

BATU KAWAN BERHAD

(6292-U)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statement
For the Second Quarter ended 31 March 2007**

(The figures have not been audited)

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|--|--|
| | Current Year Quarter ended 31 March 2007 RM'000 | Preceding Year Quarter ended 31 March 2006 Restated RM'000 | Current Year 6 months ended 31 March 2007 RM'000 | Preceding Year 6 months ended 31 March 2006 Restated RM'000 |
| Revenue | 53,598 | 53,771 | 111,814 | 110,517 |
| Operating expenses | (47,090) | (48,397) | (94,499) | (97,762) |
| Other operating income | 295 | 801 | 814 | 29,703 |
| Finance cost | - | - | - | - |
| Share of results of associated companies | 59,075 | 35,261 | 131,801 | 114,517 |
| Profit before taxation | 65,878 | 41,436 | 149,930 | 156,975 |
| Taxation | (682) | (965) | (2,443) | (2,062) |
| Net profit for the period | 65,196 | 40,471 | 147,487 | 154,913 |
| Attributable to: | | | | |
| Equity holders of the parent | 63,576 | 39,104 | 143,676 | 151,434 |
| Minority interests | 1,620 | 1,367 | 3,811 | 3,479 |
| | 65,196 | 40,471 | 147,487 | 154,913 |
| Earnings per share | | | | |
| Basic | 14.66 sen | 9.02 sen | 33.13 sen | 34.91 sen |
| Diluted | Not applicable | Not applicable | Not applicable | Not applicable |

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Report for the year ended 30 September 2006.

BATU KAWAN BERHAD

(6292-U)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet**At 31 March 2007**

(The figures have not been audited)

| | 31 March 2007 | 30 September 2006 |
|--|------------------|----------------------|
| | RM'000 | Restated RM'000 |
| Non-current Assets | | |
| Property, plant & equipment | 112,632 | 116,677 |
| Investment property | 11,148 | 10,829 |
| Prepaid land lease payments | 15,104 | 15,307 |
| Goodwill on consolidation | 11,999 | 11,999 |
| Investment in associated companies | 2,039,084 | 2,004,803 |
| Other investments | 26,878 | 27,138 |
| Deferred tax assets | 825 | 472 |
| | <u>2,217,670</u> | <u>2,187,225</u> |
| Current Assets | | |
| Inventories | 23,222 | 23,837 |
| Trade receivables | 48,412 | 53,314 |
| Other receivables, deposits and prepayments | 27,083 | 18,621 |
| Amount due from an associated company | 530 | 551 |
| Tax recoverable | 940 | 770 |
| Short term funds | 140,468 | - |
| Term deposits | 25,750 | 152,250 |
| Cash and bank balances | 4,017 | 2,345 |
| | <u>270,422</u> | <u>251,688</u> |
| Current Liabilities | | |
| Trade payables | 7,885 | 6,949 |
| Other payables and accruals | 10,353 | 14,798 |
| Provision for retirement benefits | 35 | 53 |
| Taxation | 728 | 721 |
| | <u>19,001</u> | <u>22,521</u> |
| Net Current Assets | 251,421 | 229,167 |
| | <u>2,469,091</u> | <u>2,416,392</u> |
| Share capital | 435,951 | 291,375 |
| Reserves | 1,948,755 | 2,041,733 |
| Equity attributable to equity holders of the parent | 2,384,706 | 2,333,108 |
| Minority interests | 68,393 | 67,628 |
| Total Equity | <u>2,453,099</u> | <u>2,400,736</u> |
| Non-current Liabilities | | |
| Provision for retirement benefits | 1,833 | 1,759 |
| Deferred tax liabilities | 14,159 | 13,897 |
| | 15,992 | 15,656 |
| | <u>2,469,091</u> | <u>2,416,392</u> |
| Net assets per share attributable to equity holders of the parent (RM) * | 5.50 | 5.38 |

* The comparative net assets per share has been adjusted for the effect of the 1 for 2 Bonus Issue.

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Report for the year ended 30 September 2006.

BATU KAWAN BERHAD

(6292-U)

(Incorporated in Malaysia)

Condensed Consolidated Statement Of Changes In Equity For the Second Quarter ended 31 March 2007

(The figures have not been audited)

| | ← Attributable to the Equity Holders of the Parent → | | | | | | | | | | |
|--|--|----------------------------------|------------------------------|------------------------------|--|--------------------------------|-------------------------------|------------------------------|------------------|---------------------------------|---------------------------|
| | Share Capital RM'000 | Revaluation Reserve RM'000 | Capital Reserve RM'000 | General Reserve RM'000 | Exchange Fluctuation Reserve RM'000 | Negative Goodwill RM'000 | Retained Profits RM'000 | Treasury Shares RM'000 | Total RM'000 | Minority Interests RM'000 | Total Equity RM'000 |
| At 1 October 2006, as previously stated | 291,375 | 715 | 506,899 | 154,591 | (155) | 13,113 | 1,376,062 | (9,492) | 2,333,108 | 67,628 | 2,400,736 |
| Effect of adopting FRS 3 | - | - | - | - | - | (13,113) | 40,356 | - | 27,243 | - | 27,243 |
| As restated | <u>291,375</u> | <u>715</u> | <u>506,899</u> | <u>154,591</u> | <u>(155)</u> | <u>-</u> | <u>1,416,418</u> | <u>(9,492)</u> | <u>2,360,351</u> | <u>67,628</u> | <u>2,427,979</u> |
| Net gains/(losses) not recognised in the income statement | - | - | 288 | (28,516) | (328) | - | - | - | (28,556) | - | (28,556) |
| Net profit for the period | - | - | - | - | - | - | 143,676 | - | 143,676 | 3,811 | 147,487 |
| Bonus issue | 144,576 | - | - | - | - | - | (144,576) | - | - | - | - |
| Dividends paid | - | - | - | - | - | - | (90,765) | - | (90,765) | - | (90,765) |
| Dividends paid to minority shareholders | - | - | - | - | - | - | - | - | - | (3,046) | (3,046) |
| At 31 March 2007 | <u>435,951</u> | <u>715</u> | <u>507,187</u> | <u>126,075</u> | <u>(483)</u> | <u>-</u> | <u>1,324,753</u> | <u>(9,492)</u> | <u>2,384,706</u> | <u>68,393</u> | <u>2,453,099</u> |
| At 1 October 2005 | 291,375 | 715 | 510,348 | 150,677 | (39) | 13,113 | 1,202,600 | (9,492) | 2,159,297 | 64,659 | 2,223,956 |
| Net gains/(losses) not recognised in the income statement | - | - | 25,439 | (128) | (119) | - | (25,439) | - | (247) | - | (247) |
| Net profit for the period | - | - | - | - | - | - | 151,434 | - | 151,434 | 3,479 | 154,913 |
| Dividends paid | - | - | - | - | - | - | (70,784) | - | (70,784) | - | (70,784) |
| Dividends paid to minority shareholders | - | - | - | - | - | - | - | - | - | (2,654) | (2,654) |
| At 31 March 2006 | <u>291,375</u> | <u>715</u> | <u>535,787</u> | <u>150,549</u> | <u>(158)</u> | <u>13,113</u> | <u>1,257,811</u> | <u>(9,492)</u> | <u>2,239,700</u> | <u>65,484</u> | <u>2,305,184</u> |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 30 September 2006.

BATU KAWAN BERHAD

(6292-U)

(Incorporated in Malaysia)

**Condensed Consolidated Cash Flow Statement
For the Second Quarter ended 31 March 2007**

(The figures have not been audited)

| | 6 months ended | |
|---|----------------|--------------------|
| | 31 March | |
| | 2007 | 2006 |
| | RM'000 | Restated RM'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 149,930 | 156,975 |
| Adjustments for:- | | |
| Non-cash items | 9,804 | 11,535 |
| Non-operating items | (135,955) | (143,703) |
| Operating profit before working capital changes | 23,779 | 24,807 |
| Changes in working capital | | |
| Net change in current assets | (2,924) | (3,867) |
| Net change in current liabilities | (3,509) | 2,802 |
| Cash generated from operations | 17,346 | 23,742 |
| Interest received | 1,916 | 1,560 |
| Tax paid | (2,203) | (2,167) |
| Retirement benefits paid | (24) | (21) |
| Net cash generated from operating activities | 17,035 | 23,114 |
| Cash flows from investing activities | | |
| Equity investments | 98,163 | 110,789 |
| Other investments | (5,787) | (7,619) |
| Net cash generated from investing activities | 92,376 | 103,170 |
| Cash flows from financing activities | | |
| Dividends paid to shareholders of the Company | (90,765) | (70,784) |
| Dividends paid to minority shareholders | (3,046) | (2,654) |
| Net cash used in financing activities | (93,811) | (73,438) |
| Net increase in cash and cash equivalents | 15,600 | 52,846 |
| Effects of exchange rate changes | 40 | (27) |
| Cash and cash equivalents at 1 October | 154,595 | 81,526 |
| Cash and cash equivalents at 31 March | 170,235 | 134,345 |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Report for the year ended 30 September 2006.

BATU KAWAN BERHAD

(6292-U)

(Incorporated in Malaysia)

Notes to Interim Financial Report

A. Explanatory Notes as required by FRS 134

A1. Accounting policies

The interim financial report has been prepared in compliance with FRS 134₂₀₀₄ - Interim Financial Reporting, issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those adopted in the annual financial statements for the year ended 30 September 2006, except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”) which became effective for the Group for the current financial period:-

| | |
|---------|--|
| FRS 2 | Share-based Payment |
| FRS 3 | Business Combinations |
| FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| FRS 101 | Presentation of Financial Statements |
| FRS 102 | Inventories |
| FRS 108 | Accounting Policies, Changes in Estimates and Errors |
| FRS 110 | Events after the Balance Sheet Date |
| FRS 116 | Property, Plant & Equipment |
| FRS 117 | Leases |
| FRS 124 | Related Party Disclosures |
| FRS 127 | Consolidated and Separate Financial Statements |
| FRS 128 | Investments in Associates |
| FRS 131 | Interests in Joint Ventures |
| FRS 132 | Financial Statements: Disclosure and Presentation |
| FRS 133 | Earnings Per Share |
| FRS 136 | Impairment of Assets |
| FRS 138 | Intangible Assets |
| FRS 140 | Investment Property |

The adoption of the above FRSs did not have any significant financial impact on the financial statements of the Group, except for FRS 3, FRS 101, FRS 117 and FRS 140 disclosed as follows:-

(a) FRS 3 - Business Combinations

Under FRS 3, any excess of the Group’s interest in the net fair value of acquirees’ identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as “negative goodwill”), after reassessment, is now recognised immediately in the income statement. Prior to 1 October 2006, negative goodwill was not amortised, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases, these expected losses were recognised in the income statement. In accordance with the transitional provisions of FRS 3, negative goodwill as at 1 October 2006 of RM40,356,000 was derecognised with a corresponding increase in retained earnings.

(b) FRS 101 - Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented as part of total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the consolidated statement of changes in equity. FRS 101 also requires disclosure of the total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests, in the consolidated statement of changes in equity.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparative figures restated to conform to the current period's presentation.

(c) FRS 117 - Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments of the up-front payments made are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land and building elements of the lease at the inception of the lease. The up-front payment represents prepaid lease payment and are amortised on a straight line basis over the lease term.

Prior to 1 October 2006, leasehold land was classified as property, plant and equipment and was stated at cost and revalued amount less accumulated amortisation. The leasehold land was last revalued in 1996.

With the adoption of the revised FRS 117, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note A1 (e), certain comparatives have been restated. There is no financial impact to the Group on the adoption of FRS 117.

(d) FRS 140 – Investment Property

FRS 140 defines an investment property as a property held for long term rental yield and/or for capital appreciation and that is not occupied by the companies in the Group. It is initially measured at cost, including direct transaction costs.

The Group adopted the cost model to measure its investment property. Under the cost model, investment property is measured at depreciated cost less any accumulated impairment losses.

Prior to 1 October 2006, investment property was classified as property, plant and equipment and is now disclosed as a separate line item in the consolidated balance sheet as part of non-current assets. In line with the revised requirements of FRS 101, the comparative figure is restated to conform to the current period's presentation.

(e) Comparative Figures

Arising from the adoption of new and revised FRSs, the following comparative figures have been restated to conform to current period's presentation:-

| | 6 months ended 31 March 2006 | |
|--|------------------------------|----------------------------------|
| | As restated RM'000 | As previously reported RM'000 |
| <u>FRS 101</u> | | |
| Condensed Consolidated Income Statement | | |
| Share of results of associated companies | 114,517 | 147,240 |
| Profit before taxation | 156,975 | 189,698 |
| Taxation | 2,062 | 34,785 |
| Condensed Consolidated Cash Flow Statement | | |
| Non-operating items | 143,703 | 176,426 |
| As at 30 September 2006 | | |
| | As restated RM'000 | As previously reported RM'000 |
| <u>FRS 117 & 140</u> | | |
| Condensed Consolidated Balance Sheet | | |
| Property, plant and equipment | 116,677 | 142,813 |
| Investment property | 10,829 | - |
| Prepaid land lease payments | 15,307 | - |

A2. Audit report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2006 was not subject to any qualifications.

A3. Seasonal and cyclical operations

The Group's operations are affected to the extent that the operations of its major associate, Kuala Lumpur Kepong Berhad ("KLK"), are influenced by seasonal crop production, fluctuations in commodity prices and impact of seasonal sales for its retailing operations.

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. Changes in estimates

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

A6. Issuance and repayment of debt and equity securities

There were no issuances and repayments of debt securities, share buy-backs, share cancellations or resale of treasury shares for the financial year to-date except for the 1 for 2 Bonus Issue of 144,576,000 new ordinary shares of RM1.00 each in the Company which was completed on 13 March 2007.

A7. Dividends

(i) Dividends Paid

| | 6 months ended 31 March 2007 RM'000 | 6 months ended 31 March 2006 RM'000 |
|--|---|---|
| Dividends proposed in year 2006, paid in year 2007 | | |
| - Final 13% less income tax @ 27% (2005: 9% less income tax @ 28%) | 27,441 | 18,737 |
| - Special 30% less income tax @ 27% (2005: 25% less income tax @ 28%) | 63,324 | 52,047 |
| | <u>90,765</u> | <u>70,784</u> |

(ii) Dividends Proposed

An interim dividend of 10 sen per share less 27% Malaysian income tax has been declared by the Directors on the enlarged issued share capital after the bonus issue of 1 for 2 ordinary shares held, in respect of the financial year ending 30 September 2007 (year ended 30 September 2006 : 12 sen less 28% Malaysian income tax on the pre-bonus issued share capital). The interim dividend will be paid on 13 August 2007 to shareholders registered in the Company's Register as at 18 July 2007.

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

- (a) Securities deposited into the Depositor's Securities Account before 12.30 p.m. on 16 July 2007, in respect of securities which are exempted from mandatory deposit;
- (b) Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 18 July 2007, in respect of transfers; and
- (c) Securities bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of the Bursa Securities.

The total dividend declared for the financial year ending 30 September 2007 is 10 sen per share less 27% Malaysian income tax (year ended 30 September 2006 : 12 sen less 28% Malaysian income tax and 43 sen less 27% Malaysian income tax).

A8. Segment information

The business segment information for the 6 months ended 31 March is as follows:-

6 months ended 31 March 2007

| | Investment Holding RM'000 | Chemicals RM'000 | Adjustments RM'000 | Consolidated RM'000 |
|--|---------------------------------|---------------------|-----------------------|------------------------|
| REVENUE | | | | |
| External Sales | | | | |
| Chemicals | - | 97,582 | (328) | 97,254 |
| Freight & haulage | - | 10,950 | (549) | 10,401 |
| Dividends | 143,444 | 105 | (141,324) | 2,225 |
| Management services fees | - | 18 | - | 18 |
| Interest income | 914 | 1,002 | - | 1,916 |
| | <u>144,358</u> | <u>109,657</u> | <u>(142,201)</u> | <u>111,814</u> |
| Inter-segment Sales | - | - | - | - |
| | <u>144,358</u> | <u>109,657</u> | <u>(142,201)</u> | <u>111,814</u> |
| RESULTS | | | | |
| Segment result | 142,066 | 17,271 | (141,208) | 18,129 |
| Finance cost | - | - | - | - |
| Share of results of associated companies | 131,690 | 111 | - | 131,801 |
| Profit before taxation | <u>273,756</u> | <u>17,382</u> | <u>(141,208)</u> | <u>149,930</u> |
| Taxation | | | | (2,443) |
| Profit after taxation | | | | <u>147,487</u> |

6 months ended 31 March 2006

| | Investment Holding RM'000 | Chemicals RM'000 | Adjustments RM'000 | Consolidated RM'000 |
|--|---------------------------------|---------------------|-----------------------|------------------------|
| REVENUE | | | | |
| External Sales | | | | |
| Chemicals | - | 100,793 | (349) | 100,444 |
| Freight & haulage | - | 8,423 | (167) | 8,256 |
| Dividends | 123,028 | - | (122,789) | 239 |
| Management services fees | - | 18 | - | 18 |
| Interest income | 918 | 642 | - | 1,560 |
| | <u>123,946</u> | <u>109,876</u> | <u>(123,305)</u> | <u>110,517</u> |
| Inter-segment Sales | - | - | - | - |
| | <u>123,946</u> | <u>109,876</u> | <u>(123,305)</u> | <u>110,517</u> |
| RESULTS | | | | |
| Segment result | 150,320 | 15,027 | (122,889) | 42,458 |
| Finance cost | - | - | - | - |
| Share of results of associated companies | 114,489 * | 28 | - | 114,517 * |
| Profit before taxation | <u>264,809 *</u> | <u>15,055</u> | <u>(122,889)</u> | <u>156,975 *</u> |
| Taxation | | | | (2,062) * |
| Profit after taxation | | | | <u>154,913 *</u> |

* Restated

A9. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward from the annual financial statements for the year ended 30 September 2006 without amendment.

A10. Material events subsequent to end of period

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

A11. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year to-date.

A12. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since the date of the last annual financial statements for the year ended 30 September 2006.

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

B1. Review of performance

The Group's pre-tax profit for the current quarter of RM65.9 million was substantially higher than the RM41.4 million achieved in the corresponding quarter last year mainly due to higher profit contribution from KLK. The improvement in KLK's profit was due to the high palm product prices resulting in higher plantation profit, and from the surplus from Government acquisition of land.

Group pre-tax profit for the first half year was RM149.9 million, 4.5% lower than the RM157.0 million achieved in the corresponding period last year which had included higher investment gains arising from the capital distribution of an associated company undergoing voluntary liquidation and from the sale of a quoted investment. The lower investment income in the current half year was mitigated by the higher profit contribution from KLK.

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

The current quarter's pre-tax profit of RM65.9 million was lower than the RM84.1 million achieved in the preceding quarter due to:-

- (i) lower profit contribution from KLK, which reported a loss from its retailing operations despite higher plantation and manufacturing profits, and the surplus from Government acquisition of land;
- (ii) lower profit contributions from our chemical operations arising from lower sales quantity of its main products.

B3. Current year's prospects

The Directors are of the opinion that the Group's pre-tax profit for the current financial year would be higher than that of last year's due to the favourable high prevailing commodity prices on the profit of our plantation associate, KLK.

B4. Variance of actual profit from forecast profit

The Group did not issue any forecast profit or profit guarantee for the quarter ended 31 March 2007.

B5. Taxation

Taxation comprises the following:-

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|--|--|
| | Current Year Quarter ended 31 March 2007 RM'000 | Preceding Year Quarter ended 31 March 2006 Restated RM'000 | Current Year 6 months ended 31 March 2007 RM'000 | Preceding Year 6 months ended 31 March 2006 Restated RM'000 |
| Current tax | | | | |
| Malaysian income tax | 678 | 1,146 | 2,534 | 2,896 |
| Deferred tax | | | | |
| Relating to origination and reversal of temporary differences | 4 | (181) | (91) | (834) |
| | <u>682</u> | <u>965</u> | <u>2,443</u> | <u>2,062</u> |

The effective tax rate for the current quarter and financial year to-date is lower than the statutory tax rate applicable mainly due to the availability of tax incentives for certain subsidiary companies and tax exempt income of the Company.

B6. Sale of unquoted investments and/or properties

There was no sale of unquoted investments or properties for the current quarter and financial year to-date.

B7. Quoted securities

a) Purchases and sales of quoted securities for the current quarter and financial year to-date were as follows:-

| | Individual Quarter | | Cumulative Quarter | |
|---------------------------------------|--|--|---|---|
| | Current Year Quarter ended 31 March 2007 RM'000 | Preceding Year Quarter ended 31 March 2006 RM'000 | Current Year 6 months ended 31 March 2007 RM'000 | Preceding Year 6 months ended 31 March 2006 RM'000 |
| Purchases of quoted securities | - | - | - | 5,705 |
| Sale proceeds of quoted securities | - | - | - | 8,370 |
| Surplus on sales of quoted securities | - | - | - | 7,782 |

b) Investments in quoted shares as at 31 March 2007 were as follows:-

| | | At 31 March 2007 RM'000 | At 30 September 2006 RM'000 |
|--------------------------------|----------------------|-------------------------------|-----------------------------------|
| (i) Quoted shares at cost | - Associated company | 418,839 | 418,839 |
| | - Other investments | 11,401 | 11,401 |
| | | 430,240 | 430,240 |
| (ii) Carrying value/book value | - Associated company | 2,037,642 | 2,003,471 |
| | - Other investments | 11,401 | 11,401 |
| | | 2,049,043 | 2,014,872 |
| (iii) Market value | - Associated company | 5,950,818 | 3,603,551 |
| | - Other investments | 8,061 | 6,568 |
| | | 5,958,879 | 3,610,119 |

B8. Status of corporate proposals

The proposed acquisition by our wholly-owned subsidiary, Forever Green Venture Limited, of a 75% equity stake in PT Satu Sembilan Delapan (“PTSSD”), an Indonesian company, remains uncompleted pending the fulfilment of conditions precedent.

B9. Group borrowing

There was no group borrowing as at the end of the reporting period.

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

B11. Material Litigation

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

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 parent by the weighted average number of shares of the Company in issue during the period. Comparative earnings per share has been retrospectively adjusted for the effect of the 1 for 2 Bonus Issue.

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|--|--|
| | Current Year Quarter ended 31 March 2007 | Preceding Year Quarter ended 31 March 2006 | Current Year 6 months ended 31 March 2007 | Preceding Year 6 months ended 31 March 2006 |
| Net profit for the period attributable to equity holders of the parent (RM'000) | <u>63,576</u> | <u>39,104</u> | <u>143,676</u> | <u>151,434</u> |
| Weighted average number of shares | <u>433,728,000</u> | <u>433,728,000</u> | <u>433,728,000</u> | <u>433,728,000</u> |
| Earnings per share (sen) | <u>14.66</u> | <u>9.02</u> | <u>33.13</u> | <u>34.91</u> |

By Order of the Board

J.C. LIM
LEONG SEA FOOK
Company Secretaries

23 May 2007