

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

Condensed Consolidated Income Statement
For the third quarter ended 30 June 2008

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 June		30 June	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Revenue	2,029,069	1,351,719	5,704,129	3,558,571
Operating expenses	(1,768,445)	(1,174,449)	(4,791,645)	(3,047,840)
Other operating income	108,493	20,194	181,842	52,997
Finance costs	(15,058)	(11,772)	(46,211)	(23,668)
Share of results of associates	10,151	8,006	28,970	19,327
Profit before taxation	364,210	193,698	1,077,085	559,387
Tax expense	(101,945)	(36,143)	(260,753)	(117,336)
Net profit for the period	<u>262,265</u>	<u>157,555</u>	<u>816,332</u>	<u>442,051</u>
Attributable to :-				
Equity holders of the Company	245,360	148,009	773,151	430,818
Minority interests	16,905	9,546	43,181	11,233
	<u>262,265</u>	<u>157,555</u>	<u>816,332</u>	<u>442,051</u>
	Sen	Sen	Sen	Sen
Earnings per share - Basic	<u>23.04</u>	<u>13.90</u>	<u>72.60</u>	<u>40.45</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 2007.

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

Condensed Consolidated Balance Sheet
As at 30 June 2008

(The figures have not been audited.)

	30 June 2008	30 September 2007
	<u>RM'000</u>	<u>RM'000</u>
Assets		
Property, plant and equipment	2,283,433	2,093,208
Investment properties	5,150	5,188
Prepaid lease payments	343,288	242,809
Biological assets	1,395,739	1,189,512
Land held for property development	195,378	194,735
Goodwill on consolidation	251,453	264,698
Intangible assets	39,520	44,789
Investments in associates	250,417	172,455
Other investments	290,072	438,705
Deferred tax assets	10,008	11,634
Total non-current assets	<u>5,064,458</u>	<u>4,657,733</u>
Inventories	1,357,904	982,655
Biological assets	2,682	3,227
Trade and other receivables	891,420	837,042
Tax recoverable	6,770	15,032
Property development costs	28,178	11,969
Cash and cash equivalents	1,043,097	495,634
Total current assets	<u>3,330,051</u>	<u>2,345,559</u>
Total assets	<u>8,394,509</u>	<u>7,003,292</u>
Equity		
Share capital	1,067,505	1,067,505
Reserves	4,184,153	3,864,995
	<u>5,251,658</u>	<u>4,932,500</u>
Less: Cost of treasury shares	(13,447)	(13,447)
Total equity attributable to equity holders of the Company	<u>5,238,211</u>	<u>4,919,053</u>
Minority interests	331,682	176,159
Total equity	<u>5,569,893</u>	<u>5,095,212</u>
Liabilities		
Deferred tax liabilities	223,975	195,218
Provision for retirement benefits	33,425	32,951
Borrowings	893,533	566,893
Total non-current liabilities	<u>1,150,933</u>	<u>795,062</u>
Trade and other payables	707,549	563,777
Borrowings	685,932	493,919
Tax payable	161,991	55,322
Dividend payable	118,211	-
Total current liabilities	<u>1,673,683</u>	<u>1,113,018</u>
Total liabilities	<u>2,824,616</u>	<u>1,908,080</u>
Total equity and liabilities	<u>8,394,509</u>	<u>7,003,292</u>
Net assets per share attributable to equity holders of the Company (RM)	4.92	4.62

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 September 2007.

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

Condensed Consolidated Statement of Changes in Equity
For the third quarter ended 30 June 2008
(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	Retained earnings	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
At 1 October 2007	1,067,505	876,144	49,655	29,714	141,309	2,768,173	(13,447)	4,919,053	176,159	5,095,212
Net (loss)/gain not recognised in the income statement	-	(51)	104	999	(21,147)	(457)	-	(20,552)	123,669	103,117
Net profit for the period	-	-	-	-	-	773,151	-	773,151	43,181	816,332
Dividends paid	-	-	-	-	-	(315,230)	-	(315,230)	-	(315,230)
Dividend payable	-	-	-	-	-	(118,211)	-	(118,211)	-	(118,211)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(11,327)	(11,327)
Transfer to retained earnings on disposal of subsidiaries	-	-	-	(3,000)	-	3,000	-	-	-	-
At 30 June 2008	1,067,505	876,093	49,759	27,713	120,162	3,110,426	(13,447)	5,238,211	331,682	5,569,893
At 1 October 2006	712,516	1,231,792	47,772	26,517	185,116	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	876,165	49,655	29,714	138,895	2,505,238	(13,447)	4,653,725	177,172	4,830,897

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2007.

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

Condensed Consolidated Cash Flow Statement
For the third quarter ended 30 June 2008
(The figures have not been audited.)

	9 months ended	
	30 June	
	2008	2007
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	1,077,085	559,387
Adjustment for non-cash flow :-		
Non-cash items	165,583	52,122
Non-operating items	(487)	(3,221)
Operating profit before working capital changes	1,242,181	608,288
Working capital changes :-		
Net change in current assets	(637,757)	(52,386)
Net change in current liabilities	104,110	(48,014)
Cash generated from operations	708,534	507,888
Interest paid	(45,309)	(21,771)
Tax paid	(164,770)	(94,524)
Retirement benefit paid	(1,848)	(2,727)
Net cash generated from operating activities	<u>496,607</u>	<u>388,866</u>
Cash Flow from Investing Activities		
Equity investments	(70,081)	(327,062)
Other investments	(211,872)	(292,226)
Net cash used in investing activities	<u>(281,953)</u>	<u>(619,288)</u>
Cash Flow from Financing Activities		
Bank borrowings	666,999	523,057
Dividends paid to shareholders of the Company	(315,230)	(207,313)
Dividends paid to minority shareholders	(11,327)	(4,558)
Issue of shares to minority shareholder	3,747	1,789
Return of capital to minority shareholders	(6,721)	-
Net cash generated from financing activities	<u>337,468</u>	<u>312,975</u>
Net increase in cash and cash equivalents	552,122	82,553
Cash and cash equivalents at 1 October	472,323	440,702
	1,024,445	523,255
Foreign exchange difference on opening balance	(2,209)	211
Cash and cash equivalents at 30 June	<u>1,022,236</u>	<u>523,466</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 September 2007.

KUALA LUMPUR KEPONG BERHAD
(15043-V)
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Notes to Interim Financial Report

A Explanatory Notes as required by FRS 134

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standard ("FRS") 134 *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board 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 2007, except for the adoption of the following FRSs, Amendments to FRS and Issue Committee ("IC") Interpretations which became effective for financial periods beginning on or after 1 July 2007:-

Amendment to FRS 121 *The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation*

IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*

IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*

IC Interpretation 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*

IC Interpretation 6 *Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*

IC Interpretation 7 *Applying the Restatement Approach under FRS 129₂₀₀₄ Financial Reporting in Hyperinflationary Economies*

IC Interpretation 8 *Scope of FRS 2*

FRS 107 *Cash Flow Statements*

FRS 111 *Construction Contracts*

FRS 112 *Income Taxes*

FRS 118 *Revenue*

FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*

FRS 134 *Interim Financial Reporting*

FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*

The adoption of the above FRSs, Amendments to FRS and IC Interpretations does not have any significant financial impact on the Group.

A2. 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.

A3. 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.

A4. 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.

A5. 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 current financial year to-date.

A6. Dividends Paid

	9 months ended 30 June	
	2008	2007
	RM'000	RM'000
Dividends proposed in Year 2007, paid in Year 2008 :-		
Final 40 sen (2006 - 10 sen) per share less tax	315,230	51,828
Special Nil sen (2006 - 30 sen) per share less tax	-	155,485
	<u>315,230</u>	<u>207,313</u>

Dividends are paid on the number of outstanding shares in issue and fully paid of 1,064,965,692 (2007 : 709,977,128).

A7. 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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Plantation	3,007,896	1,576,714	940,396	431,349
Manufacturing	2,446,760	1,386,098	95,341	39,740
Retailing	562,105	610,341	14,833	11,898
Property development	20,560	50,537	6,339	12,499
Investment holding	54,052	33,241	46,699	26,890
Others	49,958	22,314	(1,929)	(582)
	<u>6,141,331</u>	<u>3,679,245</u>	<u>1,101,679</u>	<u>521,794</u>
Inter-segment elimination	<u>(437,202)</u>	<u>(120,674)</u>	-	-
	<u>5,704,129</u>	<u>3,558,571</u>	<u>1,101,679</u>	<u>521,794</u>
Corporate			<u>(7,353)</u>	<u>41,934</u>
			<u>1,094,326</u>	<u>563,728</u>
Finance costs			<u>(46,211)</u>	<u>(23,668)</u>
Share of results of associates			<u>28,970</u>	<u>19,327</u>
			<u>1,077,085</u>	<u>559,387</u>

- A8. Event subsequent to Balance Sheet Date
Sri Kunak Plantation Sdn Bhd ("Sri Kunak") (In Members' Voluntary Winding-Up), a wholly-owned subsidiary of the Company, has on 10 June 2008 lodged the Return By Liquidator Relating To Final Meeting with the Companies Commission of Malaysia. Arising from this, Sri Kunak will cease as a subsidiary of the Company three months thereafter, i.e. on 10 September 2008.
- A9. Changes in the Composition of the Group
- (a) Windham Toiletries Limited ("Windham"), an inactive wholly-owned subsidiary of CE Holdings Ltd, has applied to the Companies House, London, United Kingdom to strike off its name from the register of the Companies. The striking-off process has been completed and Windham ceased as a subsidiary of the Group.
- (b) The Company has on 30 June 2008 completed the acquisition of the entire equity interest in Shanghai Jinshan Jinwei Chemical Company Limited ("SJJC") and SJJC is now a subsidiary of the Company.
- A10. 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 3rd quarter's pre-tax profit rose 88.0% to RM364.2 million when compared to the same quarter of last year. Plantations profit was significantly higher due to strong commodity prices and higher FFB yield. Manufacturing sector continued to perform well. A RM86.5 million surplus arising from the disposal of a 60% shareholding in KL-Kepong Cocoa Products Sdn Bhd ("KLKCP"), a cocoa products manufacturing subsidiary, was recorded in the current quarter. However, this quarter's performance was negatively impacted by a total sum of RM127.1 million which consisted of RM74.1 million impairments on the assets and goodwill of Davos Life Science Pte Ltd ("Davos"), a subsidiary, and RM53.0 million additional allowance made for the diminution in value of an overseas quoted investment, Yule Catto & Co plc ("Yule Catto").

For the 9 months period under review, the Group recorded a sharp 92.5% rise in its pre-tax profit to RM1.08 billion compared to the preceding year's same period. The bulk of the profit improvement came from plantations sector which benefitted from favourable commodity prices as well as the increase in FFB crop. Higher earnings from the manufacturing sector together with the RM86.5 million surplus on disposal of KLKCP also contributed to the improved performance for the current period. However, the results was affected by the assets and goodwill impairments of Davos totalling RM74.1 million and the total allowance of RM96.0 million for the diminution in value of Yule Catto shares.

B2. Variation of Results to Preceding Quarter

The Group's profit before taxation for the current quarter rose 7.0% to RM364.2 million compared to the previous quarter. Results of the plantations sector was almost flat whilst the performance of the manufacturing sector was affected by the assets and goodwill impairments of Davos. The surplus on disposal of KLKCP contributed to the higher earnings for the current period.

B3. Current Year Prospects

In view of the strong performance from the plantations sector as a result of higher commodity prices and FFB crop, and the increase in manufacturing sector's profits, the Directors are of the opinion that the Group's profit for the current financial year would be significantly higher than last year's.

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		9 months ended	
	30 June		30 June	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian taxation	64,661	35,828	181,704	97,023
Overseas taxation	33,515	15,848	89,973	39,381
	<u>98,176</u>	<u>51,676</u>	<u>271,677</u>	<u>136,404</u>
Deferred tax				
Relating to origination of temporary differences	3,638	(13,548)	(3,306)	(12,708)
Relating to changes in tax rate	(74)	(216)	(10,595)	(4,795)
	<u>3,564</u>	<u>(13,764)</u>	<u>(13,901)</u>	<u>(17,503)</u>
	101,740	37,912	257,776	118,901
Under/(Over) provision in respect of previous years				
Malaysian taxation	149	(1,109)	111	(1,110)
Overseas taxation	56	(660)	2,866	(455)
	<u>205</u>	<u>(1,769)</u>	<u>2,977</u>	<u>(1,565)</u>
	<u>101,945</u>	<u>36,143</u>	<u>260,753</u>	<u>117,336</u>

The effective tax rate for the current quarter is higher than the statutory tax rate mainly due to non tax deductible expenses which largely consisted of allowance for diminution in value of an overseas quoted investment and impairment of assets and goodwill of a subsidiary.

The effective tax rate for the financial year to-date is lower than the statutory tax rate largely due to recognition of deferred tax assets not taken up previously, tax incentives claimed by the Company and certain subsidiaries and adjustments for the reduction in tax rates on deferred taxation.

B6. Sale of Unquoted Investments and Properties

(a) There were no material disposals of unquoted investments during the financial year ended 30 June 2008 (30 June 2007 : Nil).

(b) Sale of properties

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		9 months ended	
	30 June		30 June	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Surplus arising from government acquisition of land	<u>1,227</u>	<u>-</u>	<u>2,524</u>	<u>23,299</u>
Surplus on sale of property	<u>33</u>	<u>-</u>	<u>7,427</u>	<u>-</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 :-

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		9 months ended	
	30 June		30 June	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Purchases of quoted securities	<u>15,216</u>	<u>432</u>	<u>22,995</u>	<u>16,135</u>
Sales proceeds of quoted securities	<u>30,719</u>	<u>25,525</u>	<u>53,503</u>	<u>58,740</u>
Surplus on sales of quoted securities	<u>16,745</u>	<u>12,770</u>	<u>30,135</u>	<u>25,199</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
	2008	2007
	RM'000	RM'000
At cost		
Associate	36,281	37,466
Other investments	<u>385,149</u>	<u>438,001</u>
	<u>421,430</u>	<u>475,467</u>
At carrying value less allowance		
Associate	25,693	28,045
Other investments	<u>289,132</u>	<u>437,984</u>
	<u>314,825</u>	<u>466,029</u>
At market value		
Associate	16,221	28,126
Other investments	<u>310,601</u>	<u>634,490</u>
	<u>326,822</u>	<u>662,616</u>

B8. Status of Corporate Proposals Announced

- (a) The Company has proposed to issue up to USD300 million nominal value of 5-year unsecured guaranteed exchangeable bonds ("Exchangeable Bonds") via KLK Capital Resources (L) Ltd, a wholly-owned subsidiary incorporated in the Federal Territory of Labuan. The Exchangeable Bonds may be exchangeable into new ordinary shares of RM1.00 each in the Company.

Approvals have been obtained from the relevant authorities.

As at the date of this report, the Company has yet to issue the Exchangeable Bonds.

- (b) The Offer Document in relation to the Company/Ablington Holdings Sdn Bhd's ("AHSB"), mandatory offer to acquire Ladang Perbadanan-Fima Berhad ("LPF") ("the Offer") was dispatched on 8 May 2008.

The Offer closed on 7 July 2008 ("Closing Date") with AHSB and connected persons holding approximately 97.59% of the issued and paid-up share capital of LPF. Thereafter, AHSB invoked the provisions of Section 34 of the Securities Commission Act 1993 to compulsorily acquire any remaining LPF Shares for which acceptances had not been received under the Offer.

The notice to compulsorily acquire the remaining LPF Shares was dispatched to dissenting shareholders of LPF on 22 July 2008 and it is anticipated that the compulsory acquisition exercise will be completed by 29 August 2008 or thereabouts.

In the meantime, trading in LPF Shares was suspended with effect from 9.00 a.m., 16 July 2008, and the shares of LPF were removed from the Official List of Bursa Securities with effect from 9.00 a.m., 8 August 2008.

B9. Group Borrowings

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

	30 June 2008		30 September 2007	
	RM'000	Amount in Foreign Currency '000	RM'000	Amount in Foreign Currency '000
(a) Repayable within 12 months :-				
(i) Term Loans				
- Secured	365	GBP56	781	GBP112
	-		5,907	Rmb13,000
	-		79	CAD23
	-		2,209	HKD5,040
	<u>365</u>		<u>8,976</u>	
- Unsecured	94,273	USD28,920	118,525	USD34,740
	28,172	GBP4,332	56,727	GBP8,132
	30,914	Rmb65,000	43,168	Rmb95,000
	-		4,501	HKD10,268
	-		5,297	AUD1,750
	<u>153,359</u>		<u>228,218</u>	
	<u>153,724</u>		<u>237,194</u>	
(ii) Bank Overdraft				
- Secured	-		1,465	HKD3,342
- Unsecured	9,626	USD2,954	9,843	USD2,889
	6,271	GBP964	8,249	GBP1,183
	3,846	HKD9,206	3,754	HKD8,565
	1,118		-	
	<u>20,861</u>		<u>21,846</u>	
	<u>20,861</u>		<u>23,311</u>	

	30 June 2008		30 September 2007	
	RM'000	Amount in	RM'000	Amount in
		Foreign Currency		Foreign Currency
	'000	'000	'000	'000
(iii) Short Term Borrowings				
- Secured	19,207	CHF6,000	17,570	CHF6,000
	20,834	EURO4,045	5,686	EURO1,169
	<u>40,041</u>		<u>23,256</u>	
- Unsecured	68,426	USD21,000	19,803	USD5,793
	402,880		190,355	
	<u>471,306</u>		<u>210,158</u>	
	<u>511,347</u>		<u>233,414</u>	
Total repayable within 12 months	<u>685,932</u>		<u>493,919</u>	
(b) Repayable after 12 months :-				
(i) Term Loans				
- Secured	10,301	EURO2,000	-	
	6,183	Rmb13,000	-	
	-		195	GBP28
	<u>16,484</u>		<u>195</u>	
- Unsecured	231,791	USD71,000	266,698	USD78,235
	145,258		-	
	<u>377,049</u>		<u>266,698</u>	
	<u>393,533</u>		<u>266,893</u>	
(ii) Islamic Medium Term Notes				
- Unsecured	500,000		300,000	
Total repayable after 12 months	<u>893,533</u>		<u>566,893</u>	

B10. Financial Instruments with Off Balance Sheet Risk

- (a) The forward exchange contracts entered into by the Group as at 12 August 2008 (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
Sale contracts	GBP	0.2	1.3	1.3
	EURO	13.6	68.2	68.2
	USD	412.3	1,337.0	1,337.0
	YEN	<u>13.4</u>	<u>0.4</u>	<u>0.4</u>
Purchase contracts	USD	<u>5.8</u>	<u>17.7</u>	<u>17.7</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.

- (b) The commodity future contracts entered into by the Group as at 12 August 2008 (being a date not earlier than 7 days from the date of this report) were as follows :-

	<u>Contracted Amount</u> RM million	<u>Mature within One Year</u> RM million
Sale contracts	<u>140.6</u>	<u>140.6</u>

These commodity contracts were entered into with the objective of managing and hedging the Group's exposure to the adverse price movements in the vegetable oil commodities.

The credit risk for the commodity future contracts is minimal as these contracts were entered into with brokers of commodity exchanges. Any gains or losses arising from these contracts are deferred until the date of such transactions at which time they are included in the measurement of such transactions.

- (c) KL-Kepong Industrial Holdings Sdn Bhd ("KLKIH") and Barry Callebaut ("BC") had on 31 March 2008 entered into a Joint Venture Agreement which stipulates the manner in which KL-Kepong Cocoa Products Sdn Bhd ("KLKCP") shall be managed and the way in which KLKIH and BC shall exercise their rights as shareholders of KLKCP.

Under the Joint Venture Agreement :-

- (i) KLKIH may exercise a put option to require BC to acquire the remaining 40% shares in KLKCP held by KLKIH including the working capital of KLKCP of approximately RM123.8 million; and
- (ii) BC may also exercise a call option to require KLKIH to sell the remaining 40% shares in KLKCP held by KLKIH based on the value of 9 times of the audited average EBITDA of the 3 financial years prior to the exercise of the Call Option plus cash minus all interest bearing debts at that point of time.

Both the put option and call option may be exercised by KLKIH and BC respectively between the second anniversary and the fifth anniversary starting from 30 April 2008.

B11. Material Litigation

There was no pending material litigation as at the date of this report.

B12. Dividend

- (a) An interim dividend of 15 sen per share less 26% Malaysian income tax (year ended 30 September 2007 : 10 sen per share less 27% Malaysian income tax) was declared on 21 May 2008 and was paid on 8 August 2008.
- (b) The total dividend for the current financial year is 15 sen per share less 26% Malaysian income tax (2007 : 10 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.

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 June		30 June	
	2008	2007	2008	2007
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	<u>245,360</u>	<u>148,009</u>	<u>773,151</u>	<u>430,818</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>23.04</u>	<u>13.90</u>	<u>72.60</u>	<u>40.45</u>

B14. Audit Report

The audit report for the financial year ended 30 September 2007 was not subject to any qualifications.

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

18 August 2008