A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, Interim Financial reporting, issued by the Malaysian Accounting Standard Board (MASB). The Interim Financial Report should be read in conjunction with the Group's audited financial statement for the year ended 31 December 2007.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited financial statements for the financial year ended 31 December 2007.

A2. Status on Qualification of Audited Financial Statements

The audit report of the Group's preceding year financial statement was not qualified.

A3. Seasonality or Cyclicality of Operations

There were no abnormal seasonal factors that affect result for the quarter under review.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no significant items which unusually affect assets, liabilities, equity, net income or cash flows during the quarter under review except on the process of General Offer made by New Britain Palm Oil Ltd for shares in Ramu Agri Industries Ltd. The General offer has secured 92.9% acceptance as at end of September and has completed at 100% level at the date of this report.

A5. Change in Accounting Estimates

There were no changes in estimate of amount reported in prior interim period or financial year that have a materials effect in the current financial quarter for the current financial period.

A6. Debt and Equity Securities

There were no cancellation, resale and repayment of debt and equity securities during the quarter other than on loans repayments in accordance with the Group's loans repayment schedules.

A7. Dividend Paid

A final dividend for the financial year 2007 at 15% Gross less 26% tax was paid on the 25th July 2008.

A8. Segmental Information

Segmental information for the current financial year based on geographical locations and business segments within the geographical locations are as follows:

	Cumulative 2008			Cumulative 2007		
	Malaysia	Papua New Guinea & Solomon Island	Group	Malaysia	Papua New Guinea & Solomon Island	Group
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External sales	**2,180,673**	**897,140**	**3,077,813**	**1,319,872**	**589,271**	**1,909,143**
Plantation operations	399,737	897,140	**1,296,877**	210,673	589,271	**799,944**
Manufacturing	1,215,790		**1,215,790**	740,675		**740,675**
Oleochemicals *Rubber based Products*	*1,209,056* *6,734*		***1,209,056*** ***6,734***	*733,737* *6,938*		***733,737*** ***6,938***
Foods and Restaurants	391,841		**391,841**	338,943		**338,943**
Management Services and other businesses	132,689		**132,689**	23,959		**23,959**
Shipping Services	34,523		**34,523**	-		**-**
Investment Property	5,973		**5,973**	5,145		**5,145**
Other investment income	120		**120**	477		**477**
RESULTS						
Plantation operations	109,234	288,941	**398,175**	53,241	206,999	**260,240**
Manufacturing	67,974		**67,974**	38,649		**38,649**
Oleochemicals *Rubber based products* *Biodiesel*	*69,698* *(870)* *(854)*		***69,698*** ***(870)*** ***(854)***	*39,873* *(982)* *(242)*		***39,873*** ***(982)*** ***(242)***
Foods and Restaurants	78,226		***78,226***	66,988		***66,988***
Subsidiary *Significant Associate (of Subsidiary)*	*35,129* *43,097*		***35,129*** ***43,097***	*35,085* *31,903*		***35,085*** ***31,903***
Management services and other businesses	5,841		***5,841***	10,382		***10,382***
Shipping Services	5,920		**5,920**	-		**-**
Investment Property	965		**965**	(848)		**(848)**
Other Associated companies	2,075		**2,075**	(344)		**(344)**
Investment income/ acquisition effects	15,395		**15,395**	276		**276**
Profit/(Loss) before interest	285,630	288,941	**574,571**	168,344	206,999	**375,343**
Add/(Less):						
Interest income	3,001	10,929	**13,930**	3,393	129	**3,522**
Interest expense	(49,983)		**(49,983)**	(47,850)	(883)	**(48,733)**
Profit before Tax from continuing Operations	238,648	299,870	**538,518**	**123,887**	**206,245**	**330,132**
Profit from discontinued operation	-	-	**-**	63,474		**63,474**
Total profit before tax	238,648	299,870	**538,518**	187,361	206,245	**393,606**

	Malaysia	**Papua New Guinea & Solomon Island**	**Group**
	RM'000	**RM'000**	**RM'000**
OTHER INFORMATION			
Total segment Assets	**4,730,758**	**1,564,007**	**6,294,765**
Plantation operations	2,147,464	1,564,007	3,711,471
Manufacturing	929,048		929,048
Oleochemicals *Rubber based products* *Biodiesel*	*852,957* *9,405* *66,686*		852,957 *9,405* *66,686*
Foods and Restaurants	240,450		240,450
Management services and other businesses	218,917		218,917
Shipping Services	194,494		*194,494*
Investment Property	83,164		*83,164*
Associated companies	600,601		*600,601*
Unallocated corporate assets	316,620		316,620
Total segment liabilities	**1,721,660**	**273,405**	**1,995,065**
Plantation operations	553,785	133,978	687,763
Manufacturing	490,526		490,526
Oleochemicals *Rubber based products* *Biodiesel*	*470,052* *1,570* *18,904*		*470,052* *1,570* *18,904*
Foods and Restaurants	253,417		253,417
Management services and other businesses	135,513		135,513
Shipping Services	121,078		121,078
Unallocated Corporate liabilities	167,341	139,427	306,768
Capital expenditure	**89,462**	**87,744**	**177,206**
Plantation operations	34,795	87,744	122,539
Manufacturing	21,136		21,136
Oleochemicals *Rubber Based products* *Bio-diese*	*9,291* *663* *11,182*		*9,291* *663* *11,182*
Foods and Restaurants	29,481		29,481
Management services and other businesses	3,103		3,103
Shipping Services	947		947

	Malaysia	Papua New Guinea & Solomon Island	Group
	RM'000	**RM'000**	**RM'000**
Depreciation and amortization	**51,240**	**19,293**	**70,533**
Plantation operations	10,220	19,293	29,513
Manufacturing – Oleochemicals	12,936		12,936
Foods and Restaurants	17,770		17,770
Management Services and other businesses	1,070		1,070
Shipping Services	3,106		3,106
Property investment	1,856		1,856
Prepaid lease payment	2,948		2,948
Intangible assets	1,334		1,334
Non-cash expenses other than depreciation	20,285	163,710	183,995

A9. **Valuation of Property, Plant and Equipment**

The carrying value of land and estate development expenditure for the Group except those located overseas, is based on valuation carried out on 31st December 1997 by an independent qualified valuer using the open market method of valuation to reflect their fair value. However, in 2006, the Group changed its accounting policy on estate development expenditure in Malaysia from valuation model to cost model by stating the estate development expenditure to its initial cost and the change effect from the adoption of FRS 117 Leases. Other than changes resulting from these changes in accounting policy the carrying value was brought forward without any amendment.

A10. **Material Events Subsequent to the End of the Interim Period**

Besides the acquisition of Ramu Agri Industries Ltd by New Britain Palm Oil Ltd which has completed at 100% level at end October, there was none.

A11. **Changes in the Composition of the Group**

The composition of the Group changed toward the end of the quarter with the acquisition of Ramu Agri Industries Ltd (RAI) by New Britain Palm Oil Ltd. Assessments on the financials of RAI are currently being carried out and appropriate full disclosures on effects of the acquisition on NBPOL and the Group will be made in the fourth quarter report.

A12. **Changes in Contingent Liabilities or Contingent Assets**

Since the last Balance Sheet date, there were no material changes in contingent liabilities and contingent assets.

A13. **Capital Commitment**

Authorised capital expenditures not provided for in the financial statements as at 30 September 2008 are as follows:

	RM'000
Contracted	65,421
Not contracted	135,597
	201,018

A14. **Impairment of Assets**

There were no significant impairment losses recognised by the Company and the Group during the quarter.

B. **ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS**

B1. **Review of the Performance of the Company and Its Principal Subsidiaries**

Group Results and update

Group's profit before tax for three quarters to end September 2008 increased by RM208.39 million (63.12%) compared to the corresponding quarters in 2007. NBPOL, NatOleo and QSR Brands Bhd (Group) contributed to the increase by RM91.15 million (44.19%), RM19.60 million (49.15%) and RM5.17 million (7.71%) higher profit respectively for the quarters under review compared to their 2007 corresponding quarters' results. The Malaysian plantation operation contributed RM56 million (105%) more to the profit compared to the corresponding quarters in 2007.

FFB production for Malaysia declined by 10% in the third quarter after significant recoveries in quarter one and quarter two following a difficult year in 2007. The PNG and Solomon are performing within expectation.

OER for PNG operation is maintained at above 23%. The Malaysian OER showed improvements over the corresponding quarters in 2007.

From earlier in the year and over the second and third quarter in particular three were costs escalation through out the Group's business operations. For the plantation sector, the impact is particularly felt in a period of palm products price down cycle. Fortunately cost escalations have since subsided with significant decline in fuel costs and commodity related feed-stocks costs for the Oleochemiclas and the food sector. At this stage amongst the major costs item for plantation operations only fertilizer prices remained at very high levels and these would affect production cost significantly.

The acquisition of Ramu Agri Industries Ltd, Papua New Guinea, is completed. This will add approximately 30,000 hectares to the group's land bank of which 4,500 hectares are in maturing oil palm, 14,000 hectares in cattle grazing (16,000 heads of cattle), 8,000 hectares in Sugar planting and the remainder in other agriculture.

The Group's Bio Diesel plant at Tanjung Langsat, Johor commences operation in Early October. In general Palm based Bio Diesel product acceptances at the target EURO market has yet to be firmly sealed. Market aside, operationally current scenario of lower feedstock costs presented the Group's Bio Diesel operation with a brighter platform for positive operating margin.

On the equity front, there were 10,051,437 warrants and 1,174,400 ESOS exercised and converted into new shares during the year to end September 2008.

Operational results

Plantations:

(i) Plantation Operation - Malaysia

The Group's ffb production for the 3rd quarter 2008 is at 145,728mt. This is 10.26% lower compared to the ffb production for the corresponding quarter 2007.

The Group's cumulative ffb production for three quarters to end September 2008 is at 393,550mt. This is 7.93% higher compared to the ffb production for the corresponding quarters 2007.

The Group's OER for the cumulative three quarters 2008 is at 19.16% compared to OER of 18.72% for the corresponding quarters 2007.

Total ffb processed by the Group mills for the cumulative three quarters 2008 is at 535,141mt which is 32.36% higher compared to the corresponding quarters 2007. Total ffb processed is inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved CPO and PK cumulative three quarters price averages of RM2,367 and RM1,450 per mt compared to RM1,720 and RM1,082 per mt for CPO and PK respectively for the corresponding quarters 2007.

Sindora's ffb produced and processed since acquisition date are 33,310mt and 78,843mt respectively. Processed crops included ffb purchased from outside the Group.

(ii) Plantation Operation - Papua New Guinea & Solomon Islands

NBPOL produced 174,000 mt ffb in the 3rd quarter 2008 which is 10.81% higher compared to the corresponding quarter 2007. Together with crops purchased from outside the Group, NBPOL processed 270,185 mt ffb which is 15.85% higher compared to the corresponding quarter 2007.

The Group's cumulative ffb production for three quarters to end September 2008 is at 571,395mt. This is 1.72 % lower compared to the ffb production for the corresponding quarters 2007. Total ffb processed over three quarters is at 873,051 mt which is almost unchanged from corresponding quarter 2007. OER achieved is at 23.22% and is 3.33% better than the corresponding quarters OER in 2007.

GPPOL ffb production for the 3rd quarter 2008 is at 23,900 mt which is 15.03% higher than the corresponding quarter in 2007. Its cumulative there quarters production is at 70,351 mt which is 29.56% higher compared to the corresponding quarters in 2007. Its cumulative OER achieved is at 20.93% which is 5.17% higher compared to the corresponding cumulative quarters OER in 2007.

Manufacturing:

The Group's Oleochemicals division revenue for the 3rd quarter 2008 is at RM423.96 million which is 54.06% higher compared to the corresponding quarter in 2007.

Its PBT for the 3rd quarter 2008 is at RM16.62 million which is 20.47% lower compared to the corresponding quarter in 2007.
The Group's Oleochemicals division revenue for the cumulative three quarters to end September 2008 is at RM1,209 million which is 64.78% higher compared to the corresponding quarters in 2007.

Its PBT for the three quarters to end September 2008 is at RM59.47 million which is 89.26% higher compared to the corresponding quarters in 2007.

Foods and Restaurants:

QSR revenue for the 3rd quarter 2008 is at RM131 million, 5% higher compared to the corresponding quarter in 2007. QSR's PBT at RM24.6 million is lower by RM3.96 million (13.86%) compared to the same quarter in 2007

Its significant associate, KFC Holdings Berhad revenue for the 3rd quarter grew by 28.85% to RM552.44 million and its PBT increased by 15.2% to RM44.12 million.

QSR revenue for the cumulative three quarters to end September 2008 is at RM391.84 million which is 15.61% higher compared to the corresponding quarters in 2007.

Its PBT for the three quarters to end September 2008 is at RM78.23 million which is 16.78% higher compared to the corresponding quarters in 2007.

Property Investment:

The Group's office tower, the Menara Ansar in Johor Bahru recorded surplus of RM338 thousand compared to RM161 thousand for the the corresponding quarter in 2007. For the cumulative three quarters in 2008 it recorded a surplus of RM965 thousand compared to a deficit of RM848 thousand for the corresponding quarters in 2007.

B2. Material Changes in the Quarterly Results

Group's revenues were significantly higher compared to the corresponding quarters in 2008 due to better products prices secured in addition to the inclusion of Sindora Berhad's revenue contribution since May this year. Lower ffb harvest for Malaysia and higher operating costs affecting all business segments affect operational profit for the quarter. Volatile US Dollar movements against other currencies affected some translation for the Group Companies particularly for those with foreign currency assets and exposures and/or on trades in foreign currencies denominations. NBPOL result is affected by higher undelivered palm products as at end of the Quarter due to unavailability of vessels at the required time.

B3. **Current Year Prospects**

Palm products prices have declined significantly since end of last quarter and this will have direct impact on the Plantation operation results. NBPOL can be expected to still record good final quarter result as it is expected to deliver higher volume of palm products during the quarter. Some forward sales at NBPOL at higher prices will also impact positively on the final quarter's results. Meanwhile fertilizer costs have not declined as much and would affect operating margin over the next twelve months. The Oleochemicals operation is expected to remain favourable over the next twelve months in declining feedstock costs scenario but is in part affected by the depreciating Ringgit for committed sales hedged earlier in the year. The Food and restaurants operations are expected to benefit from cost decline. Uncertain economic climate may still curtail its performance as consumers may turn cautious over their discretionary spending.

B4. **Profit Forecast/Profit Guarantee**

The Company is not subject to any profit forecast or profit guarantee requirement.

B5. **Taxation**

	CURRENT QUARTER		CUMULATIVE QUARTERS	
	1 July to 30 Sept 2008 RM'000	1 July to 30 Sept 2007 RM'000	1 Jan to 30 Sept 2008 RM'000	1 Jan to 30 Sept 2007 RM'000
Current Taxation	(27,829)	(39,595)	(117,096)	(85,628)
-Malaysia	(11,099)	(19,816)	(37,492)	(30,457)
-Overseas	(16,730)	(19,779)	(79,604)	(55,171)
Transfer to deferred Taxation	(1,433)	5,401	(20,378)	6,305
-Malaysia	(1,433)	(4,520)	(20,378)	(3,679)
-Overseas	-	9,921	-	9,984
Total	**(29,262)**	**(34,194)**	**(137,474)**	**(79,323)**

Effective tax rate for the Group for the quarter is lower than the official rate due to some section of result not attracting taxes and tax adjustments. The cumulative three quarters 2008 tax rate is approximate to the official tax rates applicable to the Group companies.

B6. **Sale of Unquoted Investments and/or Properties**

	CURRENT QUARTER 1 July 2008 – 30 Sept 2008 RM'000	CUMULATIVE QUARTERS 1 Jan 2008 – 30 Sept 2008 RM'000
	Nil	Nil

B7. **Financial Assets at Fair Value (Quoted Securities)**

(a) The particulars of purchase or disposal of quoted securities (mainly short term money market trust funds) are as follows :-

	THIS YEAR	
	CURRENT QUARTER 1 July – 30 Sept RM'000	**CUMULATIVE QUARTERS 1 Jan – 30 Sept RM'000**
Total Purchase consideration	29,910	82,173
Total Sale proceeds	(54)	(158,849)
Total Profit/(Loss) on Disposals	55	1,068

(b) Investment as at 30 September 2008.

	Held as Long Term Investments RM'000	**Held as Current Assets RM'000**	**TOTAL RM'000**
At cost	36,871	35,507	72,378
At book value	7,204	33,399	40,603
At market value	6,785	33,389	40,174

B8. **Status of Uncompleted Corporate Announcement**

The Company and its subsidiaries announced on the following corporate events not yet completed at the last report date and their status at the date of this report is as follows:

i. Announcement made by Kulim (Malaysia) Berhad.

On 13th November 2007 the Company announced on a proposed Collaboration with PNG Sustainable Development Program Limited to jointly undertakes oil palm feasibility studies in Kamusie, Papua New Guinea ("Collaboration").

Collaboration agreement with PNG Sustainable Development Program Limited was signed on 5th December 2007.

At the date of this report there were no significant developments over this matter.

ii. Announcement made by New Britain Palm Oil Ltd, Papua New Guinea.

On 13 June 2008 New Britain Palm Oil Ltd, a 51% Subsidiary of the Company, announced on its bid for Ramu Agri-Industry Ltd (RAI) a company listed at the Port of Moresby, Papua New Guinea (PNG) Stock Exchange, for shares not already owned by it at K6.10 a share valuing RAI at US$53 million.

RAI has approximately 30,000 hectares agricultural land in PNG and is in Sugar planting and cattle rearing and since 2003 has gradually switch from sugar to Oil Palm planting.

At the date of this report the acquisition has been completed with 100% acceptances received.

iii. Announcement made by Sindora Berhad (Sindora), a newly acquired subsidiary of the Company;

As at end of its last group quarterly report Sindora made two uncompleted corporate proposals announcement as follows;

A) The Company had on 27 December 2007 announced in respect of the conditional Sale & Purchase Agreement entered into between the Company and KFC Holdings (Malaysia) Bhd to dispose a piece of land (including all factory, building, structures, infrastructure and facilities built or erected on the land) measuring 20.533 acres that forms part of a leasehold industrial land (expiring on 30 January 2041) held under document of title HS(D) 2276, PTD 1384, Mukim Hulu Sungai Johor, Kota Tinggi, Johor for RM6.15 million cash.

Subsequently, on 26 September 2008 the Company had mutually agreed with KFCH to further extend the condition precedents fulfillment period until December 2008.

The proposal on the Conditional Sale and Purchase of land between Sindora Berhad and KFC Holdings (Malaysia) Berhad is awaiting for its completion.

B) The Company had on 12 August 2008 received a letter of acceptance dated 11 August 2008 from Encik Mazlan Bin Muhammad ("MM") pertaining to the disposal of 2,375,000 ordinary shares of RM1.00 each ("Sale Shares") representing 35% equity interest in MM Vitaoils Sdn Bhd ("MMV") for a total cash consideration of RM14,500,000 ("Disposal Consideration") or approximately RM6.11 per share. Details of the proposed disposal were as follows:

- The Disposal Consideration was arrived on willing-buyer willing-seller basis after taking into consideration the audited profit after tax and net tangible asset of MMV based on the audited financial statements for the financial year ended 31 December 2007 of RM 5,191,76 and RM22,364,524 respectively.
- The Disposal Consideration shall be received from MM in the following manner:

  (1) A sum of RM50,000 shall be paid as deposit by MM to SB upon MM's acceptance of offer to purchase the sale shares. The payment was made on 11 August 2008, and

  (2) The balance Disposal Consideration of RM14,450,000 shall be paid by MM to SB within 60 days from the date of deposit payment.

- Upon full payment of the balance Disposal Consideration, SB's representative on the Board of Directors of MMV shall tender their resignation with immediate effect. Accordingly, the Shareholders' Agreement dated 20 May 2005 entered into between SB, MM and Hayati Binti Jantan shall also be terminated with immediate effect.

  On 10 October 2008 the Company announced that they have agreed to extend the Completion and payment of the balance Disposal Consideration in respect of the Proposed Disposal to 31 October 2008.

On 14 November 2008 the Company announced that they have agreed to extend the Completion and payment of the balance Disposal Consideration in respect of the Proposed Disposal to 15 December 2008.
SB shall make further announcements on the Proposed Disposal upon execution of the SSA in due course.

B9. **Borrowings and Debt Securities**

	As at 30 Sept 2008	As at 31 Dec 2007
	RM'000	**RM'000**
Term Loans		
Secured - denominated in RM	889,291	957,465
- denominated in USD	42,799	52,795
- denominated in SDR	11,628	14,826
Less : Due within 12 months (reclassified to short term borrowings)	(221,500)	(358,539)
Total – Term Loan	**722,218**	**666,547**
Short Term Borrowings (reclassified)	**221,500**	**358,539**
Other Short Term Borrowings		
Bank overdrafts - secured	-	-
- unsecured	17,850	14,835
Short term bank borrowings – secured	394,920	251,268
- unsecured	50,354	-
Total – Short Term Borrowings	**684,624**	**624,642**
Total Borrowings	**1,406,842**	**1,291,189**

B10. **Financial Instruments with Off Balance Sheet Risk**

(a) As at 30 September 2008, there were outstanding warrants of 9,250,811. Each warrant entitles its registered holder to subscribe to one (1) new ordinary share of RM0.50 each in the Company at a revised exercise price of RM2.43 per share.

(b) Commodity futures contracts entered into by certain subsidiary companies outstanding as at 21 November 2008 (being a date not earlier than 7 days from the date of issue of the quarterly report) are as follows:

	RM'000	Maturity Period
Sale Contract	166,703	Dec 2008 to Dec 2009
Purchase Contract	(97,182)	Dec 2008 to Dec 2009

The above exchange traded commodity contracts were entered into with the objective of managing and hedging the Group's exposure to adverse price movements in vegetable oil commodities.
The associated credit risk is minimal as these contracts were entered into with Brokers of commodity exchange. Gains or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions at which time they are included in the measurement of such transactions gains or losses on contracts which are no longer designated as hedges are included in the Income Statement.

Forward foreign exchange contracts are entered into by a subsidiary company in currencies other than its functional currency to manage exposure to fluctuations in foreign currency exchange rate on specific transactions. Currently, the Group's policy is to enter into forward foreign exchange contracts for up to 100% of such foreign currency receipts where company is able to enjoy premium market swap point and up to 80% of such foreign currency payment over the following year. However it is subject to review by management from time to time due to the currency market trend and situation.

At 30 September 2008, the settlement dates on open forward contracts range between 1 and 12 months. The foreign currency amounts and contractual exchange rate for the group's outstanding contracts are as follows:

Hedged item	**Currency**	**RM'000 Equivalent**	**Contract rate**
Trade receivables: USD191,064,435	USD	616,356	1USD = RM3.2259
Trade receivables: EUR		EUR	1EUR = nil
Future sales of goods over the following 6 months:	USD	Nil	
Future purchase of equipments	EUR	Nil	1 EUR = nil

The fair values of outstanding forward contracts of the group at the Balance Sheet date approximate their carrying amounts.

The net unrecognised loss as at 30 September 2008 on open contracts which hedge foreign currency sales amounted to RM40,905,609. These net exchange differences are deferred until the related sales proceeds are received, at which time they are included in the measurement of such transactions.

B11. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Status of the pending legal suits against Kulim in relation to the above acquisition are as follows:-

1) **KLHC Suit No. D5-22-899-2005**

1. **Firstcrest Global Limited (No. Syarikat: 650678)**
2. **Cogent Management Limited (No. Syarikat: 650679)**
3. **Batemans Capital Limited (No. Syarikat : 650739)**
4. **Eagle Option Sdn. Bhd. (No. Syarikat: 672334-M)**

v.

1. **Indexia Assets Limited (No. Syarikat : 434721)**
2. **Naunton International Limited (No. Syarikat: 480530)**
3. **Yates Ventures Limited (No. Syarikat: 371504)**
4. **Kulim (Malaysia) Berhad (No. Syarikat: 23370-V)**
5. **UOB Kay Hian Pte. Ltd. (No. Syarikat :197000447-W)**

The Plaintiffs are seeking a declaration that the sale and purchase agreement between Kulim as purchaser and Wisdom, Indexia, Yates and Naunton as vendors are void and for a permanent injunction restraining the defendants from disposing or dealing with or negotiating for the sale or diminishing the value of any of the vendors' Shares held in QSR ("QSR Shares") which had purportedly been sold to Firstcrest Global Limited ("FGL"), Cogent Management Limited ("CML") and Batemans Capital Limited ("BCL") vide Shares Sale Agreements dated 20 April 2005, to any other party (other than to FGL, CML and BCL) including Kulim. Based on the Statement of Claim, the QSR Shares purportedly sold to FGL by Indexia were 6,173,110 QSR Shares; the QSR Shares purportedly sold to CML by Naunton were 5,416,200 QSR Shares and the QSR Shares purportedly sold to BCL by Yates were 8,143,400 QSR Shares. The matter is pending full trial after the Plaintiffs' application for an inter partes interim injunction was dismissed by the High Court, the Court of Appeal and the Federal Court.

2) **KLHC Suit No. D5-22-942-2005**

1. Chain Valley Management Limited (No. Syarikat 650672)
2. Eagle Option Sdn. Bhd. (No. Syarikat: 672334-M)

v.

1. Indexia Assets Limited (No. Syarikat : 434721)
2. Kulim (Malaysia) Berhad (No. Syarikat: 23370-V)
3. UOB Kay Hian Pte. Ltd. (No. Syarikat :197000447-W)

The Plaintiffs are seeking a declaration that the sale and purchase agreement between Kulim as purchaser and Indexia as vendor is void ab initio and for a permanent injunction restraining the defendants from disposing or dealing with or negotiating for the sale or diminishing the value of any of the 9,557,900 shares held in QSR ("QSR Shares") which had been sold to Chain Valley Management Limited ("CVM"). The matter is pending full trial after the Plaintiffs' application for an inter partes interim injunction was dismissed by the High Court, the Court of Appeal and the Federal Court.

B12. **Dividend Proposed**

The Directors approved an interim dividend payment of 15% less 26% income tax. A special announcement on the approved 2008 interim dividend payment will be made through Bursa Malaysia separately.

B13. **Earnings Per Share ("EPS")**

	CURRENT QUARTER 1 July - 30 Sept		**CUMULATIVE QUARTERS 1 Jan – 30 Sept**	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
a) Basic earnings per share				
Net profit for the period	63,623	160,312	251,758	236,353
Weighted average no. of shares in issue	300,168	280,040	300,618	280,040
Basic earnings per share	21.16	57.25	83.75	84.40
Diluted Earnings per share	20.84	53.02	82.45	78.17

b) Diluted earnings per share

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

(i) From the renounceable rights issue of 47,289,060 shares with free warrants of same number. The exercise period for the warrants opens from July 13, 2005 being one (1) year after the issue date of July 13, 2004 and available for exercise within a period of four (4) years there after expiring in July 2009. As at the end of the reporting quarter there were 9,250,811 warrants outstanding. The potential dilutive effect of these outstanding warrants is computed as disclosed.

(ii) On the Employee Share Option Scheme

There were accepted ESOS options for 11,171,000 shares exercisable at RM2.04 per share. As at end of the reporting Quarter there were outstanding 2,067,750 options exercisable within the expiry period to August 2009. The potential dilutive effect of these outstanding ESOS is computed as disclosed.

B14. **Currency Translation**

The exchange rates used for each unit of the currencies in the Group for the current financial period are:

	THIS YEAR CURRENT QUARTER		PRECEEDING YEAR CORRESPONDING QUARTER	
	MTH-END RATE	**AVERAGE RATE**	**MTH-END RATE**	**AVERAGE RATE**
Papua New Guinea Kina (PGK/Kina/K)	1.3580	1.2939	1.1820	1.2176
United Kingdom Pound Sterling (GBP)	6.2335	6.4275	6.9210	6.9228
United States of America Dollar (USD/US$)	3.4565	3.3858	3.4135	3.4739
EUR	4.9660	4.9244	4.7609	4.8234
Singapore Dollar (S$)	2.4138	2.3534	2.3155	2.3190

By Order of the Board
KULIM (MALAYSIA) BERHAD

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(Secretaries)

Dated : 27 November 2008