

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

Condensed Consolidated Income Statement
For the second quarter ended 31 March 2009

(The figures have not been audited.)

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------------|--------------------|----------------|--------------------|----------------|
| | 3 months ended | | 6 months ended | |
| | 31 March | | 31 March | |
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 1,438,560 | 1,895,549 | 3,321,442 | 3,675,060 |
| Operating expenses | (1,275,326) | (1,576,162) | (3,056,911) | (3,023,200) |
| Other operating income | 1,858 | 24,753 | 56,217 | 73,349 |
| Finance costs | (17,053) | (15,594) | (35,863) | (31,153) |
| Share of results of associates | 10,069 | 11,713 | 20,317 | 18,819 |
| Profit before taxation | 158,108 | 340,259 | 305,202 | 712,875 |
| Tax expense | (41,473) | (89,560) | (119,072) | (158,808) |
| Net profit for the period | <u>116,635</u> | <u>250,699</u> | <u>186,130</u> | <u>554,067</u> |
| Attributable to :- | | | | |
| Equity holders of the Company | 112,681 | 236,655 | 178,526 | 527,791 |
| Minority interests | 3,954 | 14,044 | 7,604 | 26,276 |
| | <u>116,635</u> | <u>250,699</u> | <u>186,130</u> | <u>554,067</u> |
| | Sen | Sen | Sen | Sen |
| Earnings per share - Basic | <u>10.58</u> | <u>22.22</u> | <u>16.76</u> | <u>49.56</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 2008.

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

Condensed Consolidated Balance Sheet
As at 31 March 2009
(The figures have not been audited.)

| | 31 March 2009 | 30 September 2008 |
|---|------------------|----------------------|
| | RM'000 | RM'000 |
| Assets | | |
| Property, plant and equipment | 2,393,275 | 2,372,018 |
| Investment properties | 5,112 | 5,137 |
| Prepaid lease payments | 344,257 | 347,725 |
| Biological assets | 1,411,137 | 1,426,545 |
| Land held for property development | 195,332 | 195,378 |
| Goodwill on consolidation | 285,786 | 255,940 |
| Intangible assets | 33,649 | 37,656 |
| Investments in associates | 211,794 | 258,495 |
| Other investments | 133,448 | 288,770 |
| Deferred tax assets | 7,568 | 6,888 |
| Total non-current assets | 5,021,358 | 5,194,552 |
| Inventories | 927,491 | 1,219,972 |
| Biological assets | 1,470 | 3,647 |
| Trade and other receivables | 824,362 | 902,461 |
| Tax recoverable | 23,457 | 7,462 |
| Property development costs | 16,098 | 22,445 |
| Cash and cash equivalents | 1,338,499 | 1,159,705 |
| Total current assets | 3,131,377 | 3,315,692 |
| Total assets | 8,152,735 | 8,510,244 |
| Equity | | |
| Share capital | 1,067,505 | 1,067,505 |
| Reserves | 4,077,813 | 4,483,036 |
| | 5,145,318 | 5,550,541 |
| Less: Cost of treasury shares | (13,447) | (13,447) |
| Total equity attributable to equity holders of the Company | 5,131,871 | 5,537,094 |
| Minority interests | 265,369 | 202,913 |
| Total equity | 5,397,240 | 5,740,007 |
| Liabilities | | |
| Deferred tax liabilities | 223,692 | 220,278 |
| Provision for retirement benefits | 26,279 | 27,136 |
| Borrowings | 1,027,301 | 920,844 |
| Total non-current liabilities | 1,277,272 | 1,168,258 |
| Trade and other payables | 555,283 | 657,279 |
| Borrowings | 887,197 | 858,991 |
| Tax payable | 35,743 | 85,709 |
| Total current liabilities | 1,478,223 | 1,601,979 |
| Total liabilities | 2,755,495 | 2,770,237 |
| Total equity and liabilities | 8,152,735 | 8,510,244 |
| Net assets per share attributable to equity holders of the Company (RM) | 4.82 | 5.20 |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 September 2008.

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

Condensed Consolidated Statement of Changes in Equity
For the second quarter ended 31 March 2009
(The figures have not been audited.)

| | ← Attributable to the equity holders of the Company → | | | | | | | | | |
|---|---|------------------------------|----------------------------------|--|--|--------------------------------|------------------------------|------------------|---------------------------------|---------------------------|
| | Share capital RM'000 | Capital reserve RM'000 | Revaluation reserve RM'000 | Capital redemption reserve RM'000 | Exchange fluctuation reserve RM'000 | Retained earnings RM'000 | Treasury shares RM'000 | Total RM'000 | Minority Interests RM'000 | Total Equity RM'000 |
| At 1 October 2008 | 1,067,505 | 875,952 | 49,759 | 27,714 | 151,628 | 3,377,983 | (13,447) | 5,537,094 | 202,913 | 5,740,007 |
| Net gain/(loss) not recognised in the income statement | - | 83 | - | 2 | (117,827) | (85) | - | (117,827) | 57,204 | (60,623) |
| Net profit for the period | - | - | - | - | - | 178,526 | - | 178,526 | 7,604 | 186,130 |
| Dividend paid | - | - | - | - | - | (465,922) | - | (465,922) | - | (465,922) |
| Dividend paid to minority shareholders | - | - | - | - | - | - | - | - | (2,352) | (2,352) |
| At 31 March 2009 | <u>1,067,505</u> | <u>876,035</u> | <u>49,759</u> | <u>27,716</u> | <u>33,801</u> | <u>3,090,502</u> | <u>(13,447)</u> | <u>5,131,871</u> | <u>265,369</u> | <u>5,397,240</u> |
| 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 | - | (82) | 104 | 998 | (67,783) | (720) | - | (67,483) | (1,663) | (69,146) |
| Net profit for the period | - | - | - | - | - | 527,791 | - | 527,791 | 26,276 | 554,067 |
| Dividend paid | - | - | - | - | - | (315,230) | - | (315,230) | - | (315,230) |
| Dividend paid to minority shareholders | - | - | - | - | - | - | - | - | (11,327) | (11,327) |
| At 31 March 2008 | <u>1,067,505</u> | <u>876,062</u> | <u>49,759</u> | <u>30,712</u> | <u>73,526</u> | <u>2,980,014</u> | <u>(13,447)</u> | <u>5,064,131</u> | <u>189,445</u> | <u>5,253,576</u> |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2008.

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

Condensed Consolidated Cash Flow Statement
For the second quarter ended 31 March 2009
(The figures have not been audited.)

| | 6 months ended | |
|--|------------------|------------------|
| | 31 March | |
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Cash Flows from Operating Activities | | |
| Profit before taxation | 305,202 | 712,875 |
| Adjustment for non-cash flow :- | | |
| Non-cash items | 238,500 | 105,909 |
| Non-operating items | 15,502 | 17,425 |
| Operating profit before working capital changes | 559,204 | 836,209 |
| Working capital changes :- | | |
| Net change in current assets | 427,308 | (461,861) |
| Net change in current liabilities | (116,513) | 35,883 |
| Cash generated from operations | 869,999 | 410,231 |
| Interest paid | (30,196) | (27,075) |
| Tax paid | (212,436) | (103,520) |
| Retirement benefit paid | (680) | (1,443) |
| Net cash generated from operating activities | <u>626,687</u> | <u>278,193</u> |
| Cash Flow from Investing Activities | | |
| Equity investments | 56,360 | (21,541) |
| Other investments | (138,035) | (129,285) |
| Net cash used in investing activities | <u>(81,675)</u> | <u>(150,826)</u> |
| Cash Flow from Financing Activities | | |
| Bank borrowings | 109,652 | 473,945 |
| Dividends paid to shareholders of the Company | (465,922) | (315,230) |
| Dividends paid to minority shareholders | (2,352) | (11,327) |
| Issue of shares to minority shareholders | 15,000 | 3,747 |
| Return of capital to minority shareholders | - | (6,721) |
| Net cash (used in)/generated from financing activities | <u>(343,622)</u> | <u>144,414</u> |
| Net increase in cash and cash equivalents | 201,390 | 271,781 |
| Cash and cash equivalents at 1 October | 1,132,962 | 472,323 |
| | 1,334,352 | 744,104 |
| Foreign exchange difference on opening balance | (22,789) | (8,527) |
| Cash and cash equivalents at 31 March | <u>1,311,563</u> | <u>735,577</u> |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 September 2008.

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

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 2008.

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

| | 6 months ended | |
|---|----------------|---------|
| | 31 March | |
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Dividend proposed in Year 2008, paid in Year 2009 :- | | |
| Final 45 sen gross per share less 25% income tax; and | 359,426 | - |
| 10 sen per share tax exempt | 106,496 | - |
| (2008 : 40 sen gross per share less 26% income tax) | - | 315,230 |
| | 465,922 | 315,230 |

Dividends are paid on the number of outstanding shares in issue and fully paid of 1,064,965,692 (2008 : 1,064,965,692).

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.

| | 6 months ended 31 March | | | |
|--------------------------------|-------------------------|------------------|-------------------|-----------------|
| | Revenue | | Profit before tax | |
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Plantations | 1,784,727 | 1,836,217 | 478,868 | 600,443 |
| Manufacturing | 1,254,631 | 1,632,269 | (98) | 87,406 |
| Retailing | 364,193 | 426,932 | (8,936) | 33,357 |
| Property development | 23,882 | 13,530 | 6,362 | 3,759 |
| Investment holding | 22,684 | 17,434 | 20,362 | 13,728 |
| Others | 26,027 | 29,280 | 44 | 230 |
| | <u>3,476,144</u> | <u>3,955,662</u> | <u>496,602</u> | <u>738,923</u> |
| Inter-segment elimination | <u>(154,702)</u> | <u>(280,602)</u> | - | - |
| | <u>3,321,442</u> | <u>3,675,060</u> | <u>496,602</u> | <u>738,923</u> |
| Corporate | | | <u>(175,854)</u> | <u>(13,714)</u> |
| | | | <u>320,748</u> | <u>725,209</u> |
| Finance costs | | | <u>(35,863)</u> | <u>(31,153)</u> |
| Share of results of associates | | | <u>20,317</u> | <u>18,819</u> |
| | | | <u>305,202</u> | <u>712,875</u> |

A8. Event subsequent to Balance Sheet Date

The Company via its wholly-owned subsidiary, KL-Kepong Plantation Holdings Sdn Bhd ("KLKPH"), had on 8 May 2009 entered into a conditional Joint Venture Agreement ("the JVA") with PT Perkebunan Nusantara II (Persero) ("PTPN II"). The Parties intend to form a joint venture company with the proposed name of PT Langkat Nusantara Kepong ("JVCO") with KLKPH holding 60% and PTPN II holding 40% of the total equity of JVCO. JVCO shall lease, operate and manage approximately 20,700 hectares of land planted with oil palm and rubber, 2 palm oil mills and 3 rubber factories all located in Distrik Rayon Tengah, North Sumatera, Indonesia and belonging to PTPN II. In this connection, JVCO and PTPN II shall thereafter enter into a 30-year Joint Operations Agreement ("JOA") as part of the proposed joint venture.

The proposed joint venture shall be subject to the fulfillment of certain conditions precedent on or before 7 August 2009 (unless extended in accordance with the JVA) which include, inter alia :-

- (i) the approval of the Indonesian Investment Co-Ordinating Board for the Parties to establish a foreign capital investment company;
- (ii) the corporate approvals of PTPN II and KLKPH for the Parties to enter into the proposed joint venture; and
- (iii) the approval of Bank Negara Malaysia for remittance of monies by KLKPH in accordance with the terms of the JVA and JOA.

Upon the fulfillment of the conditions precedent of the JVA :-

- (i) KLKPH will subscribe for 30,000 ordinary shares of par value Rp1,000,000 each for a total cash consideration of Rp30,000,000,000 in the capital of JVCO ("the KLKPH Subscription"); and
- (ii) PTPN II will subscribe for 20,000 ordinary shares of par value Rp1,000,000 each for a total cash consideration of Rp20,000,000,000 in the capital of JVCO ("the PTPN II Subscription").

The KLKPH Subscription and the PTPN II Subscription will represent 60% and 40% respectively of the issued and paid-up share capital of JVCO, making JVCO a 60% subsidiary of the Company.

A9. Changes in the Composition of the Group

The Group has completed the acquisition of a 17% equity interest in PT Sekarbumi Alamlestari ("PT SA") on 31 March 2009 for a total cash consideration of USD12.8 million. Together with its existing 48% interest, PT SA is now a 65% subsidiary of the Group.

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

For the 2nd quarter, the Group's pre-tax profit fell 53.5% to RM158.1 million compared to the preceding year's same quarter. Plantation profit was lower due to the sharp decline in commodity prices and lower FFB crop. Earnings from manufacturing sector were lower and retailing sector recorded a higher loss.

The Group's half year profit before taxation deteriorated 57.2% to RM305.2 million compared to that of the same period last year. The lower interim profit was mainly attributed to the following :-

- (i) 20.5% drop in plantations profit to RM489.6 million largely due to weaker commodity prices and lower FFB crop;
- (ii) satisfactory performance from oleochemical operations in Malaysia but the write-down of inventories in the 1st quarter by our China plant had dragged down the overall oleochemical profit to RM29.5 million (2008 : profit RM89.0 million);
- (iii) increased loss of RM24.6 million (2008 : loss RM11.3 million) suffered by Davos Life Science Pte Ltd (nutraceutical plant in Singapore);
- (iv) loss of RM10.9 million (2008 : profit RM30.7 million) incurred by retailing sector as a result of poor consumer demand caused by global economic recession;
- (v) write-down of RM142.2 million (2008 : RM43.0 million) on the overseas quoted investment in Yule Catto & Co plc ("Yule Catto") in the 1st quarter; and
- (vi) realised loss of RM23.7 million on foreign exchange arising from repayment of inter-company loans by Indonesian subsidiaries from their internally generated funds.

B2. Variation of Results to Preceding Quarter

The Group's pre-tax profit for the 2nd quarter at RM158.1 million was 7.5% above that of the previous quarter. Plantations profit had declined owing to softer commodity prices and lower FFB crop. Whilst manufacturing sector reported better performance, retailing sector incurred a loss. The preceding quarter's lower profit was affected by the write-down of investment value in Yule Catto.

B3. Current Year Prospects

With the Group's favourable forward sales of its palm products, the plantations sector, our core business, should continue to perform reasonably well. However, manufacturing profits have come under severe pressure due to the global economic downturn. Furthermore, the retailing business has also been affected by significantly reduced consumer demand and Management is addressing this issue by re-structuring operations.

The Directors are of the opinion that the Group's profit for the current financial year will be much lower than the preceding year.

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 | | 6 months ended | |
| | 31 March | | 31 March | |
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expense | | | | |
| Malaysian taxation | 33,375 | 58,916 | 86,593 | 117,043 |
| Overseas taxation | 4,724 | 27,572 | 26,886 | 56,458 |
| | 38,099 | 86,488 | 113,479 | 173,501 |
| Deferred tax | | | | |
| Relating to origination and reversal of temporary differences | 3,210 | 458 | 2,685 | (6,944) |
| Relating to changes in tax rate | - | 58 | - | (10,521) |
| | 3,210 | 516 | 2,685 | (17,465) |
| | 41,309 | 87,004 | 116,164 | 156,036 |
| Under/(Over) provision in respect of previous years | | | | |
| Malaysian taxation | 15 | 1 | 795 | (38) |
| Overseas taxation | 149 | 2,555 | 2,113 | 2,810 |
| | 164 | 2,556 | 2,908 | 2,772 |
| | 41,473 | 89,560 | 119,072 | 158,808 |

The effective tax rate for the current financial year to-date is higher than the statutory tax rate mainly due to non tax-deductible expenses which largely consisted of impairment in value of quoted investments.

B6. Sale of Unquoted Investments and Properties

(a) There were no material disposals of unquoted investments during the financial period ended 31 March 2009 (31 March 2008 : Nil).

(b) Sale of properties

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|--------|--------------------|--------|
| | 3 months ended | | 6 months ended | |
| | 31 March | | 31 March | |
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Surplus arising from government acquisition of land | - | 1,297 | 1,162 | 1,297 |
| (Deficit)/Surplus on sale of property | - | (271) | - | 7,394 |

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 | | 6 months ended | |
| | 31 March | | 31 March | |
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Purchases of quoted securities | 1,079 | 2,301 | 7,658 | 7,779 |
| Sales proceeds of quoted securities | 6,492 | 16,331 | 17,549 | 22,784 |
| Surplus on sales of quoted securities | 2,820 | 11,326 | 2,456 | 13,390 |

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

| | 31 March | 30 September |
|----------------------------------|----------------|----------------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| At cost | | |
| Associate | 37,838 | 37,838 |
| Other investments | 383,112 | 388,588 |
| | <u>420,950</u> | <u>426,426</u> |
| At carrying value less allowance | | |
| Associate | - | 13,551 |
| Other investments | 132,467 | 287,773 |
| | <u>132,467</u> | <u>301,324</u> |
| At market value | | |
| Associate | 10,279 | 13,549 |
| Other investments | 119,813 | 292,021 |
| | <u>130,092</u> | <u>305,570</u> |

At 31 March 2009, the market value of an overseas quoted investment, Yule Catto & Co plc, had decreased by RM12 million compared to its carrying value. No allowance was made for this as its market value after 31 March 2009 had since recovered.

B8. Status of Corporate Proposals Announced

The Company has proposed to issue up to USD300 million nominal value of 5-year unsecured guaranteed exchangeable bonds ("Proposed Exchangeable Bonds Issue") 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.

The Company has yet to implement the Proposed Exchangeable Bonds Issue due to prevailing market conditions. The Securities Commission and Bank Negara Malaysia have approved an extension of time until 2 April 2010 and 3 April 2010 respectively.

B9. Group Borrowings

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

| | 31 March 2009 | | 30 September 2008 | |
|-----------------------------------|----------------|---------------------------------|-------------------|---------------------------------|
| | RM'000 | Amount in Foreign Currency '000 | RM'000 | Amount in Foreign Currency '000 |
| (a) Repayable within 12 months :- | | | | |
| (i) Term Loans | | | | |
| - Secured | 2,331 | Rmb4,358 | - | |
| - Unsecured | 287,250 | USD78,655 | 131,969 | USD38,235 |
| | 23,522 | GBP4,532 | 31,383 | GBP5,000 |
| | 32,094 | Rmb60,000 | 58,098 | Rmb115,000 |
| | 7,083 | | - | |
| | <u>349,949</u> | | <u>221,450</u> | |
| | <u>352,280</u> | | <u>221,450</u> | |
| (ii) Bank Overdraft | | | | |
| - Secured | 474 | CHF149 | 1,379 | CHF438 |
| | 6,441 | EURO1,335 | 5,718 | EURO1,146 |
| | 19 | USD5 | - | |
| | <u>6,934</u> | | <u>7,097</u> | |
| - Unsecured | 4,805 | USD1,316 | 9,403 | USD2,723 |
| | 8,756 | GBP1,687 | 6,178 | GBP984 |
| | 3,867 | HKD8,209 | 4,065 | HKD9,145 |
| | 2,574 | CAD880 | - | |
| | <u>20,002</u> | | <u>19,646</u> | |
| | <u>26,936</u> | | <u>26,743</u> | |

| | 31 March 2009 | | 30 September 2008 | |
|----------------------------------|------------------|-----------|-------------------|-----------|
| | RM'000 | Amount in | RM'000 | Amount in |
| | | Foreign | | Foreign |
| | '000 | Currency | '000 | Currency |
| (iii) Short Term Borrowings | | | | |
| - Secured | 43,417 | EURO9,000 | 34,931 | EURO7,000 |
| | - | | 6,297 | CHF2,000 |
| | <u>43,417</u> | | <u>41,228</u> | |
| - Unsecured | 76,820 | USD21,000 | 89,703 | USD26,000 |
| | 18,722 | Rmb35,000 | 17,682 | Rmb35,000 |
| | 369,022 | | 462,185 | |
| | <u>464,564</u> | | <u>569,570</u> | |
| | <u>507,981</u> | | <u>610,798</u> | |
| Total repayable within 12 months | <u>887,197</u> | | <u>858,991</u> | |
| (b) Repayable after 12 months :- | | | | |
| (i) Term Loans | | | | |
| - Secured | 9,649 | EURO2,000 | 14,968 | EURO3,000 |
| | 5,960 | Rmb11,142 | 6,568 | Rmb13,000 |
| | <u>15,609</u> | | <u>21,536</u> | |
| - Unsecured | 56,697 | USD15,510 | 239,830 | USD69,500 |
| | 310 | GBP60 | - | |
| | 454,685 | | 159,478 | |
| | <u>511,692</u> | | <u>399,308</u> | |
| | <u>527,301</u> | | <u>420,844</u> | |
| (ii) Islamic Medium Term Notes | | | | |
| - Unsecured | 500,000 | | 500,000 | |
| Total repayable after 12 months | <u>1,027,301</u> | | <u>920,844</u> | |

B10. Financial Instruments with Off Balance Sheet Risk

(a) The forward exchange contracts entered into by the Group as at 20 May 2009 (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 | Maturing within One Year RM million |
|--------------------|----------|----------------------------|---------------------------------|---|
| Sale contracts | GBP | 2.3 | 11.9 | 11.9 |
| | EURO | 15.8 | 75.0 | 75.0 |
| | USD | 187.6 | 678.0 | 678.0 |
| | YEN | <u>79.4</u> | <u>3.0</u> | <u>3.0</u> |
| Purchase contracts | USD | <u>2.3</u> | <u>8.2</u> | <u>8.2</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 20 May 2009 (being a date not earlier than 7 days from the date of this report) were as follows :-

| | <u>Contracted Amount</u> RM million | <u>Maturing within One Year</u> RM million |
|----------------|--|---|
| Sale contracts | <u>20.8</u> | <u>20.8</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 Group ("BCG") had on 31 March 2008 entered into a Joint Venture Agreement which stipulates the manner in which Barry Callebaut Malaysia Sdn Bhd (formerly known as KL-Kepong Cocoa Products Sdn Bhd) ("BCM") shall be managed and the way in which KLKIH and BCG shall exercise their rights as shareholders of BCM.

Under the Joint Venture Agreement :-

- (i) KLKIH may exercise a put option to require BCG to acquire the remaining 40% shares in BCM held by KLKIH for approximately RM135.6 million which is inclusive of BCM's working capital; and
- (ii) BCG may also exercise a call option to require KLKIH to sell the remaining 40% shares in BCM 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 BCG 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) A single tier interim dividend of 10 sen per share has been declared by the Directors in respect of the financial year ending 30 September 2009 (year ended 30 September 2008 : 15 sen per share less 26% Malaysian income tax) and will be paid on 10 August 2009 to shareholders registered on the Company's Register of Members as at 16 July 2009.

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 14 July 2009 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 16 July 2009 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 to-date is single tier dividend of 10 sen per share (2008 : 15 sen per share less 26% 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 | | 6 months ended | |
| | 31 March | | 31 March | |
| | 2009 | 2008 | 2009 | 2008 |
| (a) Net profit for the period attributable to equity holders of the Company (RM'000) | <u>112,681</u> | <u>236,655</u> | <u>178,526</u> | <u>527,791</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>10.58</u> | <u>22.22</u> | <u>16.76</u> | <u>49.56</u> |

B14. Audit Report

The audit report for the financial year ended 30 September 2008 was not subject to any qualifications.

By Order of the Board
J. C. LIM
YAP MIOW KIEN
Company Secretaries

27 May 2009