
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
Taiko Acid Works Sdn Bhd	1,008	1,223
Taiko Clay Marketing Sdn Bhd	4,057	3,227
Taiko Drum Industries Sdn Bhd	3,458	3,447
Taiko Marketing (S) Pte Ltd	42,510	33,599
Taiko Marketing Sdn Bhd	64,775	32,671
Management fees paid		
Farming Management Services Pty Ltd	3,951	2,913
Fixed cost earned		
Taiko Acid Works Sdn Bhd	28	1,549
Aircraft operating expenses and management services paid		
Smooth Route Sdn Bhd	1,666	1,395
Supply of contract labours and engineering works:		
Yeow Brothers Engineering Sdn Bhd	-	419
IT services		
E-Komoditi Sdn Bhd	-	688
c) Transactions between subsidiaries and their non-controlling interests:		
Sales 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

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

B1. Detailed analysis of performance

4th Quarter FY2022 vs 4th Quarter FY2021

	Quarter Ended		Changes %
	30 September		
	2022	2021	
	RM'000	RM'000	
Revenue	7,218,613	6,156,606	17.2
Segment results:			
Plantation	515,031	461,875	11.5
Manufacturing	201,772	293,926	(31.4)
Property development	18,929	14,607	29.6
Investment holding/Others	20,070	121,206	(83.4)
Profit before taxation	755,802	891,614	(15.2)

The Group's pre-tax profit for the current quarter was 15.2% lower at RM755.80 million (4Q2021: RM891.61 million) despite revenue was 17.2% higher at RM7.22 billion (4Q2021: RM6.16 billion). Comments on the respective business segments are as follows:

Plantation's profit was 11.5% higher at RM515.03 million (4Q2021: RM461.88 million) with 11.8% higher revenue of RM974.35 million (4Q2021: RM871.54 million) from higher CPO selling prices, coupled with higher CPO and PK sales volumes. However, the profit was partially offset by RM10.38 million fair value loss (4Q2021: RM33.33 million fair value gain) on valuation of unharvested fresh fruit bunches and higher CPO production cost.

Manufacturing's profit dipped 31.4% to RM201.77 million (4Q2021: RM293.93 million) despite a 18.8% higher revenue of RM6.16 billion (4Q2021: RM5.18 billion) due to lower profit contributions from Oleochemical division and RM57.77 million unrealised loss (4Q2021: RM53.77 million unrealised gain) from fair value changes on outstanding derivative contracts. However, the lower profit was partially offset by higher profit from refineries and kernel crushing operations while Industrial Chemical division's profit was 77.0% higher at RM37.70 million (4Q2021: RM21.30 million) from higher selling prices and higher sales volume of caustic soda.

Property Development's profit increased 29.6% to RM18.93 million (4Q2021: RM14.61 million) despite 26.8% lower revenue of RM48.77 million (4Q2021: RM66.65 million).

Investment Holdings/Others' result had accounted for higher interest expenses attributable to an increase in borrowings and significantly lower share of equity profit from an oversea associate, Synthomer plc amounted to RM104.53 million (4Q2021: RM241.97 million). In previous year, the pre-tax profit accounted for impairment on an estate in Liberia amounted to RM61.88 million.

FY2022 vs FY2021

	Todate Ended		Changes
	30 September		
	2022	2021	
	RM'000	RM'000	%
Revenue	<u>28,223,929</u>	<u>20,717,928</u>	36.2
Segment results:			
Plantation	2,176,306	1,387,183	56.9
Manufacturing	1,279,540	1,019,972	25.4
Property development	71,582	69,244	3.4
Investment holding/Others	<u>(82,350)</u>	<u>609,607</u>	113.5
Profit before taxation	<u>3,445,078</u>	<u>3,086,006</u>	11.6

The Group's pre-tax profit for financial year 2022 was 11.6% higher at RM3.45 billion (Todate 4Q2021: RM3.09 billion) which had taken into consideration of the following non-operational items under Investment Holdings/Others segment:

- Unrealised foreign currency exchange translation gain of RM108,000 (Todate 4Q2021: RM63.28 million gain) on inter-company loans denominated in foreign currencies; and
- Surplus of RM7.75 million (Todate 4Q2021: RM162.64 million surplus) on sales of land and government acquisitions.

Previous year's pre-tax profit had accounted for the following non-operational items:

- Fair value surplus of RM324.26 million on deemed disposal of an associate, Aura Muhibah Sdn Bhd ("Aura Muhibah");
- Fair value surplus of RM12.61 million of an ordinary investment which was previously an associate;
- Negative goodwill amounted to RM2.94 million arising from acquisition of Aura Muhibah; and
- Impairment on an estate in Liberia amounted to RM61.88 million.

Excluding the above non-operational items, the Group's pre-tax profit would have been 33.1% higher at RM3.44 billion (Todate 4Q2021: RM2.58 billion) supported by 36.2% higher revenue of RM28.22 billion (Todate 4Q2021: RM20.72 billion). Comments on the respective business segments are as follows:

Plantation's profit surged 56.9% to RM2.18 billion (Todate 4Q2021: RM1.39 billion) with 52.1% higher revenue of RM4.21 billion (Todate 4Q2022: RM2.77 billion) from stronger selling prices and higher sales volumes of CPO and PK, higher profit contribution from KLK Sawit Nusantara Berhad ("KSN") for the full year result, unrealised gain of RM80.61 million (Todate 4Q2021: RM77.21 million) from changes on fair value of outstanding derivative contracts and profit contribution from newly acquired subsidiary, PT Pinang Witmas Sejati. However, the increase in Plantation's profit was offset by fair value loss of RM17.75 million (Todate 4Q2021: RM44.90 million gain) on valuation of unharvested fresh fruit bunches and higher CPO production cost.

Manufacturing reported 25.4% higher profit of RM1.28 billion (Todate 4Q2021: RM1.02 billion) on 34.5% higher revenue at RM23.54 billion (Todate 4Q2021: RM17.50 billion) attributable to higher contributions from Oleochemical division which more than offset the drop in the profit of refineries and kernel crushing operations, coupled with unrealised loss of RM86.60 million (Todate 4Q2021: RM2.90 million unrealised gain) from fair value changes on outstanding derivative contracts. Industrial Chemical division's profit jumped more than 2-fold to RM209.10 million (Todate 4Q2021: RM98.50 million) from higher average selling prices of caustic soda in line with global prices.

Property Development's profit was 3.4% higher at RM71.58 million (Todate 4Q2021: RM69.24 million) with a flat revenue of RM195.20 million (Todate 4Q2021: RM195.07 million).

Investment Holdings/Others' result had accounted for non-operational items as abovementioned, higher interest expenses attributable to an increase in borrowings, significantly lower share of equity profit from an oversea associate, Synthomer plc amounted to RM114.66 million (Todate 4Q2021: RM260.59 million), and higher Farming sector's profit of RM37.03 million (Todate 4Q2021: RM28.51 million) from improvement in crop selling prices.

B2. Comparison of current quarter's results to the preceding quarter
4th Quarter FY2022 vs 3rd Quarter FY2022

	Quarter Ended		
	30 September 2022 RM'000	30 June 2022 RM'000	
Revenue	7,218,613	7,249,852	(0.4)
Segment results:			
Plantation	515,031	602,338	(14.5)
Manufacturing	201,772	266,829	(24.4)
Property development	18,929	17,637	7.3
Investment holding/Others	20,070	(79,291)	(125.3)
Profit before taxation	755,802	807,513	(6.4)

For the current quarter, the Group's pre-tax profit dipped 6.4% to RM755.80 million as compared to RM807.51 million reported in the preceding quarter, with marginal drop in revenue to RM7.22 billion (3Q2022: RM7.25 billion). Comments on the respective business segments are as follows:

Plantation recorded 14.5% lower profit of RM515.03 million (3Q2022: RM602.34 million) from lower CPO and PK selling prices. However, the decrease in profit was partially offset by higher unrealised gain of RM107.47 million (3Q2022: RM86.75 million unrealised gain) from fair value changes on outstanding derivative contracts and increase in CPO and PK sales volumes.

Manufacturing's profit dropped 24.4% to RM201.77 million (3Q2022: RM266.83 million) despite marginally higher revenue at RM6.16 billion (3Q2022: RM6.12 billion) due to lower profit contributions from Oleochemical division and higher unrealised loss of RM57.77 million (3Q2022: RM33.70 million) from fair value changes on outstanding derivative contracts, coupled with Industrial Chemical division's profit dropped 35.1% to RM37.70 million (3Q2022: RM58.10 million) from lower selling prices and sales volume of caustic soda. However, the drop in profit was partially mitigated by higher profit contribution from refineries and kernel crushing operations.

Property Development recorded 7.3% higher profit at RM18.93 million (3Q2022: RM17.64 million) despite 8.9% lower revenue of RM48.77 million (3Q2022: RM53.51 million).

Investment Holdings/Others' result mainly accounted for share of equity profit amounted to RM104.53 million (3Q2022: Nil) from an overseas associate, Synthomer plc.

B3. Current year's prospects

In view of softening CPO prices since June 2022 due to heightened risk of global recession, the Group's Plantation segment profit for financial year 2023 is expected to be affected by escalating costs in fuel, fertilisers and agrochemicals, notwithstanding the Group's on-going mechanisation and yield improvement initiatives.

For the Group's Manufacturing segment, the Oleochemical division expects headwinds for financial year 2023 due to raw material price volatility, high energy costs and softening demand. The Group Industrial Chemical division anticipates rising energy costs and lower production attributable to plant upgrading works for financial year 2023.

On balance, the Group's financial performance is expected to remain satisfactory for the financial year 2023.

B4. Variance of actual profit from forecast profit

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

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		Year ended 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
Malaysian taxation	121,881	69,935	408,397	200,636
Overseas taxation	58,223	93,751	452,345	285,657
	<u>180,104</u>	<u>163,686</u>	<u>860,742</u>	<u>486,293</u>
(Over)/Under provision of taxation in respect of previous years				
Malaysian taxation	(733)	(1,024)	(28,638)	(13,961)
Overseas taxation	5,065	9,894	25,877	17,328
	<u>4,332</u>	<u>8,870</u>	<u>(2,761)</u>	<u>3,367</u>
Deferred tax				
Origination and reversal of temporary differences	49,211	44,467	2,303	65,751
Relating to changes in tax rates	-	(20,452)	-	21
(Over)/Under provision in respect of previous years	(18,155)	(13,297)	568	(9,010)
	<u>31,056</u>	<u>10,718</u>	<u>2,871</u>	<u>56,762</u>
	<u>215,492</u>	<u>183,274</u>	<u>860,852</u>	<u>546,422</u>

Reconciliation of effective taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		Year ended 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	755,802	891,614	3,445,078	3,086,006
Taxation at Malaysia income tax rate of 24% (FY2021: 24%)	181,393	213,987	826,819	740,641
Effect of different tax rates in foreign jurisdiction	42,796	(6,702)	(12,001)	(29,565)
Withholding tax on foreign dividend and interest income	7,515	8,796	94,721	18,622
Expenses not deductible for tax purposes	89,952	65,593	146,280	107,793
Tax exempt and non-taxable income	(28,307)	(5,878)	(73,864)	(171,226)
Tax incentives	(4,308)	(15,407)	(16,100)	(18,322)
Deferred tax assets not recognised during the period/year	366	6,628	3,239	7,989
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	12,567	(366)	(45,961)	(29,958)
Expiry of tax losses	(349)	7,110	3,671	7,110
Tax effect on associates' and joint ventures' results	(36,356)	(66,127)	(47,752)	(79,877)
Recognition of deferred tax assets not taken up previously	(64,193)	-	(68,586)	-
Under/(Over) provision of tax expense in respect of previous years	4,332	8,870	(2,761)	3,367
(Over)/Under provision of deferred tax in respect of previous years	(18,155)	(13,297)	568	(9,010)
Effect of changes in tax rates on deferred tax	-	(20,452)	-	21
Prosperity tax	21,033	-	42,498	-
Others	7,206	519	10,081	(1,163)
Tax expense	215,492	183,274	860,852	546,422

B6. Status of corporate proposals

There were no corporate proposals announced.

B7. Group borrowings

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

	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			
<u>Secured</u>									
Term Loans	Euro	2,293	10,421	Euro	1,266	5,754	Euro	3,559	16,175
Banker's Acceptance		-	-	USD	1,119	4,998	USD	1,119	4,998
<u>Unsecured</u>									
Bank overdraft		-	-	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	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
		-	-	RMB	66,000	43,006	RMB	66,000	43,006
		-	1,215,488		-	3,893		-	1,219,381
Banker's acceptance		-	-		-	280,564		-	280,564
Islamic medium term notes		-	6,100,000		-	500,000		-	6,600,000
Total		-	7,724,349		-	2,682,318		-	10,406,667

	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			
<u>Secured</u>									
Term Loans	Euro	3,559	17,259	Euro	1,256	6,092	Euro	4,815	23,351
<u>Unsecured</u>									
Bank overdraft		-	-	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
		-	-		-	325,500		-	325,500
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
	Euro	30,000	145,612	Euro	19,000	92,393	Euro	49,000	238,005
	JPY	3,410,680	128,210	JPY	787,080	29,587	JPY	4,197,760	157,797
		-	1,304,413		-	24,637		-	1,329,050
Banker's acceptance		-	-		-	754,269		-	754,269
Islamic medium term notes		-	4,100,000		-	1,000,000		-	5,100,000
Total		-	6,217,293		-	3,407,619		-	9,624,912

Exchange Rates Applied	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
JPY100/RM	3.2031	3.7620

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

	Contract / Notional value Net long/(short)	Fair value Net gains/(losses)
	RM'000	RM'000
a) Forward foreign exchange contracts:		
- Less than 1 year	(2,198,504)	(75,641)
b) Commodity futures contracts:		
- Less than 1 year	(235,480)	77,053

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) Total dividend for the current financial year to-date is single tier dividend of 20 sen per share (2021: 20 sen).

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		Year ended	
	30 September		30 September	
	2022	2021	2022	2021
Net profit for the period attributable to equity holders of the Company (RM'000)	222,785	308,037	1,174,346	1,146,934
Weighted average number of shares ('000)	393,931	396,026	393,931	396,026
Earnings per share (sen)	56.6	77.8	298.1	289.6

B13. Audit report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2021 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		Year ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(23,378)	(15,939)	(72,532)	(58,814)
Dividend income	(3,605)	(9,164)	(38,670)	(50,174)
Other income	(149,950)	(50,112)	(519,890)	(863,139)
Interest expense	116,367	70,991	397,207	266,363
Depreciation and amortisation	266,560	198,870	1,036,423	709,931
Provision for and write-off of receivables	11,062	1,277	11,078	3,301
Provision for and write-off/(write back) of inventories	69,259	(3,131)	280,201	16,571
Surplus on disposal of quoted or unquoted investment	-	119	-	(15,467)
Fair value surplus of an ordinary investment which was previously an associate	-	(382)	-	(12,606)
Surplus on disposal of land	(1,444)	(1,404)	(3,698)	(151,433)
Surplus arising from government acquisition of land	-	(2,860)	(4,049)	(11,209)
Impairment of property, plant and equipment	32,108	95,170	43,313	95,170
Write-off of prepaid lease payment	-	155	-	152
Foreign exchange loss/(gain)	36,419	3,470	(11,152)	(104,681)
(Gain)/Loss on derivatives	(57,201)	3,190	(144,665)	(88,215)
Fair value surplus on deemed disposal of an associate	-	-	-	(324,260)
Exceptional items	-	-	-	-

By Order of the Board

GOH SWEE ENG

YAP MIOW KIEN

CHIEW CINDY

Company Secretaries

23 November 2022