

BATU KAWAN BERHAD

196501000504 (6292-U)
(Incorporated in Malaysia)

**Interim Financial Report
for the Second Quarter ended 31 March 2020**

Directors are pleased to announce the unaudited financial results of the Group for the second quarter ended 31 March 2020.

Condensed Consolidated Statement of Profit or Loss For the Second Quarter ended 31 March 2020

(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended			6 months ended		
	31 March			31 March		
	2020	2019	+ / (-)	2020	2019	+ / (-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	3,933,221	4,079,585	(3.6)	8,139,325	8,298,584	(1.9)
Operating expenses	(3,792,987)	(3,881,042)	(2.3)	(7,748,913)	(7,867,315)	(1.5)
Other operating income	11,429	74,676	(84.7)	116,782	244,204	(52.2)
Finance costs	(66,843)	(46,843)	42.7	(135,414)	(95,216)	42.2
Share of results of associates	38,562	(1,495)	(2,679.4)	41,565	2,291	1,714.3
Share of results of joint ventures	(11,678)	(6,153)	89.8	(7,889)	(971)	712.5
Profit before taxation	111,704	218,728	(48.9)	405,456	581,577	(30.3)
Income tax expense	(84,555)	(52,170)	62.1	(160,920)	(124,074)	29.7
NET PROFIT FOR THE PERIOD	27,149	166,558	(83.7)	244,536	457,503	(46.5)
Profit attributable to:						
Equity holders of the Company	16,020	79,288	(79.8)	119,452	215,972	(44.7)
Non-controlling interests	11,129	87,270	(87.2)	125,084	241,531	(48.2)
	<u>27,149</u>	<u>166,558</u>	<u>(83.7)</u>	<u>244,536</u>	<u>457,503</u>	<u>(46.5)</u>
Earnings per share for profit attributable to equity holders of the Company (sen)						
Basic	<u>4.1</u>	<u>19.9</u>		<u>30.3</u>	<u>54.3</u>	
Diluted	<u>Not applicable</u>	<u>Not applicable</u>		<u>Not applicable</u>	<u>Not applicable</u>	

Comments on Results

The profit attributable to equity holders of the Company for the current quarter and 6-month cumulative quarter ended 31 March 2020 were impacted by the following items:

	Current Quarter	Cumulative Quarter
	RM'000	RM'000
(i) Unrealised foreign currency exchange translation losses	201,299	171,469
(ii) Additional deferred tax charge	38,593	38,593

The unrealised foreign currency exchange translation losses on bank and inter-company loans denominated in foreign currencies. These losses were mainly caused by significant depreciation of Indonesian Rupiah exchange rate against USD and RM.

The additional deferred tax charge had resulted from the reversal of deferred tax assets as a result of the Indonesian corporate tax rate reducing from 25% to 22%.

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with
the Annual Report for the year ended 30 September 2019.

Condensed Consolidated Statement of Other Comprehensive Income For the Second Quarter ended 31 March 2020

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	27,149	166,558	244,536	457,503
Other comprehensive loss that will be reclassified subsequently to profit or loss				
Currency translation differences	(157,273)	(40,527)	(143,810)	(8,300)
Share of other comprehensive loss in associates	(17,737)	-	(17,737)	-
	(175,010)	(40,527)	(161,547)	(8,300)
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity instruments	(160,767)	93,730	(112,870)	(601,840)
Share of other comprehensive loss in associates	(5,116)	-	(5,116)	-
	(165,883)	93,730	(117,986)	(601,840)
Total other comprehensive (loss)/income for the period	(340,893)	53,203	(279,533)	(610,140)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(313,744)	219,761	(34,997)	(152,637)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(150,613)	106,836	(17,201)	(71,801)
Non-controlling interests	(163,131)	112,925	(17,796)	(80,836)
	(313,744)	219,761	(34,997)	(152,637)

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Report for the year ended 30 September 2019.

Condensed Consolidated Statement of Financial Position As at 31 March 2020

(The figures have not been audited.)

	At 31 March 2020	At 30 September 2019
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	7,873,611	8,066,866
Right-of-use assets	138,103	-
Investment property	46,989	47,463
Prepaid lease payments	334,749	351,082
Inventories	1,089,576	1,108,296
Goodwill on consolidation	352,026	345,127
Intangible assets	22,433	22,081
Investments in associates	1,574,508	1,516,482
Investments in joint ventures	252,976	267,307
Other investments	476,690	568,733
Other receivable	224,864	247,772
Deferred tax assets	393,686	450,299
	12,780,211	12,991,508
Current assets		
Inventories	2,143,265	2,188,303
Biological assets	65,717	99,829
Trade and other receivables	2,111,935	2,151,467
Contract assets	18,401	14,867
Tax recoverable	83,668	114,107
Other investments	179,323	253,695
Derivative financial assets	77,637	34,013
Short term funds	1,228,654	1,659,207
Cash and cash equivalents	3,088,607	2,317,468
	8,997,207	8,832,956
TOTAL ASSETS	21,777,418	21,824,464

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 30 September 2019.

Condensed Consolidated Statement of Financial Position As at 31 March 2020

(The figures have not been audited.)

	At 31 March 2020	At 30 September 2019
	RM'000	RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	1,211,216	1,412,003
Contract liabilities	89,812	93,010
Deferred income	8,000	8,196
Lease liabilities	16,295	-
Borrowings	1,495,702	1,354,002
Tax payable	44,704	41,167
Derivative financial liabilities	111,437	20,558
	2,977,166	2,928,936
Net current assets	6,020,041	5,904,020
Non-current liabilities		
Other payables	383	383
Deferred tax liabilities	451,758	444,586
Lease liabilities	113,965	-
Deferred income	107,535	110,320
Provision for retirement benefits	556,284	550,153
Borrowings	5,641,130	5,669,833
	6,871,055	6,775,275
Total liabilities	9,848,221	9,704,211
Net assets	11,929,197	12,120,253
Equity attributable to owners of the Company		
Share capital	563,632	435,951
Treasury shares	(629,572)	(623,059)
Reserves	5,638,095	5,850,081
	5,572,155	5,662,973
Non-controlling interests	6,357,042	6,457,280
Total equity	11,929,197	12,120,253
TOTAL EQUITY AND LIABILITIES	21,777,418	21,824,464
Net assets per share attributable to equity holders of the Company (RM)	13.94	14.43

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 30 September 2019.

Condensed Consolidated Statement of Changes in Equity For the Second Quarter ended 31 March 2020

(The figures have not been audited.)

	← Attributable to equity holders of the Company →						Non- controlling interested	Total equity	
	Share capital	Treasury shares	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2019	435,951	(623,059)	658,546	(24,664)	540,171	4,676,028	5,662,973	6,457,280	12,120,253
Total comprehensive income/(loss) for the period	-	-	328	(72,308)	(61,475)	116,254	(17,201)	(17,796)	(34,997)
Transactions with owners:									
Effect of changes in shareholdings in subsidiary	-	-	1,461	12	876	(20,574)	(18,225)	18,225	-
Redemption of redeemable preference shares	-	-	22,859	-	-	(22,859)	-	-	-
Shares buy back	-	(6,513)	-	-	-	-	(6,513)	-	(6,513)
FY2019 final dividends paid by way of:									
- issuance of new shares pursuant to dividend reinvestment plan	127,681	-	-	-	-	(127,681)	-	-	-
- cash	-	-	-	-	-	(48,879)	(48,879)	-	(48,879)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(100,667)	(100,667)
	127,681	(6,513)	24,320	12	876	(219,993)	(73,617)	(82,442)	(156,059)
At 31 March 2020	563,632	(629,572)	683,194	(96,960)	479,572	4,572,289	5,572,155	6,357,042	11,929,197

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 30 September 2019.

Condensed Consolidated Statement of Changes in Equity For the Second Quarter ended 31 March 2020

(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	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2018	435,951	(491,740)	652,645	(42,577)	936,191	4,591,330	6,081,800	6,836,872	12,918,672
Total comprehensive income/(loss) for the period	-	-	617	(6,404)	(279,123)	213,109	(71,801)	(80,836)	(152,637)
Transactions with owners:									
Redemption of redeemable preference shares	-	-	5,921	-	-	(5,900)	21	(21)	-
Shares buy back	-	(71,298)	-	-	-	-	(71,298)	-	(71,298)
Dividend payable - FY2018 final	-	-	-	-	-	(158,548)	(158,548)	-	(158,548)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(207,676)	(207,676)
	-	(71,298)	5,921	-	-	(164,448)	(229,825)	(207,697)	(437,522)
At 31 March 2019	435,951	(563,038)	659,183	(48,981)	657,068	4,639,991	5,780,174	6,548,339	12,328,513

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 30 September 2019.

Condensed Consolidated Statement of Cash Flows As at 31 March 2020

(The figures have not been audited.)

	6 months ended 31 March	
	2020	2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	405,456	581,577
Adjustments for:		
Non-cash items	536,717	252,823
Non-operating items	52,228	43,713
Operating cash flows before changes in working capital	994,401	878,113
Changes in working capital		
Net change in current assets	182,510	115,715
Net change in current liabilities	(212,428)	(52,220)
Cash flows generated from operations	964,483	941,608
Interest received	3,043	3,088
Interest paid	(139,821)	(99,766)
Tax paid	(101,783)	(146,796)
Retirement benefits paid	(18,386)	(14,190)
Net cash flows generated from operating activities	707,536	683,944
Cash flows from investing activities		
Purchase of property, plant and equipment	(308,444)	(270,863)
Payments of prepaid lease	(1,859)	(3,457)
Property development expenditure	(15,074)	(5,194)
Addition to investment property	-	(16)
Subscription of shares in an associate	(41,407)	-
Subscription of shares in joint ventures	(2,449)	(887)
Purchase of other investments	(30,689)	(469,982)
Purchase of intangible assets	(1,385)	(2,015)
Proceeds from disposal of property, plant and equipment	2,907	3,011
Compensation from government on land acquired	-	49,190
Proceeds from disposal of other investments	107,630	489,098
Repayment from associates	1,120	2,366
Advance to joint ventures	(4,898)	(1,774)
Advance to investee companies	(10,752)	(5,982)
Decrease in short term funds	425,120	27,795
Dividends received	35,682	30,293
Interest received	35,479	28,426
Net cash flows generated from/(used in) investing activities	190,981	(129,991)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the year ended 30 September 2019.

Condensed Consolidated Statement of Cash Flows As at 31 March 2020

(The figures have not been audited.)

	6 months ended 31 March	
	2020	2019
	RM'000	RM'000
Cash flows from financing activities		
Drawdown of term loans	-	27,937
Repayment of term loans	(12,667)	(29,289)
Lease payments	(16,417)	-
Net drawdown/(repayment) of short term borrowings	82,490	(134,818)
Dividends paid to shareholders of the Company	(48,879)	(158,547)
Dividends paid to non-controlling interests	(100,667)	(207,676)
Shares buy back	(6,513)	(71,298)
Decrease in other receivables	4,388	9,961
Net cash flows used in financing activities	(98,265)	(563,730)
Net increase/(decrease) in cash and cash equivalents	800,252	(9,777)
Effects of exchange rate changes	(24,548)	(1,773)
Cash and cash equivalents at 1 October	2,196,611	1,472,952
Cash and cash equivalents at 31 March	2,972,315	1,461,402
Cash and cash equivalents at 31 March is represented by:		
Cash and cash equivalents	3,088,607	1,596,797
Borrowings - Bank overdraft	(116,292)	(135,395)
	2,972,315	1,461,402

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the year ended 30 September 2019.

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 2019. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 30 September 2019 except for the adoption of the following standards, interpretation and amendments to MFRSs:

MFRS, Interpretation and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2019

- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3 *Definition of a Business (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)*
- Amendments to MFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)*
- Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)*
- Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123 *Borrowing Costs (Annual Improvements to MFRS Standards 2015 – 2017 Cycle)*
- Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*

The application of the above standards has no significant effect to the financial statements of the Group except for MFRS 16 *Leases* as disclosed below:

MFRS 16 Leases

MFRS 16 replaces the guidance in MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The Group has adopted MFRS 16 with the date of initial application of 1 October 2019. The Group elected to use the modified retrospective method and to apply a number of practical expedients as provided in MFRS 16.

Under the modified retrospective method, prior year comparative information was not restated and the cumulative effects of initial application of MFRS 16 were recognised as an adjustment to the opening balance of right-of-use (“ROU”) assets and lease liabilities as at 1 October 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 and IC Interpretation 4.

As a lessor, the Group is not required to make any adjustment on transition, except for the reassessment of existing operating subleases, if any, at the date of initial application.

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as at 1 October 2019.

The associated right-of-use ("ROU") assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 1 October 2019.

The Group has elected not to recognise lease liabilities and ROU for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense in profit or loss over its lease terms.

In applying MFRS 16 for the first time, the Group has applied the following practical expedients permitted by the standard to leases previously classified as operating leases under MFRS 117:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at date of initial application as short-term leases;
- the exclusion of initial direct costs for the measurement of the ROU assets at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Effect on adoption of MFRS 16

	Increase RM'000
Impact to the Group financial statement as at 1 October 2019:	
Assets	
Right-of-use assets	<u>144,144</u>
Liabilities	
Lease liabilities	<u>143,802</u>

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

On 24 February 2020, the Company issued and allotted 7,714,894 new shares pursuant to the dividend reinvestment plan ("DRP") for the final dividend for financial year ended 30 September 2019. With the listing of the new shares pursuant to DRP, the total enlarged number of issued shares is 443,665,894 shares (including 43,595,031 treasury shares). For the financial year to-date, there were share buybacks of 465,800 shares in the Company from the open market. The average price paid for the shares repurchased was RM13.93 per share and the total consideration paid, including transaction costs, was RM6,512,631. The shares bought back were financed by internally generated funds and held as treasury shares.

A7. Dividends paid

	6 months ended 31 March	
	2020 RM'000	2019 RM'000
Dividends proposed in financial year ("FY") 2019, paid in FY 2020: Final 45 sen per share single tier	176,560	-
Dividends proposed in FY 2018, paid in FY 2019: Final 40 sen per share single tier	-	158,548
	<u>176,560</u>	<u>158,548</u>

The Board of Directors of the Company had determined that the DRP which was approved by the shareholders of the Company at the annual general meeting of the Company held on 13 February 2018 should apply to the entire portion of the final dividend for financial year ended 30 September 2019.

The final dividend of RM176,560,000 was paid on 24 February 2020, RM127,681,000 of which was satisfied by the issuance of 7,714,894 new shares of the Company pursuant to the DRP and the balance via cash payment of RM48,879,000.

Dividends are paid on the number of outstanding shares in issue and fully paid of 392,355,969 (2019: 396,369,369).

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

	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
6 months ended 31 March 2020						
Revenue						
External revenue	3,809,380	4,102,334	69,209	158,402	-	8,139,325
Inter-segment revenue	442,881	24	-	395,818	(838,723)	-
Total revenue	<u>4,252,261</u>	<u>4,102,358</u>	<u>69,209</u>	<u>554,220</u>	<u>(838,723)</u>	<u>8,139,325</u>
Results						
Operating results	344,081	240,110	16,183	(74,352)	(18,828)	507,194
Finance costs	(9,463)	(25,557)	77	(119,299)	18,828	(135,414)
Share of results of associates	5,933	897	1,429	33,306	-	41,565
Share of results of joint ventures	(16,128)	-	-	8,239	-	(7,889)
Segment results	<u>324,423</u>	<u>215,450</u>	<u>17,689</u>	<u>(152,106)</u>	<u>-</u>	<u>405,456</u>
Profit before taxation						<u>405,456</u>

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended						
31 March 2019						
Revenue						
External revenue	3,325,584	4,715,104	74,610	183,286	-	8,298,584
Inter-segment revenue	459,481	-	-	487,580	(947,061)	-
Total revenue	<u>3,785,065</u>	<u>4,715,104</u>	<u>74,610</u>	<u>670,866</u>	<u>(947,061)</u>	<u>8,298,584</u>
Results						
Operating results	238,926	273,669	17,225	167,328	(21,675)	675,473
Finance costs	(9,192)	(29,150)	-	(78,549)	21,675	(95,216)
Share of results of associates	321	1,275	1,016	(321)	-	2,291
Share of results of joint ventures	2,435	-	-	(3,406)	-	(971)
Segment results	<u>232,490</u>	<u>245,794</u>	<u>18,241</u>	<u>85,052</u>	<u>-</u>	<u>581,577</u>
Profit before taxation						<u>581,577</u>

b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 March 2020					
Operating assets	6,783,908	6,797,494	1,513,887	4,377,291	19,472,580
Associates	79,972	11,724	68,832	1,413,980	1,574,508
Joint ventures	141,844	-	-	111,132	252,976
Segment assets	<u>7,005,724</u>	<u>6,809,218</u>	<u>1,582,719</u>	<u>5,902,403</u>	<u>21,300,064</u>
Tax assets					477,354
Total assets					<u>21,777,418</u>
At 30 September 2019					
Operating assets	6,847,543	6,801,703	1,506,728	4,320,295	19,476,269
Associates	92,944	10,928	72,403	1,340,207	1,516,482
Joint ventures	152,044	-	-	115,263	267,307
Segment assets	<u>7,092,531</u>	<u>6,812,631</u>	<u>1,579,131</u>	<u>5,775,765</u>	<u>21,260,058</u>
Tax assets					564,406
Total assets					<u>21,824,464</u>

c) Segment liabilities

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 March 2020					
Segment liabilities	1,516,776	2,313,276	98,390	5,423,317	9,351,759
Tax liabilities					496,462
Total liabilities					<u>9,848,221</u>
At 30 September 2019					
Segment liabilities	1,553,599	2,164,235	119,719	5,380,905	9,218,458
Tax liabilities					485,753
Total liabilities					<u>9,704,211</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 report except for the following:

On 24 April 2020, Kuala Lumpur Kepong Berhad ("KLKB"), a subsidiary of the Company entered into a Conditional Share Sale and Purchase Agreement ("CSSPA") with Ladang Lekir Sdn Bhd to acquire 60% equity interest in PT Pinang Witmas Sejati ("PWS") ("the Proposed Acquisition") for a total cash consideration of RM341,550,000, which shall be subject to adjustments based on PWS's net debt and other balance sheet items upon completion.

The Proposed Acquisition is expected to be completed in the third quarter of 2020, subject to the fulfilment of all conditions precedent in the CSSPA. Upon completion, PWS will be a sub-subsiary of the Company.

PWS is a company incorporated in Indonesia and is principally involved in establishment and operation of oil palm plantation and participation in the crude vegetable oil industry.

The Proposed Acquisition represents an opportunity for KLKB to acquire a company with a brownfield oil palm plantation. Further, the Proposed Acquisition is in the ordinary course of business of KLKB and is also in line with KLKB's business direction to expand its plantation land bank.

The Proposed Acquisition is to be settled in cash and will not have any effect on the share capital and shareholding of KLKB's substantial shareholders nor have any material effect on the net assets, earnings and gearing on the Group for the financial year ending 30 September 2020.

A10. Changes in composition of the Group

There were no 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:

On 24 February 2020, the Company had elected to reinvest its entire electable portion in its subsidiary's, Kuala Lumpur Kepong Berhad ("KLKB"), final dividend for financial year ended 30 September 2019, which the dividend reinvestment plan ("DRP") was applied entirely. The elected number of shares by the Company is equivalent to 7,740,200 new KLKB shares, resulting in 0.128% increase in its shareholding in the enlarged KLKB's issued share capital post DRP. The election of DRP will not have any material financial impact on the net assets and earnings per share of the Group for the financial year ending 30 September 2020.

Kuala Lumpur-Kepong Investments Ltd ("KLK Investments"), a sub-subsiary of the Company, was dissolved by way of a members' voluntary winding up on 25 February 2020. The winding up of KLK Investments will not have any material operational and financial impact on the net assets and earnings per share of the Group for the financial year ending 30 September 2020.

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 2019.

A12. Capital commitments

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

	At 31 March 2020 RM'000	At 30 September 2019 RM'000
Capital expenditure		
Approved and contracted	402,647	364,210
Approved but not contracted	650,912	894,065
	<u>1,053,559</u>	<u>1,258,275</u>
Joint venture		
Share of capital commitment of a joint venture	65,867	79,427

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.

	Cumulative Quarter 6 months ended 31 March	
	2020 RM'000	2019 RM'000
a) Transactions with associates and joint ventures:		
Sales of goods	140,015	122,575
Purchase of goods	624,606	566,572
Service charges paid	1,369	1,385
Research and development services paid	7,093	9,070

	Cumulative Quarter	
	6 months ended	
	31 March	
	2020	2019
	RM'000	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	4,632	3,001
Siam Taiko Marketing Co Ltd	735	1,576
Taiko Acid Works Sdn Bhd	2,280	-
Taiko Marketing (S) Pte Ltd	1,277	1,688
Taiko Marketing Sdn Bhd	115,518	129,179
Storage tanks rental received		
Taiko Marketing Sdn Bhd	2,043	2,022
Purchases of goods		
Borneo Taiko Clay Sdn Bhd	2,670	2,148
Bukit Katho Estate Sdn Bhd	2,553	1,907
Kampar Rubber & Tin Co Sdn Bhd	2,762	2,642
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	-	1,495
Malay Rubber Plantations (M) Sdn Bhd	2,964	2,690
PT Agro Makmur Abadi	34,138	25,040
PT Bumi Karyatama Raharja	-	1,210
PT Java Taiko Mineralindo	2,322	-
PT Safari Riau	16,826	9,269
Taiko Acid Works Sdn Bhd	256	1,455
Taiko Clay Marketing Sdn Bhd	1,011	1,286
Taiko Drum Industries Sdn Bhd	1,066	1,767
Taiko Marketing (S) Pte Ltd	4,462	10,459
Taiko Marketing Sdn Bhd	15,831	22,712
Freight income:		
Chlor-Al Chemical Pte Ltd	38	459
Taiko Marketing Sdn Bhd	317	248
Management fees paid		
Farming Management Services Pty Ltd	1,117	-
Aircraft operating expenses and management services paid		
Smooth Route Sdn Bhd	1,094	1,134
Supply of contract labours and engineering works:		
K7 Engineering Sdn Bhd	-	1,363
c) Transactions between subsidiaries and their non-controlling interests:		
Sales of goods		
Mitsubishi Corporation	31,582	23,682
Mitsui & Co Ltd	102,114	144,456
Purchases of goods		
Mitsubishi Gas Chemical Singapore Pte Ltd	6,562	8,484
PT Eka Dura Indonesia	12,364	-
PT Tanjung Sarana Lestari	786,277	632,852

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

B1. Detailed analysis of performance

2nd Quarter FY2020 vs 2nd Quarter FY2019

	Quarter Ended		Changes %
	31 March		
	2020	2019	
	RM'000	RM'000	
Revenue	3,933,221	4,079,585	(3.6)
Segment results:			
Plantation	154,685	104,078	48.6
Manufacturing	116,491	120,598	(3.4)
Property development	4,114	7,111	(42.1)
Investment holding/Others	(163,586)	(13,059)	1,152.7
Profit before taxation	111,704	218,728	(48.9)

The Group's revenue for the current quarter was lower by 3.6% at RM3,933.22 million (2Q2019: RM4,079.59 million) while the Group's profit before taxation was 48.9% lower at RM111.70 million (2Q2019: RM218.73 million) due mainly to RM201.30 million (2Q2019: RM924,840 unrealised loss) unrealised foreign currency exchange translation losses on bank and inter-company loans with the significant depreciation of Indonesian Rupiah against USD and RM. Excluding the foreign exchange impact, the Group's profit for the current quarter increased by 37.4% to RM311.16 million (2Q2019: RM226.50 million). Comments on the respective business segments are as follows:

Plantation's profit was 48.6% higher at RM154.69 million (2Q2019: RM104.08 million) with 11.1% higher revenue of RM1,795.28 million (2Q2019: RM1,616.40 million). The current quarter's profit was contributed by stronger CPO and PK prices, coupled with RM11.21 million unrealised gain (2Q2019: RM12.26 million unrealised loss) arising from changes in fair value on outstanding derivative contracts. However, the increase in profit was offset by higher CPO production cost due to decline in FFB production by 9.4% to 923,163 mt (2Q2019: 1.02 million mt) and RM32.77 million unrealised loss (2Q2019: RM3.10 million unrealised gain) arising from translation of an Indonesian subsidiary's USD bank loan.

Manufacturing reported a marginal lower profit by 3.4% of RM116.49 million (2Q2019: RM120.60 million) with 13.5% drop in revenue to RM2,073.85 million (2Q2019: RM2,397.90 million).

The Oleochemical division registered a higher current quarter's profit of RM96.32 million (2Q2019: RM90.93 million) despite higher unrealised loss arising from fair value changes on outstanding derivatives contracts which amounted to RM16.48 million (2Q2019: RM4.94 million unrealised loss). Malaysia and China operations had shown stronger performance while Europe operations reported lower profits with reduction in sales volume. The Industrial Chemical division posted a 29.5% lower profit at RM20.30 million (2Q2019: RM28.80 million) impacted by lower selling prices and higher energy cost.

Property Development recorded a 42.1% lower profit of RM4.11 million (2Q2019: RM7.11 million) with 51.2% lower revenue of RM16.99 million (2Q2019: RM34.80 million).

Investment holdings/Others' result mainly accounted for RM168.51 million (2Q2019: RM3.93 million loss) foreign currency exchange translation loss on inter-company loans denominated in foreign currencies.

Todate 2nd Quarter FY 2020 vs Todate 2nd Quarter FY 2019

	Todate Ended		Changes %
	31 March		
	2020	2019	
	RM'000	RM'000	
Revenue	8,139,325	8,298,584	(1.9)
Segment results:			
Plantation	324,423	232,491	39.5
Manufacturing	215,450	245,794	(12.3)
Property development	17,689	18,241	(3.0)
Investment holding/Others	(152,106)	85,051	278.8
Profit before taxation	405,456	581,577	(30.3)

The Group's half year profit before taxation was 30.3% lower at RM405.46 million (Todate 2Q2019: RM581.58 million) with slight decline of 1.9% in revenue to RM8,139.33 million (Todate 2Q2019: RM8,298.58 million) due mainly to RM171.47 million (Todate 2Q2019: RM69,200 unrealised loss) unrealised foreign currency exchange translation losses on bank and inter-company loans with the significant depreciation of Indonesian Rupiah against USD and RM. Excluding the foreign exchange impact, the Group's half year profit increased by 5.3% to RM584.40 million (Todate 2Q2019: RM554.97 million). Comments on the respective business segments are as follows:

Plantation's profit was 39.5% higher at RM324.42 million (Todate 2Q2019: RM232.49 million) while revenue was 14.5% higher at RM3,809.38 million (Todate 2Q2019: RM3,325.58 million) contributed by stronger CPO and PK selling prices and better contributions from processing and trading operations. However, the increase in profit was offset by higher CPO production cost due to 9.3% reduction in FFB production to 1.96 million mt (Todate 2Q2019: 2.16 million mt), RM16.04 million unrealised loss (Todate 2Q2019: RM11.99 million unrealised gain) arising from changes in fair value on outstanding derivative contracts and RM29.13 million unrealised foreign currency exchange translation loss (Todate 2Q2019: RM8.82 million unrealised gain) on an Indonesian subsidiary's USD bank loan.

Manufacturing reported a 12.3% lower profit of RM215.45 million (Todate 2Q2019: RM245.79 million) with 13.0% lower revenue at RM4,102.33 million (Todate 2Q2019: RM4,715.10 million).

The Oleochemical division registered a 9.1% lower profit of RM173.74 million (Todate 2Q2019: RM185.47 million) from lower sales volumes and RM21.20 million unrealised loss (Todate 2Q2019: RM16.20 million unrealised gain) arising from changes in fair value on outstanding derivatives contracts. However, the decline in profit was cushioned by better margins in Malaysia and China operations. Despite higher sales volume, the Industrial Chemical division posted a 30.5% lower profit of RM40.40 million (Todate 2Q2019: RM58.10 million) impacted by lower selling prices and higher energy cost.

Property Development reported a marginal decrease in profit by 3.0% to RM17.69 million (Todate 2Q2019: RM18.24 million) with 7.2% lower revenue of RM69.21 million (Todate 2Q2019: RM74.61 million).

Investment holdings/Others' result accounted for RM142.45 million (Todate 2Q2019: RM34.88 million unrealised gain) unrealised foreign currency exchange translation loss on inter-company loans denominated in foreign currencies, RM33.39 million (Todate 2Q2019: Nil) share of profit in an overseas associate, Synthomer plc, and Farming sector's lower profit at RM1.19 million (Todate 2Q2019: RM47.61 million) due to lower yield affected by extremely dry season. Last year's half year profit recognised surplus of RM48.09 million from government acquisition of plantation land.

B2. Comparison of current quarter's results to the preceding quarter
2nd Quarter FY2020 vs 1st Quarter FY2020

	Quarter Ended		Changes %
	31 March 2020 RM'000	31 December 2019 RM'000	
Revenue	3,933,221	4,206,104	(6.5)
Segment results:			
Plantation	154,685	169,738	(8.9)
Manufacturing	116,491	98,959	17.7
Property development	4,114	13,575	(69.7)
Investment holding/Others	(163,586)	11,480	(1,525.0)
Profit before taxation	111,704	293,752	(62.0)

For the current quarter, the Group's profit before taxation declined by 62.0% to RM111.70 million compared to RM293.75 million reported in the preceding quarter with 6.5% lower revenue at RM3,933.22 million (1Q2020: RM4,206.10 million) due mainly to RM201.30 million (1Q2020: RM32.09 million unrealised loss) unrealised foreign currency exchange translation losses on bank and inter-company loans with the significant depreciation of Indonesian Rupiah against USD and RM. Excluding the foreign exchange impact, the Group's second quarter profit increased by 13.9% to RM311.16 million (1Q2020: RM273.24 million). Comments on the respective business segments are as follows:

Plantation recorded 8.9% lower profit of RM154.69 million (1Q2020: RM169.74 million) mainly from lower CPO sales volume, higher CPO production cost due to 11.1% drop in FFB production to 923,163 mt (1Q2020: 1.04 million mt), RM32.77 million (1Q2020: RM3.64 million unrealised gain) unrealised foreign currency exchange translation loss on an Indonesian subsidiary's USD loan and RM8.96 million fair value loss (1Q2020: RM 12.80 million gain) on valuation of unharvested FFB. However, the decrease in profit was cushioned by stronger CPO and PK selling prices and RM11.21 million unrealised profit (1Q2020: RM27.25 million loss) from changes in fair value on outstanding derivative contracts.

Manufacturing's profit was 17.7% higher at RM116.49 million (1Q2020: RM98.96 million) with a 2.2% higher revenue at RM2,073.85 million (1Q2020: RM2,028.49 million).

The Oleochemical division recorded a higher profit of RM96.32 million (1Q2020: RM77.42 million) contributed by higher margins and increased revenue in Europe operations despite RM16.48 million unrealised loss (1Q2020: RM4.72 million loss) arising from changes in fair value on outstanding derivatives contracts. The Industrial Chemical division posted marginal higher profit by 1.0% of RM20.30 million (1Q2020: RM20.10 million).

Property Development recorded a significant reduction of 69.7% in profit to RM4.11 million (1Q2020: RM13.58 million) with 67.5% lower revenue of RM16.99 million (1Q2020: RM52.22 million).

Investment holdings/Others' result mainly accounted for RM166.51 million (1Q2020: RM26.30 million unrealised gain) unrealised foreign currency exchange translation loss on inter-company loans denominated in foreign currencies.

B3. Current year's prospects

In view of the better operating performance of the Group's Plantation segment to-date, profit for this segment is expected to be satisfactory for the financial year 2020 despite CPO prices being affected by the COVID-19 pandemic.

The operating environment of the Group's Manufacturing segment will remain challenging due to economic uncertainties resulting from the pandemic. However, both the Group's Oleochemical and Industrial Chemical divisions look towards the recovery of demand once the pandemic subsides.

Overall, the Group expects a satisfactory profit for the financial year 2020, subject to uncertainties arising out of the COVID-19 pandemic.

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. Income tax expense

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
Malaysian taxation	29,034	30,821	57,827	62,487
Overseas taxation	32,077	27,717	74,026	63,698
	<u>61,111</u>	<u>58,538</u>	<u>131,853</u>	<u>126,185</u>
(Over)/Under provision of taxation in respect of previous years				
Malaysian taxation	(3,916)	31	(3,916)	(238)
Overseas taxation	(4,083)	4,064	(2,937)	3,897
	<u>(7,999)</u>	<u>4,095</u>	<u>(6,853)</u>	<u>3,659</u>
Deferred tax				
Origination and reversal of temporary differences	(4,960)	(7,989)	(9,173)	(1,623)
Relating to changes in tax rates	38,593	(971)	38,593	(971)
(Over)/Under provision in respect of previous years	(2,190)	(1,503)	6,500	(3,176)
	<u>31,443</u>	<u>(10,463)</u>	<u>35,920</u>	<u>(5,770)</u>
	<u>84,555</u>	<u>52,170</u>	<u>160,920</u>	<u>124,074</u>

Reconciliation of effective taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	111,704	218,728	405,456	581,577
Taxation at Malaysia income tax rate of 24% (FY2019: 24%)	26,809	52,495	97,309	139,578
Effect of difference tax rates in foreign jurisdiction	(4,353)	(5,700)	(8,671)	(11,962)
Withholding tax on foreign dividend and interest income	5,861	3,689	11,665	13,271
Expenses not deductible for tax purposes	56,620	15,645	79,556	49,498
Tax exempt and non-taxable income	(18,587)	(17,956)	(42,069)	(54,943)
Tax incentives	(848)	(1,359)	(1,702)	(2,223)
Deferred tax (liabilities)/assets not recognised during the period	(876)	2,753	133	1,301
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(2,764)	(861)	(7,646)	(13,925)
Tax effect on associates' and joint ventures' results	(6,451)	1,436	(8,082)	(317)
(Over)/Under provision of previous years tax expenses	(7,999)	4,095	(6,853)	3,659
(Over)/Under provision of previous years deferred tax	(2,190)	(1,503)	6,500	(3,176)
Effect of changes in tax rates on deferred tax	38,593	(971)	38,593	(971)
Others	740	407	2,187	4,284
Tax expense	84,555	52,170	160,920	124,074

Effect of changes in tax rates on deferred tax of RM38.59 million resulted from the reversal of deferred tax assets as a result of the Indonesian corporate tax rate reducing from 25% to 22%. These deferred tax assets were largely derived from revaluation of bearer plants in financial year 2016.

B6. Status of corporate proposals

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 31 March 2020								
	Long Term		Short Term		Total Borrowings				
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination			
	'000	RM'000	'000	RM'000	'000	RM'000			
Secured									
Term Loans	Euro	5,440	25,916	Euro	1,242	5,917	Euro	6,682	31,833
Bankers' acceptance		-	-		-	3,923		-	3,923
Unsecured									
Bank overdraft		-	-	Euro	24,411	116,292	Euro	24,411	116,292
Revolving credit		-	-	Euro	5,000	23,820	Euro	5,000	23,820
		-	-	Rp	70,165,943	18,594	Rp	70,165,943	18,594
		-	-	Rmb	50,000	30,490	Rmb	50,000	30,490
		-	-	GBP	56,000	300,350	GBP	56,000	300,350
Trade financing		-	-	USD	75,986	328,106	USD	75,986	328,106
		-	-	Rmb	19,826	12,090	Rmb	19,826	12,090
		-	-		-	318,289		-	318,289
Term loans	USD	75,000	324,717		-	-	USD	75,000	324,717
	Euro	40,000	190,497	Euro	34,500	164,312	Euro	74,500	354,809
Export credit refinancing		-	-		-	572		-	572
Bankers' acceptance		-	-		-	172,947		-	172,947
Islamic medium term notes		-	5,100,000		-	-		-	5,100,000
Total		-	5,641,130		-	1,495,702		-	7,136,832

	At 31 March 2019								
	Long Term		Short Term		Total Borrowings				
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination			
	'000	RM'000	'000	RM'000	'000	RM'000			
Secured									
Term Loans	Euro	7,300	33,454	Euro	810	3,713	Euro	8,110	37,167
Unsecured									
Bank overdraft		-	-	Euro	29,543	135,395	Euro	29,543	135,395
Revolving credit		-	-	Euro	15,000	68,745	Euro	15,000	68,745
		-	-	Rp	89,317,717	25,634	Rp	89,317,717	25,634
		-	-	Rmb	88,000	53,566	Rmb	88,000	53,566
		-	-	GBP	6,500	34,611	GBP	6,500	34,611
		-	-		-	40,000		-	40,000
Trade financing		-	-	USD	31,831	130,028	USD	31,831	130,028
		-	-		-	39,308		-	39,308
Term loans	USD	45,000	183,961		-	-	USD	45,000	183,961
	Euro	50,000	229,192	Euro	37,500	171,877	Euro	87,500	401,069
Export credit refinancing		-	-		-	76,992		-	76,992
Bankers' acceptance		-	-		-	335,180		-	335,180
Islamic medium term notes		-	3,100,000		-	-		-	3,100,000
Total		-	3,546,607		-	1,115,049		-	4,661,656

Exchange Rates Applied	At 31 March	
	2020	2019
USD / RM	4.3180	4.0850
Euro / RM	4.7640	4.5830
Rp1,000/RM	0.2650	0.2870
RMB/RM	0.6098	0.6087
GBP/RM	5.3634	5.3248

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

	Contract / Notional value Net long/(short) RM'000	Fair value Net gains/(losses) RM'000
a) Forward foreign exchange contracts:		
- Less than 1 year	(1,141,774)	(34,146)
- 1 year to 3 years	-	-
- More than 3 years	-	-
	<hr/>	<hr/>
b) Commodity futures contracts:		
- Less than 1 year	(67,988)	346
- 1 year to 3 years	-	-
- More than 3 years	-	-
	<hr/>	<hr/>

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 current quarter ended 31 March 2020, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's risk management objectives, policies and processes.

B9. Fair value changes of financial liabilities

The Group does not have any financial liabilities which are measured at fair value through profit or loss except for derivative financial instruments.

B10. Material Litigation

There was no pending material litigation as at the date of this report.

B11. Dividend

- a) An interim single tier dividend of 15 sen per share has been authorised by the Directors in respect of the financial year ending 30 September 2020 (2019: 15 sen per share) and will be paid to the shareholders on 6 August 2020. The entitlement date for the dividend shall be 15 July 2020.

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

- (i) Securities deposited into the Depositor's Securities Account before 12.30 p.m. on 13 July 2020 in respect of securities which are exempted from mandatory deposit;
- (ii) Securities transferred into the Depositor's Securities Account before 4.30 p.m. on 15 July 2020 in respect of transfers; and
- (iii) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

- b) Total dividend for the current financial year to-date is single tier dividend of 15 sen per share (2019: 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 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		6 months ended	
	31 March		31 March	
	2020	2019	2020	2019
Net profit for the period attributable to equity holders of the Company (RM'000)	16,020	79,288	119,452	215,972
Weighted average number of shares ('000)	393,915	398,042	393,915	398,042
Earnings per share (sen)	4.1	19.9	30.3	54.3

B13. Audit report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2019 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:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(32,627)	(20,096)	(68,688)	(39,808)
Dividend income	(7,343)	(3,790)	(14,478)	(11,674)
Other income	(11,429)	(74,676)	(116,782)	(244,204)
Interest expense	66,843	46,843	135,414	95,216
Depreciation and amortisation	159,861	146,803	323,050	295,391
Provision for and write-off of receivables	2,925	4,108	2,900	3,450
Provision for and write-off of inventories	16,656	4,743	19,277	24,346
(Surplus)/Deficit on disposal of quoted or unquoted investment	(10)	84	(29)	1,006
Surplus on disposal of land	(474)	(760)	(778)	(1,184)
Surplus arising from government acquisition of land	-	(25,601)	-	(48,090)
Foreign exchange loss/(gain)	171,472	4,959	144,157	(31,953)
Loss/(Gain) on derivatives	28,596	18,019	68,257	(21,041)
Exceptional items	-	-	-	-

By Order of the Board
GOH SWEE ENG
YAP MIOW KIEN
CHIEW CINDY
Company Secretaries

27 May 2020