



# **KUALA LUMPUR KEPONG BERHAD**

(15043-V)  
(Incorporated in Malaysia)

**Interim Financial Report  
For the first quarter ended 31 December 2009**

**KUALA LUMPUR KEPONG BERHAD**

(15043-V)  
(Incorporated in Malaysia)

**Condensed Consolidated Income Statement  
For the first quarter ended 31 December 2009**

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		3 months ended 31 December	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	1,747,716	1,882,882	1,747,716	1,882,882
Operating expenses	(1,440,431)	(1,781,585)	(1,440,431)	(1,781,585)
Other operating income	34,050	54,359	34,050	54,359
Finance costs	(14,874)	(18,810)	(14,874)	(18,810)
Share of results of associates	3,009	10,248	3,009	10,248
Profit before taxation	329,470	147,094	329,470	147,094
Tax expense	(73,867)	(77,599)	(73,867)	(77,599)
Net profit for the period	<u>255,603</u>	<u>69,495</u>	<u>255,603</u>	<u>69,495</u>
Attributable to :-				
Equity holders of the Company	241,816	65,845	241,816	65,845
Minority interests	<u>13,787</u>	<u>3,650</u>	<u>13,787</u>	<u>3,650</u>
	<u>255,603</u>	<u>69,495</u>	<u>255,603</u>	<u>69,495</u>
	Sen	Sen	Sen	Sen
Earnings per share - Basic	<u>22.71</u>	<u>6.18</u>	<u>22.71</u>	<u>6.18</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 2009.*

**KUALA LUMPUR KEPONG BERHAD**

(15043-V)  
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**Condensed Consolidated Balance Sheet****As at 31 December 2009**

(The figures have not been audited.)

	31 December 2009	30 September 2009
	RM'000	RM'000
<b>Assets</b>		
Property, plant and equipment	2,479,790	2,487,800
Investment properties	5,077	5,086
Prepaid lease payments	357,028	357,441
Biological assets	1,613,265	1,575,878
Land held for property development	195,800	195,790
Goodwill on consolidation	298,341	296,950
Intangible assets	30,347	31,577
Investments in associates	193,232	210,379
Other investments	261,272	244,452
Deferred tax assets	11,166	9,833
Total non-current assets	<u>5,445,318</u>	<u>5,415,186</u>
Inventories	989,944	882,050
Biological assets	1,230	4,260
Trade and other receivables	838,245	929,186
Tax recoverable	18,497	19,302
Property development costs	14,262	18,735
Assets held for sale	43,131	43,131
Cash and cash equivalents	1,565,649	1,292,481
Total current assets	<u>3,470,958</u>	<u>3,189,145</u>
<b>Total assets</b>	<b><u>8,916,276</u></b>	<b><u>8,604,331</u></b>
<b>Equity</b>		
Share capital	1,067,505	1,067,505
Reserves	4,826,405	4,579,951
	<u>5,893,910</u>	<u>5,647,456</u>
Less: Cost of treasury shares	(13,447)	(13,447)
Total equity attributable to equity holders of the Company	<u>5,880,463</u>	<u>5,634,009</u>
Minority interests	307,673	308,760
<b>Total equity</b>	<b><u>6,188,136</u></b>	<b><u>5,942,769</u></b>
<b>Liabilities</b>		
Deferred tax liabilities	251,666	251,072
Provision for retirement benefits	44,401	44,165
Borrowings	1,105,752	1,122,726
Total non-current liabilities	<u>1,401,819</u>	<u>1,417,963</u>
Trade and other payables	651,391	573,662
Borrowings	625,053	627,427
Tax payable	49,877	42,510
Total current liabilities	<u>1,326,321</u>	<u>1,243,599</u>
<b>Total liabilities</b>	<b><u>2,728,140</u></b>	<b><u>2,661,562</u></b>
<b>Total equity and liabilities</b>	<b><u>8,916,276</u></b>	<b><u>8,604,331</u></b>
Net assets per share attributable to equity holders of the Company (RM)	5.52	5.29

*The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 September 2009.*



## KUALA LUMPUR KEPONG BERHAD

(15043-V)  
(Incorporated in Malaysia)

### Condensed Consolidated Statement of Changes in Equity For the first quarter ended 31 December 2009

(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 2009	1,067,505	880,131	81,121	27,715	194,242	3,396,742	(13,447)	5,634,009	308,760	5,942,769
Net gain/(loss) not recognised in the income statement	-	1,797	-	(1)	4,571	(1,729)	-	4,638	(5,077)	(439)
Net profit for the period	-	-	-	-	-	241,816	-	241,816	13,787	255,603
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(9,797)	(9,797)
At 31 December 2009	<u>1,067,505</u>	<u>881,928</u>	<u>81,121</u>	<u>27,714</u>	<u>198,813</u>	<u>3,636,829</u>	<u>(13,447)</u>	<u>5,880,463</u>	<u>307,673</u>	<u>6,188,136</u>
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	-	14	-	1	(119,065)	(119)	-	(119,169)	(3,320)	(122,489)
Net profit for the period	-	-	-	-	-	65,845	-	65,845	3,650	69,495
At 31 December 2008	<u>1,067,505</u>	<u>875,966</u>	<u>49,759</u>	<u>27,715</u>	<u>32,563</u>	<u>3,443,709</u>	<u>(13,447)</u>	<u>5,483,770</u>	<u>203,243</u>	<u>5,687,013</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 2009.*

**KUALA LUMPUR KEPONG BERHAD**

(15043-V)  
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**Condensed Consolidated Cash Flow Statement  
For the first quarter ended 31 December 2009**

(The figures have not been audited.)

	3 months ended	
	31 December	
	2009	2008
	RM'000	RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	329,470	147,094
Adjustment for non-cash flow :-		
Non-cash items	35,153	204,606
Non-operating items	4,497	7,270
Operating profit before working capital changes	369,120	358,970
Working capital changes :-		
Net change in current assets	(10,612)	282,569
Net change in current liabilities	83,142	(104,087)
Cash generated from operations	441,650	537,452
Interest paid	(19,743)	(22,842)
Tax paid	(66,287)	(92,658)
Retirement benefits paid	(1,220)	(385)
Net cash generated from operating activities	<u>354,400</u>	<u>421,567</u>
<b>Cash Flows from Investing Activities</b>		
Equity investments	18,073	7,056
Other investments	(80,203)	(89,543)
Net cash used in investing activities	<u>(62,130)</u>	<u>(82,487)</u>
<b>Cash Flows from Financing Activities</b>		
Bank borrowings	(23,580)	(93,421)
Dividends paid to minority shareholders	(9,797)	-
Net cash used in financing activities	<u>(33,377)</u>	<u>(93,421)</u>
Net increase in cash and cash equivalents	258,893	245,659
Cash and cash equivalents at 1 October	1,274,677	1,132,962
	1,533,570	1,378,621
Foreign exchange difference on opening balance	1,179	(2,757)
Cash and cash equivalents at 31 December	<u>1,534,749</u>	<u>1,375,864</u>

*The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 September 2009.*



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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 ("BMSB").

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 2009 except for the adoption of FRS 8 *Operating Segments* which became effective from annual period beginning 1 October 2009.

The adoption of FRS 8 does not have any significant impact on the Group's financial statements.

#### **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**

There were no dividends paid during the financial quarter ended 31 December 2009 (31 December 2008 : Nil).

#### **A7. Segment Information**

Segment information is presented in respect of the Group's reportable segments which are based on the Group's management and internal reporting structure.



# KUALA LUMPUR KEPONG BERHAD

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## Notes to Interim Financial Report

(Continued)

### (a) Segment revenue and results

	Plantations RM'000	Manufacturing RM'000	Retailing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
Quarter ended							
31 December 2009							
Revenue							
External revenue	804,407	644,367	265,654	10,725	22,563	-	1,747,716
Inter-segment revenue	62,277	4,007	-	-	7,730	(74,014)	-
Total revenue	<u>866,684</u>	<u>648,374</u>	<u>265,654</u>	<u>10,725</u>	<u>30,293</u>	<u>(74,014)</u>	<u>1,747,716</u>
Results							
Operating results	233,066	22,823	52,460	2,455	14,064	-	324,868
Finance costs	(156)	(4,189)	(268)	-	(10,261)	-	(14,874)
Share of results of associates	1,448	2,652	-	(691)	(400)	-	3,009
Segment results	<u>234,358</u>	<u>21,286</u>	<u>52,192</u>	<u>1,764</u>	<u>3,403</u>	-	<u>313,003</u>
Corporate income							<u>16,467</u>
Profit before taxation							<u>329,470</u>
Quarter ended							
31 December 2008							
Revenue							
External revenue	935,258	649,982	257,583	18,410	21,649	-	1,882,882
Inter-segment revenue	69,575	2,616	47	-	9,864	(82,102)	-
Total revenue	<u>1,004,833</u>	<u>652,598</u>	<u>257,630</u>	<u>18,410</u>	<u>31,513</u>	<u>(82,102)</u>	<u>1,882,882</u>
Results (restated)							
Operating results	289,537	(5,795)	30,479	4,563	13,993	-	332,777
Finance costs	(310)	(7,376)	(1,402)	-	(9,722)	-	(18,810)
Share of results of associates	4,866	5,388	-	(6)	-	-	10,248
Segment results	<u>294,093</u>	<u>(7,783)</u>	<u>29,077</u>	<u>4,557</u>	<u>4,271</u>	-	<u>324,215</u>
Corporate expense							<u>(177,121)</u>
Profit before taxation							<u>147,094</u>

### (b) Segment assets

	Plantations RM'000	Manufacturing RM'000	Retailing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Consolidated RM'000
As at 31 December 2009						
Operating assets	3,806,389	2,635,756	392,682	353,782	1,504,772	8,693,381
Associates	45,290	109,543	-	24,255	14,144	193,232
Segment assets	<u>3,851,679</u>	<u>2,745,299</u>	<u>392,682</u>	<u>378,037</u>	<u>1,518,916</u>	<u>8,886,613</u>
Tax assets						<u>29,663</u>
Total assets						<u>8,916,276</u>
As at 30 September 2009						
Operating assets	3,744,372	2,591,601	350,142	352,882	1,325,820	8,364,817
Associates	48,651	121,993	-	24,946	14,789	210,379
Segment assets	<u>3,793,023</u>	<u>2,713,594</u>	<u>350,142</u>	<u>377,828</u>	<u>1,340,609</u>	<u>8,575,196</u>
Tax assets						<u>29,135</u>
Total assets						<u>8,604,331</u>



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**Notes to Interim Financial Report**

(Continued)

**A8. Events Subsequent to Balance Sheet Date**

- (a) On 20 January 2010, P.T. Sekarbumi Alamlestari, a 65% owned subsidiary, has completed the acquisition of 95% of the initial issued and paid-up share capital of P.T. Alam Karya Sejahtera ("PT AKS") for a total cash consideration of Rp1,000,000,000 (equivalent to RM370,370). This acquisition has resulted in PT AKS becoming a subsidiary of KLK.

PT AKS is a limited liability company incorporated in the Republic of Indonesia and has an issued and fully paid-up share capital of Rp30,000,000,000 comprising 30,000 ordinary shares of Rp1,000,000 each. PT AKS currently holds Certificates of Izin Lokasi for approximately 5,900 hectares located in Kecamatan Membalong and Kecamatan Dendang, Belitung, Republic of Indonesia which it intends to develop into oil palm plantations in due course.

- (b) On 27 January 2010, Crabtree & Evelyn Ltd, the US subsidiary, has emerged from the reorganisation plan under Chapter 11 of the United States Bankruptcy Code.

**A9. Changes in the Composition of the Group**

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinued operations during the current quarter under review.

**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**

*1<sup>st</sup> Quarter FY2010 vs 1<sup>st</sup> Quarter FY2009*

The Group's 1<sup>st</sup> quarter's pre-tax profit surged 124.0% to RM329.5 million in comparison to last year's same quarter. Plantations profit, despite higher FFB production, had declined 20.3% to RM234.4 million which was largely brought down by the lower average selling price (ex-mill) of CPO at RM2,120/mt (1QFY2009 : RM2,417/mt). Nevertheless, the quarter's favourable results was attributed to the following :-

- (i) improved earnings from the manufacturing sector especially the oleochemical division with a profit of RM29.9 million as compared to a lower profit of RM2.7 million in 1QFY2009 (lower profit largely due to the write-down of inventories by our China plant);
- (ii) retailing sector's profit rose 79.5% to RM52.2 million as a result of better retail performance from the closure of non performing stores and lower operating expenses after the restructuring exercise of its US operations under Chapter 11; and
- (iii) write-back a sum of RM19.3 million on the allowance for diminution in value of investment as against the allowance of RM160.3 million in the same quarter last year.

**B2. Variation of Results to Preceding Quarter**

*1<sup>st</sup> Quarter FY2010 vs 4<sup>th</sup> Quarter FY2009*

For the quarter under review, the Group's pre-tax profit was slightly down by 3.9% at RM329.5 million compared to the previous quarter. This quarter's performance was affected by :-

- (i) drop in plantations profit by 20.4% to RM234.4 million owing to the lower CPO average selling price (ex-mill) at RM2,120/mt (4QFY2009 : RM2,410/mt);
- (ii) lower profit contribution of RM29.9 million from the oleochemical division (4QFY2009 : RM58.2 million) on the back of a lower turnover; and
- (iii) lower write-back on the allowance for diminution in value of investment by RM18.9 million.



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## Notes to Interim Financial Report

(Continued)

However, retailing sector for the current quarter reported a profit of RM52.2 million (4QFY2009 : loss RM41.4 million) which was largely due to seasonal factor.

### B3. Current Year Prospects

The Group's results for the current financial year would be favourable in anticipation of the following :-

- (i) satisfactory performance from the plantations sector in view of the prevailing higher commodity prices and the expected increase in FFB production; and
- (ii) higher returns from the oleochemical division on the expectation of increasing demand arising from the recovery of the global economic slowdown.

### 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		3 months ended	
	31 December		31 December	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian taxation	42,704	53,218	42,704	53,218
Overseas taxation	32,999	22,162	32,999	22,162
	<u>75,703</u>	<u>75,380</u>	<u>75,703</u>	<u>75,380</u>
Deferred tax				
Relating to origination and reversal of temporary differences	(236)	(525)	(236)	(525)
	<u>75,467</u>	<u>74,855</u>	<u>75,467</u>	<u>74,855</u>
(Over)/Under provision in respect of previous years				
Malaysian taxation	(18)	780	(18)	780
Overseas taxation	(1,582)	1,964	(1,582)	1,964
	<u>(1,600)</u>	<u>2,744</u>	<u>(1,600)</u>	<u>2,744</u>
	<u><u>73,867</u></u>	<u><u>77,599</u></u>	<u><u>73,867</u></u>	<u><u>77,599</u></u>

The effective tax rate for the current quarter is lower than the statutory tax rate mainly due to tax incentives claimed by the Group and non-taxable income which largely consisted of write-back of allowance for diminution in value of investment.

### B6. Sale of Unquoted Investments and Properties

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



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## Notes to Interim Financial Report

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(b) Sale of properties

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		3 months ended 31 December	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Surplus arising from government acquisition of land	<u>-</u>	<u>1,162</u>	<u>-</u>	<u>1,162</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 31 December		3 months ended 31 December	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Purchases of quoted securities	<u>991</u>	<u>6,579</u>	<u>991</u>	<u>6,579</u>
Sales proceeds of quoted securities	<u>2,940</u>	<u>11,057</u>	<u>2,940</u>	<u>11,057</u>
Surplus/(Deficit) on sales of quoted securities	<u>275</u>	<u>(364)</u>	<u>275</u>	<u>(364)</u>

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

	31 December	30 September
	2009	2009
	RM'000	RM'000
At cost		
Associate	37,838	37,838
Other investments	<u>351,635</u>	<u>353,892</u>
	<u>389,473</u>	<u>391,730</u>
At carrying value less allowance		
Associate	-	-
Other investments	<u>260,300</u>	<u>243,476</u>
	<u>260,300</u>	<u>243,476</u>
At market value		
Associate	25,114	14,435
Other investments	<u>266,539</u>	<u>249,980</u>
	<u>291,653</u>	<u>264,415</u>



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## Notes to Interim Financial Report

(Continued)

### 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 December 2009		30 September 2009	
	RM'000	Amount in Foreign Currency '000	RM'000	Amount in Foreign Currency '000
(a) Repayable within 12 months :-				
(i) Term Loans				
- Secured	1,869	Rmb3,716	1,901	Rmb3,716
- Unsecured	194,403	USD56,680	199,953	USD57,330
	27,437	GBP5,023	27,941	GBP5,033
	65,390	Rmb130,000	76,725	Rmb150,000
	68,709		74,083	
	355,939		378,702	
	357,808		380,603	
(ii) Bank Overdraft				
- Secured	10,891	EURO2,215	-	
- Unsecured	10,957	GBP2,006	10,657	GBP1,919
	3,956	HKD8,947	4,058	HKD9,017
	-		3,089	CAD963
	5,096	USD1,486	-	
	20,009		17,804	
	30,900		17,804	
(iii) Short Term Borrowings				
- Secured	44,241	EURO9,000	45,802	EURO9,000
- Unsecured	48,084	USD14,000	48,901	USD14,000
	10,060	Rmb20,000	10,230	Rmb20,000
	-		376	EURO74
	133,960		123,711	
	192,104		183,218	
	236,345		229,020	
Total repayable within 12 months	625,053		627,427	



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## Notes to Interim Financial Report

(Continued)

	31 December 2009		30 September 2009	
	Amount in Foreign Currency		Amount in Foreign Currency	
	RM'000	'000	RM'000	'000
(b) Repayable after 12 months :-				
(i) Term Loans				
- Secured	4,203	Rmb8,355	4,749	Rmb9,284
- Unsecured	82,353	USD24,000	89,233	USD25,670
	236	GBP43	240	GBP43
	518,960		528,504	
	601,549		617,977	
	605,752		622,726	
(ii) Islamic Medium Term Notes				
- Unsecured	500,000		500,000	
Total repayable after 12 months	1,105,752		1,122,726	

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

- (a) The forward exchange contracts entered into by the Group as at 17 February 2010 (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	In the Second Year RM million
Sale contracts	GBP	0.8	4.3	4.3	-
	EURO	15.9	78.2	78.2	-
	USD	220.2	756.9	756.9	-
Purchase contracts	USD	57.0	195.0	193.5	1.5

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 17 February 2010 (being a date not earlier than 7 days from the date of this report) were as follows :-

	Contracted Amount RM million	Maturing within One Year RM million
Sale contracts	59.3	59.3



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## Notes to Interim Financial Report

(Continued)

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 RM117.7 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) The Directors do not recommend the payment of dividend for the first quarter ended 31 December 2009 (31 December 2008 : Nil).
- (b) The total dividend for the current financial year to-date is Nil (2008 : Nil).

### 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		3 months ended	
	31 December		31 December	
	2009	2008	2009	2008
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	<u>241,816</u>	<u>65,845</u>	<u>241,816</u>	<u>65,845</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>22.71</u>	<u>6.18</u>	<u>22.71</u>	<u>6.18</u>



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**Notes to Interim Financial Report**

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B14. Audit Report

The audit report for the financial year ended 30 September 2009 was not subject to any qualifications.

By Order of the Board  
YAP MIOW KIEN  
FAN CHEE KUM  
Company Secretaries

24 February 2010