

# **BATU KAWAN BERHAD**

196501000504 (6292-U)  
(Incorporated in Malaysia)

**Interim Financial Report  
for the Third Quarter ended 30 June 2024**

Directors are pleased to announce the unaudited financial results of the Group for the third quarter ended 30 June 2024.

## Condensed Consolidated Statement of Profit or Loss For the Third Quarter ended 30 June 2024

(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended		+ / (-)	9 months ended		+ / (-)
	30 June			30 June		
	2024	2023	%	2024	2023	%
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5,683,556	5,350,795	6.2	17,176,549	18,649,870	(7.9)
Operating expenses	(5,267,381)	(5,216,328)	1.0	(15,971,426)	(17,626,699)	(9.4)
Other operating income	77,043	102,710	(25.0)	267,100	564,400	(52.7)
Finance costs	(121,522)	(111,884)	8.6	(348,028)	(332,306)	4.7
Net reversals of impairment/ (impairment losses) on financial assets	11,505	(42)	N/M	(190)	354	N/M
Share of results of associates	2,401	2,086	15.1	(75,078)	(152,884)	(50.9)
Share of results of joint ventures	(1,174)	(9,336)	(87.4)	(3,301)	(9,766)	(66.2)
<b>Profit before taxation</b>	<b>384,428</b>	<b>118,001</b>	*	<b>1,045,626</b>	<b>1,092,969</b>	<b>(4.3)</b>
Taxation	(97,495)	31,898	N/M	(307,670)	(174,359)	76.5
<b>NET PROFIT FOR THE PERIOD</b>	<b>286,933</b>	<b>149,899</b>	91.4	<b>737,956</b>	<b>918,610</b>	<b>(19.7)</b>
Profit attributable to:						
Equity holders of the Company	131,037	82,808	58.2	327,493	438,164	(25.3)
Non-controlling interests	155,896	67,091	*	410,463	480,446	(14.6)
	286,933	149,899	91.4	737,956	918,610	(19.7)
Earnings per share for profit attributable to equity holders of the Company (sen)						
Basic	33.3	21.0		83.3	111.4	
Diluted	N/A	N/A		N/A	N/A	

\* More than 100%

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 2023.

## Condensed Consolidated Statement of Other Comprehensive Income For the Third Quarter ended 30 June 2024

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Net profit for the period</b>	<b>286,933</b>	<b>149,899</b>	<b>737,956</b>	<b>918,610</b>
<b>Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss</b>				
Currency translation differences	(204,974)	631,847	(133,821)	591,370
Share of other comprehensive (loss)/income in associates	-	(25)	(15,477)	42,382
	(204,974)	631,822	(149,298)	633,752
<b>Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss</b>				
Net change in fair value of equity instrument	35,744	(131,366)	90,083	(84,951)
Share of other comprehensive income/(loss) in associates	-	-	2,384	(21,153)
Share of other comprehensive income/(loss) in joint ventures	3	(18)	(315)	(18)
Remeasurement of defined benefit plans	-	-	(34)	-
	35,747	(131,384)	92,118	(106,122)
<b>Total other comprehensive (loss)/income for the period</b>	<b>(169,227)</b>	<b>500,438</b>	<b>(57,180)</b>	<b>527,630</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>117,706</b>	<b>650,337</b>	<b>680,776</b>	<b>1,446,240</b>
Total comprehensive income attributable to:				
Equity holders of the Company	61,769	318,873	313,818	695,906
Non-controlling interests	55,937	331,464	366,958	750,334
	117,706	650,337	680,776	1,446,240

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Report for the year ended 30 September 2023.

## Condensed Consolidated Statement of Financial Position As at 30 June 2024

(The figures have not been audited.)

	At 30 June 2024 RM'000	At 30 September 2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	13,776,610	13,434,647
Right-of-use assets	1,365,733	1,386,506
Investment properties	43,963	30,372
Inventories	2,014,922	2,012,424
Goodwill on consolidation	462,779	461,665
Intangible assets	88,251	110,144
Investments in associates	2,719,640	2,317,427
Investments in joint ventures	280,841	242,282
Other investments	925,284	922,278
Other receivables	414,125	401,069
Deferred tax assets	521,192	492,716
Derivative financial assets	1,079	1,249
	22,614,419	21,812,779
<b>Current assets</b>		
Inventories	3,321,842	3,038,795
Biological assets	182,059	222,324
Trade and other receivables	3,543,731	3,638,516
Contract assets	88,982	74,489
Tax recoverable	232,619	236,006
Derivative financial assets	12,079	48,152
Short term funds	77,671	119,415
Cash and cash equivalents	2,918,224	2,717,057
	10,377,207	10,094,754
<b>TOTAL ASSETS</b>	<b>32,991,626</b>	<b>31,907,533</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with  
the Annual Report for the year ended 30 September 2023.

## Condensed Consolidated Statement of Financial Position As at 30 June 2024

(The figures have not been audited.)

	At 30 June 2024 RM'000	At 30 September 2023 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	2,129,623	2,088,432
Contract liabilities	178,251	135,224
Deferred income	8,577	8,656
Lease liabilities	26,883	28,306
Borrowings	3,507,421	2,894,693
Tax payable	51,944	42,022
Derivative financial liabilities	26,405	62,165
Dividend payable	192,799	-
	<b>6,121,903</b>	<b>5,259,498</b>
<b>Net current assets</b>	<b>4,255,304</b>	<b>4,835,256</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,131,375	1,146,043
Lease liabilities	137,728	155,219
Deferred income	75,248	81,633
Provision for retirement benefits	549,503	552,739
Derivative financial liabilities	180	21
Borrowings	8,193,965	7,514,568
	<b>10,087,999</b>	<b>9,450,223</b>
<b>Total liabilities</b>	<b>16,209,902</b>	<b>14,709,721</b>
<b>Net assets</b>	<b>16,781,724</b>	<b>17,197,812</b>
<b>Equity attributable to owners of the Company</b>		
Share capital	507,587	507,587
Reserves	7,529,743	7,459,437
	<b>8,037,330</b>	<b>7,967,024</b>
Less: Cost of treasury shares	(125,755)	(113,109)
Total equity attributable to equity holders of the Company	<b>7,911,575</b>	<b>7,853,915</b>
Non-controlling interests	8,870,149	9,343,897
<b>Total equity</b>	<b>16,781,724</b>	<b>17,197,812</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,991,626</b>	<b>31,907,533</b>
Net assets per share attributable to equity holders of the Company (RM)	20.14	19.97

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Report for the year ended 30 September 2023.

## Condensed Consolidated Statement of Changes in Equity For the Third Quarter ended 30 June 2024

(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	
<b>At 1 October 2023</b>	507,587	(113,109)	940,754	352,940	553,048	5,612,695	7,853,915	9,343,897	17,197,812
Total comprehensive (loss)/income for the period	-	-	(643)	(56,295)	42,364	328,392	313,818	366,958	680,776
Transactions with owners:									
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	6,300	6,300
Purchase of shares from non-controlling interests	-	-	-	-	-	(734)	(734)	(1,435)	(2,169)
Redemption of redeemable preference shares	-	-	525	-	-	(525)	-	-	-
Effect of changes in shareholdings in subsidiaries	-	-	2,828	2,059	1,276	(2,809)	3,354	(557,720)	(554,366)
Realisation of foreign exchange reserve upon liquidation of a subsidiary	-	-	-	(10,232)	-	-	(10,232)	-	(10,232)
Shares buy back	-	(12,646)	-	-	-	-	(12,646)	-	(12,646)
Dividend Paid - FY2023 final	-	-	-	-	-	(157,352)	(157,352)	-	(157,352)
Dividend Payable - FY2024 interim	-	-	-	-	-	(78,548)	(78,548)	-	(78,548)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(173,600)	(173,600)
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	(114,251)	(114,251)
	-	(12,646)	3,353	(8,173)	1,276	(239,968)	(256,158)	(840,706)	(1,096,864)
<b>At 30 June 2024</b>	507,587	(125,755)	943,464	288,472	596,688	5,701,119	7,911,575	8,870,149	16,781,724

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 30 September 2023.

## Condensed Consolidated Statement of Changes in Equity For the Third Quarter ended 30 June 2024

(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
<b>At 1 October 2022</b>	507,587	(109,400)	934,853	181,402	579,179	5,573,565	7,667,186	9,264,281	16,931,467
Total comprehensive income/(loss) for the period	-	-	7,076	306,796	(41,995)	424,029	695,906	750,334	1,446,240
Transactions with owners:									
Effect of changes in shareholdings in subsidiaries	-	-	(206)	(55)	(99)	(634)	(994)	(12,260)	(13,254)
Acquisition through business combination	-	-	-	-	-	-	-	13,179	13,179
Shares buy back	-	(3,709)	-	-	-	-	(3,709)	-	(3,709)
Employees' share grant scheme	-	-	-	-	-	-	-	5,830	5,830
Dividend paid - FY2022 final	-	-	-	-	-	(354,043)	(354,043)	-	(354,043)
Dividend payable - FY2023 Interim	-	-	-	-	-	(78,676)	(78,676)	-	(78,676)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(525,118)	(525,118)
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	(112,764)	(112,764)
	-	(3,709)	(206)	(55)	(99)	(433,353)	(437,422)	(631,133)	(1,068,555)
<b>At 30 June 2023</b>	507,587	(113,109)	941,723	488,143	537,085	5,564,241	7,925,670	9,383,482	17,309,152

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with  
the Annual Report for the year ended 30 September 2023.

## Condensed Consolidated Statement of Cash Flows As at 30 June 2024

(The figures have not been audited.)

	9 months ended 30 June	
	2024	2023
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	1,045,626	1,092,969
Adjustments for:		
Non-cash items	1,003,147	958,427
Non-operating items	229,120	218,109
Operating cash flows before changes in working capital	2,277,893	2,269,505
Changes in working capital		
Net change in current assets	(241,266)	1,150,076
Net change in current liabilities	62,424	(310,195)
Cash flows generated from operations	2,099,051	3,109,386
Interest received	8,695	14,478
Interest paid	(353,505)	(291,397)
Tax paid	(344,471)	(572,303)
Retirement benefits paid	(44,757)	(35,714)
<b>Net cash flows generated from operating activities</b>	<b>1,365,013</b>	<b>2,224,450</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,258,244)	(1,145,856)
Purchase of right-of-use assets	(36,502)	(12,640)
Property development expenditure	(2,498)	(20,653)
Purchase of shares in a subsidiary, net of cash	-	(106,650)
Purchase of shares in associates	(443,128)	(17,885)
Purchase of shares in joint ventures	(15,081)	(8,262)
Purchase of shares from non-controlling interests	(578,471)	(12,127)
Development of Investment property	(13,591)	-
Purchase of other investments	-	(137,100)
Purchase of intangible assets	(1,303)	(548)
Proceeds from disposal of property, plant and equipment	17,585	8,139
Compensation from government on land acquired	45,488	42,372
Proceeds from partial disposal of shares in a subsidiary	21,934	-
Proceeds from disposal of other investments	110,381	104,528
Proceeds from capital reduction from an associate	2,498	-
(Advances to)/Repayment from joint ventures	(24,085)	140,203
Repayment from investee companies	5,570	3,066
Net withdrawal of short term funds	43,207	245,108
Increase in other receivables	(19,378)	(13,702)
Dividends received	60,262	49,383
Interest received	48,304	49,901
<b>Net cash flows used in investing activities</b>	<b>(2,037,052)</b>	<b>(832,723)</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the year ended 30 September 2023.



## Condensed Consolidated Statement of Cash Flows As at 30 June 2024

(The figures have not been audited.)

	9 months ended 30 June	
	2024	2023
	RM'000	RM'000
<b>Cash flows from financing activities</b>		
Drawdown of term loans	1,029,115	166,670
Repayment of Islamic Medium Term Notes	-	(500,000)
Repayment of term loans	(303,816)	(503,608)
Lease payments	(25,088)	(26,286)
Net drawdown of short term borrowings	632,090	351,780
Dividends paid to shareholders of the Company	(157,352)	(354,043)
Dividends paid to non-controlling interests	(173,600)	(525,118)
Shares buy back	(12,646)	(3,709)
Capital reduction paid to a non-controlling interest	-	(1,127)
Issuance of shares to non-controlling interests	6,300	-
<b>Net cash flows generated from/(used in) financing activities</b>	<b>995,003</b>	<b>(1,395,441)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	322,964	(3,714)
Effects of exchange rate changes	(37,667)	38,760
Cash and cash equivalents at beginning of year	2,632,927	3,031,289
<b>Cash and cash equivalents at end of year</b>	<b>2,918,224</b>	<b>3,066,335</b>
Cash and cash equivalents at 30 June is represented by:		
Deposits with licensed banks	507,836	890,207
Money market funds	1,242,075	982,297
Cash and bank balances	1,168,313	1,193,831
	<b>2,918,224</b>	<b>3,066,335</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Report for the year ended 30 September 2023.

## 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 2023. 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 2023 except for the adoption of the following standards, interpretation and amendments to MFRSs:

##### ***New MFRS and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023***

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts*
- *Initial Application of MFRS 17 and MFRS 9 - Comparative Information* (Amendments to MFRS 17 Insurance Contracts)
- *Disclosure of Accounting Policies* (Amendments to MFRS 101 Presentation of Financial Statements)
- *Definition of Accounting Estimates* (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to MFRS 112 Income Taxes)

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

#### 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 639,500 shares in the Company from the open market. The average price paid for the shares repurchased was RM19.73 per share and the total consideration paid, including transaction costs, was RM12.65 million. The shares bought back were financed by internally generated funds and held as treasury shares.

**A7. Dividends paid**

	9 months ended 30 June	
	2024 RM'000	2023 RM'000
Dividends proposed in financial year ("FY") 2023, paid in FY 2024: Final 40 sen per share single tier	157,352	-
Dividends proposed in FY 2022, paid in FY 2023: Final 90 sen per share single tier	-	354,043
	157,352	354,043

Dividend was paid on the number of outstanding shares in issue and fully paid of 393,380,963 (2023: 393,380,963).

**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	Manufacturing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 months ended 30 June 2024</b>						
Revenue						
External revenue	2,849,141	13,872,768	205,271	249,369	-	17,176,549
Inter-segment revenue	1,232,401	43,007	-	317,889	(1,593,297)	-
Total revenue	4,081,542	13,915,775	205,271	567,258	(1,593,297)	17,176,549
Results						
Operating results	1,118,985	263,244	41,297	87,133	(38,626)	1,472,033
Finance costs	(10,800)	(111,298)	(2,556)	(262,000)	38,626	(348,028)
Share of results of associates	2,874	9,340	(22)	(87,270)	-	(75,078)
Share of results of joint ventures	-	(1,597)	-	(1,704)	-	(3,301)
Segment results	1,111,059	159,689	38,719	(263,841)	-	1,045,626
Profit before taxation						1,045,626
<b>9 months ended 30 June 2023</b>						
Revenue						
External revenue	2,600,274	15,601,734	150,095	297,767	-	18,649,870
Inter-segment revenue	1,298,919	25,393	-	877,163	(2,201,475)	-
Total revenue	3,899,193	15,627,127	150,095	1,174,930	(2,201,475)	18,649,870
Results						
Operating results	761,313	588,470	49,177	225,965	(37,000)	1,587,925
Finance costs	(14,602)	(102,547)	(1,685)	(250,472)	37,000	(332,306)
Share of results of associates	2,955	8,939	(30)	(164,748)	-	(152,884)
Share of results of joint ventures	-	(16,453)	-	6,687	-	(9,766)
Segment results	749,666	478,409	47,462	(182,568)	-	1,092,969
Profit before taxation						1,092,969

b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 30 June 2024</b>					
Operating assets	11,402,063	12,371,860	2,767,209	2,696,202	29,237,334
Associates	22,026	110,145	4,786	2,582,683	2,719,640
Joint ventures	-	60,493	-	220,348	280,841
Segment assets	11,424,089	12,542,498	2,771,995	5,499,233	32,237,815
Tax assets					753,811
Total assets					32,991,626
<b>At 30 September 2023</b>					
Operating assets	12,059,262	11,470,924	2,716,803	2,372,113	28,619,102
Associates	29,052	99,630	7,805	2,180,940	2,317,427
Joint ventures	-	66,063	-	176,219	242,282
Segment assets	12,088,314	11,636,617	2,724,608	4,729,272	31,178,811
Tax assets					728,722
Total assets					31,907,533

c) Segment liabilities

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 30 June 2024</b>					
Segment liabilities	1,167,808	4,764,410	281,788	8,619,778	14,833,784
Tax liabilities					1,183,319
Dividend payable					192,799
Total liabilities					16,209,902
<b>At 30 September 2023</b>					
Segment liabilities	1,159,944	4,298,902	279,233	7,783,577	13,521,656
Tax liabilities					1,188,065
Total liabilities					14,709,721

**A9. Material Event Subsequent to Reporting Date**

There were no material events that arisen which have not been reflected in the interim report in the interval between the end of reporting period and the date of this 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 under review except for the following:

- (a) On 13 May 2024, the Company's group subsidiary, KL-Kepong Plantation and Trading Pte Ltd ("KLKPT") had completed the acquisition of 5% equity interest in PT ADEI Plantation & Industry ("ADEI") for a cash consideration of USD10.9 million (equivalent to RM51.5 million). On completion of the acquisition, ADEI is a wholly-owned subsidiary of KLKPT.
- (a) On 18 June 2024, the Company's group subsidiary, KLK Land Sdn Bhd entered into Share Sale Agreement ("SSA") with UEM Land Berhad, a wholly-owned subsidiary of UEM Sunrise Berhad to acquire the remaining 40% shareholdings in Aura Muhibah Sdn Bhd for a cash consideration of RM386.2 million. Following the completion of SSA on 28 June 2024, Aura Muhibah Sdn Bhd became a wholly-owned subsidiary of KLK Land Sdn Bhd.

These changes in composition of the Group will not have any material effect on the Company's share capital, the shareholding of the Company's substantial shareholders, the net assets and the gearing of the Group nor the earnings of the Group for the financial year ending 30 September 2024.

Other than as disclosed above, there were no other material 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 quarter under review.

**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 2023.

**A12. Capital commitments**

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

	At 30 June 2024 RM'000	At 30 September 2023 RM'000
<b>Capital expenditure</b>		
Approved and contracted	933,115	1,018,306
Approved but not contracted	826,558	1,579,127
	<u>1,759,673</u>	<u>2,597,433</u>
<b>Joint venture</b>		
Share of capital commitment of a joint venture	66,980	31,194

**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.

	9 months ended 30 June	
	2024 RM'000	2023 RM'000
a) Transactions with associates and joint ventures:		
Sales of goods	302,318	500,429
Purchase of goods	1,111,124	1,346,078
Service charges paid	1,679	1,774
Research and development services paid	13,398	13,057
b) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest:		
<b>Sales of goods</b>		
Chlor-AI Chemical Pte Ltd	23,682	22,973
Siam Taiko Marketing Co Ltd	1,247	900
Taiko Acid Works Sdn Bhd	7,167	7,820
Taiko Marketing (S) Pte Ltd	-	1,035
TMK Chemical Berhad	136,094	182,106
<b>Storage tanks rental received</b>		
TMK Chemical Berhad	3,622	3,435
<b>Purchases of goods</b>		
Borneo Taiko Clay Sdn Bhd	4,839	4,855
Bukit Katho Estate Sdn Bhd	6,304	6,120
Chlor-AI Chemical Pte Ltd	32,854	-
Kampar Rubber & Tin Co Sdn Bhd	8,711	8,800
Kekal & Deras Sdn Bhd	2,101	1,936
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	14,014	6,017
Mah Sing Plastics Industries Sdn Bhd	2,211	-
Malay Rubber Plantations (M) Sdn Bhd	11,392	10,399
PT Agro Makmur Abadi	70,758	59,537
PT Java Taiko Mineralindo	2,625	1,665
PT Safari Riau	29,929	29,818
Taiko Acid Works Sdn Bhd	5,246	2,154
Taiko Clay Marketing Sdn Bhd	4,822	5,217
Taiko Drum Industries Sdn Bhd	1,112	1,235
Taiko Marketing (S) Pte Ltd	-	40,917
TMK Chemical Berhad	33,114	43,881
<b>Management fees paid</b>		
Farming Management Services Pty Ltd	2,290	2,141
<b>Handling Charges paid</b>		
TMK Chemical Berhad	105	1,921
<b>Aircraft operating expenses and management services paid</b>		
Smooth Route Sdn Bhd	1,929	1,470

	9 months ended	
	30 June	
	2024	2023
	RM'000	RM'000
c) Transactions between subsidiaries and their non-controlling interests:		
<b>Sales of goods</b>		
Mitsui & Co Ltd	107,297	93,537
Mitsui & Co (Malaysia) Sdn Bhd	253,459	257,587
Mitsui & Co (USA) Sdn Bhd	9,491	-
Mitsui Plastic Trading (Shanghai) Co Ltd	723	1,230
<b>Purchases of goods</b>		
PT Kimia Tirta Utama	-	23,254
PT Sawit Asahan Indah	-	2,645
PT Tanjung Bina Lestari	-	10,393
PT Tanjung Sarana Lestari	577,918	1,053,159
<b>Rental of land</b>		
PT Perkebunan Nusantara II	15,657	20,531

## B1. Detailed analysis of performance

### 3<sup>rd</sup> Quarter FY2024 vs 3<sup>rd</sup> Quarter FY2023

	Quarter Ended		Changes %
	30 June		
	2024	2023	
	RM'000	RM'000	
Revenue	5,683,556	5,350,795	6.2
Segment results:			
Plantation	369,368	119,642	*
Manufacturing	41,048	(35,536)	N/M
Property development	18,864	19,490	(3.2)
Investment holding/Others	(44,852)	14,405	N/M
Profit before taxation	384,428	118,001	*

\* More than 100%  
N/M - Not meaningful

The Group's pre-tax profit for the current quarter improved substantially to RM384.43 million (3Q2023: RM118.00 million) while revenue was 6.2% higher at RM5.68 billion (3Q2023: RM5.35 billion). Comments on the respective business segments are as follows:

**Plantation's** profit jumped 3-fold to RM369.37 million (3Q2023: RM119.64 million) mainly due to higher CPO and PK selling prices realised and sales volumes. The profit was also contributed by lower CPO production cost and a lower fair value loss of RM2.21 million (3Q2023: RM15.51 million net loss) on valuation of unharvested fresh fruit bunches.

**Manufacturing** segment recorded a profit of RM41.05 million (3Q2023: RM35.54 million loss) on 2.7% higher revenue at RM4.64 billion (3Q2023: RM4.52 billion) contributed by improved profit contribution from Oleochemical division. However, the profit was offset by higher loss recorded by the refineries and kernel crushing operations. Industrial Chemical division's profit slipped by 52.0% to RM18.90 million (3Q2023: RM39.40 million) mainly due to lower caustic sales volume.

Despite revenue was 27.0% higher at RM78.23 million (3Q2023: RM61.60 million), **Property Development's** profit fell 3.2% to RM18.86 million (3Q2023: RM19.49 million) mainly due to recognition of development profits from phases with lower gross margin.

Included in **Investment Holdings/Others** were unrealised foreign currency exchange translation loss of RM24.57 million (3Q2023: RM51.28 million gain) on inter-company loans denominated in foreign currencies; a RM35.19 million surplus (3Q2023: RM4.10 million surplus) from sale of land and government acquisition of land; and a fair value surplus of RM8.56 million (3Q2023: Nil) on deemed disposal of a joint venture.

**Todate 3<sup>rd</sup> Quarter FY2024 vs Todate 3<sup>rd</sup> Quarter FY2023**

	<b>Todate Ended</b>		<b>Changes %</b>
	<b>30 June</b>		
	<b>2024</b>	<b>2023</b>	
	<b>RM'000</b>	<b>RM'000</b>	
Revenue	17,176,549	18,649,870	(7.9)
Segment results:			
Plantation	1,111,059	749,666	48.2
Manufacturing	159,689	478,409	(66.6)
Property development	38,719	47,462	(18.4)
Investment holding/Others	(263,841)	(182,568)	44.5
Profit before taxation	1,045,626	1,092,969	(4.3)

The Group's pre-tax profit dropped by 4.3% to RM1.05 billion (Todate 3Q2023: RM1.09 billion) on 7.9% lower revenue at RM17.18 billion (Todate 3Q2023: RM18.65 billion). Comments on the respective business segments are as follows:

Despite weaker CPO selling prices realised, **Plantation's** profit was 48.2% higher at RM1.11 billion (Todate 3Q2023: RM749.67 million) from higher CPO and PK sales volume, stronger PK selling prices realised and lower CPO production cost. The improvement was also contributed by lower net loss of RM2.97 million (Todate 3Q2023: RM88.80 million net loss) from fair value changes on outstanding derivatives contracts and lower fair value loss of RM9.91 million (Todate 3Q2023: RM24.65 million loss) on unharvested fresh fruit bunches valuation.

**Manufacturing's** profit dipped significantly to RM159.69 million (Todate 3Q2023: RM478.41 million) on the back of 11.1% lower revenue at RM13.87 billion (Todate 3Q2023: RM15.60 billion) mainly due to lower profit contributions from Oleochemical divisions, and refineries and kernel crushing operations. Previous year's results included a one-off gain of RM74.76 million from disposal of the paper chemical business in Europe. Industrial Chemical division's profit was 40.8% lower at RM68.70 million (Todate 3Q2023: RM116.00 million) largely from lower selling prices and sales volumes.

Despite 36.8% higher revenue at RM205.27 million (Todate 3Q2023: RM150.10 million), **Property Development's** profit was 18.4% lower at RM38.72 million (Todate 3Q2023: RM47.46 million) mainly due to recognition of development profits from phases with lower gross margin.

Included in **Investment Holdings/Others** were unrealised foreign currency exchange translation loss of RM38.56 million (Todate 3Q2023: RM36.85 million gain) on inter-company loans denominated in foreign currencies, a RM58.56 million surplus (Todate 3Q2023: RM48.61 million surplus) on sale of land and government acquisition, and fair value surplus of RM8.56 million (Todate 3Q2023: Nil) on deemed disposal of a joint venture. Farming sector recorded RM23.42 million loss (Todate 3Q2023: RM41.23 million profit) which was due to drop in sales volume of crop from lower crop production affected by adverse weather conditions.

**B2. Comparison of current quarter's results to the preceding quarter**  
**3<sup>rd</sup> Quarter FY2023 vs 2<sup>nd</sup> Quarter FY2023**

	<b>Quarter Ended</b>		<b>Changes</b>
	<b>30</b>	<b>31</b>	
	<b>June</b>	<b>March</b>	
	<b>2024</b>	<b>2024</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>	
Revenue	5,683,556	5,660,490	0.4
Segment results:			
Plantation	369,368	365,759	1.0
Manufacturing	41,048	78,350	(47.6)
Property development	18,864	7,768	*
Investment holding/Others	(44,852)	(180,508)	*
Profit before taxation	384,428	271,369	41.7

\* More than 100%

For the current quarter, the Group's pre-tax profit was 41.7% higher at RM384.43 million as compared to RM271.37 million reported in the preceding quarter with revenue flat at RM5.68 billion (2Q2024: RM5.66 billion). Comments on the respective business segments are as follows:

**Plantation's** profit improved marginally to RM369.37 million (2Q2024: RM365.76 million) mainly from higher CPO and PK selling prices realised, lower CPO production cost coupled with net gain of RM87,000 (2Q2024: RM4.06 million net loss) from fair value changes on outstanding derivative contracts. However, increase in profit was offset by lower CPO sales volume and a fair value loss of RM2.21 million (2Q2024: RM1.80 million fair value gain) on unharvested fresh fruit bunches valuation.

Notwithstanding marginal increase in revenue to RM4.64 billion (2Q2024: RM4.58 billion) and higher profit contribution from Oleochemical division, **Manufacturing** segment's profit slipped 47.6% to RM41.05 million (2Q2024: RM78.35 million) mainly impacted by loss from refineries and kernel crushing operation. Furthermore, Industrial Chemical division's profit also dipped 42.6% to RM18.90 million (2Q2024: RM33.00 million) mainly from lower caustic sales volumes.

**Property Development's** profit jumped more than 2-fold to RM18.86 million (2Q2024: RM7.77 million) on the back of higher revenue at RM78.23 million (2Q2024: RM56.72 million).

Included in **Investment Holdings/Others** were unrealised foreign currency exchange translation loss of RM24.57 million (2Q2024: RM22.13 million gain) on inter-company loans denominated in foreign currencies, a surplus of RM35.19 million (2Q2024: RM5.70 million) from sale of land and government acquisitions, and fair value surplus of RM8.56 million (Todate 3Q2023: Nil) on deemed disposal of a joint venture. The preceding quarter recorded a share of equity loss of RM87.24 million from an overseas associate, Synthomer plc. The loss reported by Synthomer plc was mainly due to its weak performance coupled with non-operating charges incurred on amortisation of acquired intangibles and restructuring costs.



### B3. Prospects

The Group's Plantation segment is the major contributor to the Group's results with year-to-date ("YTD") pre-tax profit of RM1.11 billion (YTD FY2023: RM749.67 million), driven by productivity and operational enhancements. Meanwhile, crude palm oil ("CPO") prices have since dropped to the RM3,800/mt level. Nevertheless, we expect the Group's Plantation segment to continue to contribute significantly to the Group's overall profitability.

The Group's Manufacturing segment has reported a substantial drop in its YTD pre-tax profit to RM159.69 million (YTD FY2023: RM478.41 million). This mainly due to losses recorded by: (i) Oleochemical sub-segment in Europe by higher utilities costs and high-interest rate operating environment; and (ii) overcapacity in the refining sector which squeezed refining margins. However, some improvement in the Oleochemical sub-segment is expected in the near term. The market in China remains challenging due to sluggish demand. The Group's Industrial Chemical sub-segment reported lower profits, impacted by lower caustic soda selling prices and lower sales volumes.

The Group's overall financial performance for the financial year 2024 will continue this year to be affected by KLK's 26.89% associate company, Synthomer, which is reporting losses due to a difficult business environment faced by the chemical industry. Despite a weaker contribution from the Manufacturing segment, the Group's Plantation segment is expected to have stronger results than last year.

### 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 June		9 months ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
Malaysian taxation	52,525	44,134	146,530	145,141
Overseas taxation	61,714	27,887	199,366	145,294
	<u>114,239</u>	<u>72,021</u>	<u>345,896</u>	<u>290,435</u>
(Over)/Under provision of taxation in respect of previous years				
Malaysian taxation	(3,068)	(45,804)	(1,711)	(47,206)
Overseas taxation	376	2,912	17,570	18,964
	<u>(2,692)</u>	<u>(42,892)</u>	<u>15,859</u>	<u>(28,242)</u>
Deferred tax				
Origination and reversal of temporary differences	(16,328)	(59,405)	(55,862)	(74,661)
Under/(Over) provision in respect of previous years	2,276	(1,622)	1,777	(13,173)
	<u>(14,052)</u>	<u>(61,027)</u>	<u>(54,085)</u>	<u>(87,834)</u>
	<u>97,495</u>	<u>(31,898)</u>	<u>307,670</u>	<u>174,359</u>

**Reconciliation of effective taxation**

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		9 months ended 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	384,428	118,001	1,045,626	1,092,969
Taxation at Malaysia income tax rate of 24% (FY2023: 24%)	92,263	28,321	250,950	262,313
Effect of different tax rates in foreign jurisdiction	(10,023)	(4,379)	(26,801)	(28,764)
Withholding tax on foreign dividend and interest income	15,530	13,730	49,443	26,346
Expenses not deductible for tax purposes	20,783	18,743	53,848	62,645
Tax exempt and non-taxable income	(34,398)	(45,698)	(86,746)	(131,688)
Tax incentives	(4,596)	(9,967)	(10,134)	(14,249)
Deferred tax assets not recognised during the period	18,795	8,224	28,610	8,224
(Utilisation)/Reversal of previously unrecognised tax losses and unabsorbed capital allowances	(588)	6,540	(1,580)	(8,244)
Tax effect on associates' and joint ventures' results	(294)	1,740	18,811	39,036
(Over)/Under provision of tax expense in respect of previous years	(2,692)	(42,892)	15,859	(28,242)
Under/(Over) provision of deferred tax in respect of previous years	2,276	(1,622)	1,777	(13,173)
Others	439	(4,638)	13,633	155
Tax expense	97,495	(31,898)	307,670	174,359

**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 June 2024								
	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	621	3,142	Euro	1,042	5,269	Euro	1,663	8,411
<u>Unsecured</u>									
Revolving credit		-	-	Euro	95,000	480,219	Euro	95,000	480,219
		-	-	AUD	23,000	72,351	AUD	23,000	72,351
		-	-	GBP	65,000	387,712	GBP	65,000	387,712
	USD	10,185	48,105	USD	14,920	70,424	USD	25,105	118,529
		-	-		-	51,800		-	51,800
Trade financing		-	-	USD	40,925	193,068	USD	40,925	193,068
		-	-	Euro	47,197	238,572	Euro	47,197	238,572
		-	-	Rp	65,612,781	18,903	Rp	65,612,781	18,903
		-	-		-	1,387,219		-	1,387,219
Term loans		-	-	USD	30,000	141,525	USD	30,000	141,525
	Euro	32,935	166,478	Euro	494	2,496	Euro	33,429	168,974
		-	-	AUD	2,275	7,156	AUD	2,275	7,156
		-	-	RMB	149,500	97,040	RMB	149,500	97,040
		-	1,876,240		-	123,380		-	1,999,620
Export credit refinancing		-	-		-	2,577		-	2,577
Banker's acceptance		-	-		-	227,710		-	227,710
Islamic medium term notes		-	6,100,000		-	-		-	6,100,000
<b>Total</b>		-	8,193,965		-	3,507,421		-	11,701,386

	At 30 June 2023								
	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	1,987	10,121	Euro	1,490	7,589	Euro	3,477	17,710
<u>Unsecured</u>									
Revolving credit		-	-	Euro	80,000	407,456	Euro	80,000	407,456
		-	-	AUD	12,000	37,343	AUD	12,000	37,343
		-	-	GBP	17,000	100,818	GBP	17,000	100,818
		-	-	USD	8,200	38,182	USD	8,200	38,182
		-	-		-	91,950		-	91,950
Trade financing		-	-	USD	28,302	132,102	USD	28,302	132,102
		-	-		-	873,585		-	873,585
Term loans	USD	30,000	140,025	USD	40,500	189,063	USD	70,500	329,088
	Euro	35,244	179,504	Euro	2,911	14,827	Euro	38,155	194,331
		-	1,212,868		-	3,299		-	1,216,167
Export credit refinancing		-	-		-	618		-	618
Banker's acceptance		-	-		-	346,299	USD	-	346,299
Islamic medium term notes		-	6,100,000		-	-		-	6,100,000
<b>Total</b>		-	7,642,518		-	2,243,131		-	9,885,649

**At 30 June**

<u>Exchange Rates Applied</u>	2024	2023
USD / RM	4.7175	4.6675
Euro / RM	5.0548	5.0932
Rp1,000/RM	0.2881	0.3113
RMB / RM	0.6491	0.6436
GBP / RM	5.9648	5.9305
AUD / RM	3.1457	3.1119

**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.

The interest rate swap contracts are entered into to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuations in interest rates on underlying debt instruments.

The commodity swap contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movement in the methane gas futures.

As at 30 June 2024, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

	<b>Contract / Notional value Net long/(short) RM'000</b>	<b>Fair value Net gains/(losses) RM'000</b>
a) Forward foreign exchange contracts:		
- Less than 1 year	(1,992,228)	(1,414)
b) Commodity futures contracts:		
- Less than 1 year	(581,174)	(12,452)
c) Interest rate swap contracts:		
- Less than 1 year	2,072	68
- 1 year to 3 years	8,610	482
- more than 3 years	6,692	597
d) Commodity swap contracts:		
- Less than 1 year	(2,100)	(528)
- 1 year to 3 years	(1,067)	(180)

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 period ended 30 June 2024, 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 do not recommend the payment of any dividend for the quarter ended 30 June 2024.

An interim single tier dividend of 20 sen per share (2023: 20 sen) was declared by the directors on 20 May 2024 and was paid on 1 August 2024.

b) Total dividend for the current financial year to-date is single tier dividend of 20 sen per share (2023: 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 30 June		9 months ended 30 June	
	2024	2023	2024	2023
Net profit for the period attributable to equity holders of the Company (RM'000)	131,037	82,808	327,493	438,164
Weighted average number of shares ('000)	393,357	393,423	393,357	393,423
Earnings per share (sen)	33.3	21.0	83.3	111.4

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

The auditors' report on the financial statements for the year ended 30 September 2023 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 30 June		9 months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income	(27,416)	(25,171)	(71,943)	(73,944)
Dividend income	(28,847)	(24,774)	(46,959)	(40,254)
Other income	(72,088)	(35,680)	(138,370)	(95,532)
Interest expense	121,522	111,884	348,028	332,306
Depreciation and amortisation	287,278	(266,758)	841,425	785,514
(Write-back)/provision for and write-off of receivables	(2,353)	20	1,886	1,203
Provision for and write-off of inventories	12,741	46,638	10,894	12,441
Surplus on disposal of a business line	-	(1,897)	-	(74,760)
Surplus on disposal of land	(3,714)	(3,767)	(14,242)	(6,391)
Surplus arising from government acquisition of land	(31,478)	(336)	(44,318)	(42,218)
Foreign exchange loss/(gain)	47,105	(27,340)	109,356	61,632
Loss/(Gain) on derivatives	42,746	36,611	(28,135)	(37,754)
Exceptional items	-	-	-	-

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

19 August 2024