

**KUALA LUMPUR KEPONG BERHAD**  
**(15043-V)**  
**(Incorporated in Malaysia)**

**Condensed Consolidated Income Statement**  
**For the third quarter ended 30 June 2007**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 June		30 June	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Revenue	1,351,719	1,008,744	3,558,571	2,879,215
Operating expenses	(1,174,449)	(871,351)	(3,047,840)	(2,508,027)
Other operating income	20,194	10,717	52,997	85,066
Finance costs	(11,772)	(4,433)	(23,668)	(9,124)
Share of results of associated companies	8,006	3,911	19,327	15,189
Profit before taxation	193,698	147,588	559,387	462,319
Tax expense	(36,143)	(39,013)	(117,336)	(105,948)
Net profit for the period	<u>157,555</u>	<u>108,575</u>	<u>442,051</u>	<u>356,371</u>
Attributable to :-				
Equity holders of the parent	148,009	107,846	430,818	353,715
Minority interests	9,546	729	11,233	2,656
	<u>157,555</u>	<u>108,575</u>	<u>442,051</u>	<u>356,371</u>
	Sen	Sen	Sen	Sen
Earnings per share - Basic	<u>13.90</u>	<u>10.13</u>	<u>40.45</u>	<u>33.21</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A - Not applicable

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

**KUALA LUMPUR KEPONG BERHAD**  
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**Condensed Consolidated Balance Sheet**  
**As at 30 June 2007**

(The figures have not been audited.)

	<u>30 June</u>	<u>30 September</u>
	2007	2006
	RM'000	RM'000
		(Restated)
Property, plant and equipment	1,954,799	1,586,831
Investment property	613	623
Prepaid lease payments	218,517	214,639
Biological assets	1,182,786	1,136,557
Land held for property development	194,668	194,305
Investments in associates	156,216	141,341
Other investments	429,459	449,178
Deferred tax assets	5,799	7,232
Intangible assets	44,589	23,315
Goodwill on consolidation	260,985	101,061
	<u>4,448,431</u>	<u>3,855,082</u>
Current assets		
Inventories	794,799	724,734
Trade and other receivables	757,538	602,892
Tax recoverable	9,206	23,621
Property development costs	17,325	25,960
Cash and cash equivalents	542,210	460,471
	<u>2,121,078</u>	<u>1,837,678</u>
Current liabilities		
Trade and other payables	474,380	399,602
Borrowings	330,223	278,390
Obligations under finance leases	-	28
Tax payable	54,072	24,730
Dividend payable	77,742	-
	<u>936,417</u>	<u>702,750</u>
Net current assets	<u>1,184,661</u>	<u>1,134,928</u>
	<u>5,633,092</u>	<u>4,990,010</u>
Share capital	1,067,505	712,516
Reserves	3,599,667	3,795,820
	<u>4,667,172</u>	<u>4,508,336</u>
Less: Cost of treasury shares	(13,447)	(13,447)
Total equity attributable to equity holders of the parent	<u>4,653,725</u>	<u>4,494,889</u>
Minority interests	177,172	168,795
Total equity	<u>4,830,897</u>	<u>4,663,684</u>
Long term and deferred liabilities		
Deferred tax liabilities	181,816	186,911
Provision for retirement benefits	40,646	40,809
Borrowings	579,733	98,578
Obligations under finance leases	-	28
	<u>802,195</u>	<u>326,326</u>
	<u>5,633,092</u>	<u>4,990,010</u>
Net assets per share attributable to equity holders of the parent (RM)*	4.37	4.22

\* The comparative net assets per share has been adjusted for the effect of the 1 for 2 Bonus Issue. The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 September 2006.

**KUALA LUMPUR KEPONG BERHAD**  
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**Condensed Consolidated Statement of Changes in Equity**  
**For the third quarter ended 30 June 2007**  
(The figures have not been audited.)

	← Attributable to the equity holders of the parent →										
	Share capital	Capital reserve	Revaluation reserve	Capital redemption reserve	Exchange fluctuation reserve	General reserve	Revenue reserve	Treasury shares	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2006 as previously stated	712,516	1,217,455	47,772	26,517	185,116	14,337	2,304,623	(13,447)	4,494,889	168,795	4,663,684
Effect of adopting FRS 3	-	-	-	-	-	-	58,507	-	58,507	-	58,507
As restated	712,516	1,217,455	47,772	26,517	185,116	14,337	2,363,130	(13,447)	4,553,396	168,795	4,722,191
Net (loss)/gain not recognised in the income statement	-	(638)	2,200	3,197	(46,221)	-	(3,972)	-	(45,434)	1,702	(43,732)
Net profit for the period	-	-	-	-	-	-	430,818	-	430,818	11,233	442,051
Dividends paid	-	-	-	-	-	-	(207,313)	-	(207,313)	-	(207,313)
Dividend payable	-	-	-	-	-	-	(77,742)	-	(77,742)	-	(77,742)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(4,558)	(4,558)
Bonus issue	354,989	(354,989)	-	-	-	-	-	-	-	-	-
Realisation of revaluation reserve on disposal of land	-	-	(317)	-	-	-	317	-	-	-	-
At 30 June 2007	1,067,505	861,828	49,655	29,714	138,895	14,337	2,505,238	(13,447)	4,653,725	177,172	4,830,897
At 1 October 2005	712,516	1,217,892	48,231	26,517	151,931	14,337	2,089,862	(13,447)	4,247,839	145,965	4,393,804
Net (loss)/gain not recognised in the income statement	-	(423)	-	-	23,213	-	94	-	22,884	22,854	45,738
Net profit for the period	-	-	-	-	-	-	353,715	-	353,715	2,656	356,371
Dividends paid	-	-	-	-	-	-	(173,802)	-	(173,802)	-	(173,802)
Dividends payable	-	-	-	-	-	-	(51,118)	-	(51,118)	-	(51,118)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(4,939)	(4,939)
At 30 June 2006	712,516	1,217,469	48,231	26,517	175,144	14,337	2,218,751	(13,447)	4,399,518	166,536	4,566,054

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

**KUALA LUMPUR KEPONG BERHAD**  
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**Condensed Consolidated Cash Flow Statement**  
**For the third quarter ended 30 June 2007**  
(The figures have not been audited.)

	9 months ended	
	30 June	
	2007	2006
	RM'000	RM'000
		(Restated)
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	559,387	462,319
Adjustment for non-cash flow :-		
Non-cash items	52,122	19,698
Non-operating items	(3,221)	(19,904)
Operating profit before working capital changes	608,288	462,113
Working capital changes :-		
Net change in current assets	(52,386)	(97,527)
Net change in current liabilities	(48,014)	(5,742)
Cash generated from operations	507,888	358,844
Interest paid	(21,771)	(9,029)
Tax paid	(94,524)	(99,158)
Retirement benefit paid	(2,727)	(2,482)
Net cash generated from operating activities	<u>388,866</u>	<u>248,175</u>
<b>Cash Flow from Investing Activities</b>		
Equity investments	(327,062)	(27,434)
Other investments	(292,226)	(186,420)
Net cash used in investing activities	<u>(619,288)</u>	<u>(213,854)</u>
<b>Cash Flow from Financing Activities</b>		
Bank borrowings	523,057	33,263
Dividends paid to shareholders of the Company	(207,313)	(173,802)
Dividends paid to minority shareholders	(4,558)	(4,939)
Issue of shares to minority shareholder	1,789	1,965
Return of capital to minority shareholders	-	(7,450)
Net cash generated from/(used in) financing activities	<u>312,975</u>	<u>(150,963)</u>
Net increase/(decrease) in cash and cash equivalents	82,553	(116,642)
Cash and cash equivalents at 1 October	440,702	615,439
	523,255	498,797
Foreign exchange difference on opening balance	211	574
Cash and cash equivalents at 30 June	<u>523,466</u>	<u>499,371</u>

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

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**Notes to Interim Financial Report**

A Explanatory Notes as required by FRS 134<sub>2004</sub>

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with FRS 134<sub>2004</sub>, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 30 September 2006, except for the adoption of the following new or revised Financial Reporting Standards (“FRSs”) which became effective for financial periods beginning on or after 1 January 2006:-

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

The Group has also adopted the following revised FRSs which are effective for financial periods beginning on or after 1 October 2006:-

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the new or revised FRSs does not have any significant financial impact on the Group other than for the effects of FRS 3, FRS 101, FRS 117 and FRS 140.

The principal effects of the changes in accounting policies resulting from the adoption of the above FRSs by the Group are as follows:-

(a) FRS 3: *Business Combinations*

Under FRS 3, the negative goodwill which represents the excess of the Group’s interest in the net fair value of acquirees’ identifiable assets, liabilities and contingent liabilities

over cost of acquisition, after reassessment, is now recognised immediately in the income statement.

In accordance with the transitional provisions of FRS 3, the negative goodwill arising from acquisition as at 30 September 2006 of RM58,507,000 was derecognised with a corresponding adjustment to the retained earnings.

(b) FRS 101: *Presentation of Financial Statements*

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of results in associates and biological assets.

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from equity. Minority interests in the results of the Group were also separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders. With the adoption of the revised FRS 101, minority interests are now presented in the consolidated balance sheet as part of total equity. Minority interests in the results of the Group for the period are presented in the consolidated income statement as an allocation of the total profit for the period between the minority interests and the equity holders of the parent company. A similar requirement is also applicable to the consolidated statement of changes in equity where total recognised income and expenses for the period is disclosed, showing separately the amounts attributable to equity holders of the parent company and to minority interests.

Share of results in associates, which was disclosed previously as before tax, is now disclosed net of tax in the consolidated income statements.

Plantation development expenditure which was previously classified under property, plant and equipment is now disclosed separately in the consolidated balance sheet as biological assets.

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

(c) FRS 117: *Leases*

In prior years, leasehold interest in land held for own use classified as property, plant and equipment, were stated at cost and revalued amounts less accumulated amortisation.

With the adoption of FRS 117, the leasehold land for own use is accounted for as being held under an operating lease. Such leasehold land will no longer be revalued. Where the leasehold land had been previously revalued, the Group retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. Such prepaid lease payments are amortised on a straight line basis over the remaining lease term of the land.

The comparative figures are restated to conform with the current period's presentation.

(d) FRS 140: *Investment Property*

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

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

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

(e) The effect to the Group's comparative figures on adoption of the above FRSs are as follows:

	9 months ended 30 June 2006		
	As previously stated RM'000	Effect of Change in Policy RM'000	As Restated RM'000
<b>Condensed Consolidated Income Statement</b>			
Share of results of associated companies	20,588	(5,399)	15,189
Profit before taxation	467,718	(5,399)	462,319
Tax expense	(111,347)	5,399	(105,948)
<b>Condensed Consolidated Cash Flow Statement</b>			
Non-cash items	14,299	5,399	19,698
	As at 30 September 2006		
	As previously stated RM'000	Effect of Change in Policy RM'000	As Restated RM'000
<b>Condensed Consolidated Balance Sheet</b>			
Property, plant and equipment	2,938,650	(1,351,819)	1,586,831
Investment property	-	623	623
Prepaid lease payments	-	214,639	214,639
Biological assets	-	1,136,557	1,136,557

A2. Audit Report

The audit report for the financial year ended 30 September 2006 was not subject to any qualifications.

A3. Seasonal and Cyclical Factors

The Group's plantation operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices. The business of its retailing sector is subject to seasonal sales.

A4. Unusual Items

There were no items affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

A5. Changes in Estimates

There were no significant changes in the amount of estimates reported in prior interim periods or prior financial years that have a material effect in the current interim period.

A6. Issuance or Repayment of Debts and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares or resale of treasury shares for the financial year to-date, except for the 1 for 2 Bonus Issue of 354,988,564 new shares of RM1 each in the Company, which was completed on 14 March 2007.

A7. Dividends Paid

	9 months ended 30 June	
	2007	2006
	RM'000	RM'000
Dividends proposed in year 2006, paid in year 2007		
- Final 10 sen (2005 - 9 sen) per share less tax	51,828	46,007
- Special 30 sen (2005 - 25 sen) per share less tax	155,485	127,795
	<u>207,313</u>	<u>173,802</u>

A8. Segment Information

Segment information is presented in respect of the Group's business segments. Inter-segment pricing is determined based on current market prices.

	9 months ended 30 June			
	Revenue		Profit before tax	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
				(Restated)
Plantation	1,576,714	1,347,325	431,349	321,893
Manufacturing	1,386,098	895,938	39,740	17,327
Retailing	610,341	600,565	11,898	11,392
Property development	50,537	49,177	12,499	16,490
Investment holding	33,241	102,467	26,890	29,028
Others	22,314	26,985	(582)	1,368
	<u>3,679,245</u>	<u>3,022,457</u>	<u>521,794</u>	<u>397,498</u>
Inter-segment elimination	(120,674)	(143,242)	-	-
	<u>3,558,571</u>	<u>2,879,215</u>	<u>521,794</u>	<u>397,498</u>
Corporate			41,934	58,756
			<u>563,728</u>	<u>456,254</u>
Finance costs			(23,668)	(9,124)
Share of results of associated companies			19,327	15,189
			<u>559,387</u>	<u>462,319</u>



A9. Valuations of Property, Plant and Equipment

The valuations of land and plantation development have been brought forward without amendment from the previous financial statement.

A10. Event subsequent to Balance Sheet Date

On 10 July 2007, the Company's wholly-owned subsidiary, KLK Overseas Investments Limited has purchased a shelf company namely, Kersten Holdings Limited ("Kersten") which was incorporated in British Virgin Islands. The intended principal activity of Kersten is investment holding.

A11. Changes in the Composition of the Group

(a) The acquisitions of 90% equity interest in PT Karya Makmur Abadi and 80% equity interest in PT Menteng Jaya Sawit Perdana were completed on 13 June 2007.

(b) A wholly-owned dormant subsidiary of the Company, Sri Kunak Plantation Sdn Bhd, is under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965.

A12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet date.

B Explanatory Notes as required by the BMSB Revised Listing Requirements

B1. Review of Performance

For the 3<sup>rd</sup> quarter, the Group recorded a 31.2% increase in the pre-tax profit to RM193.7 million from that achieved in last year's same quarter. The Group's improved results came from plantation and manufacturing sectors. Higher palm product prices accounted for higher plantation profits.

For the 9 months period under review, the Group's profit before taxation rose 21.0% to RM559.4 million compared to same period a year ago. Plantation profits had increased which was achieved through favourable palm product prices despite lower FFB production and higher cost. Results from manufacturing sector had also improved.

B2. Variation of Results to Preceding Quarter

The current quarter's pre-tax profit of the Group at RM193.7 million was 13.0% above that of the previous quarter due to higher plantation profits and reduction in loss from retailing sector.

B3. Current Year Prospects

The Directors are of the opinion that the Group's profit for the current financial year would be higher in view of the expected further increase in plantation profits due to continuing favourable palm product prices coupled with better performance from manufacturing sector.

B4. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial year to-date.

B5. Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		9 months ended 30 June	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Current tax expense		(Restated)		(Restated)
Malaysian taxation	35,828	28,522	97,023	76,690
Overseas taxation	15,848	6,568	39,381	18,894
	<u>51,676</u>	<u>35,090</u>	<u>136,404</u>	<u>95,584</u>
Deferred tax				
Relating to origination of temporary differences	(13,548)	4,078	(12,708)	10,536
Relating to changes in tax rate	(216)	-	(4,795)	-
	<u>(13,764)</u>	<u>4,078</u>	<u>(17,503)</u>	<u>10,536</u>
	37,912	39,168	118,901	106,120
(Over)/Under provision in respect of previous years				
Malaysian taxation	(1,109)	(285)	(1,110)	(286)
Overseas taxation	(660)	130	(455)	114
	<u>(1,769)</u>	<u>(155)</u>	<u>(1,565)</u>	<u>(172)</u>
	<u>36,143</u>	<u>39,013</u>	<u>117,336</u>	<u>105,948</u>

The effective tax rates for the current quarter and financial year to-date are lower than the statutory tax rate largely due to non-taxable income, recognition of deferred tax assets not taken up previously and tax incentives claimed by the Company and certain subsidiaries.

B6. Sale of Unquoted Investments and Properties

(a) There were no material disposals of unquoted investments during the financial quarter ended 30 June 2007 (30 June 2006 : Nil).

(b) Sale of properties

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 June		9 months ended 30 June	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Surplus arising from government acquisitions of land	-	-	23,299	50,652
Surplus on sale of property	-	10	-	2,007

B7. Quoted Securities

(a) Purchases and sales of quoted securities other than securities in existing subsidiaries for the current quarter and financial year to-date :-

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 June		30 June	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Purchases of quoted securities	<u>432</u>	<u>2,448</u>	<u>16,135</u>	<u>8,402</u>
Sales proceeds of quoted securities	<u>25,525</u>	<u>22,338</u>	<u>58,740</u>	<u>43,150</u>
Surplus on sales of quoted securities	<u>12,770</u>	<u>8,603</u>	<u>25,199</u>	<u>18,791</u>

(b) Investments in quoted securities other than securities in existing subsidiaries as at end of the reporting period were as follows :-

	30 June	30 September
	2007	2006
	RM'000	RM'000
At cost		
Associated company	37,884	39,725
Other investments	<u>428,740</u>	<u>448,443</u>
	<u>466,624</u>	<u>488,168</u>
At carrying value less allowance		
Associated company	11,572	14,243
Other investments	<u>428,740</u>	<u>448,443</u>
	<u>440,312</u>	<u>462,686</u>
At market value		
Associated company	29,816	6,837
Other investments	<u>600,079</u>	<u>561,867</u>
	<u>629,895</u>	<u>568,704</u>

B8. Status of Corporate Proposals Announced  
There were no corporate proposals announced.

B9. Group Borrowings

As at the end of the reporting period, the Group's borrowings were as follows :-

	30 June 2007		30 September 2006	
	RM'000	Amount in Foreign Currency '000	RM'000	Amount in Foreign Currency '000
(a) Repayable within 12 months :-				
(i) Term Loans				
- Secured				
	3,549	GBP512	4,228	GBP612
	261	CAD80	970	CAD293
	4,425	HKD10,000	4,735	HKD10,000
	5,912	Rmb13,000	6,072	Rmb13,000
	<u>14,147</u>		<u>16,005</u>	
- Unsecured				
	90,466	USD26,140	85,098	USD23,059
	42,504	GBP6,132	56,235	GBP8,141
	2,312	HKD5,224	3,689	HKD7,788
	-		5,236	AUD1,900
	22,740	Rmb50,000	38,069	Rmb81,500
	<u>158,022</u>		<u>188,327</u>	
	<u>172,169</u>		<u>204,332</u>	
(ii) Bank Overdraft				
- Secured				
	520	HKD1,168	1,430	HKD3,030
	-		2,348	CAD709
	<u>520</u>		<u>3,778</u>	
- Unsecured				
	5,614	USD1,625	10,383	USD2,815
	8,361	GBP1,206	2,592	GBP375
	3,539	HKD7,998	3,016	HKD6,370
	710		-	
	<u>18,224</u>		<u>15,991</u>	
	<u>18,744</u>		<u>19,769</u>	
(iii) Short Term Borrowings				
- Unsecured				
	18,616	USD5,379	16,609	USD4,500
	22,524	CHF8,000	-	
	4,676	Euro1,000	-	
	15,918	Rmb35,000	-	
	<u>77,576</u>		<u>37,680</u>	
	<u>139,310</u>		<u>54,289</u>	
Total repayable within 12 months	<u>330,223</u>		<u>278,390</u>	

	30 June 2007		30 September 2006	
	RM'000	Amount in Foreign Currency '000	RM'000	Amount in Foreign Currency '000
(b) Repayable after 12 months :-				
Term Loans				
- Secured	1,081	GBP156	3,730	GBP540
- Unsecured	278,652	USD80,520	94,848	USD25,675
Islamic Medium Term Notes				
- Unsecured	300,000		-	
Total repayable after 12 months	<u>579,733</u>		<u>98,578</u>	

B10. Financial Instruments with Off Balance Sheet Risk

The forward exchange contracts entered into by the Group as at 15 August 2007 (being a date not earlier than 7 days from the date of this report) were as follows :-

	Currency	Contract Amount Million	Equivalent Amount RM million	Mature within One Year RM million
(a) Sale contracts	GBP	19.0	130.8	130.8
	AUD	2.4	6.9	6.9
	NZD	1.3	3.4	3.4
	EURO	12.3	57.4	57.4
	USD	<u>183.9</u>	<u>632.4</u>	<u>632.4</u>
(b) Purchase contracts	GBP	1.2	8.6	8.6
	USD	<u>9.1</u>	<u>31.7</u>	<u>31.7</u>

The contracts were entered into by the Group as hedges for committed sales and purchases denominated in foreign currencies. The hedging of the foreign currencies is to minimise the exposure of the Group to fluctuations in foreign exchange on receipts and payments.

The transactions in foreign currencies which are hedged by forward foreign exchange contracts are recorded in the book at the contracted rates. Any gains or losses arising from forward contracts are recognised in the Income Statement upon maturity.

There is minimal credit risk for the forward foreign exchange contracts because these contracts are entered into with licensed financial institutions.

## B11. Material Litigation

- (a) *KL High Court Suit No. D4-22-1805-2004 ("the 1<sup>st</sup> Suit") between Glamour Green Sdn Bhd ("GGSB") vs. the Company, its wholly-owned subsidiary, Ablington Holdings Sdn Bhd ("AHSB") and AmBank (M) Berhad ("AmBank") (collectively, "the Defendants"); And Federal Court Civil Appeal no. 02-16-2007(w) by the Company/AHSB Federal Court Civil Appeal no. 02-17-2007(w) by AmBank (collectively referred to as the "Federal Court Appeals")*

The High Court on 3 April 2006 ruled in favour of the Defendants. Inter alia, the ruling lifted the injunction which restrained AHSB from completing the acquisition of 35 million Ladang Perbadanan-Fima Berhad ("LPF") shares and from making a mandatory general offer for the remaining LPF shares not already owned by AHSB ("the MGO").

However, GGSB appealed to the Court of Appeal against the decision of the High Court. The Court of Appeal allowed GGSB's appeal and gave GGSB up to 30 June 2006 to redeem the LPF shares by payment of RM99.5 million to AmBank. The Defendants filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision. The leave application was heard by the Federal Court on 25 April 2007 and was unanimously allowed.

The Company and AHSB have since filed their Notice of Appeal against the whole of the Court of Appeal decision. A date will be fixed by the Federal Court for the hearing of the appeal proper.

- (b) *KL High Court Suit No. D2-22-1033-2006, ("GGSB's 2<sup>nd</sup> Suit") between Glamour Green Sdn Bhd ("GGSB") vs. the Company, its wholly-owned subsidiary, Ablington Holdings Sdn Bhd ("AHSB"), AmBank (M) Berhad and AmSec Nominees Sdn Bhd ("AmBank") (collectively, "the Defendants")*

Meanwhile, GGSB failed to redeem the AmBank loan by 30 June 2006 and its application to obtain an extension of time to redeem the AmBank loan was also dismissed by the Federal Court. As such, AmBank took the relevant steps to sell the 35 million LPF shares to AHSB on 20 July 2006. Pursuant to the said sale, the Company and AHSB served a notice of MGO on LPF. However, GGSB managed to obtain another ex-parte interim injunction to restrain the sale and the MGO on 24 July 2006 from the High Court pursuant to a new suit i.e. GGSB's 2<sup>nd</sup> Suit.

The Company and AHSB have applied to set aside the ex-parte injunction and to strike out GGSB's 2<sup>nd</sup> Suit, and the applications are fixed for hearing on 27 August 2007 and 23 August 2007 respectively.

- (c) *Settlement Agreement dated 21 June 2007 between Glamour Green Sdn Bhd ("GGSB"), the Company, its wholly-owned subsidiary, Ablington Holdings Sdn Bhd ("AHSB") and AmBank (M) Berhad ("AmBank")*

The Company had made an announcement to Bursa Malaysia on 21 June 2007, that AmBank, the Company, AHSB and GGSB had entered into the Settlement Agreement which envisaged an amicable out-of-court settlement.

Notwithstanding a subsequent extension of time from 13 July 2007 to 31 July 2007, GGSB was not able to procure the completion of the Settlement Agreement by 31 July 2007.

As such and in accordance with the terms of the Settlement Agreement, the proposed settlement was automatically terminated on the expiry of 31 July 2007 and the Federal Court Appeals and GGSB's 2<sup>nd</sup> Suit have since resumed. An announcement to this effect was made to Bursa Malaysia on 31 July 2007.

B12. Dividend

- (a) (i) An interim ordinary dividend of 10 sen per share less 27% Malaysian income tax was declared on 23 May 2007 and paid on 9 August 2007.
- (ii) The previous corresponding period :-  
Interim Dividend : 10 sen per share less 28% Malaysian income tax
- (b) The total dividend for the current financial year is 10 sen per share less 27% Malaysian income tax (2006 : 10 sen per share less 28% Malaysian income tax).

B13. Earnings Per Share

*Basic earnings per share*

The earnings per share is calculated by dividing the net profit for the period attributable to equity holders of the parent by the weighted average number of shares of the Company in issue during the period. Comparative earnings per share has been retrospectively adjusted for the effect of the 1 for 2 Bonus Issue.

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 June		30 June	
	2007	2006	2007	2006
(a) Net profit for the period attributable to equity holders of the parent (RM'000)	<u>148,009</u>	<u>107,846</u>	<u>430,818</u>	<u>353,715</u>
(b) Weighted average number of shares	<u>1,064,965,692</u>	<u>1,064,965,692</u>	<u>1,064,965,692</u>	<u>1,064,965,692</u>
(c) Earnings per share (sen)	<u>13.90</u>	<u>10.13</u>	<u>40.45</u>	<u>33.21</u>

By Order of the Board  
J. C. LIM  
FAN CHEE KUM  
Company Secretaries

22 August 2007