

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 2008.

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 2008.

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 Cyclicity 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.

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

There was no interim dividend paid for the financial year 2009 during the quarter under review. A final dividend for the financial year 2008 was paid on 31 July 2009 at 15% Gross less 25% income tax.

A8. Segmental Information

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

KULIM (MALAYSIA) BERHAD – Company No. 23370-V

Interim report for the financial year ending 31 December 2009

	Third Quarter (Cumulative) 2009			Third Quarter (Cumulative) 2008		
	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	3,420,254	825,259	4,245,513	2,180,673	897,140	3,077,813
Plantation operations	351,881	825,259	1,177,140	399,736	897,140	1,296,876
Manufacturing	861,966	-	861,966	1,215,790	-	1,215,790
<i>Oleochemicals</i>	785,525		785,525	1,209,056		1,209,056
<i>Rubber based Products</i>	7,173		7,173	6,734		6,734
<i>Biodiesel</i>	69,268		69,268	-		-
Foods and Restaurants	2,005,534		2,005,534	391,841	-	391,841
Management Services and other businesses	135,309		135,309	132,689		132,689
Shipping Services	59,441		59,441	34,523		34,523
Investment Property	5,923		5,923	5,974		5,974
Other investment income	200		200	120		120
RESULTS						
Plantation operations	31,948	217,464	249,412	109,234	288,941	398,175
Manufacturing	(26,669)		(26,669)	67,974		67,974
<i>Oleochemicals</i>	(16,964)		(16,964)	69,698		69,698
<i>Rubber based products</i>	(1,664)		(1,664)	(870)		(870)
<i>Bio-diesel</i>	(8,041)		(8,041)	(854)		(854)
Foods and Restaurants	168,788		168,788	78,226		78,226
<i>Subsidiary Significant Associate (of Subsidiary)</i>	168,788		168,788	35,129		35,129
	-		-	43,097		43,097
Management services and other businesses	10,504		10,504	5,841		5,841
Shipping Services	4,426		4,426	5,920		5,920
Investment Property	1,016		1,016	965		965
Other Associate companies	4,355		4,355	2,075		2,075
Investment related (charge)/income effects	5,438		5,438	15,395		15,395
Profit/(Loss) before interest	199,806	217,464	417,270	285,630	288,941	574,571
Add/(Less):						
Interest income	943	4,188	5,131	3,001	10,929	13,930
Interest expense	(43,142)	(7,120)	(50,262)	(49,983)	-	(49,983)
Profit before Tax from continuing Operations	157,607	214,532	372,139	238,648	299,870	538,518

	Malaysia	Papua New Guinea & Solomon Island	Group
	RM'000	RM'000	RM'000
<u>OTHER INFORMATION</u>			
<u>Total segment Assets</u>			
Plantation operations	1,915,581	1,939,778	3,855,359
Manufacturing	766,558	-	766,558
<i>Oleochemicals</i>	723,262		723,262
<i>Rubber based products</i>	6,741		6,741
<i>Biodiesel</i>	36,555		36,555
Foods and Restaurants	1,756,164		1,756,164
Management services and other businesses	199,158		199,158
Shipping Services	307,993		307,993
Investment Property	93,138		93,138
Associated companies	18,008		18,008
Unallocated corporate assets	633,165		633,165
<u>Total segment liabilities</u>			
Plantation operations	374,097	670,446	1,044,543
Manufacturing	432,232		432,232
<i>Oleochemicals</i>	382,129		382,129
<i>Rubber based products</i>	1,046		1,046
<i>Biodiesel</i>	49,057		49,057
Foods and Restaurants	703,852		703,852
Management services and other businesses	46,042		46,042
Shipping Services	204,561		204,561
Unallocated Corporate liabilities	181,061	223,381	404,442
<u>Capital expenditure</u>			
Plantation operations	23,508	220,639	244,147
Manufacturing	16,839		16,839
<i>Oleochemicals</i>	3,178		3,178
<i>Rubber based products</i>	77		77
<i>Bio-diesel</i>	13,584		13,584
Foods and Restaurants	81,815		81,815
Management services and other businesses	3,501		3,501
Shipping services	153,765		153,765

	Malaysia	Papua New Guinea & Solomon Island	Group
	RM'000	RM'000	RM'000
Depreciation and amortization			
Plantation operations	86,064	65,644	151,708
Manufacturing	15,858		15,858
<i>Oleochemicals</i>	13,248		13,248
<i>Rubber based products</i>	266		266
<i>Bio-diesel</i>	2,344		2,344
Foods and Restaurants	35,724		35,724
Management Services and other businesses	1,354		1,354
Property investment	1,452		1,452
Prepaid lease payment	2,727		2,727
Non-cash expenses other than depreciation	137,422	136,184	273,606

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

Sindora Berhad a Subsidiary of the company had on 2 October 2009 proposed to dispose 400,000 shares of RM1.00 each in AmanahRaya-JMF Asset Management Sdn Bhd, representing 20% shareholding in the company for RM 1,400,000 cash or RM 3.50 per share pursuant to the offer from Amanah Raya Berhad vide its letter dated 30 September 2009. The disposal was completed on 30 October 2009.

The Company made an announcement on 16 November 2009 that she had on even date entered into a subscription agreement ("Subscription Agreement") with Intrapreneur Development Sdn Bhd (formerly known as JCorp Property Management Sdn Bhd) ("Fund") for the proposed subscription of 100,000 redeemable preference shares of RM0.01 each in Intrapreneur Development Sdn Bhd at an issue price of RM100 each. For greater details on this subscription agreement kindly refer to the related announcement made through Bursa Malaysia dated 16 November 2009.

A11. Changes in the Composition of the Group

Composition of the Group changed during the 1st quarter following the acquisition of additional shares in KFC Holdings (Malaysia) Bhd (KFCH) by QSR Brands Bhd resulting in changed status for KFCH from a significant associate to a subsidiary of the Group with effect from 2nd January 2009.

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 2009 are as follows:

	RM'000
Contracted	343,286
Not contracted	194,039

	537,325
	=====

A14. Impairment of Assets

There was no significant impairment in assets value recognised by the Group during the quarter under review.

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

The Group recorded higher revenue at RM4.25 billion for the three quarters under review compared to the corresponding quarters in 2008 revenue of RM3.0 billion, a 38% increase. The increase is almost entirely contributed by QSR Brands Bhd ("QSR") arising from revenue at KFC Holding Bhd consolidated in its first year into the Group's consolidated revenue. KFC Holdings (Malaysia) Bhd ("KFC") adds in RM1.05 billion to the Group revenue for the three quarters under review. The plantation division revenue decreased by RM120 million or 9.2% compared to the division's revenue for the corresponding three quarters in 2008. Lower palm products prices contributed to the significant drop in plantation revenue.

The Group's Oleochemicals division revenue for the three quarters 2009 amounted to RM785.53 million which is 35% lower compared to the corresponding quarters in 2008.

The Foods and Restaurants division registered a revenue of RM2,055.5 million for the three quarters in 2009, representing an increase of 411.82% over prior year corresponding three quarters revenue of RM391.84 million. Revenue for the current period included that of KFCH group which became its subsidiary with effect from 2 January 2009. On a comparative basis (ie excluding KFCH group), QSR turned in a revenue of RM390.7 million representing a marginal decline of 0.3% over the corresponding quarters in 2008.

The Sindora Berhad Group registered a 13.40% decrease in revenue from RM99.68 million in the third quarter of 2008 to RM86.32 million this year. The revenue from Plantation and Palm oil mill operations is lower by 28.04% from RM38.83 million previously to RM27.94 million this quarter.

The Group's Malaysia plantation CPO price average for the cumulative three quarters in 2009 was at RM2,130/mt compared to the corresponding quarters price average of RM2,367/mt.

NBPOL's cumulative CPO price average was at US\$655/mt compared to price average of US\$950/mt for the corresponding quarters in 2008.

The plantation division recorded lower profit in view of weaker palm products prices which contracted during the quarters compared to prices secured for the corresponding quarters in 2008.

The Foods and restaurants Group registered a profit before tax of RM160 million for the three quarters in 2009 compared to the corresponding quarters in 2008 of RM72.20 million, a 121.61% increase. Profit before tax for the three quarters 2009 included that of KFCH group. On a comparative basis (ie excluding the KFCH group), QSR recorded a profit before tax of RM24.7 million representing a decline of 15.1% over the corresponding quarters in 2008.

The Foods and restaurants Group continued to expand its network to broaden customers reach where 16 new Pizza Hut outlets were opened in Malaysia through out the quarters under review. KFCH generated better results with improved sales at its restaurants with a pre-tax profit of RM135.3 million as compared to RM127.4 million in the prior year's corresponding period. This represented a 6.2% increase in year-on-year profitability. KFCH expanded her restaurants outlets with 21 new restaurants opened during the three quarters 2009.

The Oleochemical division reported an adverse result for the three quarters 2009 with an operational loss of RM16.96 million compared to an operational profit of RM69.7 million for the corresponding quarters in 2008.

The Sindora Berhad's Intrapreneur Venture Businesses (IVB) registered a loss of RM0.59 million for the quarter three 2009 compared to PBT of RM5.57 million in the corresponding quarter in 2008.

There were gains recorded by Sindora Berhad arising from asset swap, disposal of assets as well as disposal of Investment realized during the quarter amounting to RM37.32 million. The gains were eliminated at Kulim Group level. Excluding the above gains Sindora Berhad Group Consolidated PBT declined by 61.6% compared to the corresponding three quarters in 2008. The lower profit was due to lesser contribution from the Plantation Business due to lower CPO prices as well as weaker result from the IVB sector.

Overall the Kulim Group recorded PBT of RM372.14 million for the cumulative three quarters in 2009 compared to PBT of RM538.52 million for the corresponding quarters in 2008, a decline of 30.90%.

Operational results

Plantations:

(i) Plantation Operation - Malaysia

The Group's ffb production for the 3rd quarter 2009 is at 147,851mt. This is 11.22% higher compared to the ffb production for the corresponding 3rd quarter in 2008.

The group cumulative ffb production for three quarters ending September 2009 is at 416,756mt. This is 2.37% lower compared to the ffb production for the corresponding quarters in 2008.

The Group's OER for the cumulative three quarters 2009 is at 19.78% compared to OER of 19.16% for the corresponding quarters in 2008.

Total ffb processed by the Group mills for the cumulative three quarters 2009 is at 591,432mt which is 10.52% higher compared to the corresponding quarters in 2008. Total ffb processed is inclusive of crops purchased from outside the Group.

Malaysian plantation operation achieved CPO and PK cumulative price averages of RM2,130 and RM1,024 per mt for three quarters 2009 compared to RM2,367 and RM1,450 per mt for CPO and PK respectively for the corresponding quarters in 2008.

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

NBPOL Group produced 196,836 mt ffb in the 3rd quarter 2009 which is 13.12% higher compared to the corresponding quarter in 2008. Together with crops purchased from outside the Group, NBPOL Group processed 293,385 mt ffb which is 8.59% higher compared to the corresponding quarter in 2008.

The Group's cumulative ffb production for three quarters ending September 2009 is at 667,088mt. This is 16.75% higher compared to the ffb production for the corresponding quarters in 2008. Total three quarters 2009 ffb processed is at 982,883 mt.

Contribution to NBPOL Group FFB production from the Solomon Island operation for the 3rd quarter 2009 is at 27,071mt which is 13.27% higher than the contribution to the corresponding quarter in 2008. The cumulative own ffb production for three quarters ending September 2009 is at 79,911mt. This is 13.59% higher compared to the ffb production for the corresponding quarters in 2008.

Contribution to NBPOL Group FFB production from RAMU for the 3rd quarter 2009 is at 15,511mt compared to no contribution to the corresponding quarter in 2008. RAMU's cumulative ffb production for three quarters ending September 2009 is at 33,783 mt.

NBPOL Group OER for the cumulative three quarters 2009 is at 22.78% compared to 23.22% for the corresponding quarters in 2008.

NBPOL achieved cumulative price average of USD655/mt CPO for the the three quarters in 2009 compared to USD950/mt for the corresponding quarters in 2008.

Manufacturing:

The Group's Oleo chemicals division revenue for the 3rd quarter 2009 is at RM271.18 million which is 36.04% lower compared to the corresponding quarter in 2008. Lower turnover is mainly contributed by lower fatty acids sales volume and lower prices secured.

Sales volume declined by 15.38% during the quarter compared to the corresponding quarter in 2008. The price of glycerine declined significantly by 56.52% whilst its sales volume decline by 15.58% compared to the corresponding quarter in 2008.

Other main products prices are stable compared to the 2nd quarter 2009.

Foods and Restaurants:

QSR consolidated revenue for the 3rd quarter 2009 is at RM694.15 million. QSR consolidated PBT for the quarter is at RM57.14 million. There is no quarterly comparative as 2009 is the first financial year in which QSR consolidated its subsidiary the KFC Holdings (Malaysia) Bhd into its result.

QSR Company revenue for the 3rd quarter 2009 is almost unchanged compared to the corresponding quarter in 2008. QSR recorded 15.1% lower PBT compared to the corresponding quarter in 2008.

KFC Holdings (Malaysia) Berhad revenue for the 3rd quarter 2009 grew by 5.92% compared to the corresponding quarter in 2008.

Investment Property (Menara Ansar):

The Menara Ansar in Johor Bahru recorded operational surpluses for the three cumulative quarters of RM1.02 million compared to surpluses of RM965 thousand for the corresponding quarters in 2008.

B2. Material Changes in the Quarterly Results

The Oil Palm sector recorded lower revenue and profits for the quarter compared to the corresponding quarter in 2008 due to Palm products price decline over the quarter. QSR is reporting in a consolidated form for the first year following its additional KFCH shares acquisition completed on 2nd January 2009. The additional purchases transform KFCH from an associate to a Group's subsidiary. The revenue and result of KFCH which is reported in full as consolidated operational results before minority interest's share change the Group's comparatives for the quarter materially.

The Oleochemicals division had an improved operational result but still in an operational loss position of RM0.70 million in the 3rd quarter 2009 compared to the cumulative two quarters 2009 operational loss of RM16.26 million.

The Sindora Berhad Group recorded 74.95% decrease in pre-tax profit of RM2.56 million compared to RM10.22 million in the preceding quarter. The lower pre-tax profit was due to lower contribution from plantations Business and poorer result from the IVB sector.

B3. Current Year Prospects

At date of this report CPO prices are traded stronger exceeding RM2,200/mt for forward months delivery in early 2010 compared with recent lows of around RM2,000/mt. With costs having stabilised and palms are performing well within expectations and recent acquisition at NBPOL bringing in more crops the Plantation division performance for the coming year is anticipated to surpass the performance recorded over the current year.

In the light of the current economic uncertainties the Group's Food and restaurants Group will continue to focus on value to customers by offering value for money products to align with its customers spending ability.

The Foods and restaurant Group has laid down plans to increase revenue and profitability by increasing the restaurants network, enhancing customer experience, developing new and improved products, expanding business activities, developing better cost efficiencies and improving productivity at all the restaurants and manufacturing facilities.

The Sindora Berhad's Intrapreneur Venture Business is expected to record better performance due to business expansion of the subsidiaries especially at EA Technique (M) Sdn Bhd.

Overall, saves for the Oleochemicals division which is facing challenging business climate, the Group is cautiously confidence of better Group results for the coming year.

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 Jul to 30 Sep 2009 RM'000	1 Jul to 30 Sep 2008 RM'000	1 Jan to 30 Sep 2009 RM'000	1 Jan to 30 Sep 2008 RM'000
Current Taxation	(30,717)	(27,829)	(112,393)	(117,096)
-Malaysia	(19,708)	(11,099)	(54,145)	(37,492)
-Overseas	(11,009)	(16,730)	(58,248)	(79,604)
Transfer to deferred Taxation	(1,239)	(1,433)	4,118	(20,378)
-Malaysia	(1,239)	(1,433)	4,118	(20,378)
-Overseas	-	-	-	-
Total	(31,956)	(29,262)	(108,275)	(137,474)

The effective tax rates for the quarter and the cumulative quarters 2009 are reflective of the applicable tax rates for the Group Companies

B6. Sale of Unquoted Investments and/or Properties

	CURRENT QUARTER 1 July 2009 - 30 Sep 2009 RM'000	CUMULATIVE QUARTERS 1 July 2009 - 30 Sept 2009 RM'000
Total carrying amount	-	-
Total sale proceeds	-	-
Total profit/(Loss) on disposals	-	-

B7. Financial Assets at Fair Value (Quoted Securities)

- (a) The particulars of purchase or disposal of quoted securities are as follows :-

	CURRENT QUARTER 1 July - 30 Sept RM'000	CUMULATIVE QUARTERS 1 Jan - 30 Sept RM'000
Total Purchase consideration	60,083	60,224
Total Sale proceeds	(83)	(26,774)
Total Profit/(Loss) on Disposals	83	315

- (b) Investment as at 30 September 2009.

	Held as Long Term Investments RM'000	Held as Current Assets RM'000	TOTAL RM'000
At cost	51,408	63,022	114,430
At book value	7,796	61,134	68,930
At market value	7,446	61,503	68,949

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 are 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 Sindora Berhad (Sindora), a subsidiary of the Company;

As at end of its previous group quarterly report and up to the date of this report Sindora made 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 “KFCH” 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 25 December 2008.

On 24 December 2008, the Company announced that they had mutually agreed with KFCH to further extend the condition precedents fulfillment period until 25 March 2009.

On 25 March 2009 the Company had mutually agreed with KFCH to further extend the condition precedents fulfillment period until 25 September 2009.

On 25 September 2009, the Company had mutually agreed with KFCH to further extend the condition precedents fulfillment period until 25 March 2010. The proposal is expected to be completed before the end of 2009. Outstanding issues for completion are procedural in nature over land transfer matters.

- b) The Company had on 27 February 2009 proposed leased of up to twenty (20) acres or 871,200 square feet of an area of land within Tanjung Langsat Port identified as PLO 46, Tanjung Langsat Industrial Complex, Mukim of Sungai Tiram, District of Johor Bahru, State of Johor by Johor Shipyard and Engineering Sdn. Bhd. from Tanjung Langsat Port Sdn. Bhd. (a wholly owned subsidiary of Johor Corporation) for a period of 30 years for a total lease rental of up to RM21.78 million or RM25 per square feet.

The Company had mutually agreed with the parties to the Agreement for Lease dated 29 May 2008:

- (i) Extend the condition precedents fulfillment period to 28 August 2009;
 - (ii) Extend the delivery of Plot 1 to 17 months from the date of the Agreement for Lease; and
 - (iii) Extend the delivery of Plot 2 to 21 months from the date of the Agreement for Lease
- c) On 6 May 2009, the Company had entered into a conditional Subscription & Shareholders Agreement with Orkim Sdn Bhd and its existing shareholders namely, Wan Izani bin Wan Mahmood and Khoo Chin Yew for the proposed subscription of 7,524,019 new ordinary shares of RM1.00 each in Orkim equivalent to 22.04% of the enlarged issue and paid-up share capital of Orkim for a total consideration of RM9,999,000 or approximately RM1.33 per Orkim Share.

Subsequently, on the same date, E. A. Technique (M) Sdn. Bhd., a 51% - owned subsidiary of Sindora, had entered into a conditional Subscription and Share Purchase Agreement with Orkim and its existing shareholders namely, Wan Izani and Khoo for a total cash consideration of RM16,649,172 as detailed below:-

- proposed subscription of 3,475,981 new Orkim Shares equivalent to 9.24% of the enlarged issued and paid-up share capital of Orkim for a cash consideration of RM6,501,000 representing approximately RM1.87 per Orkim Share; and
- proposed acquisition of 7,806,286 Orkim Share equivalent to 20.75% of the enlarged issued and paid-up share capital of Orkim for a cash consideration of RM10,148,172 representing approximately RM1.30 per Orkim Share. The proposal is expected to be completed by first quarter 2011.

On 29 May 2009, the Company announced that the proposed Subscription has been completed on 28 May 2009.

On 3 August 2009, the company announced that E.A Technique had mutually agreed with Orkim, Wan Ezani and Khoo to further extend the conditions precedent fulfillment period until 6 September 2009.

On 21 August 2009, The Company announced that EA Tech had made payment of RM6,501,000 to Orkim being the full payment of the Agreed purchase subscription Price pursuant to the SSPA in relation to the proposed Subscription.

In addition, EA Tech also made the first payment of RM1,577,494 and RM1,290,677 to Wan Ezani and Khoo respectively being the portion of purchase consideration pursuant to the SSPA in relation to the proposal.

- d) On 11 May 2009 the Company issued an offer letter to dispose its entire 35% shareholding in MM Vitaoils Sdn. Bhd. (“MMV”) to En Mazlan Muhammad (“MM”) the controlling shareholder and Managing Director of MMV for a cash consideration of RM13.5 million. On 12 May 2009, the Company received an acceptance from MM to acquire the entire 2,374,750 shares of RM1.00 each in MMV for RM13.5 million cash or approximately RM5.68 per share. The proposal is expected to be completed before 31 December 2009.
- e) Sindora Berhad had on 9 September 2009 announced that its 51% subsidiary, E.A. Technique (M) Sdn Bhd (EA Tech) had entered into a Memorandum of Agreement with Lucky Marine Co. Ltd. to dispose M.T. Nautica Segamat, a 4,421 Dead Weight Tonnage Petroleum Gas Carrier for a total cash consideration of USD4.2 million or approximately RM14.38 million.

Approximately RM10.33 million from the Disposal Consideration will be used to reduce borrowings while the remaining balance will be utilized to meet E.A. Tech’s working capital requirements. The proposed disposal is expected to be completed within the 4th quarter of 2009.

- f) The Company had on 2 October 2009 agreed to dispose 400,000 shares of RM1.00 each in AmanahRaya-JMF Asset Management Sdn Bhd, representing 20% shareholding in the company for RM1,400,000 cash or RM3.50 per share pursuant to the offer from Amanah Raya Berhad vide its letter dated 30 September 2009.

The disposal was completed on 30 October 2009.

- iii. Announcement made by KFC Holdings (Malaysia) Bhd., a subsidiary of QSR Brands Berhad, as subsidiary of the Company;

- a) KFCH had on 2 November 2007 announced the purchase of a piece of freehold land measuring approximately 41,294.90 square feet identified as Parcel C9 being part of land previously held under Lot 413, Mukim of Tebrau, District of Johor Bahru, via its wholly-owned subsidiary, KFC (Peninsular Malaysia) Sdn Bhd for a cash consideration of RM3,241,648.

KFCH is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Damansara Realty (Johor) Sdn Bhd, a member of Damansara Realty Berhad Group.

- b) KFCH had on 27 December 2007 announced the purchase of a piece of land (including all factories, buildings, 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 a cash consideration of RM6,150,000.

KFCH is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Sindora Berhad.

- c) KFCH had on 10 July 2008 announced the purchase of a part of the land measuring 1.18 acres held under HS(D) 367670 PTD104984, in the Mukim of Tebrau, Daerah Johor Bahru, Johor, via its wholly-owned subsidiary, SPM Restaurants Sdn Bhd for a cash consideration of RM4,034,963.

KFCH had on 18 September 2009 announced that KFCH and Damansara Realty (Johor) Sdn Bhd, the vendor, have mutually agreed that the Sale and Purchase Agreement have been varied with the execution of the Supplemental Sale and Purchase Agreement on 18 September 2009.

- d) KFCH had on 5 November 2008 announced the purchase of a piece of agricultural land measuring 400 acres in area being part of Lot PTD 9374 HS(D) 41897, Mukim Bukit Batu, District of Kulaijaya, State of Johor Darul Takzim, via its wholly-owned subsidiary, Ayamas Food Corporation Sdn Bhd for a cash consideration of RM10,400,000.

KFCH is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Johor Corporation.

B9. Borrowings and Debt Securities

	As at 30 Sept 2009	As at 31 Dec 2008
	RM'000	RM'000
Term Loans		
Secured - denominated in RM	1,205,631	1,043,527
- denominated in USD	169,314	156,043
- denominated in SDR	11,628	-
Less : Due within 12 months (reclassified to short term borrowings)	(103,991)	(300,126)
Total - Term Loan	1,282,582	899,444
Short Term Borrowings (reclassified)	103,991	300,126
Other Short Term Borrowings		
Revolving credits - secured	3,780	20,000
- unsecured	-	72,500
Bank overdrafts - unsecured	32,450	37,351
Short term bank borrowings - secured	345,746	136,252
Total - Short Term Borrowings	381,976	266,103
Total Borrowings	1,768,549	1,465,673

B10. Financial Instruments with Off Balance Sheet Risk

- (a) Commodity futures contracts entered into by certain subsidiary companies outstanding as at 20 November 2009 (being a date not earlier than 7 days from the date of issue of the quarterly report) are as follows:

	<u>RM'000</u>	<u>Maturity Period</u>
Sale Contract	263,428	Jan 2010 to Dec 2011
Purchase Contract	(44,925)	Jan 2010 to March 2010

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 50% 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 2009, the settlement dates on open forward contracts range between 1 and 10 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: USD51,778,714	USD	183,472	1USD = RM3.5434
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 gain as at 30 September 2009 on open contracts which hedge foreign currency sales amounted to RM3,903,086. 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 LEGAL SUITS AGAINST KULIM (as at 6 November 2008)

- 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 now fixed Full Trial on 26th, 27th, 28th and 29th January 2010.

- 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 now fixed Full Trial on 26th, 27th, 28th and 29th January 2010.

B12. Dividend Proposed

There was no dividend payment proposed during the quarter.

B13. Earnings Per Share (“EPS”)

	CURRENT QUARTER		CUMULATIVE QUARTERS	
	1 July - 30 Sept 2009	30 Sept 2008	1 Jan - 30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
a) Basic earnings per share				
Net profit for the period	43,712	63,623	99,015	251,758
Weighted average no. of shares in issue	308,890	300,618	308,890	300,618
Basic earnings per share	14.15	21.16	32.06	83.75
Diluted Earnings per share	-	20.84	-	82.45
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) On the Employee Share Option Scheme

There were accepted ESOS options for 11,171,000 shares exercisable at RM2.04 per share. The ESOS have expired on 26 August 2009 and those eligible were exercised. As the expiry date there were 914,600 units of ESOS voided in accordance with the ESOS terms of offer.

The potential dilutive effect of these outstanding ESOS is no longer applicable with effect from this Quarter.

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)	1.3105	1.2593	0.0034	0.0034
United Kingdom Pound Sterling (GBP)	5.5710	5.2660	6.2335	6.4275
United States of America Dollar (USD/US\$)	3.4900	3.4665	3.4565	3.3858
EUR	5.0890	4.9705	4.9660	4.9244
Singapore Dollar (S\$)	2.4593	2.4206	2.3913	2.3422
Solomon Islands Dollar (SBD)	0.5240	0.5211	0.4670	0.4637

By Order of the Board
KULIM (MALAYSIA) BERHAD

IDHAM JIHADI BIN ABU BAKAR, MAICSA 7007381
SALMAH BINTI ABD WAHAB, LS 02140
(Secretaries)

Dated : 25 November 2009