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 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.

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.

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 Four Quarters 2009			Cumulative Four Quarters 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	**4,689,619**	**1,112,290**	**5,801,909**	**2,799,155**	**1,190,183**	**3,989,338**
Plantation operations	495,990	1,112,290	**1,608,279**	502,353	1,190,183	**1,692,536**
Manufacturing	1,169,785		**1,169,785**	1,563,705		**1,563,705**
Oleochemicals *Rubber based Products* *Biodiesel*	*1,091,029* *8,792* *69,964*		***1,091,029*** ***8,792*** ***69,964***	*1,539,368* *9,181* *15,157*		**1,539,368** **9,181** **15,157**
Foods and Restaurants	2,760,737		**2,760,737**	532,752		**532,752**
Management Services and other businesses	172,684		**172,684**	122,743		**122,743**
Shipping Services	79,676		**79,676**	66,432		**66,432**
Investment Property	7,776		**7,776**	8,039		**8,039**
Other investment income	2,971		**2,971**	3,131		**3,131**
RESULTS						
Plantation operations	67,108	300,993	**368,101**	95,854	354,190	**450,044**
Manufacturing	(38,435)		**(38,435)**	29,659		**29,659**
Oleochemicals *Rubber based products* *Bio-diesel*	*(25,468)* *(2,536)* *(10,431)*		***(25,468)*** ***(2,536)*** ***(10,431)***	*32,981* *(1,069)* *(2,252)*		***32,981*** ***(1,069)*** ***(2,252)***
Foods and Restaurants	241,853		**241,853**	105,621		**105,621**
Subsidiary *Significant* *Associate (of*	241,853 -		**241,853** **-**	48,497 57,124		**48,497** **57,124**
Management services and other businesses	(3,595)		**(3,595)**	21,568		**21,568**
Shipping Services	11,186		**11,186**	16,397		**16,397**
Investment Property	1,497		**1,497**	1,564		**1,564**
Other Associate companies	4,469		**4,469**	4,030		**4,030**
Investment related (charge)/income effects	10,279		**10,279**	92,594		**92,594**
Profit/(Loss) before interest	294,362	300,993	**595,355**	367,288	354,190	**721,478**
Add/(Less):						
Interest income	1,236	4,168	**5,404**	3,949	13,043	**16,993**
Interest expense	(58,771)	(9,209)	**(67,980)**	(65,196)	(5,427)	**(70,622)**
Profit before Tax	236,827	295,952	**532,779**	**306,042**	**361,806**	**667,849**

	Malaysia	Papua New Guinea & Solomon Island	Group
	RM'000	RM'000	RM'000
OTHER INFORMATION			
Total segment Assets			
Plantation operations	1,720,040	1,907,714	3,627,754
Manufacturing	739,877	-	739,877
Oleochemicals *Rubber based products* *Biodiesel*	*657,831* *5,131* *76,915*		*657,831* *5,131* *76,915*
Foods and Restaurants	2,107,892		2,107,892
Management services and other businesses	196,284		196,284
Shipping Services	302,642		*302,642*
Investment Property	97,175		*97,175*
Associated companies	18,584		*18,584*
Unallocated corporate assets	891,694		891,694
Total segment liabilities			
Plantation operations	286,442	665,858	952,300
Manufacturing	438,838		438,838
Oleochemicals *Rubber based products* *Biodiesel*	*346,307* *305* *92,226*		*346,307* *305* *92,226*
Foods and Restaurants	747,457		747,457
Management services and other businesses	100,080		100,062
Shipping Services	197,178		197,178
Unallocated Corporate liabilities	186,034	256,782	442,816
Capital expenditure			
Plantation operations	31,061	332,335	363,396
Manufacturing	21,244		21,244
Oleochemicals *Rubber based products* *Bio-diesel*	*6,741* *176* *14,327*		*6,741* *176* *14,327*
Foods and Restaurants	177,566		177,566
Management services and other businesses	4,544		4,544
Shipping services	191,072		191,072

	Malaysia	Papua New Guinea & Solomon Island	Group
	RM'000	RM'000	RM'000
Depreciation and amortization			
Plantation operations	114,752	87,525	202,278
Manufacturing	21,356		21,356
Oleochemicals *Rubber based products* *Bio-diesel*	*17,696* *250* *3,410*		*17,696* *250* *3,410*
Foods and Restaurants	68,819		68,819
Management Services and other businesses	1,866		1,866
Property investment	1,919		1,919
Prepaid lease payment	3,810		3,810
Non-cash expenses other than depreciation	234,892	170,445	405,337

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**

On 24 February 2010, New Britain Palm Oil Limited (NBPOL), a subsidiary of the Company in Papua New Guinea announced that it has agreed to acquire 80% of the shares in CTP (PNG) Limited.

CTP PNG is an established oil palm plantation company operating in Papua New Guinea, producing crude palm oil and other palm products for the international market. CTP PNG will be acquired for a consideration of US$ 175 million payable in cash to be issued on completion, plus additional consideration in relation to stocks and capital expenditure. Based on the Consideration of US$175 million, the Acquisition equates to a price per attributable planted hectare of approximately US$ 8,670 with full management control by NBPOL. CTP have over 25,000 hectares of established and producing oil palm plantation with five established mills. This single acquisition will increase NBPOL established plantation area by almost 50 per cent.

A more detail announcement on the acquisition will be made separately

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 31 December 2009 are as follows:

	RM'000
Contracted	127,999
Not contracted	261,787

	389,787
	=======

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 RM5.8 billion for the four quarters under review compared to the revenue of corresponding quarters in 2008 of RM3.99 billion, a 45.44% 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 RM2.22 billion to the Group revenue for the four quarters under review. The plantation division revenue decreased by RM84.3 million or 7.8% compared to the division's revenue for the corresponding four quarters in 2008. Lower palm products prices contributed to the significant drop in plantation revenue.

The Group's Oleochemicals division revenue for the four quarters 2009 amounted to RM1,091 million which is 29% lower compared to the corresponding quarters in 2008.

The Foods and Restaurants division registered revenue of RM2.76 billion for the four quarters in 2009, representing an increase of 418.2% over prior year corresponding four quarters revenue of RM532.75 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 revenue of RM544.8 million representing an increase of 2.3% over the corresponding quarters in 2008.

The Sindora Berhad Group registered revenue of RM336.58 million for the cumulative four quarters 2009, 4.16% lower compared to corresponding quarters in 2008.

The Group's Malaysia plantation CPO price average for the cumulative four quarters in 2009 was at RM2,284/mt compared to the corresponding quarters 2008 price average of RM2,543/mt.

NBPOL's cumulative CPO price average for the four quarters 2009 was at US$706/mt compared to price average of US$927/mt for the corresponding quarters in 2008.

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

The Foods and restaurants Group registered profit before tax of RM230.26 million for the four quarters in 2009 compared to the corresponding quarters in 2008 of RM97.74 million, a 135.72% increase. Profit before tax for the four quarters 2009 included that of KFCH group. On a comparative basis (ie excluding the KFCH group), QSR recorded a profit before tax of RM40.25 million representing a marginal decline of 0.9% over that of prior year. Earnings per share increased by 5.7% from 30.88 sen in prior year to 32.64 sen in the current year.

KFCH generated better results with improved sales at its restaurants with a pre-tax profit of RM190.0 million as compared to prior year's RM167.5 million. This represented a 13.4% increase in year-on-year profitability

The Foods and restaurants Group continued to expand its network to broaden customers reach where 21 and 39 new outlets (net of closures) were open in Malaysia for Pizza hut and KFC respectively. During the year KFC Cambodia increased its stores from four to seven.

The Oleochemical division reported an adverse result for the four quarters 2009 with an operational loss of RM25.47 million compared to a profit of RM32.98 million for the corresponding quarters in 2008.

Sindora recorded PBT of RM48.48 million a 14.3% increase over the cumulative quarters in 2008. The disposal of a plantation assets in a swap exercises and other asset disposal contributed RM37 million to its result for 2009.
Profit contribution from Sindora Berhad's Intrapreneur Venture Businesses (IVB) decreased by 48.05% from RM5.41 million previously to RM2.81 million this year mainly due to losses incurred by Sindora Timber Sdn Bhd and Metro Parking (M) Sdn Bhd, as well as lower pre-tax profit from EA Technique (M) Sdn Bhd.

Overall the Kulim Group recorded PBT of RM532.78 million for the cumulative four quarters in 2009 compared to PBT of RM667.85 million for the corresponding quarters in 2008, a decline of 20.22%.

Operational results

Plantations:

(i) Plantation Operation - Malaysia

The Group's FFB production for the 4th quarter 2009 is at 175,159mt. This is 1.14% higher compared to the ffb production for the corresponding 4th quarter in 2008.

The group cumulative FFB production for four quarters ending December 2009 is at 591,915mt. This is 2.01% lower compared to the ffb production for the corresponding quarters in 2008.

The Group's OER for the cumulative four quarters 2009 is at 19.90% compared to OER of 19.13% for the corresponding quarters in 2008.

Total FFB processed by the Group mills for the cumulative four quarters 2009 is at 834,271mt which is 12.7% 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 RM2,284 and RM1,108 per mt for four quarters 2009 compared to RM2,543 and RM1,587 per mt for CPO and PK respectively for the corresponding quarters in 2008.

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

NBPOL Group produced 209,409 mt FFB in the 4th quarter 2009 which is 16.27% higher compared to the corresponding quarter in 2008. Together with crops purchased from outside the Group, NBPOL Group processed 312,945 mt ffb which is 21.27% higher compared to the corresponding quarter in 2008.

The Group's cumulative FFB production for four quarters ending December 2009 is at 876,497mt. This is 16.63% higher compared to the ffb production for the corresponding quarters in 2008. Total four quarters 2009 ffb processed is at 1,295,828 mt which is 14.56% higher compared to the corresponding quarter in 2008.

Contribution to NBPOL Group FFB production from the Solomon Island operation for the 4th quarter 2009 is at 27,351mt which is 34.05% higher than the contribution to the corresponding quarter in 2008. The cumulative own FFB production for four quarters ending December 2009 is at 107,262mt. This is 18.19% higher compared to the FFB production for the corresponding quarters in 2008.

Contribution to NBPOL Group FFB production from RAMU for the 4th quarter 2009 is at 22,289mt compared to no contribution to the corresponding quarter in 2008. RAMU's cumulative FFB production for four quarters ending December 2009 is at 56,072 mt.

NBPOL Group OER for the cumulative four quarters 2009 is at 22.91% compared to 23.34% for the corresponding quarters in 2008.

NBPOL achieved cumulative price average of USD706/mt CPO for the cumulative four quarters in 2009 compared to USD927/mt for the corresponding quarters in 2008.

Manufacturing:

The Group's Oleo chemicals division revenue for the 4th quarter 2009 is at RM305.5 million which is 7.51% lower compared to the corresponding quarter in 2008. Its sales volume increased by 28% compared to corresponding quarter in 2008.

The sale price of glycerine declined by 5% but the sales volume increase by 28% compared to the corresponding quarter in 2008.

Other main products prices are stable compared to the 3rd quarter 2009.

Foods and Restaurants:

QSR consolidated revenue for the 4th quarter 2009 is at RM754.75 million. QSR consolidated PBT for the quarter is at RM70.24 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 4th quarter 2009 is almost unchanged compared to the corresponding quarter in 2008. QSR recorded marginal increase of 0.3% higher PBT compared to the corresponding quarter in 2008.

KFC Holdings (Malaysia) Berhad revenue for the 4th quarter 2009 grew by 6.7% compared to the corresponding quarter in 2008.

Investment Property (Menara Ansar):

Menara Ansar, the office tower in Johor Bahru recorded operational surplus for the four cumulative quarters 2009 of RM1.49 million a 4.3% decline compared to the corresponding quarters in 2008.

B2. **Material Changes in the Quarterly Results**

The Oil Palm sector recorded higher revenue and profits for the quarter compared to the corresponding quarter in 2008 due to better Palm products price secured particularly for the Malaysian operation compared to the price secured in corresponding quarter in 2008. This and higher deliveries at NBPOL contributed to the better plantation result for 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 QSR Group registered a turnover of RM754.8 million, an increase of 8.7% over previous quarter's RM694.1 million.

The QSR Group registered a profit before tax of RM70.2 million in the current quarter as against RM57.1 million in the previous quarter. Earnings per share increased from 7.96 sen in the previous quarter to 9.41 sen in the current quarter. The better profit in the current quarter was primarily due to the higher turnover from the KFC and Pizza Hut businesses in Malaysia.

The Oleochemicals division had an improved operational result but still in an operational loss position of RM8.5 million in the 4th quarter 2009.

The Sindora Berhad Group recorded 4.82% decrease in pre-tax profit of RM3.24 million compared to RM3.4 million in the corresponding quarter. The lower pre-tax profit was due to lower contribution from the IVB which record a decline of 48% from RM5.41 million to RM2.81 million in the fourth quarter. Its quarter four profit decline to RM3.2 million compared to RM33.1 million in quarter three due to profit contribution of RM37.32 million from assets disposal recorded in quarter three.

B3. **Current Year Prospects**

At date of this report CPO prices are traded stronger hovering around RM2,600/mt for forward months delivery towards middle 2010 compared with 2009 lows of around RM2,000/mt. Energy cost and fertilizers cost in particular are off the high in 2009. These positive factors are expected to be maintainable throughout 2010 and would have direct positive impact on plantation performance saves for any adverse weather impact on plantation yields. NBPOL newly acquired plantation assets at RAMU and new planting/replanting areas in West New Britain and Solomon are gradually bringing in more crops as they age into prime and expected to contribute to higher production and better results. Barring the unexpected, the Plantation division performance for the coming year is anticipated to surpass the performance recorded in 2009.

The Food and Restaurants Group's operation is optimistic of sustaining its 2009 performance in the coming year. It will continue to invest in manufacturing and services facilities and enhance customers experience through new products, enhancing its stores network with new openings whilst managing its costs efficiently.

Sindora Group had registered significant improvement in its financial achievement with substantial profit contribution from the Plantation Business. However, the Intrapreneur Ventures Business was strongly challenged due to the world economic turmoil in 2009 that affected its immediate future outlook. Nevertheless, the Intrapreneur Business has strong fundamentals to persevere and remain competitive

Overall, saves for the Oleochemicals division which is readjusting to changing business climate, the outlook for better Group results for the new financial year is very encouraging.

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 Oct to 31 Dec 2009 RM'000	**1 Oct to 31 Dec 2008 RM'000**	**1 Jan to 31 Dec 2009 RM'000**	**1 Jan to 31 Dec 2008 RM'000**
Current Taxation	(69,145)	(15,966)	(171,374)	(133,061)
-Malaysia	(33,248)	5,881	(87,392)	(31,610)
-Overseas	(35,898)	(21,847)	(83,982)	(101,451)
Transfer to deferred Taxation	(5,129)	12,144	(1,012)	(8,235)
-Malaysia	(5,129)	12,144	(1,012)	(8,235)
-Overseas	-	-	-	-
Total	**(74,275)**	**(3,822)**	**(172,386)**	**(141,296)**

The effective tax rates for the quarter is higher than the applicable tax rates for the Group companies due to tax adjustments for the year at certain overseas subsidiary and also due to some expense not allowable for taxes.

The effective tax rate for 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 Oct 2009 - 31 Dec 2009 RM'000	**CUMULATIVE QUARTERS 1 Jan 2009 - 31 Dec 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 Oct - 31 Dec RM'000	**CUMULATIVE QUARTERS 1 Jan - 31 Dec RM'000**
Total Purchase consideration	542	60,767
Total Sale proceeds	(28,348)	(55,122)
Total Profit/(Loss) on Disposals	340	655

(b) Investment as at 31 December 2009.

	Held as Long Term Investments RM'000	**Held as Current Assets RM'000**	**TOTAL RM'000**
At cost	59,738	32,618	92,355
At book value	17,176	32,618	49,794
At market value	17,353	32,618	49,971

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.

There were several extensions of the condition precedents fulfillment period that had been mutually agreed by both parties and announced accordingly. The latest announcement was made on the 25 September 2009 to further extend the condition precedents fulfillment period until 25 March 2010.

b) The Company had on 27 February 2008 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.

On 17 November 2009 the parties to the Agreement of lease had mutually agreed as follows;

(i) Extend the condition precedents fulfillment period to 28 August 2010;

(ii) Extend the delivery of Plot 1 to 29 months from the date of the Agreement for Lease; and

(iii) Extend the delivery of Plot 2 to 33 months from the date of the Agreement for Lease

The proposal is pending approval by the relevant authorities.

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:-

(i) 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
(ii) 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.

On 31 December 2009, Sindora announced that E.A.Tech had made the second payment of RM715,000 and RM855,000 to Wan Izani and Khoo respectively being the portion of purchase consideration pursuant to the SSPA in relation to EA Tech's proposed acquisition. As a result, Sindora Group's direct and indirect (via EA Tech) shareholding in Orkim has increased to 20% and 17.76% respectively. The third payment in relation to the acquisition of additional Orkim shares from the vendors by EA Tech is scheduled to be made on 30 June 2010.

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 however, MM failed to setle the full amount by 31 December 2009 as agreed. Instead MM had proposed to extend the settlement period to later date, which is pending the approval by the Sindora's Board of Directors.

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

i. The Company 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.
The Company 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 Johor Corporation Group of Companies.

ii. The Company 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.

The Company is in the midst of completing the Condition Precedents as defined in the Sale and Purchase Agreement with Sindora Berhad, a member of Johor Corporation Group of Companies.

iii. The Company 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.

The Company had on 18 September 2009 announced that the Company 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.

iv. The Company 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.

The Company 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 31 Dec 2009	As at 31 Dec 2008
	RM'000	**RM'000**
Term Loans		
Secured - denominated in RM	1,154,936	1,043,527
- denominated in USD	162,578	156,043
- denominated in SDR	11,628	-
Less : Due within 12 months (reclassified to short term borrowings)	(67,239)	(300,126)
Total - Term Loan	**1,261,903**	**899,444**
Short Term Borrowings (reclassified)	**67,239**	**300,126**
Other Short Term Borrowings		
Revolving credits - secured	3,780	20,000
- unsecured	-	72,500
Bank overdrafts - unsecured	32,217	37,351
Short term bank borrowings – secured	332,526	136,252
Total - Short Term Borrowings	**368,523**	**266,103**
Total Borrowings	**1,697,665**	**1,465,673**

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

(a) Commodity futures contracts entered into by certain subsidiary companies outstanding as at 19 February 2010 (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	346,536	March 2010 to Dec 2011
Purchase Contract	(155,323)	March2010 to Sept 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 31 December 2009, the settlement dates on open forward contracts range between 1 and 9 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:			
USD75,708,540	USD	261,183	1USD = RM3.4498
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 31 December 2009 on open contracts which hedge foreign currency sales amounted to RM1,562,851. 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 24 February 2010)

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.

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 company made an announcement through Bursa Malaysia on January 11, 2010 that the above two legal suit, which had been previously fixed for full trial from 25.1.2010 have been discontinued with no order as to costs by consent of the parties.

The discontinuance of the said Suits conclusively ends any challenge by the Plaintiffs in respect of the said QSR Shares. The sale of the said QSR Shares had been completed.

B12. **Dividend Proposed**

There was dividend payment proposed during the quarter at 20% gross less 25% income tax. The dividend was paid on 29 January 2010.

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

	CURRENT QUARTER 1 Oct - 31 Dec		CUMULATIVE QUARTERS 1 Jan - 31 Dec	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
a) Basic earnings per share				
Net profit for the period	37,918	99,468	142,085	351,228
Weighted average no. of shares in issue	308,890	300,085	308,890	300,085
Basic earnings per share	12.28	33.15	46.00	117.04
Diluted Earnings per share	-	32.56	-	114.96

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 the third Quarter 2009.

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)	1.3219	1.2650	1.2080	1.2189
United Kingdom Pound Sterling (GBP)	5.4621	5.2116	4.9610	5.7912
United States of America Dollar (USD/US$)	3.4292	3.4361	3.4430	3.3791
EUR	4.9152	4.8836	4.8520	4.8674
Singapore Dollar (S$)	2.4406	2.4113	2.3820	2.3376
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
NURALIZA BINTI ABDUL RAHMAN, LS 0008565
(Secretaries)

Dated : 25 February 2010