

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

**Condensed Consolidated Income Statement**  
**For the year ended 30 September 2007**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		12 months ended 30 September	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Revenue	1,509,056	1,037,434	5,067,627	3,916,649
Operating expenses	(1,241,241)	(913,638)	(4,289,081)	(3,421,665)
Other operating income	59,155	4,659	112,152	89,725
Finance costs	(12,471)	(5,091)	(36,139)	(14,215)
Share of results of associates	12,572	2,871	31,899	18,060
Profit before taxation	327,071	126,235	886,458	588,554
Tax expense	(54,673)	(42,620)	(172,009)	(148,568)
Net profit for the period	<u>272,398</u>	<u>83,615</u>	<u>714,449</u>	<u>439,986</u>
Attributable to :-				
Equity holders of the Company	263,336	82,515	694,154	436,230
Minority interests	9,062	1,100	20,295	3,756
	<u>272,398</u>	<u>83,615</u>	<u>714,449</u>	<u>439,986</u>
	Sen	Sen	Sen	Sen
Earnings per share - Basic	<u>24.73</u>	<u>7.75</u>	<u>65.18</u>	<u>40.96</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**  
**(15043-V)**  
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**Condensed Consolidated Balance Sheet**

**As at 30 September 2007**

(The figures have not been audited.)

	30 September 2007	30 September 2006
	RM'000	RM'000
Non-current assets		(Restated)
Property, plant and equipment	2,093,208	1,582,213
Investment property	5,188	5,241
Prepaid lease payments	242,809	214,639
Biological assets	1,189,512	1,136,557
Land held for property development	194,735	194,305
Investments in associates	172,455	141,341
Other investments	438,705	449,178
Deferred tax assets	11,634	7,232
Intangible assets	44,789	23,315
Goodwill on consolidation	264,698	101,061
	<u>4,657,733</u>	<u>3,855,082</u>
Current assets		
Inventories	982,655	721,320
Biological assets	3,227	3,414
Trade and other receivables	837,042	602,892
Tax recoverable	15,032	23,621
Property development costs	11,969	25,960
Cash and cash equivalents	495,634	460,471
	<u>2,345,559</u>	<u>1,837,678</u>
Current liabilities		
Trade and other payables	563,777	399,602
Borrowings	492,553	278,390
Obligations under finance leases	-	28
Tax payable	55,322	24,730
	<u>1,111,652</u>	<u>702,750</u>
Net current assets	<u>1,233,907</u>	<u>1,134,928</u>
	<u>5,891,640</u>	<u>4,990,010</u>
Share capital	1,067,505	712,516
Reserves	3,864,995	3,795,820
	<u>4,932,500</u>	<u>4,508,336</u>
Less: Cost of treasury shares	(13,447)	(13,447)
Total equity attributable to equity holders of the Company	<u>4,919,053</u>	<u>4,494,889</u>
Minority interests	176,159	168,795
Total equity	<u>5,095,212</u>	<u>4,663,684</u>
Non-current liabilities		
Deferred tax liabilities	195,218	186,911
Provision for retirement benefits	32,951	40,809
Borrowings	568,259	98,578
Obligations under finance leases	-	28
	<u>796,428</u>	<u>326,326</u>
	<u>5,891,640</u>	<u>4,990,010</u>
Net assets per share attributable to equity holders of the Company (RM)*	4.62	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 year ended 30 September 2007**  
(The figures have not been audited.)

	← Attributable to the equity holders of the Company →										
	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	-	(659)	2,200	3,197	(43,807)	-	(4,373)	-	(43,442)	1,433	(42,009)
Net profit for the year	-	-	-	-	-	-	694,154	-	694,154	20,295	714,449
Dividends paid	-	-	-	-	-	-	(285,055)	-	(285,055)	-	(285,055)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(14,364)	(14,364)
Bonus issue	354,989	(354,989)	-	-	-	-	-	-	-	-	-
Realisation of revaluation reserve on disposal of land	-	-	(317)	-	-	-	317	-	-	-	-
At 30 September 2007	1,067,505	861,807	49,655	29,714	141,309	14,337	2,768,173	(13,447)	4,919,053	176,159	5,095,212
At 1 October 2005	712,516	1,217,892	48,231	26,517	149,377	14,337	2,092,416	(13,447)	4,247,839	145,965	4,393,804
Net (loss)/gain not recognised in the income statement	-	(437)	-	-	35,739	-	438	-	35,740	25,598	61,338
Net profit for the year	-	-	-	-	-	-	436,230	-	436,230	3,756	439,986
Dividends paid	-	-	-	-	-	-	(224,920)	-	(224,920)	-	(224,920)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(6,524)	(6,524)
Realisation of revaluation reserve on disposal of land	-	-	(459)	-	-	-	459	-	-	-	-
At 30 September 2006	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

*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 year ended 30 September 2007**  
(The figures have not been audited.)

	12 months ended	
	30 September	
	2007	2006
	RM'000	RM'000
		(Restated)
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	886,458	588,554
Adjustment for non-cash flow :-		
Non-cash items	42,893	55,137
Non-operating items	(7,180)	(28,759)
Operating profit before working capital changes	922,171	614,932
Working capital changes :-		
Net change in current assets	(274,300)	(155,830)
Net change in current liabilities	(10,600)	32,190
Cash generated from operations	637,271	491,292
Interest paid	(30,202)	(14,530)
Tax paid	(153,315)	(129,163)
Retirement benefit paid	(2,212)	(3,966)
Net cash generated from operating activities	<u>451,542</u>	<u>343,633</u>
<b>Cash Flow from Investing Activities</b>		
Equity investments	(374,486)	(27,732)
Other investments	(422,492)	(350,645)
Net cash used in investing activities	<u>(796,978)</u>	<u>(378,377)</u>
<b>Cash Flow from Financing Activities</b>		
Bank borrowings	673,935	98,143
Dividends paid to shareholders of the Company	(285,055)	(224,920)
Dividends paid to minority shareholders	(14,364)	(6,524)
Issue of shares to minority shareholder	1,752	2,792
Return of capital to minority shareholders	-	(7,450)
Net cash generated from/(used in) financing activities	<u>376,268</u>	<u>(137,959)</u>
Net increase/(decrease) in cash and cash equivalents	30,832	(172,703)
Cash and cash equivalents at 1 October	440,702	615,439
	471,534	442,736
Foreign exchange difference on opening balance	789	(2,034)
Cash and cash equivalents at 30 September	<u>472,323</u>	<u>440,702</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 and revised Financial Reporting Standards ("FRSs") which became effective for financial periods beginning on or after 1 January 2006:-

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

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

FRS 117	<i>Leases</i>
FRS 124	<i>Related Party Disclosures</i>

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

The principal effects of the changes in accounting policies resulting from the adoption of FRS 3, FRS 101, FRS 117 and FRS 140 by the Group are as follows:-

(a) *FRS 3 Business Combinations*

Prior to 1 October 2006, the negative goodwill which represents the excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition was taken up as reserve on consolidation.

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisition, after reassessment, is now recognised immediately in the income statement as and when it arises.

The revised accounting policy has been applied prospectively. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 30 September 2006 of RM58,507,000 was derecognised with a corresponding credit 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 of associates and biological assets.

(i) Disclosure and presentation of minority interests

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and 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 within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the consolidated statement of changes in equity where total recognised income and expenses for the year is disclosed, showing separately the amounts attributable to equity holders of the Company and minority interests.

(ii) Share of results of associates

Prior to 1 October 2006, share of results of associates accounted for using the equity method was disclosed previously as before tax. Upon the adoption of the revised FRS 101, share of results of associates is now disclosed net of tax in the consolidated income statements.

(iii) Biological assets

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

Growing crops and livestock which were previously included under inventories are now disclosed separately as biological assets under current assets in the consolidated balance sheet.

The above changes in presentation have been applied retrospectively. The presentation of the financial statements of the Group for the current year is based on the revised requirements of FRS 101, with comparatives restated to conform with the current year's presentation. These changes in presentation have no financial impact on the financial statements of the Group.

(c) *FRS 117 Leases*

Prior to 1 October 2006, leasehold land held for own use classified as property, plant and equipment, was 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 and classified as prepaid lease payments. 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 reclassification has been accounted for retrospectively. Accordingly, the comparative figures are restated to conform with the current year's presentation. There is no financial impact on the financial statements of the Group.

(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 under non-current assets. The reclassification has been applied retrospectively. In line with the revised requirements of FRS 101, the comparative figure is restated to conform with the current year's presentation. There is no financial impact on the financial statements of the Group.

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

	As	Effect of adoption of new/revised FRSs			As
	previously stated	FRS 101	FRS 117	FRS 140	restated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Condensed Consolidated Income Statement</b>					
Share of results of associates	25,837	(7,777)	-	-	18,060
Profit before taxation	596,331	(7,777)	-	-	588,554
Tax expense	(156,345)	7,777	-	-	(148,568)
<b>Condensed Consolidated Balance Sheet</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2,938,650	(1,136,557)	(214,639)	(5,241)	1,582,213
Investment property	-	-	-	5,241	5,241
Prepaid lease payments	-	-	214,639	-	214,639
Biological assets	-	1,136,557	-	-	1,136,557
<b>Current assets</b>					
Inventories	724,734	(3,414)	-	-	721,320
Biological assets	-	3,414	-	-	3,414
<b>Condensed Consolidated Cash Flow Statement</b>					
Profit before taxation	596,331	(7,777)	-	-	588,554
Non-cash items	47,360	7,777	-	-	55,137

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

	12 months ended 30 September	
	2007	2006
	RM'000	RM'000
Interim 10 sen (2006 - 10 sen) per share less tax	77,742	51,118
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>285,055</u>	<u>224,920</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.



	12 months ended 30 September			
	Revenue		Profit before tax	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
				(Restated)
Plantation	2,319,654	1,861,708	677,611	458,900
Manufacturing	2,056,056	1,248,010	61,624	14,282
Retailing	779,057	768,962	14,354	(12,047)
Property development	63,868	63,664	12,056	23,220
Investment holding	53,528	404,590	43,185	42,974
Others	30,338	34,988	(912)	(141)
	<u>5,302,501</u>	<u>4,381,922</u>	<u>807,918</u>	<u>527,188</u>
Inter-segment elimination	<u>(234,874)</u>	<u>(465,273)</u>	<u>-</u>	<u>-</u>
	<u>5,067,627</u>	<u>3,916,649</u>	<u>807,918</u>	<u>527,188</u>
Corporate			<u>82,780</u>	<u>57,521</u>
			<u>890,698</u>	<u>584,709</u>
Finance costs			<u>(36,139)</u>	<u>(14,215)</u>
Share of results of associates			<u>31,899</u>	<u>18,060</u>
			<u>886,458</u>	<u>588,554</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. Events subsequent to Balance Sheet Date

- (a) On 3 October 2007, the Company had completed the acquisition of Golden Complex Sdn Bhd ("GCSB") via a subscription of 199,998 ordinary shares of RM1.00 each at par value in the capital of GCSB, which represents 99.99% of its enlarged issued and paid-up share capital.

GCSB, an investment holding company, has a 92% shareholding in PT Malindomas Perkebunan which holds a Certificate of *Izin Lokasi* for 8,266 hectares of plantation land in Berau, East Kalimantan, Indonesia.

- (b) The Company had on 15 November 2007 entered into a conditional equity purchase agreement ("EPA") with Shanghai Jinwei Chemical Company Limited and Shanghai Shenzhen Enterprise Development Company Limited to acquire from them, 95% and 5% respectively of the entire registered capital of Shanghai Jinshan Jinwei Chemical Company Limited ("SJJC") for a total cash consideration of Rmb25,947,270 only (hereinafter referred to as "the Acquisition").

SJJC specializes in the manufacturing of fatty amines, cationic surfactants, and auxiliary materials for cosmetic, detergent, tobacco, etc. industries.

The Acquisition is subject to the fulfillment of certain conditions precedent within 4 months of the date of the EPA. Amongst these are:-

- (i) the approval of Bank Negara Malaysia for the remittance of the Purchase Price;
- (ii) the review and approval of the relevant People's Republic of China Authorities for the (a) transactions contemplated under the EPA (b) transformation of SJJC into a wholly-owned foreign enterprise (c) new Articles of Association of SJJC; and

(iii) the completion of due diligence studies (whether technical, commercial, legal or financial) on SJJC to the satisfaction of the Company.

A11. Changes in the Composition of the Group

A subsidiary, Palm-Oleo Sdn Bhd, had on 28 September 2007 completed the acquisition of the entire issued capital of Uniqema (Malaysia) Sdn Bhd ("Uniqema Malaysia") for a total cash consideration of RM67,671,400 and Uniqema Malaysia is now a wholly-owned subsidiary. Uniqema Malaysia has a plant which produces fatty acids, glycerine, fatty acid esters and soap noodles.

The acquisition did not have any effect on the net assets and earnings of the Group for the financial year ended 30 September 2007.

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

The Group's pre-tax profit for the 4<sup>th</sup> quarter rose significantly by 159.1% to RM327.1 million compared to the same quarter a year ago. Plantation sector, benefitting from favourable palm product prices and higher FFB production, contributed substantially to the strong performance. Manufacturing and retailing sectors' results also improved.

For the year ended 30 September 2007, the Group registered a sharp rise of 50.6% in the profit before taxation to RM886.5 million from that achieved last year. The bulk of the increase came from plantation profits attributed to higher palm product prices despite higher production cost. Manufacturing and retailing sectors had also contributed favourably to the Group's results.

B2. Variation of Results to Preceding Quarter

For the current quarter under review, the Group's pre-tax profit of RM327.1 million was 68.9% above that of the previous quarter due to higher plantation profits, non-recurring income arising from reserve on consolidation and the write-back of allowance for diminution in value of an associate. The improved plantation profits was achieved through better palm product prices as well as from higher FFB and rubber production.

B3. Current Year Prospects

The Directors are of the opinion that the Group's profit for the current financial year ending 30 September 2008 would be higher than that of the previous year. This is anticipated from prevailing buoyant commodity prices and further improvements in the 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 September		12 months ended 30 September	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Current tax expense		(Restated)		(Restated)
Malaysian taxation	34,028	22,695	131,051	99,385
Overseas taxation	24,968	11,272	64,349	30,166
	<u>58,996</u>	<u>33,967</u>	<u>195,400</u>	<u>129,551</u>
Deferred tax				
Relating to origination of temporary differences	(4,804)	4,949	(17,512)	15,485
Relating to changes in tax rate	(334)	-	(5,129)	-
	<u>(5,138)</u>	<u>4,949</u>	<u>(22,641)</u>	<u>15,485</u>
	<u>53,858</u>	<u>38,916</u>	<u>172,759</u>	<u>145,036</u>
(Over)/Under provision in respect of previous years				
Malaysian taxation	(121)	4,460	(1,231)	4,174
Overseas taxation	936	(756)	481	(642)
	<u>815</u>	<u>3,704</u>	<u>(750)</u>	<u>3,532</u>
	<u>54,673</u>	<u>42,620</u>	<u>172,009</u>	<u>148,568</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 year ended 30 September 2007 (30 September 2006 : Nil).

(b) Sale of properties

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		12 months ended 30 September	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
(Deficit)/Surplus arising from government acquisitions of land	<u>(414)</u>	<u>-</u>	<u>22,885</u>	<u>50,652</u>
Surplus on sale of property	<u>-</u>	<u>22</u>	<u>-</u>	<u>2,029</u>

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 30 September		12 months ended 30 September	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Purchases of quoted securities	<u>10,716</u>	<u>4,792</u>	<u>26,851</u>	<u>13,194</u>
Sales proceeds of quoted securities	<u>1,823</u>	<u>7,004</u>	<u>60,563</u>	<u>50,154</u>
Surplus on sales of quoted securities	<u>879</u>	<u>5,114</u>	<u>26,078</u>	<u>23,905</u>

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

	30 September 2007	30 September 2006
	RM'000	RM'000
At cost		
Associate	37,466	39,725
Other investments	<u>438,001</u>	<u>448,443</u>
	<u>475,467</u>	<u>488,168</u>
At carrying value less allowance		
Associate	28,045	14,243
Other investments	<u>437,984</u>	<u>448,443</u>
	<u>466,029</u>	<u>462,686</u>
At market value		
Associate	28,126	6,837
Other investments	<u>634,490</u>	<u>561,867</u>
	<u>662,616</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 September 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				
	781	GBP112	4,228	GBP612
	79	CAD23	970	CAD293
	2,209	HKD5,040	4,735	HKD10,000
	5,907	Rmb13,000	6,072	Rmb13,000
	<u>8,976</u>		<u>16,005</u>	
- Unsecured				
	117,159	USD34,340	85,098	USD23,059
	56,727	GBP8,132	56,235	GBP8,141
	4,501	HKD10,268	3,689	HKD7,788
	5,297	AUD1,750	5,236	AUD1,900
	27,264	Rmb60,000	38,069	Rmb81,500
	<u>210,948</u>		<u>188,327</u>	
	<u>219,924</u>		<u>204,332</u>	
(ii) Bank Overdraft				
- Secured				
	1,465	HKD3,342	1,430	HKD3,020
	-		2,348	CAD709
	<u>1,465</u>		<u>3,778</u>	
- Unsecured				
	9,843	USD2,889	10,383	USD2,815
	8,249	GBP1,183	2,592	GBP375
	3,754	HKD8,565	3,016	HKD6,370
	<u>21,846</u>		<u>15,991</u>	
	<u>23,311</u>		<u>19,769</u>	
(iii) Short Term Borrowings				
- Secured				
	822	Euro169	-	
- Unsecured				
	19,803	USD5,793	16,609	USD4,500
	17,570	CHF6,000	-	
	4,864	Euro1,000	-	
	15,904	Rmb35,000	-	
	190,355		37,680	
	<u>248,496</u>		<u>54,289</u>	
	<u>249,318</u>		<u>54,289</u>	
Total repayable within 12 months	<u>492,553</u>		<u>278,390</u>	

	30 September 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	195	GBP28	3,730	GBP540
- Unsecured	268,064	USD78,635	94,848	USD25,675
	<u>268,259</u>		<u>98,578</u>	
Islamic Medium Term Notes				
- Unsecured	300,000		-	
Total repayable after 12 months	<u>568,259</u>		<u>98,578</u>	

B10. Financial Instruments with Off Balance Sheet Risk

The forward exchange contracts entered into by the Group as at 13 November 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	In the Second to Fifth Year RM million
(a) Sale contracts	GBP	13.5	93.2	93.2	-
	AUD	2.3	6.8	6.8	-
	NZD	1.0	2.5	2.5	-
	EURO	13.2	63.2	63.2	-
	USD	218.3	746.1	746.1	-
	YEN	82.7	2.4	2.4	-
(b) Purchase contracts	USD	<u>10.3</u>	<u>35.3</u>	<u>29.5</u>	<u>5.8</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 22 May 2008 and 5 February 2008 respectively.

## B12. Dividend

- (a) A final dividend of 40 sen per share less 26% Malaysian income tax has been recommended by the Directors in respect of the financial year ended 30 September 2007 (year ended 30 September 2006 : final dividend of 10 sen per share less 27% Malaysian income tax and special dividend of 30 sen per share less 27% Malaysian income tax) and subject to approval at the forthcoming Annual General Meeting, will be paid on 17 March 2008 to shareholders registered on the Company's Register as at 21 February 2008.

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

- (i) Shares deposited into the Depositor's securities account before 12.30 p.m. on 19 February 2008 in respect of shares which are exempted from mandatory deposit;
  - (ii) Shares transferred into the Depositor's securities account before 4.00 p.m. on 21 February 2008 in respect of transfers; and
  - (iii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.
- (b) The total dividend for the current financial year is 10 sen per share less 27% Malaysian income tax and 40 sen per share less 26% Malaysian income tax (2006 : 10 sen per share less 28% Malaysian income tax and 40 sen per share less 27% 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 Company 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		12 months ended	
	30 September		30 September	
	2007	2006	2007	2006
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	263,336	82,515	694,154	436,230
(b) Weighted average number of shares	1,064,965,692	1,064,965,692	1,064,965,692	1,064,965,692
(c) Earnings per share (sen)	24.73	7.75	65.18	40.96

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

20 November 2007